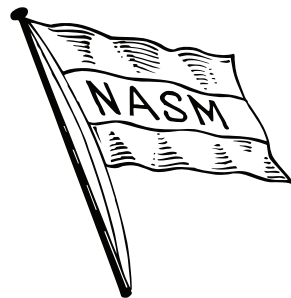


HAL Trust



Annual Report 2022

The history of HAL dates back to April 18, 1873, when the Nederlandsch-Amerikaansche Stoomvaart-Maatschappij (N.A.S.M.) was founded in Rotterdam, the Netherlands.

The Company continued its activities under various names and is now operating as HAL Holding N.V., a Curaçao company. All the shares of HAL Holding N.V. are held by HAL Trust and form the Trust's entire assets. HAL Trust was formed on October 19, 1977, by a Trust Deed, which was last amended on May 18, 2011. The shares of the Trust are listed and traded on Euronext in Amsterdam.

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HAL Holding N.V.

Supervisory Board:

M. van der Vorm, *Chairman*

L.J. Hijmans van den Bergh, *vice Chairman*

M.E. Harris

C.O. van der Vorm

G.J. Wijers

Executive Board:

M.F. Groot, *Chairman*

A.A. van 't Hof, *CFO*

J.N. van Wiechen

Highlights and Financial Calendar

<i>In euro</i>	2022*	2021*
Income (in millions)		
Revenues (excluding GrandVision N.V.)	7,625.9	5,008.4
Income from marketable securities and deposits	(119.7)	80.0
Share of results of associates and joint ventures	657.0	286.4
Income from other financial assets	(6.0)	4.2
Income from real estate activities	58.1	49.7
Net income attributable to owners of parent	647.4	4,270.8
Financial position at December 31		
Total assets (in millions)	20,330.9	16,226.9
Equity attributable to owners of parent (in millions)	12,961.9	12,387.2
Equity attributable to owners of parent (as a percentage of total assets)	63.8	76.3
Number of Shares outstanding at December 31 (in thousands)	88,593**	86,704**
Average number of Shares outstanding (in thousands)	87,724**	86,036**
Per Share		
Net income (incl. discontinued operations)	7.38	48.68
Shareholders' equity	146.31	142.87
Net asset value	147.72***	151.22***
Closing price shares HAL Trust at December 31	120.00	145.80
Volume-weighted average December share price HAL Trust	124.04	141.95
Dividend	5.00****	5.70
Exchange rates - December 31		
U.S. dollar per euro	1.07	1.14

* These figures relate, where applicable, to the pro forma financial statements as included in the supplemental information on pages 125 through 154

** Net of treasury shares

*** Based on the market value of the quoted companies and the liquid portfolio and on the book value of the unquoted companies

****Proposed (€ 2.50 in cash and € 2.50 in Shares)

Financial calendar

Shareholders' meeting HAL Trust and interim statement	May 17, 2023
Publication of 2023 half-year results	August 29, 2023
Interim statement	November 23, 2023
Publication of dividend proposal	January 25, 2024
Publication of 2023 annual results	March 27, 2024
Shareholders' meeting HAL Trust and interim statement	May 16, 2024

Report of the Trust Committee

HAL Trust

HAL Trust was formed in 1977 and holds all the outstanding shares of HAL Holding N.V.

For further details of the organization see page 176.

In accordance with the instructions issued on May 18, 2022, the Trust distributed a dividend of € 5.70 per Share on June 17, 2022, of which € 2.85 per Share was payable in shares HAL Trust and € 2.85 per Share in cash.

Accordingly, a cash dividend was paid of € 247.1 million and 1,869,174 HAL Trust shares were issued as stock dividend.

On December 31, 2022, 88,598,887 HAL Trust shares were in issue (2021: 86,729,713).

On December 31, 2022, HAL Holding N.V. owned 6,337 HAL Trust shares (2021: 26,008).

The Trust Committee
HAL Trust Committee Ltd.

March 29, 2023

Report of the Supervisory Board of HAL Holding N.V.

The Supervisory Board (the 'Board') supervises the Executive Board and provides advice to the general meeting of shareholders. In performing its task, the Board is guided by the interest of HAL Holding N.V. and its business.

On May 25, 2022, the general meeting of shareholders reappointed Mr. G.J. Wijers as member of the Board. At the end of 2022, the Board consisted of five members. Their names, nationality and other relevant information are mentioned on page 181. The Board met during seven meetings, five of which were regularly scheduled meetings. The other two meetings related to the acquisition of Royal Boskalis N.V. ("Boskalis"). The meetings were attended by all Board members.

The Executive Board provided the Board with both written and verbal information. Based on this information, the state of affairs of the Company was discussed and evaluated. Among others, the following specific subjects were addressed: the strategy of the Company, the budget, cash-flow forecasts of the Company and its subsidiaries, the development of the results, the investment, liquid and real estate portfolios, the dividend, the quarterly, semi-annual and annual reports, the reports of the financial expert (see below) and the auditor, the functioning and remuneration of the Executive Board, (potential) acquisitions and divestitures, the governance of the Company and the design and implementation of the systems of internal control for financial reporting purposes including the reporting by the Executive Board on fraud cases and irregularities, the ESG strategy and the tax strategy.

The Company does not have an internal audit function. The Board requested Deloitte Risk Advisory B.V. to examine the controls over financial reporting risks (covering the processes at HAL Holding N.V., HAL Investments B.V. and HAL Real Estate Inc.) and to report on deficiencies. The findings were set out in a detailed report to the Board, and the Executive Board was requested to appropriately follow up on these matters. For further information relating to the systems of internal control for financial reporting purposes, we refer to the relevant paragraph in the report of the Executive Board on page 9.

As explained in the paragraph Administrative organization, risk management systems and financial reporting in the report of the Executive Board on page 18, the application of IFRS 10 requires the Company to consolidate the financial statements of Koninklijke Vopak N.V. ('Vopak') and Safilo Group S.p.A. ('Safilo') in its financial statements, although HAL's ownership in these companies is below 50%. In order to allow the Company to comply with IFRS, it has entered into Memoranda of Understanding with Vopak and Safilo with respect to confidentiality, the process of exchanging financial information and attendance rights to the Audit Committee meetings of Vopak and the Control and Risk Committee meetings of Safilo of an independent financial expert on behalf of the Company. This financial expert (Mr. J.A.M. Stael, former partner of PricewaterhouseCoopers Accountants N.V.) reports to the Executive Board and the Supervisory Board, whether there are any matters relating to Vopak and Safilo that should be brought to the attention of the Company prior to the signing of the financial statements of the Company by the Executive Board and the Supervisory Board. Moreover, the assessment that the Company's financial statements do not contain material errors attributable to the financial statements of Vopak and/or Safilo is based on the external audit.

In the publicly traded companies Vopak, Safilo and SBM Offshore N.V. ('SBM'), the Company plays its role as a large minority shareholder. This is complemented by board representation. Mr. M.F. Groot, Chairman of the Executive Board is a member of the Supervisory Board of Vopak and a non-executive member of the Board of Safilo. Mr. J.N. van Wiechen, member of the Executive Board, is a member of the Supervisory Board of SBM. In their respective functions they may, from time to time, be in the possession of confidential information about these publicly traded companies that they do not share with the other members of the Executive Board and the Supervisory Board of the Company. The Executive Board and the Supervisory Board of the Company recognize the importance of confidentiality of the discussions at the level of the boards of

the above quoted companies as this contributes to a frank exchange of ideas and fruitful discussions. This *modus operandi* is based on sound business principles and allows these investee companies to operate more independently from the Company.

The Board has determined the variable compensation of the Executive Board. Further information with respect to the compensation of the Executive Board is included on page 115. The annual remuneration per Supervisory Board member for 2022, as determined by the General Meeting of Shareholders in 2011, amounted to € 80,000.

It will be proposed to increase this amount to € 95,000 and to instruct the Trustee to vote at the Annual Meeting of HAL Holding N.V. in favor of this proposal.

The Board had discussions with the external auditor during three meetings. Subjects discussed included the audit plan and audit findings, the financial statements, the report on the first half of 2022, impairment testing and the systems of administrative and internal controls for financial reporting purposes as well as the independence of the auditor. The financial expert was also present during the meetings where the financial statements, the report on the first half of 2022, the audit plan of the external auditor and the third quarter interim audit report from the external auditor were discussed. The Board also met with the external auditor in absence of the Executive Board.

The Board also met in the absence of the Executive Board to discuss, among other matters, the functioning and composition of the Board as well as the functioning of the Executive Board. All Board members were present during the meeting of Trust Shareholders of HAL Trust on May 18, 2022.

The Board did not form any committees. Between Board meetings, the Chairman of the Board maintained more intensive contacts with the Executive Board. In between the meetings of the Board, individual members provided their views on specific matters relevant to the Company.

The financial statements for 2022 were prepared by the Executive Board and discussed by the Board during a meeting on March 29, 2023, in which the external auditor and the financial expert participated. After reviewing the unqualified audit opinions on the financial statements of HAL Trust and HAL Holding N.V., the results of the external audit as summarized in a report to the Board and the Executive Board and the report of the financial expert, all members of the Board agreed to sign the financial statements of the Company.

The Board recommends that the Shareholders of HAL Trust instruct the Trustee to vote at the Annual Meeting of HAL Holding N.V. for the approval of the financial statements for 2022 as per the documents submitted and the proposed distribution of profits.

It should be noted that neither the Dutch Corporate Governance Code is applicable to HAL Holding N.V., because HAL Holding N.V. is not a Dutch company, nor are other Corporate Governance Codes applicable to HAL Holding N.V. Pages 177 through 180 of this report provide a description of HAL Holding N.V.'s corporate governance structure.

In accordance with the rotation schedule, Mrs. M.E. Harris will resign this year. She is available for re-election. We propose to the Shareholders of HAL Trust to instruct the Trustee to vote at the Annual Meeting of HAL Holding N.V. for the re-election of Mrs. M.E. Harris.

On behalf of the Supervisory Board,
M. van der Vorm, *Chairman*

March 29, 2023

Report of the Executive Board of HAL Holding N.V.

Introduction

Net income of HAL Holding N.V. for 2022 amounted to € 647 million (€ 7.37 per share) compared with € 4,270 million (€ 48.68 per share) for 2021. This decrease is primarily due to the capital gain of € 3.5 billion realized on the sale of the 76.72% ownership interest in GrandVision in 2021.

The net asset value based on the market value of the quoted companies and the liquid portfolio and on the book value of the unquoted companies, increased by € 220 million in 2022. After taking into account the cash portion of the 2021 dividend (€ 247 million) and the sale of treasury shares (€ 3 million), the net asset value amounted to € 13,087 million (€ 147.72 per share) on December 31, 2022, compared to € 13,111 million (€ 151.22 per share) on December 31, 2021.

The net asset value does not include the positive difference between estimated value and book value of the unquoted companies as of December 31, 2022. This difference is calculated annually and, based on the principles and assumptions set out on pages 122 through 124 of this report, amounted to € 358 million (€ 4.04 per share) on December 31, 2022, compared with € 691 million (€ 7.97 per share) on December 31, 2021.

At the end of 2022, the book value of the U.S. real estate portfolio amounted to € 175 million (2021: € 159 million) against an estimated value of € 297 million (2021: € 269 million).

Dividend

The dividend policy is, barring unforeseen circumstances and provided sufficient liquid assets, to base the dividend on 4% of the volume-weighted average December share price of HAL Trust in the year prior to the year of the dividend payment. Accordingly, the proposed dividend per share over 2022 amounts to € 5.00 (2021: € 5.70) of which 50% to be paid in cash and 50% in shares.

Exposure to the Russian federation and Ukraine

We are deeply concerned about the tragic developments in Ukraine and hope that this situation develops in such a way that this humanitarian crisis comes to an end soon. The direct exposure to the Russian federation and Ukraine before the start of the war was limited. Revenues for 2021 (including Vopak and Safilo and Pro Gamers Group on an annual basis) in the Russian federation and Ukraine amounted to approximately € 80 million. The corporate liquid portfolio as of December 31, 2021, included bonds issued by the Russian federation and a Russian corporate entity for an amount of € 19 million. These bonds have been fully impaired. Despite this relatively low direct exposure, the conflict between the Russian federation and Ukraine resulted in a decline in demand for the products and services of certain subsidiaries such as the Pro Gamers Group and GreenV. It also resulted in operational issues, especially at Atlas Professionals which had a back office with 75 employees in Odessa (Ukraine). Atlas provided financial support to the employees involved and offered the possibility to relocate. During 2022 certain subsidiaries, and especially Broadview Holding, experienced increased costs with respect to energy and raw materials. At this stage it is difficult to assess how long this inflationary pressure will persist and how it will affect the long-term profitability of these operating companies.

Prospects

Due to the fact that a significant part of the Company's net income is determined by the results of the quoted associates and potential capital gains and losses, we generally do not express expectations with respect to net income. During the period from December 31, 2022, through March 24, 2023, the stock market value of the ownership interests in quoted companies and the liquid portfolio was positively impacted by changes in stock market prices for approximately € 230 million (€ 2.60 per Share).

Strategy

The Company's strategy is focused on acquiring and holding significant shareholdings in companies, with the objective of increasing long-term shareholders' value.

When selecting investment candidates the Company emphasizes, in addition to investment and return criteria, the potential of playing an active role as a shareholder and/or board member. Given the emphasis on the longer term, the Company does not have a pre-determined investment horizon.

HAL is also active in real estate. The real estate activities are concentrated in the greater Seattle metropolitan area with an emphasis on the development and rental of multi-family properties. In the Netherlands HAL owns three retail centers with the intention to upgrade the retail space and add residential units.

The liquid portfolio is primarily invested in short-duration investment grade bonds, cash deposits and quoted equities. This provides a high degree of flexibility for potential acquisitions.

Risks

There are a number of risks associated with the strategy and with its implementation. Financial risks are further described in the section supplemental information of the financial statements on pages 151 through 154. Besides risks which are specific to individual companies (these risks are not managed by HAL Holding N.V., see page 19), important risk factors are summarized below. The risks described below also exclude the risks of Koninklijke Vopak N.V. ('Vopak', 48.15%) and Safilo Group S.p.A. ('Safilo', 49.8%). Although HAL's ownership in these companies is below 50%, these companies are included in the consolidated financial statements of the Company as, in accordance with the provisions of IFRS 10, the Company is deemed to have control over these entities. Reference is also made to the paragraph Administrative organization, risk management systems and financial reporting on page 18, for the

organizational and control aspects of the consolidation of Vopak and Safilo.

Concentration risk

Concentration risk exists with respect to Royal Boskalis N.V. ('Boskalis'). The book value of Boskalis represented 32% of HAL's net asset value as of December 31, 2022. The 2022 full year revenues of Boskalis would represent 39% of the 2022 (pro-forma) consolidated revenues of the unquoted companies. Accordingly, adverse developments at Boskalis can have a substantial negative effect on the financial position of HAL.

Market value risk

In addition to the interests in quoted companies (market value of € 2.6 billion at the end of 2022), at the end of 2022 HAL owned equities which are part of the liquid portfolio, for an amount of € 0.5 billion (2021: € 0.4 billion). The value of these assets can be subject to significant fluctuations as a result of the volatility of the stock markets.

Interest rate risk

Investments in fixed-income instruments are exposed to fluctuations in interest rates. At the end of 2022, HAL had invested in investment-grade bonds for an amount of € 2.8 billion. The average duration of this portfolio at the end of 2022 was 1.1 year. The remainder of the fixed-income portfolio primarily consisted of deposits with banks, which had a duration of less than one month. In view of the short duration of these assets, the interest rate risk is relatively limited. Due to the strong increase in interest rates and spreads during 2022, an (unrealized) negative return of 3.1% was recorded on the fixed-income part of the corporate liquid portfolio in 2022. In addition, the risk of an increase in interest rates exists with respect to the Company's debt position. Of the € 2,519 million interest-bearing debt outstanding at the end of 2022 (2021: € 1,292 million) 29% (2021: 25%) was borrowed at fixed rates for an average period of 4.3 years (2021: 5.5 years).

Currency risk

The most important currency risk relates to currency translation risk as a result of the translation of (net) balance sheet positions from a foreign currency to the euro. At the end of 2022 the unhedged exposure to currency translation risk, was € 2,505 million (2021: € 1,109 million). The largest currency exposure related to the U.S. dollar and amounted to € 1,389 million (2021: € 542 million). The increase in the exposure is mainly due to the consolidation of Boskalis. The potential impact is detailed in the section supplemental information of the financial statements on page 153. Currency risk also exists with respect to the translation of income statements in foreign currency. Changes in exchange rates compared with 2021 had a positive effect on revenues of € 92 million. The positive effect on operating income was € 4 million.

Credit risk

HAL is subject to credit risk with respect to financial instruments and liquid assets. This is the risk that a counterparty is unable to comply with its contractual obligations. The Company generally only enters into transactions with counterparties that have a strong credit rating. At the end of 2022 the liquid assets (excluding equities) amounted to € 4.8 billion (2021: € 5.8 billion) of which € 3.4 billion (2021: € 5.2 billion) was part of the “corporate” liquid portfolio. At the end of 2022, the fixed-income part of the corporate liquid portfolio consisted for 84% of investment-grade bonds with an average long-term S&P credit rating of A. The remainder primarily consisted of short-term deposits held at banks with an average short-term S&P credit rating of A-1 and an average long-term rating of A+.

Liquidity risk

Liquidity risk relates to situations where a company is unable to comply with its financial obligations. The financial liabilities mainly relate to the consolidated subsidiaries. The liquidity risk of the consolidated subsidiaries is detailed in the section supplemental information on pages 152 through 153 of the financial statements. In view of the current size

of the corporate liquid portfolio, the liquidity risk is limited.

Acquisition risk

In the process of acquisitions, the Company makes hypotheses, assumptions and judgments about possible future events. Actual developments may turn out to be significantly different. In addition, errors of judgment in due diligence and contract negotiations, as well as non-compliance with laws and regulations in the context of acquisitions, could result in (opportunity) losses and/or reputational damage for the Company.

Financial reporting risk

Although HAL’s ownership interest in Vopak and Safilo Group is below 50%, IFRS requires (since January 1, 2014) these associates to be consolidated in the consolidated financial statements as HAL, in accordance with the provisions of IFRS 10 (Consolidated Financial Statements), is deemed to have control over these two entities. HAL has agreed with Vopak and Safilo on certain procedures for the exchange of information which allow HAL to comply with its consolidation requirement. If however, for whatever reason, either Vopak or Safilo will not, or is not able to, provide HAL with this information, HAL may not be able to comply with its obligation to prepare consolidated financial statements on a timely basis.

Other

In addition to the above-mentioned risk factors, it should be noted that the profitability and the net asset value of the Company are susceptible to economic downturns. Demand for the products and services of the subsidiaries and minority-owned companies and/or their profitability may decline as a direct result of an economic recession, inflation, changes in the prices and availability of raw materials, climate and weather risks, the inability to transform business models to a digital environment, consumer confidence, interest rates or governmental (including fiscal) policies, legislation as well as geopolitical developments. In addition, the operations and profitability of certain investee

companies may be negatively affected by restrictive measures as a result of a pandemic.

Acquisitions

On February 17, 2022, HAL completed the acquisition of 31.45% of the shares in Prodrive Technologies Group B.V. ('Prodrive Technologies'). The company is active in the research, development and manufacturing of high-tech electronics, software and mechatronic products and systems. Prodrive Technologies provides solutions for, among others, the semiconductor, medical and electric mobility industries. On March 2, 2023, HAL agreed to increase its ownership interest to 47.18%. Sales for 2022 amounted to € 416 million. The company is based in Son, the Netherlands, and employed 2,528 FTE's at the end of 2022.

On June 24, 2022, HAL launched an all-cash voluntary public offer of € 32.50 per share (cum dividend) for all issued and outstanding ordinary shares of Royal Boskalis N.V. ('Boskalis') adjusted to € 32.00 for the € 0.50 cash dividend paid by Boskalis in May 2022. As of December 31, 2021, HAL had an ownership interest in Boskalis of 45.5%. On August 29, 2022, HAL increased the offer price from € 32.00 to € 33.00 and the Boskalis boards unanimously recommended its shareholders to accept the offer. As of December 31, 2022, HAL owned 98.9% of the outstanding Boskalis shares. The remaining shares were acquired in 2023. The delisting of the Boskalis shares became effective on November 9, 2022. The cash amount involved with the acquisition of the additional stake in Boskalis in 2022 was € 2.25 billion. Boskalis is consolidated in the HAL financial statements as from July 1, 2022. In accordance with IFRS, HAL re-measured its previously held equity interest in Boskalis, which resulted in an exceptional gain of € 656 million. Boskalis is a leading global services provider operating in the dredging, maritime infrastructure and maritime services sectors. The company provides creative and innovative all-round solutions to infrastructural challenges in the maritime, coastal and delta regions of the world. With core activities such as coastal defense, riverbank protection and

land reclamation, Boskalis is able to provide adaptive and mitigating solutions to combat the effects of climate change, such as extreme weather conditions and rising sea levels, as well as delivering solutions for the increasing need for space in coastal and delta regions across the world. The company facilitates the development of offshore energy infrastructure, including renewable wind energy. Boskalis is furthermore active in the construction and maintenance of ports, waterways, access channels and civil infrastructure. Boskalis has a versatile fleet of more than 600 vessels and floating equipment and 11,164 employees at the end of 2022, including associates. Revenues for 2022 amounted to € 3,578 million (2021: € 2,957 million). Net income for 2022 amounted to € 241 million (2021: €151 million). At the end of 2022 the order book of the company amounted to € 6.1 billion compared to € 5.4 billion at the end of 2021.

HAL has an ownership interest in Boskalis since 1989.

On March 14, 2023, HAL completed the acquisition of 100% of the shares in IQIP Holding B.V. ('IQIP'). IQIP is a supplier of foundation and installation equipment to the offshore wind, coastal & civil and oil & gas markets. The company is active worldwide and both sells and rents out equipment. Revenue over the financial year ending December 31, 2022, amounted to € 102 million. IQIP is headquartered in Sliedrecht and has approximately 300 employees.

Divestitures

On May 2, 2022, HAL sold its ownership interest in Orthopedie Investments Holding B.V. ('Livit'). Livit manufactures and sells orthopedic and other medical aids to end-customers and was acquired by HAL in 2007. On May 31, 2022, HAL sold its ownership interest in Floramedia Group B.V. ('Floramedia'). Floramedia is active in specialty printing, marketing and communication for the green sector. HAL became a shareholder in Floramedia via the acquisition of Mercurius Groep Holding B.V. in 1999.

On July 8, 2022, HAL sold its ownership interest in MYLAPS B.V. ('MYLAPS'). The company is active in the development and production of identification and timing equipment for sports events. HAL became a shareholder in MYLAPS via the acquisition of an interest in AMB IT Holding B.V. in 1998. The total gross cash proceeds and capital gain from the above three transactions amounted to € 135 million and € 85 million respectively.

Unquoted companies

Broadview Holding B.V. (97.4%) is located in 's-Hertogenbosch (the Netherlands) and employed 6,104 FTE's at the end of 2022 (2021: 6,225). Its main subsidiaries are Trespa International B.V., Arpa Industriale S.p.A., Westag & Getalit AG, the Formica Group and Direct Online Services Holdings Ltd. (DOS). Trespa is located in Weert (the Netherlands) and produces composite panels for facade cladding as well as laboratory furniture. Arpa is located in Bra (Italy) and uses a similar technology to manufacture panels for a variety of interior surfaces such as kitchens and retail furniture. Westag is based in Rheda-Wiedenbrück (Germany) and produces doors and frames, kitchen worktops and windowsills as well as solid surface material and coated plywood panels. Formica is a leading provider of branded, designed surfacing solutions with a global presence and production locations in America, Asia and Europe. DOS is an e-commerce-led, multichannel retailer of kitchen products in the United Kingdom.

Broadview owns the FENIX® brand, an innovative material for interior design created by Arpa for a range of vertical and horizontal interior design applications: kitchens, hospitality, healthcare, transportation, bathrooms and furniture.

Broadview is also active in the distribution of liquefied natural gas (LNG) and related activities through its subsidiaries in Norway, the Netherlands and Turkey. In addition, Broadview owns DMT Environmental Technology, a leading supplier of biogas upgrade facilities for the European and North American markets.

Revenues for 2022 increased by 12.3% to € 1,364 million (2021: € 1,215 million).

Excluding the effect of acquisitions and changes in currency exchange rates revenues increased by 6.6% compared with also 6.6% in 2021. Operating income amounted to € 43 million (2021: € 53 million) and was negatively affected by increasing raw material and energy prices, the impact of inflation on operational costs and decreasing volumes, especially in Europe.

HAL has an ownership interest in Broadview since 1996.

Van Wijnen Holding B.V. (88.0%) is located in Baarn (the Netherlands) and employed 2,252 FTE's at the end of 2022 (2021: 2,145). The company is active in residential construction, utility construction, project development and renovation activities in the Netherlands. In 2022 Van Wijnen finalized the construction of the new factory in Heerenveen for the industrialization of the production of new houses. Revenues and operating income for 2022 amounted to € 1,275 million (2021: € 1,246 million) and € 19 million (2021: € 28 million) respectively. The decrease in profitability is due to higher salary costs, partly related to the factory in Heerenveen.

HAL has an ownership interest in Van Wijnen since 2020.

Timber and Building Supplies Holland N.V. (94.3%), TABS, located in Zaandam (the Netherlands), is one of the country's leading suppliers of timber products and building materials used for new construction, renovations and maintenance. The company has outlets throughout the Netherlands and employed 1,708 FTE's at the end of 2022 (2021: 1,624). Revenues for 2022 increased by 6.8% to € 1,027 million (2021: € 962 million). This increase is primarily driven by higher timber prices and acquisitions which more than offset declining timber volumes. Operating income amounted to € 89 million (2021: € 132 million). The decrease in operating income is due to lower gross margins and inflationary pressure on operating expenses. In 2022 TABS acquired four building materials and timber companies. Their annual sales are approximately € 35 million.

HAL has an ownership interest in Timber and Building Supplies Holland since 1999.

Pro Gamers Group, (64.3%), located in Berlin (Germany), is globally active in the development, distribution and e-commerce of computer gaming equipment. At the end of 2022 the company had 648 FTE's (2021:697). Revenues for 2022 amounted to € 452 million (2021: € 586 million). Pro forma operating income was € 12 million (2021: € 68 million). The decrease in revenue and profitability is, among others, due to the loss of sales to Russia and Ukraine due to the war in Ukraine, lower sales subsequent to the end of Covid lockdowns, sharply increased inflation impacting discretionary consumer spending, a market-wide drop in prices of graphic and central processing units causing lower margins and a significant rise of container freight prices in 2022.

On May 31, 2022, Pro Gamers Group acquired DuckyChannel International Co. Ltd. ('Ducky') based in Taiwan. Ducky develops and manufactures mechanical keyboards and reported 2022 sales of € 22 million.

HAL has an ownership interest in Pro Gamers Group since 2021.

Koninklijke Ahrend B.V. (96.0%) is based in St. Oedenrode (the Netherlands) and employed 1,317 FTE's at the end of 2022 (2021: 1,360). The company delivers furniture and fit-out services for office, education, healthcare and retail environments through a portfolio of three furniture brands: Ahrend, Gispén and Presikhaaf. Revenues for 2022 increased by 13.8% to € 321 million (2021: € 282 million). Operating income was € 3 million (2021: € 4 million). Profitability mainly decreased due to lower gross margins and higher personnel and transportation costs.

HAL has an ownership interest in Ahrend since 2001.

Auxilium GmbH (54%) is located in Essen (Germany) and is the holding company of twelve German companies which sell medical aid products. In 2022 Sanitätshaus Carstens with annual sales of approximately € 20 million was acquired. At the end of 2022, Auxilium employed 2,389 FTE's

(2021: 2,221).

Revenues for 2022 increased by 16.4% to € 298 million (2021: € 256 million). Excluding the effect of acquisitions revenues increased by 2.2%. Operating income amounted to € 22 million (2021: € 20 million).

HAL has an ownership interest in Auxilium since 2010.

Anthony Veder Group N.V. (62.9%) is a Rotterdam based shipping company. At the end of 2022 the company had 517 FTE's (2021: 528) and operated 31 gas tankers (2021: 31), of which 27 (2021: 24) were owned. Revenues for 2022 (including recharged bunker and port costs) amounted to \$ 241 million (2021: \$ 214 million). Operating income amounted to \$ 24 million (2021: \$ 25 million).

HAL has an ownership interest in Anthony Veder since 1991.

GreenV B.V. (71.3%), based in Maasdijk (the Netherlands) is the holding company of a group of companies that are active in the greenhouse construction sector, by delivering subsystems and integral greenhouse projects. GreenV started in 2021 with the acquisition of Stolze and the Prins group. In July 2022, GreenV acquired 100% of the shares of HT Verboom Transportsystemen (annual sales of approximately € 20 million). HT Verboom provides logistic systems for greenhouses. GreenV employed 250 FTE's at the end of 2022 (2021: 185). Revenues for 2022 amounted to € 180 million (2021: € 189 million). Operating income for 2022 amounted to € 8 million (2021: € 23 million).

Geopolitical uncertainty, inflation and high energy prices impact the greenhouse market, especially in Western Europe.

On January 18, 2023, GreenV acquired 80% of Prins Projects USA, a supplier of high-quality, high-tech glass greenhouses in the United States with annual sales of approximately \$ 55 million. On March 8, 2023, GreenV acquired the activities of Voshol, active in the engineering and installation of heating and electrical systems for greenhouses with annual sales of approximately € 38 million.

HAL has an ownership interest in GreenV since 2021.

Atlas Professionals B.V. (86.9%), located in Hoofddorp (the Netherlands), is a temporary staffing agency supplying technical personnel to the international oil & gas, marine and offshore wind industries. The company employed 395 FTE's at the end of 2022 (2021: 310). Revenues for 2022 decreased by 2% to € 180 million (2021: € 185 million). Operating income for 2022 amounted to € 4 million (2021: € 5 million). Excluding the effect of acquisitions revenues decreased by 5%. In October 2022, Atlas acquired NextWave Partners Pte. Ltd. ('NextWave'), a recruitment agency mainly focused on the renewable energy sectors headquartered in Singapore. As part of the transaction, NextWave's two founders re-invested part of their proceeds in Atlas, which reduced HAL's ownership from 100% to 86.9%.

HAL has an ownership interest in Atlas since 2011.

FD Mediagroep B.V. (97.8%) is located in Amsterdam (the Netherlands). The company employed 427 FTE's at the end of 2022 (2021: 374). The brands of FD Mediagroep include the Dutch financial newspaper Het Financieel Dagblad, the radio station BNR Nieuwsradio and the information and data services provider Company.info. Revenues for 2022 amounted to € 109 million (2021: € 99 million). Operating income amounted to € 16 million (2021: € 18 million). In November 2022, FD Mediagroep acquired IPE International Publishers Ltd. This company was founded in July 1996 and is publisher of Investment & Pensions Europe (IPE), the leading European publication for institutional investors, such as pension funds and their advisers and service providers, as well as affiliated titles such as IPE Real Assets and IPE DACH.

HAL has an ownership interest in FD Mediagroep since 1997.

RyK Holding (100%) is the holding company of the optical retail chain Rotter y Krauss that is active in the Chilean market since 1914. HAL acquired this company as part of the

sale of GrandVision in 2021. Rotter y Krauss currently operates 98 stores in Chile. Revenues for 2022 amounted to CLP 49.6 billion (2021: CLP 49.7 billion), approximately € 54 million, and has 721 FTE's (2021: 722).

HAL has an ownership interest in Rotter y Krauss since 2008.

HR Top Holding B.V. (86.7%) is the holding company of the Top Employers Institute based in Amsterdam. Top Employers Institute is globally active in certification and benchmarking of human resource policies. The company has 159 FTE's (2021: 120) and reported 2022 sales of € 34 million (2021: € 28 million). The operating income was at the same level as in 2021.

HAL has an ownership interest in Top Employers Institute since 2021.

Infomedics Holding B.V. (94.5%), provides credit management and factoring services for the Dutch health care sector and had 266 FTE's at the end of 2022 (2021: 242). The company is based in Almere (the Netherlands). On an annual basis Infomedics handles approximately € 3.8 billion in payment flows. Operating income for 2022 amounted to € 42 million (2021: € 34 million).

HAL has an ownership interest in Infomedics since 2012.

AN Direct B.V. (90%) is the holding company of MD Hearing which sells hearing aids via its website and call centers in the United States. The company employed 38 FTE's at the end of 2022 (2021: 43). Revenues for 2022 amounted to \$ 23 million (2021: \$ 27 million). The operating income decreased.

HAL has an ownership interest in AN Direct since 2017.

Unquoted minority interests

HAL has ownership interests in the following unquoted associates:

Coolblue Holding B.V. (49%), based in Rotterdam, is one of the leading e-commerce companies in the Benelux and had 6,114

employees at the end of 2022 (2021: 6,437). The company reported 2022 revenues of € 2,349 million (2021: € 2,335 million). In 2022, Coolblue further expanded its activities in Germany and its energy services under its own energy label “Coolblue Energy”, an integrated offering of gas and energy contracts as well as the installation of solar panels and electrical vehicle charging boxes. Earnings before interest, taxes, depreciation and amortization and exceptional items (EBITDA) amounted to € 44 million (2021: € 91 million). The decrease in profitability is due to lower gross margins and higher personnel costs.

HAL has an ownership interest in Coolblue since 2016.

DMF Holding B.V. (26.3%), based in The Hague, operates under the trade name Dutch Mortgage Funding Company (DMFCO). The company is active in the origination and management of Dutch mortgages under the label Munt Hypotheken. The mortgages are funded by pension funds and international investors with assets under management of approximately € 26 billion. The company reported 2022 revenues of € 68 million (2021: € 60 million) and employed 53 FTE's at the end of 2022 (2021: 51).

HAL has an ownership interest in DMFCO since 2017.

280ppm B.V., based in Rotterdam, focuses on earlier stage growth investments in areas related to the reduction of greenhouse gases. The company owns an 8.7% stake in Enough, a producer of a protein rich product called “Abunda” which is used as the protein source and main ingredient in meat replacement products. The construction of the plant with a capacity of 10,000 ton in Sas van Gent (the Netherlands) was completed by the end of December 2022.

In March 2022, 280ppm acquired a 34.8% stake in OTC Flow B.V., a trader and broker in energy certificates and bio fuels.

HAL has a 95% ownership interest in 280ppm since 2021.

Quoted minority interests

HAL has ownership interests in the following quoted associates:

Safilo Group S.p.A. (49.8%) is a Padua (Italy) based manufacturer and distributor of optical frames and sunglasses. The shares of the company are listed on the Milan stock exchange. At the end of 2022 the company had 4,442 employees. Revenues for 2022 amounted to € 1,077 million (2021: € 970 million). The net income amounted to € 54 million (2021: € 21 million).

HAL has an ownership interest in Safilo since 2005.

For additional information on Safilo, please refer to the company's annual report and its website www.safilo.com.

Koninklijke Vopak N.V. (48.15%) is the world's leading independent tank storage company and is based in Rotterdam. As of December 31, 2022, Vopak operated 78 terminals in 23 countries with a combined storage capacity of 36.6 million cubic meter. At the end of 2022, the company employed 5,696 FTE's. The shares of the company are listed on Euronext in Amsterdam. Revenues for 2022 amounted to € 1,367 million (2021: € 1,228 million). Net income amounted to a loss of € 168 million (2021: profit € 214 million). Net income was negatively affected by exceptional items (mainly impairments) of € 463 million.

HAL has an ownership interest in Vopak since 1999.

For additional information on Vopak, please refer to the company's annual report and its website www.vopak.com.

SBM Offshore N.V. (22.88%) The company designs, builds, installs and operates offshore floating facilities for the offshore energy industry and is based at Schiphol. As a leading technology provider, it puts its marine expertise at the service of a responsible energy transition by reducing emissions from fossil fuel production, while developing cleaner solutions for renewable energy sources. At the end of 2022 the company had 7,073 employees. Its shares are listed on Euronext in Amsterdam. Directional revenues for 2022

amounted to \$ 3,288 million compared to \$ 2,242 million for 2021. Directional underlying EBITDA amounted to \$ 1,010 million (2021: \$ 931 million). The directional underlying net income for 2022 amounted to \$ 115 million compared to \$ 121 million for 2021. At the end of 2022 the pro forma order backlog of the company amounted to \$ 30.5 billion compared to \$ 29.5 billion at the end of 2021.

HAL has an ownership interest in SBM Offshore since 2012.
For additional information on SBM Offshore please refer to the company's annual report and its website www.sbmoffshore.com.

Real estate

The real estate assets of HAL are located in the Seattle metropolitan area (United States of America) and the Netherlands. HAL has a real estate operation in Seattle (8 employees) that manages a real estate portfolio. This portfolio consisted at the end of 2022 of sixteen joint ventures of which two were invested in office buildings and fourteen in residential real estate with a total (expected) cost of \$ 1,138 million (€ 1,063 million). HAL's total equity contribution for these projects amounts to \$ 306 million (€ 286 million) million of which \$ 80 million (€ 75 million) was not yet spent as of December 31, 2022. At the end of 2022, the book value of the US real estate portfolio amounted to \$ 188 million (€ 175 million) against an estimated value of \$ 318 million (€ 297 million).

Residential real estate

HAL has ownership interests in fourteen joint ventures for the development and rental of 2,311 apartments and the development and sale of 72 town-homes in the Seattle metropolitan area. Four projects (1,059 apartments) were complete at the end of 2022 and are 94% leased. The other projects will be completed during the period 2023-2025.

On February 7, 2022, a joint venture in which HAL had an 85.5% equity interest sold an apartment building in Bellevue, a suburb of Seattle, consisting of 279 apartments. The sale

resulted in proceeds to HAL of € 75 million and a pre-tax capital gain of € 50 million. On August 16, 2022, a joint venture in which HAL had a 90% equity interest sold an apartment building in Beacon Hill, a neighborhood in southeast Seattle, consisting of 139 apartments. The sale resulted in proceeds to HAL of € 27 million and a pre-tax capital gain of € 13 million.

Office buildings

This portfolio consists of a 50% ownership in a fully leased, 12,000 net rentable m² office property and an 80% ownership in a two-building, 5,700 m² office project both in Seattle's Fremont neighborhood. In aggregate the offices are 73% leased.

For additional information on HAL's real estate portfolio in the United States please refer to www.halrealestate.com.

In the Netherlands, HAL has a 90% interest in a company that owns the retail centers De Aarhof (12,303 m²) in Alphen aan de Rijn, City Passage (7,405 m²) in Veldhoven and De Prinsenspassage in Rijswijk (19,787 m²). The intention is to redevelop these properties in order to add residential units and upgrade the retail space. The entitlement processes for these redevelopments is taking longer than expected. The book value of these assets at the end of 2022 amounted to € 65 million.

Liquid portfolio

The corporate liquid portfolio (net of corporate debt) decreased in 2022 by € 2.3 billion to € 3.3 billion. This excludes an amount of € 0.25 billion held in escrow following the sale of GrandVision. This decrease is primarily due to the acquisition of Boskalis. On December 31, 2022, the liquid portfolio consisted for 85% (2021: 93%) of fixed-income instruments and cash balances (net of corporate debt) amounting to € 2.8 billion (2021: € 5.2 billion), and for 15% (2021: 7%) of equities, for an amount of € 0.5 billion (2021: € 0.4 billion). The fixed-income instruments and cash balances provided a return of negative 3.1% (2021: negative 0.4%). This portfolio consisted mainly of investment-

grade bonds with an average S&P credit rating of A, an average duration of 1.1 years and a yield to maturity of 3.4%. These bonds are managed by external asset managers. Equities provided a return of 5.7% (2021: 39.2%). The equity portfolio as of December 31, 2022, included a 13.1% ownership interest in Technip Energies N.V. The value of this interest as of December 31, 2022, amounted to € 345 million.

Results

The paragraphs below refer to the segmentation in the pro forma financial statements on page 131 where Vopak and Safilo are accounted for on an unconsolidated basis using the equity method.

Unquoted companies

Revenues from the unquoted subsidiaries for 2022 amounted to € 7,626 million (2021: € 5,008 million), representing an increase of € 2,618 million (52.3%). This increase is primarily the result of the consolidation of Boskalis as from July 1, 2022, and the acquisition of the Pro Gamers Group in October 2021. Excluding the effect of acquisitions, divestitures and currency exchange differences, revenues from the unquoted subsidiaries increased by € 172 million (3.4%).

The operating income of the unquoted companies for 2022 amounted to € 403 million (2021: € 404 million). Acquisitions, divestitures and changes in currency exchange rates had a positive effect on operating income of € 155 million.

Quoted minority interests

Net income from quoted minority interests decreased by € 168 million to € 99 million. This decrease is primarily due to exceptional losses at Vopak of € 462.8 million (HAL share € 223 million). These losses are mainly due to impairments on property, plant and equipment.

Real estate

Operating income from real estate increased by € 11 million to € 54 million due to capital gains realized on the sale of two apartment buildings in Seattle.

Liquid portfolio

Income from the liquid portfolio decreased by € 200 million to a loss of € 120 million. This is primarily due to a decrease in value of the fixed-income portfolio as a result of increasing interest rates (see above).

Amortization and impairment of intangibles

Amortization and impairment of intangibles increased by € 343 million to € 414 million. This increase is primarily due to an impairment of goodwill relating to the Pro Gamers Group of € 312 million.

Non-recurring gains and losses

The 2022 results include a net non-recurring gain of € 655 million. This net gain primarily consists of a € 656 million revaluation of the previously held minority stake in Boskalis prior to obtaining control, capital gains on the sale of Livit, Floramedia and MYLAPS (in total € 85 million), offset by a € 111 million impairment on the minority interest in Prodrive Technologies (net of a € 19 million release of an earn-out liability).

Administrative organization, risk management systems, ESG and (non-) financial reporting

The administrative procedures, the risk management and internal control systems associated with the Company's strategy and its implementation, the financial reporting and compliance are all designed to provide a reasonable degree of assurance that significant risk factors are identified, their development is monitored and, where appropriate, action is taken on a timely basis. (Refer to the paragraph Risks on page 10) The Supervisory Board is regularly informed about these matters.

The companies in which HAL has interests differ in industry, size, culture, geographical diversity and stage of development. Each company is subject to specific risks relating to strategy, operations, finance and (fiscal) legislation. HAL has therefore chosen not to institute a centralized management approach and not to develop a central risk management system. Each investee company has its own financial structure and is responsible for evaluating and managing its own risks as well as formulating and executing its own strategy with respect to issues such as sustainable development, compliance with law and regulations, safety, health and environment as well as cyber security (including regulations with respect to data protection). The companies generally have a supervisory board of which certain members are affiliated with HAL. However, the majority of the members is not affiliated with HAL. This corporate governance structure allows the operating companies to fully concentrate on developments that are relevant to them and to assess which risks to accept and which risks to avoid. Accordingly, in addition to risks associated with HAL's strategy and its implementation as described above, there are specific risk factors associated with each individual investee company. It is the responsibility of each investee company to evaluate these risks. These risks are therefore not managed by HAL.

HAL has a management reporting system to monitor its performance, as well as that of the companies where its ownership exceeds 50%, on a monthly basis. This system comprises a set of tools including portfolio analysis, budgeting and the reporting of actual as well as projected results, balance sheet and cash flow information and operational performance indicators. In addition, management of the majority-owned companies provide internal letters of representation with respect to the half-year and year-end financial statements. They also report on fraud and irregularities on a semi-annual basis. Each investee company is responsible for its own fraud risk assessment as well as the implementation of policies and procedures to prevent fraud.

HAL's objective is, in the context of the inherent limitations of the decentralized

management approach described above, that its internal and external financial reporting is complete, accurate, valid and timely. Financial reporting risk can be defined as any event that impedes HAL to achieve its financial reporting objectives. Although HAL is aware that no risk management and internal control system can provide absolute assurance that its objectives will be achieved or that errors, losses, fraud or the violation of laws and regulations, human errors and mistakes will be prevented, the Company aims to constantly improve its risk management and internal control systems. In this context the risk management and internal control systems with respect to financial reporting were again reviewed during 2022. For the most important financial processes (financial reporting and consolidation, information technology, treasury, taxation and entity level controls), risks were identified as well as the control measures designed to mitigate these risks. These controls were also tested in order to conclude on their operating effectiveness during the year. The risk management review did not cover the key financial processes of HAL's investee companies for the reasons described above. The risk management and internal control systems were discussed with the Supervisory Board.

ESG

On November 28, 2022, the European Council adopted the Corporate Sustainability Reporting Directive (CSRD). This directive amends current European Union regulations on disclosure of non-financial information in annual reports. These amendments introduce extensive disclosure requirements on environmental, social and governance (ESG) topics and significantly expand the scope of companies that need to report ESG information. In addition, assurance requirements are brought into place with regards to non-financial disclosures. HAL is in scope of the CSRD and is in the process of preparing to comply with this directive. This preparation includes group-wide training on relevant subjects. The CSRD is implemented through the European Sustainability Reporting Standards (ESRS). The first set of ESRS has been submitted for approval to the European Commission on November 22, 2022. HAL

needs to apply these ESRS as of its 2024 annual report.

HAL considers responsible behavior with respect to ESG topics part of good business practice. In 2022, HAL's vision with respect to its investment strategy has been further refined to reflect this: *As an active long-term investor, HAL expects its investments to structurally and continuously improve on all material aspects of ESG, in order to create long term-value.* This ESG vision statement is in accordance with our overall strategy and decentralized management approach, whereby the boards of the individual portfolio companies are responsible for their strategy and its execution and at the same time addresses the fact that HAL considers ESG an important element of long-term value creation and therefore expects portfolio companies to also improve their performance on these aspects.

The strategic ESG framework of HAL consists of focus areas with respect to (i) HAL as a company and (ii) the approach of HAL towards its investee companies.

For HAL as a company, we realize that the key impact of HAL on ESG is through the allocation of its human and financial resources throughout the investment life cycle. Therefore, ESG considerations will be further embedded in the investment (management) process. For HAL itself the following focus areas are defined:

- ESG in the investment life cycle (at due diligence and during ownership). HAL views ESG holistically and therefore as an integral part of its operations and the (future) success thereof. HAL will structurally and explicitly take ESG considerations into account when assessing, selecting and managing its investments;
- Employee engagement and diversity. HAL strives to be a diverse organization with equal opportunities for its employees (see below);
- ESG training. HAL is developing an ESG training program for its investment team members;
- Information security. HAL expects and demands the highest standards of

information security from its employees, IT suppliers and external advisors;

- Greenhouse gas emissions. HAL is reviewing how to reduce its own emissions and how to compensate the remaining emissions; and
- Business ethics. HAL expects and demands the highest standards of integrity and ethical behavior of all HAL employees. It is HAL's policy to comply with all applicable laws, including but not limited to those with respect to employment, privacy, anti-discrimination, health, anti-trust, securities fraud, corruption and bribery (see below).

With respect to its investment portfolio, HAL continues to have a decentralized management approach (see above). Therefore, it is the management of each investee company that addresses and reports on ESG topics and includes these in their business strategies, in order to allow integration of key ESG value drivers into a sustainable business model and strategy. It is the responsibility of the supervisory boards of the investee companies to monitor this strategic process and its subsequent outcomes. Through its representation on the supervisory boards of the investee companies, HAL aims to positively influence their ESG ambitions and strategy and monitor progress made. To safeguard a structural approach to ESG, HAL expects investees to include the following focus areas in their approach to ESG:

- Governance. Investees should integrate ESG in roles, responsibilities and performance evaluations;
- Materiality assessment. Investees should be aware of the context they operate in and identify the most relevant and important (material) themes related to ESG;
- Strategy and business model. Investees should have an ESG strategy aligned with or integrated in the corporate strategy in order to grasp ESG opportunities and mitigate ESG risks; and
- Performance and risk management. Investees should have meaningful and ambitious targets for their material themes and corresponding policies, procedures and action plans. Investees should be aware of ESG-related risks and identify and capture

those in their risk management framework and have mitigating controls in place.

We recognize that certain of our investee companies have made significant progress with respect to the development of their ESG strategy, while others are at the beginning of this process. We do expect, however, that all of our investee companies will structurally and continuously improve on all material aspects of ESG, in order to create long-term value. New investee companies are expected to include a structural approach to ESG in their strategy and include the focus areas as mentioned above within three years after acquisition

With respect to HAL corporate, the Executive Board has adopted a code of conduct and whistle-blower rules for the employees of HAL Holding N.V., HAL Investments B.V. and HAL Real Estate Inc. The purpose of this code of conduct is to state HAL's policies on ethics, integrity, compliance with laws, employment and business conduct. With respect to compliance with laws, it is HAL's policy to comply with all applicable laws, including, but not limited to, those with respect to employment, anti-discrimination, health, antitrust, securities, fraud, corruption and bribery. No employee, including members of the Executive Board of HAL Holding N.V., may violate any law or direct another employee or any other person to violate any law on behalf of HAL. HAL has also implemented rules of conduct relating to (suspected) fraud. These rules outline HAL's approach with respect to the risks and threat of fraud and underline the commitment of HAL to maintain and adhere to the highest ethical standards in all of its affairs. With respect to employment it is HAL's policy to maintain a working environment in which each individual is treated with respect and to ensure equal employment opportunity without discrimination or harassment on the basis of race, color, national origin, religion, sex, age or disability. In this context it should be noted that HAL holds personal information with respect to employment. This information is kept for employment-related purposes only. Personal information is released outside HAL only with the permission of the employee. Employees may access and review their own personal information. The code of conduct also

covers subjects such as conflicts of interest, use of e-mail, internet and social media, bribes, gifts, business courtesy, confidential information and securities transactions. The employees, including the members of the Executive Board, confirm on an annual basis that they have complied with the code of conduct. In addition, the understanding by the employees of the code of conduct is tested on an annual basis. The whistle-blower rules offer the opportunity for employees to report suspected irregularities. During 2022 no such irregularities were reported.

The liquid portfolio is primarily invested in short-term deposits and investment-grade short-term bonds managed by external asset managers. The mandates to these asset managers include investment restrictions with respect to certain sectors that are derived from the "do no harm" principle.

Taxation

With respect to taxation, HAL is committed to comply with all tax laws and regulations, including compliance with country by country tax reporting, in all jurisdictions where it is active. A tax strategy was adopted which provides a framework of how to operate the tax function and how risks related to taxation are managed. It also describes the various roles, responsibilities and procedures, including a quarterly reporting of the majority owned investee companies of their tax position and (potential) tax risks. These tax risks are managed by the respective investee companies and not by HAL. In the Netherlands, HAL Investments B.V. previously concluded a compliance agreement with the tax authorities in the context of the "Horizontal Supervision" model. This model was based on trust, mutual understanding and transparency. The tax authorities gradually implemented a number of changes in horizontal monitoring which means that the compliance agreements evolved into individual supervision plans for the hundred largest and/or most complex organizations in the Netherlands. The supervision by the Dutch tax authorities on this group of organizations is now based on the following elements:

- cooperation based on the principles of "horizontal supervision";
- working real time;

- where possible relying on the internal control environment of the organization involved;
- pursue a professional working relation on the basis of transparency, mutual understanding and trust;
- stimulate a proactive approach; and
- communication on executive level with periodical review of the working relation.

HAL Investments B.V. forms part of the group to which this applies. The Dutch tax authorities renew the individual supervision plan for HAL Investments B.V. annually. The plan is based on HAL's main risk areas and sets out the responsibilities of both HAL and the tax authorities.

HAL has taken note of the global minimum tax rules set by Pillar II legislation that was formally adopted on December 15, 2022, by the Council of the European Union, which will be effective as from January 1, 2024, and which will be applicable to HAL. This legislation introduces an additional tax in situations where the effective tax rate in a certain jurisdiction is below 15%. Although the consolidated effective tax rate of HAL is above 15%, detailed calculations per legal entity/jurisdiction are required to demonstrate that the effective tax rate is above 15% on a per-jurisdiction basis. We are currently preparing to determine the impact of the pillar II legislation, if any.

Consolidation Vopak and Safilo

Although HAL's ownership interest in Vopak and Safilo is below 50%, IFRS requires since January 1, 2014 that these associates are consolidated in the consolidated financial statements as HAL is deemed to have control, as defined in IFRS 10, over these two entities. Vopak and Safilo are both publicly traded companies. Whereas HAL has board representation and, accordingly, may be considered to have significant influence over these associates, in the past neither operational nor strategic control was exercised. Moreover, Vopak and Safilo are, for example, not part of the above mentioned management reporting system which monitors the performance of the consolidated companies on a monthly basis. In addition, in view of its minority interest, the

Company has no instruction rights with respect to Vopak and Safilo. HAL therefore continues to include the results of Vopak and Safilo in the segment Quoted minority interests. The Company has entered into Memoranda of Understanding with Vopak and Safilo with respect to confidentiality, the process of exchanging information and attendance rights to the audit committee meetings of Vopak and the Control and Risk Committee meetings of Safilo for an independent financial expert on behalf of HAL. This allows HAL to comply with IFRS and prepare consolidated financial statements which include the (audited) financial statements of Vopak and Safilo. However, HAL does not have access to the financial books and records, contracts and related information of Vopak and Safilo in order to independently verify that these financial statements are complete, valid and accurate.

Mr. M.F. Groot, chairman of the Executive Board of the Company, is a member of the Supervisory Board of Vopak and non-executive member of the Board of Safilo. Mr. J.N. van Wiechen, member of the Executive Board of the Company, is a member of the Supervisory Board of SBM Offshore N.V. The information obtained in these capacities cannot be used for the preparation of the consolidated financial statements of the Company in order to preserve confidentiality and to allow these quoted associates to operate independently from the Company. Accordingly, the risk management and internal control systems of HAL with respect to financial reporting risks are not designed and are not able to provide assurance that the information relating to quoted associates in the Company's consolidated financial statements does not contain material errors due to the inherent limitations described above. The assessment that the Company's consolidated financial statements do not contain material errors attributable to the financial statements of Vopak and/or Safilo, is based on the external audit of these companies and the involvement of the independent financial expert referred to above. Vopak and Safilo both have included a description of their risks and risk management system in their respective annual reports. These risks are neither monitored nor managed by HAL.

In view of the fact that consolidating Vopak and Safilo significantly affects the financial statements of the Company, supplemental financial information is provided where, consistent with the period before the effective date of IFRS 10, Vopak and Safilo are accounted for on an unconsolidated basis using the equity method.

Accordingly, based on the above and taking into account the inherent limitations referred to above, we are of the opinion that the risk management and internal control systems with respect to financial reporting of HAL Holding N.V. provide reasonable assurance that the financial reporting does not contain material inaccuracies and that these systems operated properly during 2022 and we declare that, to the best of our knowledge:

1°. the financial statements give a true and fair view of the assets, liabilities, financial position and profit for the year of the consolidated entities taken as a whole;

2°. the report of the Executive Board gives a true and fair view of the situation as of the statement of financial position date and the developments during the year of the entities included in the financial statements taken as a whole, and

3°. this report includes a description of the principal risks HAL Holding N.V. is facing.

Executive Board HAL Holding N.V.

M.F. Groot (*Chairman*)
A.A. van 't Hof
J.N. van Wiechen

March 29, 2023

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Consolidated Statement of Financial Position

As of December 31

HAL Trust

<i>In millions of euro</i>	<i>Notes</i>	2022	2021
Non-current assets			
Property, plant and equipment	4	8,095.5	5,216.5
Right-of-use assets	6	1,113.3	1,002.2
Investment properties	5	76.5	68.0
Intangible assets	7	3,646.4	2,313.2
Investments in associates and joint arrangements	8	3,358.8	3,849.1
Other financial assets	9	360.0	588.9
Derivatives	37	23.2	35.8
Pension benefits	20	55.3	58.5
Deferred tax assets	19	87.7	128.8
<i>Total non-current assets</i>		16,816.7	13,261.0
Current assets			
Inventories	13	1,133.7	967.4
Receivables	11	1,423.8	977.9
Marketable securities and deposits	10	3,360.9	4,160.0
Other financial assets	9	285.5	277.3
Derivatives	37	75.6	9.8
Unbilled revenue	12	372.4	70.6
Other current assets	14	898.3	415.3
Cash and cash equivalents	15	2,043.9	2,256.4
Assets held for sale	16	303.7	226.6
<i>Total current assets</i>		9,897.8	9,361.3
Total assets		26,714.5	22,622.3
Equity			
Equity attributable to owners of parent		13,010.1	12,434.7
Non-controlling interest	42	2,227.7	2,371.5
Total equity		15,237.8	14,806.2
Non-current liabilities			
Deferred tax liabilities	19	693.7	530.6
Pension benefits	20	109.7	105.0
Derivatives	37	2.5	5.6
Provisions	21	162.1	70.2
Contract liabilities	23	18.0	14.3
Lease liabilities	6	1,044.7	949.1
Debt and other financial liabilities	22	3,106.7	3,036.9
<i>Total non-current liabilities</i>		5,137.4	4,711.7
Current liabilities			
Provisions	21	183.3	51.9
Contract liabilities	23	683.4	278.2
Accrued expenses		1,597.4	618.9
Income tax payable		251.0	101.7
Accounts payable		1,317.0	1,040.6
Derivatives	37	18.0	11.6
Lease liabilities	6	150.6	123.4
Debt and other financial liabilities	22	2,096.3	827.9
Liabilities related to assets held for sale	16	42.3	50.2
<i>Total current liabilities</i>		6,339.3	3,104.4
Total equity and liabilities		26,714.5	22,622.3

Consolidated Statement of Income

HAL Trust

For the year ended December 31

<i>In millions of euro</i>	<i>Notes</i>	2022	2021
Revenues	23	10,104.3	7,213.3
Income from marketable securities and deposits	24	(119.7)	80.0
Share of results from associates and joint ventures	25	875.4	341.1
Income from other financial assets		(3.0)	(1.2)
Income from real estate activities	26	58.1	49.7
Other income (net)	27	127.8	3,512.6
<i>Total income</i>		11,042.9	11,195.5
Usage of raw materials, consumables and other inventory		4,966.4	3,065.8
Employee expenses	28	2,090.8	1,705.8
Depreciation and impairment of property, plant, equipment and investment properties	4,5	1,022.9	481.0
Depreciation and impairment of right-of-use assets	6	156.8	132.3
Amortization and impairment of intangible assets	7	459.8	129.4
Other operating expenses	29	1,539.3	1,216.0
<i>Total expenses</i>		10,236.0	6,730.3
Operating profit		806.9	4,465.2
Financial expense	30	(272.2)	(209.3)
Other financial income	30	146.5	90.2
Profit before income tax		681.2	4,346.1
Income tax expense	31	(185.3)	(164.8)
Net profit from continuing operations		495.9	4,181.3
Net profit from discontinued operations		-	399.9
Net profit		495.9	4,581.2
Attributable to:			
Owners of parent		646.8	4,270.2
Non-controlling interest		(150.9)	311.0
		495.9	4,581.2
Average number of Shares outstanding (in thousands)	32	87,724	86,036
Earnings per Share for profit / (loss) attributable to owners of parent during the period (in euro)			
- basic and diluted from continuing operations		7.37	45.66
- basic and diluted from discontinued operations		-	3.02
- basic and diluted		7.37	48.68
Dividend per Share (in euro)		5.00*	5.70

* Proposed

The notes on pages 37 to 154 form an integral part of the consolidated financial statements.

Consolidated Statement of Comprehensive Income

HAL Trust

For the year ended December 31

<i>In millions of euro</i>	<i>Notes</i>	2022	2021
Net profit / (loss)		495.9	4,581.2
Other comprehensive income (OCI)			
Items that will not be reclassified to statement of income in subsequent periods			
Change in fair value of financial assets through OCI		1.7	33.1
Actuarial results on pension benefits obligations	20	32.7	54.8
Income tax on actuarial results	31	(7.1)	(12.8)
Associates and joint ventures - share of OCI, net of tax	8	1.5	2.1
		28.8	77.2
Items that may be reclassified to statement of income in subsequent periods			
Change in fair value of financial assets through OCI		(14.3)	0.3
Income tax on change in fair value	31	-	0.4
Effective portion of hedging instruments		26.9	10.6
Income tax related to hedging instruments	31	(19.2)	(3.7)
Translation of foreign subsidiaries, net of hedges		57.5	388.4
Income tax on translation and related hedges	31	-	(2.4)
Associates and joint ventures - share of OCI, net of tax	8	236.8	74.8
		287.7	468.4
Other comprehensive income for the year, net of tax*		316.5	545.6
Total comprehensive income for the year, net of tax		812.4	5,126.8
Total comprehensive income for the year, attributable to:			
- Owners of parent		868.7	4,650.0
- Non-controlling interest		(56.3)	476.8
		812.4	5,126.8

* Of which € 221.9 million attributable to owners of parent (2021: € 379.8 million).

The notes on pages 37 to 154 form an integral part of the consolidated financial statements.

Consolidated Statement of Changes in Equity

HAL Trust

<i>In millions of euro</i>	Attributable to owners of parent				Non-controlling interest	Total equity
	Share capital	Retained earnings	Other reserves	Total		
Balance on December 31, 2020	1.7	8,264.2	(273.1)	7,992.8	2,586.0	10,578.8
Net profit for the year	-	4,270.2	-	4,270.2	311.0	4,581.2
Other comprehensive income for the year	-	32.8	347.0	379.8	165.8	545.6
Total comprehensive income for the year	-	4,303.0	347.0	4,650.0	476.8	5,126.8
Capital increase/(decrease)	-	-	-	-	71.3	71.3
Effect of acquisitions and disposals*	-	-	-	-	(595.9)	(595.9)
Effect purchase of non-controlling interest	-	-	-	-	(18.3)	(18.3)
Dividend paid to minority shareholders and share buyback plans	-	(10.4)	-	(10.4)	(151.4)	(161.8)
Share-based compensation	-	8.1	-	8.1	3.9	12.0
Treasury shares	-	(5.5)	-	(5.5)	-	(5.5)
Dividend paid	-	(200.5)	-	(200.5)	-	(200.5)
Reclassification	-	(19.8)	19.8	-	-	-
Other movements	-	0.2	-	0.2	(0.9)	(0.7)
Transactions with the owners of parent recognized directly in equity	-	(227.9)	19.8	(208.1)	(691.3)	(899.4)
Balance on December 31, 2021	1.7	12,339.3	93.7	12,434.7	2,371.5	14,806.2
Net profit for the year	-	646.8	-	646.8	(150.9)	495.9
Other comprehensive income for the year	-	12.9	209.0	221.9	94.6	316.5
Total comprehensive income for the year	-	659.7	209.0	868.7	(56.3)	812.4
Capital increase/(decrease)	-	-	-	-	6.3	6.3
Effect of acquisitions and disposals	-	2.9	-	2.9	45.8	48.7
Effect purchase of non-controlling interest**	-	(55.3)	-	(55.3)	(18.3)	(73.6)
Dividend paid to minority shareholders and share buyback plans	-	(5.1)	-	(5.1)	(118.5)	(123.6)
Share-based compensation	-	6.3	-	6.3	0.8	7.1
Treasury shares	-	2.8	-	2.8	-	2.8
Dividend paid	0.1	(247.2)	-	(247.1)	-	(247.1)
Reclassification	-	(30.1)	30.1	-	-	-
Other movements	-	1.5	0.7	2.2	(3.6)	(1.4)
Transactions with the owners of parent recognized directly in equity	0.1	(324.2)	30.8	(293.3)	(87.5)	(380.8)
Balance on December 31, 2022	1.8	12,674.8	333.5	13,010.1	2,227.7	15,237.8

* Transactions with non-controlling interest included € (795.5) million related to the sale of the Company's 76.72% shareholding in GrandVision N.V.

** Mainly related to the purchase of Boskalis shares after obtaining (de facto) control over the company (refer to note 3)

The notes on pages 37 to 154 form an integral part of the consolidated financial statements.

Consolidated Statement of Cash Flows

HAL Trust

For the year ended December 31

<i>In millions of euro</i>	<i>Notes</i>	2022	2021
Cash flows from operating activities			
Profit before taxes from continuing operations		681.2	4,346.1
Profit before taxes from discontinued operations		-	443.1
Dividend from associates and joint ventures	33	313.2	291.8
Changes in working capital	33	(114.2)	30.2
Adjustments for other (non-cash) items	33	907.7	(3,252.7)
Cash generated from operating activities	33	1,787.9	1,858.5
Other financial income received		19.3	23.4
Finance cost paid, including effect of hedging		(214.2)	(177.5)
Income taxes paid		(154.2)	(216.1)
<i>Net cash from operating activities</i>		1,438.8	1,488.3
Cash flows from investing activities			
Acquisition of associates, joint arrangements and subsidiaries, net of cash acquired*	3	(2,357.9)	(894.9)
Proceeds from divestiture of associates, joint arrangements and subsidiaries	3	383.8	4,843.5
Proceeds from sale of/(investments in) other intangibles		(49.9)	(92.3)
Purchase of property, plant, equipment and investment properties		(883.9)	(731.0)
Proceeds from sale of property, plant, equipment and investment properties		39.0	27.1
Proceeds from/(investments in) other financial assets	9	239.2	9.4
Acquisition of marketable securities and deposits		(102.3)	(3,921.0)
Proceeds from marketable securities and deposits		708.1	22.1
Settlement of derivatives (net investments hedges)		(10.2)	(12.8)
<i>Net cash from/(used in) investing activities</i>		(2,034.1)	(749.9)
Cash flows from financing activities			
Proceeds from debt and other financial liabilities		1,320.5	821.7
Repayment of debt and other financial liabilities		(963.5)	(545.0)
Payments on lease liabilities		(182.7)	(327.6)
Net proceeds from/(repayments of) short-term financing		583.2	284.4
Capital increase non-controlling interests		9.3	70.4
Other non-controlling interest transactions (including dividend paid)*		(127.3)	(171.4)
Movement in treasury shares		2.8	(5.5)
Dividend paid		(247.1)	(200.5)
<i>Net cash from/(used in) financing activities</i>		395.2	(73.5)
Increase/(decrease) in cash and cash equivalents		(200.1)	664.9
Cash and cash equivalents at beginning of year		2,256.4	1,426.9
Cash and cash equivalents included in assets held for sale at beginning of year		(21.8)	155.4
Effect of exchange rate changes and reclassifications		9.4	9.2
Cash and cash equivalents retranslated at beginning of year		2,244.0	1,591.5
Net increase/(decrease) in cash and cash equivalents		(200.1)	664.9
Cash and cash equivalents at end of period	15	2,043.9	2,256.4

* The cash flows from investing activities include € (1,885) million related to the acquisition of Boskalis shares (non-controlling interest) after the de facto control date. Reference is made to note 3 for an overview of the transaction.

The notes on pages 37 to 154 form an integral part of the consolidated financial statements.

Basis of preparation

Basis of preparation

The consolidated financial statements presented are those of HAL Trust (the ‘Trust’), a Bermuda trust formed in 1977, and its subsidiaries (the ‘Group’) as well as the interests in associates and joint ventures and were prepared in accordance with sections 14.2 and 14.3 of the Trust deed. HAL Trust shares are listed and traded on Euronext in Amsterdam. For the years presented, the Trust’s only asset was all outstanding shares of HAL Holding N.V. (the ‘Company’), a Curaçao corporation. Accordingly, the consolidated financial statements of the Trust are identical to those of HAL Holding N.V.

The consolidated financial statements of the Company were authorized for issue by the Supervisory Board of HAL Holding N.V. on March 29, 2023, and have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS). The consolidated financial statements have been prepared under the historical cost convention unless otherwise stated in the accounting policies. There were no changes in the accounting policies compared to previous year except as described below. Certain amounts in prior periods have been reclassified to conform to the current year presentation. These reclassifications had no effect on net income, shareholders’ equity or earnings per Share, except as described in the recent accounting developments section below.

On July 5, 2022, the Company obtained (de facto) control over Royal Boskalis N.V. (‘Boskalis’). This acquisition had a significant impact on the 2022 financial statements. Reference is made to note 3.

On July 1, 2021, HAL completed the sale of its 76.72% ownership interest in the issued share capital of GrandVision to EssilorLuxottica. The total consideration for HAL’s ownership interest amounted to € 5.5 billion, resulting in a € 3.5 billion net capital gain. As of July 30, 2019, the assets and liabilities of GrandVision were classified as held for sale and recognition of depreciation, amortization and impairment of non-current assets of GrandVision had been discontinued. The net results related to GrandVision for 2021 are presented in the consolidated statement of income as profit from discontinued operations, in accordance with IFRS 5, *Non-current assets held for sale and discontinued operations*. The consolidated cash flow statement, in so far it relates to 2021, fully includes the cash flows of GrandVision up to the moment of divestment. The movement schedules included in the notes to these consolidated financial statements in so far they relate to 2021 comprise all movements up to that date in relation to GrandVision to safeguard reconciliation with the consolidated statement of cash flows.

Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported assets and liabilities and the disclosure on contingent assets and liabilities at the date of the financial statements as well as the reported amounts of revenues and expenses during the reporting period. Actual results ultimately may differ from those estimates. Estimates and judgments are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future period affected. Accordingly, it is reasonably possible that outcomes within the next financial year that are different from the assumptions could have an impact on the carrying amount of the asset or liability affected. Accounting policies that are critical to the financial statements presentation and that require complex estimates or significant judgment are described in the following notes:

- Deemed control over quoted minority interests – consolidation section;
- Useful life and residual value of property, plant and equipment – note 4;
- Determination of lease terms and discount rates applied to lease contracts – note 6;

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- Valuation of intangible assets in acquisitions – note 3;
 - Progress and forecasted outcomes of construction and offshore contracting activities and related provisions for onerous contracts – notes 12 and 21;
 - Allowance for inventory obsolescence – note 13;
 - Recognition of carry-forward losses and tax provisions – notes 19 and 31;
 - Assumptions pension benefits – note 20;
 - Estimated impairment of non-financial, non-current assets – note 35.

Recent accounting developments

The material accounting policies applied in these consolidated financial statements are consistent with those applied in the consolidated financial statements as of and for the year ended December 31, 2021.

New and amended standards, interpretations and clarifications adopted by the Company

No new or amended standards and interpretations had significant impact on the Company's consolidated financial statements.

New standards, amendments and interpretations issued but not yet effective

There are no new standards, amendments to existing standards or new IFRIC interpretations that are not yet effective that are expected to have a significant impact on the Company.

Supplemental information

As a result of the 2014 implementation of IFRS 10, *Consolidated Financial Statements*, HAL Trust consolidates the financial information of Koninklijke Vopak N.V. ('Vopak') and Safilo Group S.p.A. ('Safilo'). Supplemental information has been included on pages 125 through 154 whereby Vopak and Safilo are accounted for on an unconsolidated basis using the equity method as applied in the years until 2014. The inclusion of this information is considered appropriate and useful as the control model of the Company with respect to Vopak and Safilo is materially different than the model with respect to the other consolidated entities, where the Company's ownership interest exceeds 50%, and the effect of the inclusion of Vopak and Safilo in the consolidation has a significant effect on the financial statements.

Consolidation

Subsidiaries, which are those entities over which the Company is deemed to have control, are consolidated. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In certain circumstances, significant judgment is required to assess if the Company is deemed to have (de facto) control over entities where the Company's ownership interest does not exceed 50%. Subsidiaries are consolidated from the date on which effective control is obtained and are no longer consolidated as from the date the effective control ceases.

The amounts reported by the subsidiaries are based on the Company's accounting policies. Intercompany transactions, balances and unrealized results on transactions between group companies are eliminated on consolidation. Unrealized results arising from transactions with joint arrangements and associates are eliminated to the extent of the interest of the Company in the equity.

Non-controlling interests are disclosed separately. Transactions with holders of non-controlling interests that do not result in a loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any

consideration paid or received and the relevant share acquired or disposed of the carrying value of net assets of the subsidiary is recorded in equity.

When the Company ceases to have control, any retained interest in the entity is re-measured at its fair value at the date when control is lost, with the change in the carrying amount recognized in the consolidated statement of income. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint arrangement or other financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Company had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified (“recycled”) to the consolidated statement of income.

Critical accounting estimates and judgments

In the preparation of these financial statements, management has applied significant judgment to assess if the Company is deemed to have (de facto) control over entities where the Company’s ownership interest does not exceed 50%.

Although the Company’s ownership interest in Vopak and Safilo is below 50%, IFRS requires these entities to be consolidated in these financial statements as the company is deemed to have control, as defined in IFRS 10 and more specifically in example 4 of the application guidance in appendix B of this standard, over these two entities. Vopak and Safilo are both publicly traded companies. Whereas HAL has board representation and, accordingly, may be considered to have significant influence over these entities, in the past neither operational nor strategic control was exercised. Moreover, Vopak and Safilo are, for example, not part of the Company’s management reporting system which monitors the performance of the consolidated companies on a monthly basis. In addition, in view of its minority interest, the Company has no formal instruction rights with respect to Vopak and Safilo. The Company has a process in place to obtain information from Vopak and Safilo in order to prepare consolidated financial statements in accordance with IFRS. The Company does not, however, have access to the financial books and records, contracts and related information of Vopak and Safilo in order to independently verify that these are complete, valid and accurate.

Management performed an assessment with respect to the other minority-owned entities and asserted that (de facto) control was not deemed present for these entities. A list of the Company’s principal subsidiaries and minority-owned entities is set out on page 121.

Foreign currencies

Functional and presentation currency

Items included in the financial statements of each of the Company’s entities are measured using the currency of the primary economic environment in which the entity operates (the ‘functional currency’). The consolidated financial statements are presented in euro, which is the Company’s functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognized in the consolidated statement of income, except when deferred in equity as qualifying hedges. Any hedge ineffectiveness is recognized in the consolidated statement of income as it arises.

Company's subsidiaries

The results and financial position of all the Company's subsidiaries that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of the statement of financial position;
- (ii) the income statement, the cash flow statement and all other movements in assets and liabilities are translated at average rates of exchange as a proxy for the transaction rate, or at the transaction rate itself if more appropriate;
- (iii) all resulting exchange differences are recognized as a separate component of other comprehensive income.

On consolidation, exchange differences arising from the translation of net investments in foreign entities and of borrowings and other currency instruments designated as hedges of such investments, are taken to other comprehensive income. Exchange differences on intra-group monetary assets or liabilities that are not part of a net investment in foreign entities are recognized in the consolidated statement of income. When a foreign operation is sold, exchange differences previously recognized through other comprehensive income are reclassified from equity (as a reclassification adjustment) to the consolidated statement of income as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Cash flow statement

The consolidated statement of cash flows has been prepared using the indirect method. Cash flows denominated in foreign currencies are translated at average exchange rates, or at the transaction rate if more appropriate. The effect of exchange rates on cash and cash equivalents is presented separately. Cash flows related to discontinued operations have been fully included in the consolidated statement of cash flows and are further detailed in note 16.

Interest paid and interest and dividends received are classified as operating cash flows. Dividends paid are classified as financing cash flows. Cash flows arising from income taxes are classified as operating cash flows.

Notes to the Consolidated Financial Statements

(All amounts in millions of euro, unless otherwise stated)

1. Segmentation

The Company's reportable segments are defined as follows:

- Unquoted
- Quoted minority interests
- Real estate
- Liquid portfolio

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources between segments and assessing the performance of the operating segments, is identified as the Executive Board. The reportable segments are defined based on differences in products and services as well as differences in the nature of the respective assets and the management thereof.

Unquoted relates to majority-owned companies as well as non-controlling minority interests in companies that derive their revenues from various products and activities such as dredging, (maritime) construction and maintenance, building materials, computer gaming equipment, orthopedic devices, office furniture, greenhouse projects, staffing, shipping and other products and activities. In July 2022, HAL obtained (de facto) control over Boskalis (refer to note 3) and, in accordance with earlier communicated intentions, the company was delisted as per November 9, 2022. Therefore, Boskalis has been included in the Unquoted segment in these financial statements as of the date of first consolidation.

The Quoted minority interests segment comprises both the Company's consolidated and unconsolidated minority interests in publicly traded entities. Boskalis was included in this segment until the date of first consolidation.

The Real estate segment relates to the development and rental of retail centers, multi-family properties and office buildings. This segment does not include the activities of the Company's construction companies.

The segment Liquid portfolio consists of financial assets, included in marketable securities, and cash-equivalent instruments generating interest, dividend and trading results.

Operating income (for the purpose of this report defined as earnings before interest, exceptional and non-recurring items of the optical retail and unquoted segment, taxes and amortization of intangible assets but including amortization of software) has been detailed on the following page.

	2022	2021
Unquoted	402.8	403.6
Quoted minority interests	325.1	645.4
Real estate	53.6	42.5
Liquid portfolio	(119.7)	80.0
Optical retail (discontinued in 2021)	-	464.5
Total operating income	661.8	1,636.0
Reconciling items:		
- Discontinued operations (optical retail)	-	(464.5)
- Amortization and impairment of intangibles	(459.8)	(129.4)
- Capital gain on the sale of the Company's 76.72% shareholding in GrandVision N.V.	-	3,500.7
- Revaluation of previously held equity interest in Boskalis	656.2	-
- Other	(51.3)	(77.6)
Operating result as per the consolidated statement of income	806.9	4,465.2
Financial expense, net	(125.7)	(119.1)
Profit before tax as per the consolidated statement of income	681.2	4,346.1

The "other" reconciling items represent mostly corporate overhead and exceptional items (excluding those of Vopak, Safilo, SBM Offshore and, for the first half of 2022, Boskalis). The segment Quoted minority interests includes the operating income (including exceptional items) of Vopak and Safilo and the Company's share in the net income of SBM Offshore and, for the first half of 2022, Boskalis. In the second half of 2022, Boskalis was included in the Unquoted segment.

The composition of depreciation and impairment expense on property, plant and equipment, right-of-use assets and investment properties by segment is as follows:

	2022	2021
Unquoted	378.1	205.9
Quoted minority interests	797.6	403.8
Real estate	2.3	2.0
Reconciling items	1.7	1.6
	1,179.7	613.3

The reconciling items represent the corporate depreciation expense.

The composition of revenues by segment is as follows:

	2022	2021
Unquoted	7,625.9	5,008.4
Quoted minority interests	2,478.4	2,204.9
Total continuing operations	10,104.3	7,213.3
Discontinued operations (optical retail)	-	1,891.1
	10,104.3	9,104.4

The composition of assets by segment is as follows:

	Dec. 31, 2022	Dec. 31, 2021
Unquoted	13,307.9	6,242.6
Quoted minority interests	8,858.8	9,923.2
Real estate	270.7	237.7
Liquid portfolio	3,892.1	5,608.1
Reconciling items	385.0	610.7
	26,714.5	22,622.3

The reconciling items represent corporate assets, including deferred tax, loans and pension benefit assets. The reconciling items also include an amount of € 250 million (2021: € 500 million) representing the part of the proceeds from the sale of the Company's 76.72% shareholding in GrandVision N.V., which is held in escrow for potential liabilities of HAL under the sale and purchase agreement.

The composition of investments in associates and joint arrangements by segment is as follows:

	Dec. 31, 2022	Dec. 31, 2021
Unquoted	501.0	336.6
Quoted minority interests	2,682.7	3,379.6
Real estate	175.1	132.9
	3,358.8	3,849.1

The composition of capital expenditures by segment is as follows:

	2022	2021
Unquoted	521.0	180.8
Quoted minority interests	404.0	526.8
Real estate	10.9	28.7
Total continuing operations	935.9	736.3
Discontinued operations (optical retail)	-	75.3
	935.9	811.6

Capital expenditures consist of additions to property, plant and equipment, investment properties and other intangible assets that are not related to acquisitions.

The composition of liabilities by segment is as follows:

	Dec. 31, 2022	Dec. 31, 2021
Unquoted	6,442.9	3,411.6
Quoted minority interests	4,385.3	4,325.2
Real estate	3.1	1.9
Liquid portfolio	0.3	0.3
Reconciling items	645.1	77.1
	11,476.7	7,816.1

The reconciling items represent corporate debt (€ 576 million, 2021: nil) and liabilities, including liabilities related to obligations to acquire equity instruments in certain subsidiaries from the management of these subsidiaries and deferred tax.

The composition of revenues by geographical area is as follows:

	2022	2021
Europe	6,671.3	5,150.5
USA & Canada	1,270.4	1,049.1
Asia	1,452.4	583.0
Other	710.2	430.7
Total continuing operations	10,104.3	7,213.3
Discontinued operations (optical retail)	-	1,891.1
	10,104.3	9,104.4

The composition of property, plant and equipment, investment properties, right-of-use assets, intangible assets and investments in associates and joint ventures by geographical area is as follows:

	Dec. 31, 2022	Dec. 31, 2021
Europe	9,667.1	7,722.9
USA & Canada	1,421.7	1,349.3
Asia	4,004.4	2,141.6
Other	1,197.3	1,235.2
	16,290.5	12,449.0

2. Exceptional items

To increase transparency, exceptional items are disclosed separately when relevant. These items are exceptional, by nature, from a management perspective. Exceptional items may include impairments, reversals of impairments, additions to and releases from provisions for restructuring, gains on the sale of subsidiaries, joint arrangements and associates, any other significant provisions being formed or released and any significant changes in estimates.

Summary of exceptional items is as follows:

	<i>Notes</i>	2022	2021
Revaluation of the previously held equity interest in Boskalis	3	656.2	-
Impairments on terminal-related assets at Koninklijke Vopak N.V., net of reversals	35	(448.6)	(71.0)
Impairment of goodwill and other intangibles, net of reversals	35	(312.4)	-
Impairment of joint ventures and associates, net of reversals	35	(162.0)	-
Net capital gains on sale of subsidiaries and associates		104.8	-
Exceptional gain at Royal Boskalis N.V.*		27.0	-
Capital gains on sale of property, plant and equipment		16.5	7.2
Acquisition-related expenses	3	(10.2)	(7.0)
Restructuring		(7.4)	(24.0)
Other impairments, net of reversal	35	(4.0)	-
Impairments at Royal Boskalis N.V.*		(7.1)	-
Revaluation of repurchase obligations		(1.3)	(21.4)
Capital gain on the disposal of GrandVision N.V.		-	3,500.7
Lawsuit settlements Safilo (antitrust France)		-	17.0
Other		24.4	(32.1)
Effect on operating profit / (loss)		(124.1)	3,369.4
Revaluation of earn-out liabilities	30	50.1	32.2
Effect on profit / (loss) before income tax		(74.0)	3,401.6
Income tax on the above items		(0.2)	5.1
Effect on net profit / (loss) from continuing operations		(74.2)	3,406.7
Other exceptional items related to discontinued operations		-	(0.4)
Effect on net profit / (loss)		(74.2)	3,406.3

* Exceptional results related to the first half of 2022, included in share of results from associates and joint ventures.

The exceptional items are disclosed separately in the notes, when relevant, in order to increase transparency.

3. Acquisition and divestment of subsidiaries

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Company. The cost of the acquisition is measured as the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of the business combination and the fair value of any contingent consideration to be transferred. Identifiable assets, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. Non-controlling interest in the acquiree is measured, on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

If the business combination is achieved in stages, the Company's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date and the difference with the book value of the previously held equity interest is recognized in the consolidated statement of income. The excess of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition-date fair value of any previously held equity interest in the acquiree over the fair value of the identifiable net assets acquired, is recorded as goodwill. If the total of the consideration transferred, the non-controlling interest recognized and the fair value of the previously held interest is less than the fair value of the net assets of the subsidiary acquired ('badwill'), the difference is directly recognized in the consolidated statement of income. Acquisition-related costs are expensed as incurred. Subsequent changes to the fair value of the contingent consideration classified as an asset or liability are recognized in the consolidated statement of income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Critical accounting estimates and judgments

When a company is acquired, a value is assigned to intangible assets such as trademarks and the customer relationships. The determination of the value at the time of acquisition and the estimated useful life are subject to judgment. Assumptions by management underlying the estimation of fair value include the future cash flows expected from the asset and discount rates. Useful life is estimated using past experience and relevant industry practices.

Acquisitions

Boskalis

Royal Boskalis N.V. ('Boskalis') is a leading global services provider operating in the dredging, maritime infrastructure and maritime services sectors, based in Papendrecht, the Netherlands. The company provides creative and innovative all-round solutions to infrastructural challenges in the maritime, coastal and delta regions of the world. With core activities such as coastal defense, riverbank protection and land reclamation, Boskalis is able to provide adaptive and mitigating solutions to combat the effects of climate change, such as extreme weather conditions and rising sea levels, as well as delivering solutions for the increasing need for space in coastal and delta regions across the world. The company facilitates the development of offshore energy infrastructure, including renewable wind energy. Boskalis is furthermore active in the construction and maintenance of ports, waterways, access channels and civil infrastructure. Boskalis has a versatile fleet of more than 500 vessels and floating equipment and approximately 10,000 employees, including associates.

Full-year revenues for 2022 amounted to € 3,578 million (2021: € 2,957 million). Net income for 2022 amounted to € 241 million (2021: € 151 million). At the end of 2022 the order book of the company amounted to € 6.1 billion compared to € 5.4 billion at the end of 2021.

On June 24, 2022, HAL made an all-cash, voluntary offer for all issued and outstanding ordinary shares of Boskalis of € 32.50 (cum-dividend) per share. The intention for this offer was announced on March 10, 2022. The offer, increased to € 33.00 (cum dividend) on August 29,

2022, was declared unconditional on September 7, 2022. Following the post-acceptance period, the Company increased its shareholding in Boskalis through purchases in the open market and through tendered shares to 98.9% at the end of the year (2021: 45.54%). Since the announcement of the intended offer on March 10, 2022, HAL acquired shares in Boskalis. As a result of the increase in shareholding, HAL obtained de facto control over Boskalis on July 5, 2022, as the size of its shareholding provided HAL the practical ability to direct the relevant activities of Boskalis unilaterally, considering in particular that HAL could unilaterally adopt, approve or block any decisions with respect to Boskalis that required approval from the supervisory board of Boskalis, that HAL could unilaterally appoint, suspend or dismiss any member of the board of management and/or any member of the supervisory board or unilaterally block a binding nomination (a majority of two-thirds of the votes cast and representing more than half of the issued share capital being required) and that HAL did therefore at that point in time have the current and practical ability to direct the relevant activities of Boskalis. Until that date HAL did not have de facto control over Boskalis and the shares acquired in 2022 up to the de facto control date were accounted for as an investment in an associate in accordance with IAS 28, for an amount of € 348.8 million.

In accordance with IFRS, the equity interest in Boskalis that was held prior to obtaining control (classified as an associate and accounted for using the equity method) was revalued to fair value, as reflected by the share price at the date of obtaining de facto control. This resulted in a revaluation gain of € 656.2 million, included in share of results from associates and joint ventures (refer to note 25) and a subsequent charge to retained earnings of € 54.8 million with respect to shares acquired, for an amount of € 1,885.1 million, after the de facto control date, as this represented transactions with non-controlling interests. At year-end, a non-controlling interest remained of € 47.1 million. The primary intangible assets recognized in the purchase price allocation include the Boskalis brand name and the order portfolio. In addition, the company's vessels and other real estate were revalued at market value. Goodwill was recognized in amount of € 1,224.7 million, related to the knowledge of the workforce, the execution capabilities of the company and the expected growth and profitability of the company.

The total cash outflow during 2022 with respect to the acquisition of Boskalis amounted to € 2,251.1 million and consisted of the acquisition of shares up to the (de facto) control date of € 348.8 million, the shares acquired at the (de facto) control date of € 17.2 million and the shares purchased after the (de facto) control date of € 1,885.1 million. The impact of these transactions on book values and results is included in the table below.

	2022
Book value of the associate at January 1, 2022	1,198.4
Shares acquired up to the (de facto) control date	348.8
Other movements in the associate	43.0
Total book value of the associate	1,590.2
Revaluation of the associate	656.2
Shares acquired at the (de facto) control date	17.2
Book value of the controlling interest	2,263.6
Book value of the non-controlling interest	1,877.4
Book value of the subsidiary at the (de facto) control date	4,141.0
Purchase of non-controlling interest	1,885.1
Book value of acquired non-controlling interest	1,830.3
Charged to retained earnings	(54.8)

Ducky

In May 2022, Pro Gamers Group (64.5% HAL) completed the acquisition of DuckyChannel International Co., Ltd. ('Ducky'). Ducky develops and manufactures mechanical keyboards and had 2022 sales of € 22.1 million. The intangible assets recognized are the Ducky trademark and goodwill of € 31.5 million, related to the knowledge of the workforce and the expected growth and profitability of the company.

Details on the acquisitions performed during the year are as follows:

	Boskalis	Ducky	Other	Total
Cash paid	17.2	46.8	68.3	132.3
Future consideration	-	-	6.2	6.2
Equity instruments issued	-	-	15.0	15.0
Fair value of previously held equity interests	2,246.4	-	-	2,246.4
Fair value of net assets acquired	(2,916.4)	(15.3)	(50.5)	(2,982.2)
Non-controlling interest recognized at fair value	1,877.5	-	(0.1)	1,877.4
Goodwill	1,224.7	31.5	45.5	1,301.7
Badwill (in consolidated statement of income)	-	-	(6.6)	(6.6)

The goodwill on the acquisitions is not deductible for tax purposes.

Details of the net assets acquired are set out below:

	Boskalis	Ducky	Other	Total
Property, plant and equipment and investment properties	2,984.5	0.1	21.6	3,006.2
Right-of-use assets	128.9	0.2	3.5	132.6
Intangible assets	414.7	10.3	12.3	437.3
Investments in associates and joint arrangements	70.1	-	-	70.1
Other financial assets	2.7	0.1	1.0	3.8
Deferred tax assets	9.1	-	1.1	10.2
Other non-current assets	-	0.2	-	0.2
Cash	537.5	3.0	13.7	554.2
Assets held for sale	233.2	-	-	233.2
Non-current debt	(373.6)	-	(4.1)	(377.7)
Non-current provisions	(119.5)	-	-	(119.5)
Lease liabilities	(133.6)	(0.2)	(3.4)	(137.2)
Deferred tax liabilities	(139.3)	(2.1)	(5.8)	(147.2)
Other non-current liabilities	-	-	(0.5)	(0.5)
Current debt	(22.7)	-	(0.2)	(22.9)
<i>Accounts receivable</i>	<i>415.1</i>	<i>2.7</i>	<i>16.8</i>	<i>434.6</i>
<i>Inventories</i>	<i>150.2</i>	<i>4.4</i>	<i>15.1</i>	<i>169.7</i>
<i>Other current assets</i>	<i>332.8</i>	<i>-</i>	<i>2.4</i>	<i>335.2</i>
<i>Contract assets</i>	<i>386.6</i>	<i>-</i>	<i>-</i>	<i>386.6</i>
<i>Income tax payable</i>	<i>(128.2)</i>	<i>-</i>	<i>(0.9)</i>	<i>(129.1)</i>
<i>Accounts payable</i>	<i>(224.1)</i>	<i>(1.9)</i>	<i>(9.5)</i>	<i>(235.5)</i>
<i>Accrued expenses</i>	<i>(1,107.1)</i>	<i>-</i>	<i>(9.4)</i>	<i>(1,116.5)</i>
<i>Contract liabilities</i>	<i>(430.3)</i>	<i>-</i>	<i>(0.6)</i>	<i>(430.9)</i>
<i>Other current liabilities</i>	<i>(8.8)</i>	<i>(1.5)</i>	<i>(2.5)</i>	<i>(12.8)</i>
<i>Current provisions</i>	<i>(61.7)</i>	<i>-</i>	<i>(0.1)</i>	<i>(61.8)</i>
Net working capital	(675.5)	3.7	11.3	(660.5)
Non-controlling interest	(0.1)	-	-	(0.1)
Fair value of net assets acquired	2,916.4	15.3	50.5	2,982.2

The afore-mentioned acquisitions generated the following results in 2022, respectively would have generated the following results, should they have been consolidated for the full year:

	Boskalis	Ducky	Other	Total
Contribution to 2022 revenues	1,968.0	12.0	77.3	2,057.3
Contribution to 2022 operating income	147.0	4.2	9.8	161.0
Contribution to 2022 net income	125.0	2.6	4.5	132.1
2022 full-year revenues	3,578.2	22.1	156.2	3,756.5
2022 full-year operating income	322.6	7.9	14.0	344.5
2022 full-year net income	241.2	6.4	6.2	253.8

Acquisition costs charged to the other operating expenses, related to continuing operations, in the consolidated statement of income amounted to € 10.2 million.

	Total
Cash paid for the above acquisitions*	132.3
Cash acquired in the above acquisitions	(554.2)
Cash outflow due to acquisition of subsidiaries, net of cash acquired	(421.9)
Acquisition of and investments in associates and joint arrangements	894.7
Acquisition of Boskalis shares after the (de facto) control date	1,885.1
Cash outflow due to acquisition of associates, joint arrangements and subsidiaries, net of cash acquired	2,357.9

* With respect to Boskalis this only includes the € 17.2 million paid at the de facto control date, refer to the table on the Boskalis acquisition in this note.

Divestments

Floramedia

On May 31, 2022, HAL sold its ownership interest in Floramedia Group B.V. ('Floramedia'). Floramedia is active in specialty printing, marketing and communication for the green sector. HAL became a shareholder in Floramedia via the acquisition of Mercurius Groep Holding B.V. in 1999.

Livit

On May 2, 2022, HAL completed the sale of its ownership interest in Orthopedie Investments Holding B.V. ('Livit'). Livit manufactures and sells orthopedic and other medical aids to end-customers. Livit operates a network of specialized care centers and fitting locations throughout the Netherlands and was acquired in 2007.

Vopak - Canada terminals

In May 2022, Vopak completed the earlier announced divestment of its 100% shareholding in Vopak Terminals of Canada Inc. and Vopak Terminals of Eastern Canada Inc. The total agreed transaction value including deferred consideration amounted to € 129 million (CAD 168 million). The sale generated net cash proceeds of € 64.7 million in 2022. In May 2023, the remaining consideration of CAD 84 million will be received.

Vopak - India CRL terminal

In May 2022, Vopak transferred its full ownership of the CRL terminal in Kandla India to Aegis Vopak Terminals Ltd (refer to note 6). The purchase consideration, including deferred and contingent components, amounted to approximately € 39.3million, with net cash proceeds in 2022 of € 23.9 million.

MYLAPS

On July 8, 2022, HAL sold its ownership interest in MYLAPS B.V. ('MYLAPS'). MYLAPS is active in the development and production of identification and timing equipment for sports events.

Vopak - Vopak Agencies

In December 2022, Vopak completed the divestment of its 100% shareholding in Vopak Agencies B.V. and its 50% shareholding in Diize B.V. The purchase consideration amounted to € 16.4 million and was received upon execution of the transaction.

The total capital gain on the above divestments of subsidiaries is € 99.7 million and is included in other income.

The 2022 divestments of subsidiaries, associates and joint ventures resulted in the following cash flows:

	Vopak	Other	Total
Cash received from divestment of subsidiaries	104.8	134.8	239.6
Cash sold in divestments of subsidiaries	-	(13.0)	(13.0)
Net cash inflow resulting from divestment of subsidiaries	104.8	121.8	226.6
Disposal of associates and joint arrangements, including capital repayments*	4.6	152.6	157.2
Cash inflow due to divestment of associates, joint arrangements and subsidiaries, net of cash sold	<u>109.4</u>	<u>274.4</u>	<u>383.8</u>

* Includes € 102 million related to the sale of two investment properties held by joint ventures in the Real estate segment (refer to note 16)

4. Property, plant and equipment

Property, plant and equipment are recorded at historical cost less accumulated depreciation and impairments. Historical cost includes expenditure that is directly attributable to the acquisition of the items (such as unrecoverable taxes and transport) and construction costs that can be allocated directly (such as hours of own employees and advisory fees). Interest during construction is capitalized. To the extent that dismantling obligations exist, these are included in the cost of the assets.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of replaced parts is derecognized. All other repair and maintenance costs are charged to the consolidated statement of income during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to write off the cost of each asset to their residual values over their estimated useful life as follows: buildings 10-50 years, vessels and floating equipment 5-30 years, tank storage terminals 10-40 years and equipment and other 3-15 years. Useful lives and residual values are reviewed annually and, if required, amended. Land is not depreciated.

Critical accounting estimates and judgments

Property, plant and equipment of represent a substantial part of the total assets of the Company and the related depreciation forms a substantial part of the annual operating expenses. The useful

life and residual value of these assets have a major impact on the measurement of property, plant and equipment. These estimates and assumptions are partly based on the expected useful productive lives, experiences related to similar assets, the maintenance history and the period during which the company has the economic benefits from the utilization of the assets

Movements for 2022 and 2021 are as follows:

	Land and buildings	Vessels and floating equipment	Tank storage terminals	Equipment and other	Total
Cost value	1,093.1	630.9	5,583.4	1,927.3	9,234.7
Cost value - under construction	15.9	11.5	709.3	21.8	758.5
Accumulated depreciation and impairments	(453.4)	(188.7)	(2,791.9)	(1,442.7)	(4,876.7)
Balance on January 1, 2021	<u>655.6</u>	<u>453.7</u>	<u>3,500.8</u>	<u>506.4</u>	<u>5,116.5</u>
Investments	81.5	17.1	431.0	159.5	689.1
Consolidation	18.5	-	-	9.5	28.0
Disposals	(9.3)	-	(2.7)	(6.2)	(18.2)
Depreciation and impairments, net of reversals	(35.6)	(34.1)	(301.9)	(107.1)	(478.7)
Reclassification	(5.9)	-	(94.1)	(6.7)	(106.7)
Reclassification to held for sale	(49.3)	-	(94.9)	(27.7)	(171.9)
Exchange differences	16.9	20.7	106.0	14.8	158.4
Balance on December 31, 2021	<u>672.4</u>	<u>457.4</u>	<u>3,544.2</u>	<u>542.5</u>	<u>5,216.5</u>
Cost value	1,093.1	664.1	6,312.5	1,963.8	10,033.5
Cost value - under construction	72.2	31.3	322.1	96.6	522.2
Accumulated depreciation and impairments	(492.9)	(238.0)	(3,090.4)	(1,517.9)	(5,339.2)
Balance on December 31, 2021	<u>672.4</u>	<u>457.4</u>	<u>3,544.2</u>	<u>542.5</u>	<u>5,216.5</u>
Investments	63.7	343.4	340.8	126.9	874.8
Consolidation	150.0	2,836.1	-	20.1	3,006.2
Disposals	(7.4)	(23.2)	(2.1)	(4.5)	(37.2)
Depreciation and impairments, net of reversals	(58.2)	(174.9)	(677.1)	(110.3)	(1,020.5)
Reclassification	(1.0)	(1.8)	(26.2)	(6.3)	(35.3)
Exchange differences	4.2	(6.0)	87.9	4.9	91.0
Balance on December 31, 2022	<u>823.7</u>	<u>3,431.0</u>	<u>3,267.5</u>	<u>573.3</u>	<u>8,095.5</u>
Cost value	1,255.9	3,570.6	6,771.1	1,993.3	13,590.9
Cost value - under construction	94.9	270.0	318.6	149.4	832.9
Accumulated depreciation and impairments	(527.1)	(409.6)	(3,822.2)	(1,569.4)	(6,328.3)
Balance on December 31, 2022	<u>823.7</u>	<u>3,431.0</u>	<u>3,267.5</u>	<u>573.3</u>	<u>8,095.5</u>

Note 22 details information on pledges.

5. Investments properties

Investment properties are recorded at historical cost less accumulated depreciation and impairments. Historical cost includes expenditure that is directly attributable to the acquisition of the properties (such as unrecoverable taxes) and construction costs that can be allocated directly (such as hours of own employees and advisory fees). Interest during construction is capitalized. To the extent that dismantling obligations exist, these are included in the cost of the assets.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the consolidated statement of income during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to write off the cost of each asset to their residual values over their estimated useful life (25-50 years). Useful lives and residual values are reviewed annually and, if required, amended. Land is not depreciated.

Movements for 2022 and 2021 are as follows:

	2022	2021
Cost value	72.1	43.8
Accumulated depreciation and impairments	(4.1)	(1.8)
Balance on January 1	68.0	42.0
Investments	10.9	28.7
Disposals	-	(0.4)
Depreciation and impairments	(2.4)	(2.3)
Balance on December 31	76.5	68.0
Cost value	79.7	72.1
Cost value - under construction	3.3	-
Accumulated depreciation and impairments	(6.5)	(4.1)
Balance on December 31	76.5	68.0

At year-end 2022 and 2021, the carrying value of the investment properties was a reasonable approximation of their fair value.

6. Right-of-use assets and lease liabilities

A right-of-use asset and a related lease liability are recognized for lease contracts that exceed a duration of twelve months, except when a contract relates to leases of low-value assets, payments are primarily based on variables such as revenue or when a lessor has a substantive substitution right. The latter contracts are expensed on a straight-line basis over the contract term.

The Company leases real estate properties (land and buildings) to house its retail stores, offices, logistical activities and storage terminal operations. Lease contracts are negotiated on an individual basis and, due to the geographical spread and the various business models of operating companies, contain a wide range of different terms and conditions.

The Company leases vessels and floating equipment in respect of its businesses of transporting liquefied gases and petrochemical products, dredging and offshore energy. These lease contracts are negotiated on an individual basis and may contain a wide range of different terms and conditions due to the international lessor base and the complex and varying nature of individual vessels.

The Company leases terminal-related assets, including storage assets, jetties and loading facilities. These lease contracts are also negotiated on an individual basis and contain a wide range of different terms and conditions due to geographical spread and specific nature of the assets.

The Company also leases trucks, passenger cars and machinery and equipment, including information and communication technology equipment. These contracts are insignificant compared to the total leased asset portfolio.

Right-of-use assets

At the commencement date of the lease contract, the right-of-use asset is measured at cost. This comprises the initial amount of the lease liability, adjusted for prepayments and lease incentives received, initial direct cost, estimated restoration and dismantling costs, where applicable. Depreciation is calculated using the straight-line method to write off the cost of each right-of-use asset from the commencement date to the end of the useful life of the right-of-use asset, considered to be indicated by the lease term. The right-of-use assets are subject to impairment and adjusted for remeasurement of lease liabilities.

Lease liabilities

At the commencement date of the lease contract, the lease liability is measured at the present value of the lease payments over the lease term, discounted using the incremental borrowing rate. Payments include (in-substance) fixed payments, variable lease payments that depend on an index or rate, amounts expected to be payable under residual value guarantees, expected (early termination) penalties and amounts expected to be payable for the exercise of purchase options, when the Company is reasonably certain to exercise these. Contractual payments related to service costs are excluded from the measurement of lease liabilities in respect of terminal-related assets. Lease liabilities are subsequently measured at amortized cost using the effective interest method. A lease liability is remeasured when there is an adjustment to future lease payments arising from, for example, renegotiation of the lease contract, a change in index or rate, or in case of reassessment of the Company's expected exercise of options. A remeasurement of the lease liability is reflected as a corresponding adjustment to the right-of-use asset, with any excess over the carrying amount of the asset being recognized in the consolidated statement of income. Rent concessions occurring as a direct consequence of the COVID-19 pandemic are not assessed whether these are lease modifications and instead are accounted for as if they are not lease modifications. Accordingly, these concessions will be recorded as a reduction of the lease liability through the current income statement and not amortized over the term of the lease.

Lessor accounting

The Company subleases some of its right-of-use assets to franchisees or third parties. When substantially all the risks and rewards are transferred to the lessee, the sublease is classified as a finance lease, otherwise the sub-lease is an operating lease. When the sublease is classified as a finance lease, the right-of-use asset in the head lease is de-recognized and a lease receivable is recognized, with any difference being recorded in the consolidated statement of income. Subsequently, the interest income and interest expense are accrued on the lease receivable and lease liability respectively applying the effective interest method. Rental income from operating subleases is recognized in the consolidated statement of income, within other revenue.

COVID-19-related lease concessions

In 2020 and 2021, amendments to IFRS 16 were issued under which rent reductions are recognized directly in the consolidated income statement when the change in lease payments does not result in higher consideration, only lease payments in 2020 and up to June 30, 2022, are reduced and there are no substantial changes to other terms and conditions of the lease. A substantial change is considered to be present if the scope of the lease or the lease term is amended. The Company elected to apply this amendment and exercised judgment to determine if rent reductions met the above requirements.

Critical accounting estimates and judgments - lease terms

The lease term comprises of the non-cancellable period agreed in the lease contract and the periods covered by renewal or termination options that are reasonably certain to be exercised. Significant renewal and termination options primarily relate to the lease of real estate. Renewal and termination options are assessed at the lease commencement date and subsequently, if there is a change in circumstances within the control of the Company. When assessing renewal and termination options, considerations include the quality and performance of the leased asset and the extent of leasehold improvements undertaken, potential relocation and termination expense including penalties and potentially favorable extension terms and long-term customer contracts related to the leased asset.

Critical accounting estimates and judgments - discount rates

In absence of interest rates implicit in the lease contracts, the Company applies the incremental borrowing rate (IBR) as the discount rate to determine the lease liabilities. The IBR is an approximation of the rate that a lessee would pay to attract the required funding to purchase the asset over a similar term, with similar security and in a similar economic environment. The IBR is determined as the sum of a reference rate, a credit risk premium and a country risk premium. The calculation of the IBR takes into account the currency of the lease contract, the lease term, the type of leased asset, the country and the credit quality of the lessee. A single IBR may be applied to a portfolio of leases within a country, which are similar in nature and lease term.

Movements in the right-of-use assets are as follows:

	Land and buildings	Vessels and floating equipment	Equipment and other	Total
Cost value	982.6	72.2	118.2	1,173.0
Accumulated depreciation and impairments	(120.2)	(21.0)	(40.2)	(181.4)
Balance on January 1, 2021	<u>862.4</u>	<u>51.2</u>	<u>78.0</u>	<u>991.6</u>
New lease contracts	57.9	27.7	40.7	126.3
Consolidation	13.0	-	0.5	13.5
Depreciation and impairments continuing operations	(80.0)	(19.2)	(33.1)	(132.3)
Reclassification	0.4	-	(0.9)	(0.5)
Reclassification to held for sale	(106.7)	-	(3.9)	(110.6)
Reassessment and remeasurement	112.7	(29.5)	1.7	84.9
Exchange differences	25.5	3.1	0.7	29.3
Balance on December 31, 2021	<u>885.2</u>	<u>33.3</u>	<u>83.7</u>	<u>1,002.2</u>
Cost value	1,084.7	67.4	146.7	1,298.8
Accumulated depreciation and impairments	(199.5)	(34.1)	(63.0)	(296.6)
Balance on December 31, 2021	<u>885.2</u>	<u>33.3</u>	<u>83.7</u>	<u>1,002.2</u>
New lease contracts	75.7	21.2	38.5	135.4
Consolidation	76.0	39.1	17.5	132.6
Depreciation and impairments	(95.7)	(22.7)	(38.4)	(156.8)
Reclassification to held for sale	(57.2)	-	(3.3)	(60.5)
Reassessment and remeasurement	43.6	(0.6)	0.5	43.5
Exchange differences	14.4	2.1	0.4	16.9
Balance on December 31, 2022	<u>942.0</u>	<u>72.4</u>	<u>98.9</u>	<u>1,113.3</u>
Cost value	1,221.2	91.3	181.9	1,494.4
Accumulated depreciation and impairments	(279.2)	(18.9)	(83.0)	(381.1)
Balance on December 31, 2022	<u>942.0</u>	<u>72.4</u>	<u>98.9</u>	<u>1,113.3</u>

In 2022, variable payments of € 7.4 million (2021: € 5.1 million) related to on-balance lease contracts were included in operating expenses. Leases with an original duration of less than 12 months and leases for which the leased asset was of low value were included in the 2022 other operating expenses for € 26.6 million, respectively € 5.6 million (2021: € 14.7 million, respectively € 5.0 million). The total cash outflow for leases in 2022 amounted to € 222.3 million (2021: € 352.4 million), of which none (2021: € 188.0 million) related to discontinued operations.

Movements in the lease liabilities for 2022 and 2021 are as follows:

	2022	2021
Balance on January 1	1,072.5	1,053.1
New lease contracts	135.4	126.3
Consolidation	137.2	12.9
Accrued interest continuing operations	31.2	27.7
Accrued interest discontinued operations	-	10.1
Payments	(182.7)	(327.6)
Rent reductions	-	(6.1)
Reclassification to held for sale	(60.7)	77.2
Reassessment and remeasurement	41.9	69.4
Exchange differences and other	20.5	29.5
Balance on December 31	1,195.3	1,072.5
Current lease liabilities	150.6	123.4
Non-current lease liabilities	1,044.7	949.1
Balance on December 31	1,195.3	1,072.5

The consolidated lease liability as at December 31, 2022, relates mainly to Vopak (€ 648.6 million, 2021: € 711.3 million). The weighted-average incremental borrowing rate applied to this portfolio was 3.2% (2021: 3.1%).

7. Intangible assets

Intangible assets include goodwill, trademarks, customer relationships, software and other intangible assets.

Goodwill

Goodwill arises on business combinations and represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date fair value amounts of the identifiable assets, liabilities and contingent liabilities.

Goodwill is carried at cost less accumulated impairments. Goodwill is subject to annual impairment testing, and whenever there is an indication of impairment, as described in note 35. If an impairment is recognized, it is not reversed in subsequent periods. Goodwill relating to a business combination in foreign currency is recorded in the respective currency and converted at the exchange rate at the end of the period.

Software - cloud computing arrangements

Costs incurred for configuration or customization of cloud computing arrangements are generally directly recognized in income. If the configuration or customization services were provided by the application provider and they are not considered distinct, the costs are recognized as an expense

over the lifetime of the contract. In limited circumstances, certain configuration or customization activities may give rise to a separate intangible asset that is amortized on a straight-line basis over an estimated useful life that is not in excess of the lifetime of the contract.

Software - other

Acquired software licenses are capitalized on the basis of the costs incurred to acquire and to bring to use the specific software. Costs that are directly associated with the production of identifiable and unique software products controlled by the Company that are expected to generate economic benefits exceeding costs beyond one year, are recognized as intangible assets. Only direct costs (such as software development employee costs and an appropriate portion of relevant overheads) are included in the initial measurement. Software acquired in a business combination are initially recognized at their fair value, generally using a cost approach. Software licenses and products are generally amortized on a straight-line basis over an estimated useful life of 5 to 10 years.

Trademarks

Trademarks acquired in a business combination are initially recognized at fair value, using the relief-from-royalty approach. They are subsequently amortized over an estimated useful life, generally a maximum of 20 years, on a straight-line basis with no residual value.

Customer relationships

The valuation of customer relationships acquired in a business combination is based on the present value of estimated future cash flows. Customer relationships are initially recognized at fair value and subsequently amortized over an estimated useful life, generally a maximum of 20 years, on a straight-line basis with no residual value.

Other intangibles

Intangibles within this category are amortized on a straight-line basis over an estimated useful life of maximum 15 years. Other intangible assets include order books, distribution relationships, license agreements, intellectual property and non-compete agreements.

Movements for goodwill and other intangibles are as follows:

	Goodwill	Software	Trade- marks	Customer relationships	Other	Total
Cost value	1,225.6	399.3	420.6	421.5	152.0	2,619.0
Accumulated amortization and impairments	(693.6)	(236.4)	(168.4)	(179.1)	(60.4)	(1,337.9)
Balance on January 1, 2021	<u>532.0</u>	<u>162.9</u>	<u>252.2</u>	<u>242.4</u>	<u>91.6</u>	<u>1,281.1</u>
Investments	597.7	76.0	0.3	-	17.5	691.5
Consolidation	-	8.3	204.4	234.8	20.5	468.0
Purchase price accounting adjustments	5.7	-	-	-	-	5.7
Disposals	-	(0.9)	-	-	0.1	(0.8)
Amortization and impairments	-	(39.7)	(28.7)	(22.6)	(38.4)	(129.4)
Reclassification	(1.4)	(20.5)	23.7	-	-	1.8
Reclassification to held for sale	(25.9)	(30.7)	0.9	(0.2)	(1.8)	(57.7)
Exchange differences and other	25.4	2.6	13.8	7.0	4.2	53.0
Balance on December 31, 2021	<u>1,133.5</u>	<u>158.0</u>	<u>466.6</u>	<u>461.4</u>	<u>93.7</u>	<u>2,313.2</u>
Cost value	1,282.4	452.9	646.8	664.2	188.1	3,234.4
Accumulated amortization and impairments	(148.9)	(294.9)	(180.2)	(202.8)	(94.4)	(921.2)
Balance on December 31, 2021	<u>1,133.5</u>	<u>158.0</u>	<u>466.6</u>	<u>461.4</u>	<u>93.7</u>	<u>2,313.2</u>
Investments	1,301.7	32.5	0.3	-	17.4	1,351.9
Consolidation	-	0.7	369.4	7.2	60.0	437.3
Disposals	-	(0.2)	(0.1)	-	-	(0.3)
Amortization and impairments	(312.1)	(39.9)	(46.5)	(32.5)	(28.8)	(459.8)
Reclassification	-	(0.9)	-	-	-	(0.9)
Reclassification to held for sale	(18.0)	(2.8)	-	-	(1.5)	(22.3)
Exchange differences and other	11.7	1.8	10.3	1.8	1.7	27.3
Balance on December 31, 2022	<u>2,116.8</u>	<u>149.2</u>	<u>800.0</u>	<u>437.9</u>	<u>142.5</u>	<u>3,646.4</u>
Cost value	2,533.2	487.6	1,028.2	673.1	245.8	4,967.9
Accumulated amortization and impairments	(416.4)	(338.4)	(228.2)	(235.2)	(103.3)	(1,321.5)
Balance on December 31, 2022	<u>2,116.8</u>	<u>149.2</u>	<u>800.0</u>	<u>437.9</u>	<u>142.5</u>	<u>3,646.4</u>

The 2022 increases in trademarks and other intangibles (order book) mainly relate to Boskalis (refer to note 3). Information on impairment testing and impairments is included in note 35.

8. Investments in associates and joint arrangements

Associates are entities over which the Company has significant influence, generally presumed to exist at a shareholding of 20% or more of the voting rights, but no (de facto) control.

Joint arrangements are classified as either joint operations or joint ventures, depending on the contractual rights and obligations of each investor. Most joint arrangements of the Company are considered joint ventures.

Associates and joint ventures are accounted for using the equity method. Under the equity method, the interest in the associate or joint venture is recognized at cost, including goodwill identified upon acquisition. If the investment is achieved in stages, the Company deems the fair value of the previously held equity interest as (part of) the cost of the associate or joint venture. The carrying value is subsequently adjusted to recognize the Company's share of the post-acquisition results and movements in other comprehensive income of the associate or joint venture. Accounting policies of the associates and joint ventures have been amended, where necessary, to ensure consistency with the policies adopted by the Company. When the Company's share of losses exceeds the carrying amount of an equity-accounted investment, including any unsecured receivables, the Company does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the company in question. Significant unrealized gains on transactions between the Company and its associates and joint ventures are eliminated to the extent of the Company's interest in the specific company. Significant unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Dilution gains and losses arising on associates and joint ventures are recognized in the income statement.

If the ownership in an associate is reduced, but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income is recycled to the consolidated statement of income, where appropriate.

Joint operations are joint arrangements whereby the Company and other parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the joint operation. The Company recognizes its share in the joint operations' individual revenues and expenses, assets and liabilities and includes it on a line-by-line basis with corresponding items in the Company's financial statements.

The movements of investments accounted for using the equity method are set out below.

	Associates	Joint ventures	Total
Share of net assets	2,017.8	1,056.3	3,074.1
Goodwill	310.9	74.2	385.1
Balance on January 1, 2021	<u>2,328.7</u>	<u>1,130.5</u>	<u>3,459.2</u>
Investments	6.7	145.0	151.7
Consolidation	0.4	-	0.4
Disposals	(17.3)	(1.0)	(18.3)
Share of results - real estate	-	42.3	42.3
Share of results - discontinued operations	3.1	(0.3)	2.8
Share of results - other	223.8	160.8	384.6
Share of other comprehensive income	67.5	9.4	76.9
Dividends	(114.7)	(178.4)	(293.1)
Reclassification	(0.2)	(2.1)	(2.3)
Reclassification to held for sale	3.1	(26.1)	(23.0)
Impairments	-	(43.5)	(43.5)
Exchange differences	35.3	82.8	118.1
Other	(6.7)	-	(6.7)
Balance on December 31, 2021	<u>2,529.7</u>	<u>1,319.4</u>	<u>3,849.1</u>
Share of net assets	2,209.6	1,252.7	3,462.3
Goodwill	320.1	66.7	386.8
Balance on December 31, 2021	<u>2,529.7</u>	<u>1,319.4</u>	<u>3,849.1</u>
Investments	644.2	319.7	963.9
Consolidation	10.8	59.3	70.1
Disposals	(47.4)	(2.5)	(49.9)
Share of results - real estate	-	50.0	50.0
Share of results - other	893.4	143.9	1,037.3
Share of other comprehensive income	191.6	46.7	238.3
Dividends	(141.2)	(188.1)	(329.3)
Impairments	(165.8)	-	(165.8)
Impairments reversal	-	3.8	3.8
Reclassification*	(2,262.5)	-	(2,262.5)
Reclassification to held for sale	(1.5)	(77.8)	(79.3)
Exchange differences	8.4	29.3	37.7
Other	(4.6)	-	(4.6)
Balance on December 31, 2022	<u>1,655.1</u>	<u>1,703.7</u>	<u>3,358.8</u>
Share of net assets	1,418.3	1,540.3	2,958.6
Goodwill	236.8	163.4	400.2
Balance on December 31, 2022	<u>1,655.1</u>	<u>1,703.7</u>	<u>3,358.8</u>

* Mainly related to the acquisition of Boskalis (refer to note 3)

The amounts recognized in the statement of financial position comprise:

	Dec. 31, 2022	Dec. 31, 2021
Publicly traded	804.9	1,796.2
Other	2,553.9	2,052.9
	3,358.8	3,849.1

Vopak - PT2SB

In March 2020, a fire took place at an anchor client of PT2SB (25% Vopak) in Malaysia, leading to a subsequent closure of the facility. Following another incident in 2022, the refinery is only expected to resume operations in the first half of 2023. At December 31, 2022, PT2SB has reported € 173 million in net accounts receivable from this client (December 2021: € 88 million). The refinery closure impacted the client's liquidity position, which may impact PT2SB's financial performance in 2023.

Investments

Prodrive Technologies

On February 17, 2022, HAL completed the acquisition of 31.45% of the shares in Prodrive Technologies Group B.V. ('Prodrive Technologies'). The company is active in the research, development and manufacturing of high-tech electronics, software and mechatronic products and systems. Prodrive Technologies provides solutions for, among others, the semiconductor, medical and electric mobility industries. As part of the notional purchase price allocation procedures an amount of € 93.7 million was recognized as goodwill, which was part of the initial carrying value of this associate. In the fourth quarter of 2022 an impairment of € 129.6 million was recorded on this associate (refer to note 35) and a related earn-out liability of € 19.0 was released.

Real estate joint ventures

The gross investment in joint ventures belonging to the real estate segment increased by € 85 million during 2022.

Vopak - Aegis

In the second quarter of 2022, Vopak acquired a 49% shareholding in the Aegis Vopak Terminals Ltd. entity (joint venture) and a 24% shareholding in the Hindustan Aegis LPG Ltd. entity (associate). The acquisition-date fair value of the consideration transferred amounted to € 226.3 million, of which € 174.2 million was paid in cash and € 52.1 million is contingent upon the completion of certain projects (€ 32.6 million) and exceeding certain revenue targets in 2025 (€ 19.5 million). The company is still working on the notional purchase price allocation for these transactions and expects to finalize this within twelve months after acquisition date.

Divestments

Vopak - Diize

In December 2022 Vopak divested 50% of its shareholding in Diize B.V. The remaining 50% of the former subsidiary was retained and classified as a joint venture.

Vopak - ThaiTank terminal

In December 2022, Vopak recorded an exceptional gain of € 5.2 million related to the dilution of 14% of its equity interest in ThaiTank Terminal Ltd. After the dilution, Vopak continues to hold an equity interest of 35% that continues to be classified as a joint venture.

Vopak - German LNG terminal

As a result of the divestment of the 33.3% shareholding in the German LNG Terminal GmbH, an impairment reversal of € 3.8 million was recorded within exceptional items (refer to note 35). This reversal partially offsets the impairment of € 10.8 million recognized in 2021. Contingent proceeds dependent on the final investment decision of the project amounted to € 8.9 million. As at the reporting date respective conditions were not yet met.

Quoted associate(s)

The difference between the market value of the Company's share in its publicly traded associate SBM Offshore N.V. (2021: including Boskalis) and the book value is as follows:

	Dec. 31, 2022	Dec. 31, 2021
Market value	606.0	2,061.2
Book value	804.9	1,796.2
	(198.9)	265.0

Real estate joint ventures

The financial position of the U.S. real estate joint ventures included in the real estate segment can be summarized as follows:

	2022	2021
Properties in operation and under construction	554.5	477.1
Project debt	(339.6)	(322.5)
Non-controlling interest	(39.8)	(21.6)
HAL equity share	175.1	133.0

The real estate portfolio consisted at the end of 2022 of 16 joint ventures of which 2 were invested in office buildings and 14 in residential real estate. The total (expected) cost of the real estate portfolio amounted to \$ 1,138.1 million (€ 1,062.5 million) as of December 31, 2022 (2021: \$ 987.8 million, € 867.5 million). HAL's total equity commitment for these projects amounts to \$ 306.2 million (€ 285.9 million, 2021: \$ 289.1 million, € 253.9 million) of which \$ 80.0 million (€ 74.7 million) was not yet spent as of December 31, 2022 (2021: \$ 80.4 million, € 70.6 million). As certain properties are under construction, the income statements of these joint ventures on a 100% basis are not significant in relation to these financial statements. Revenues for 2022 amounted to € 30.0 million (2021: € 21.2 million).

Principal associate

As of 2022, the principal (non-consolidated) associate of the Company is SBM Offshore N.V. ('SBM Offshore') in which the Company has a 22.88% ownership interest. SBM Offshore is incorporated in the Netherlands and is listed on Euronext Amsterdam. The company designs, builds, installs and operates offshore floating facilities for the offshore energy industry.

Set out below is the summarized financial information for SBM Offshore. This summary is based on publicly available information.

	Dec. 31, 2022	Dec. 31, 2021
	USD 'm	USD 'm
Current		
Cash and cash equivalents	683.0	1,021.0
Other current assets	8,388.0	5,395.0
<i>Total current assets</i>	<i>9,071.0</i>	<i>6,416.0</i>
Financial liabilities (excluding trade payables)	1,883.0	1,899.0
Other current liabilities (including trade payables)	1,720.0	1,299.0
<i>Total current liabilities</i>	<i>3,603.0</i>	<i>3,198.0</i>
Non-current		
Assets	6,818.0	6,795.0
Financial liabilities	6,898.0	6,090.0
Other liabilities	474.0	387.0
<i>Total non-current liabilities</i>	<i>7,372.0</i>	<i>6,477.0</i>
Non-controlling interest	1,517.0	957.0
Net assets	3,397.0	2,579.0
	2022	2021
	USD 'm	USD 'm
Revenue	4,913.0	3,747.0
Depreciation, amortization and impairment	(189.0)	(88.0)
Financial income	12.0	3.0
Financial expense	(385.0)	(304.0)
Profit / (loss) before tax	660.0	543.0
Profit / (loss) after tax for owners of parent	450.0	400.0
Other comprehensive income for owners of parent	526.0	(51.0)
Total comprehensive income for owners of parent	976.0	349.0

Reconciliation of the summarized financial information for SBM Offshore:

	2022	2021
	USD 'm	USD 'm
Net assets January 1	2,579.0	2,556.0
Profit / (loss) for the period	450.0	400.0
Other comprehensive income	526.0	(51.0)
Transactions with owners	(158.0)	(326.0)
Net assets December 31	3,397.0	2,579.0
	€ 'm	€ 'm
Interest in SBM Offshore (22.88%, 2021: 22.88%)	736.0	530.0
Intangible assets recognized in purchase price allocation	25.9	27.3
Goodwill	43.0	40.5
Book value	804.9	597.8

We refer to note 43 with respect to summarized financial information on associates and joint ventures of Vopak.

9. Other financial assets

For the accounting policies for derivative financial instruments, reference is made to note 37. At initial recognition, the Company classifies its non-derivative financial assets as “measured at amortized cost” or as “measured at fair value” (either through profit or loss or other comprehensive income). The classification depends on the business model the Company applies for managing the financial assets and the contractual terms of the cash flows.

Financial assets are first recognized on the trade date, the date on which the Company commits to purchase the asset. Financial assets are derecognized when the right to receive cash flows from the investments has expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Financial assets measured at amortized cost

These are assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest. They are initially recognized at fair value plus any directly related transaction costs. Subsequently, these financial assets are carried at amortized cost, less a provision for impairment based on the expected loss model (refer to note 36). Interest income on financial assets measured at amortized cost is recognized using the effective interest method.

Assets held under a finance lease are presented in the consolidated statement of financial position as a receivable at an amount equal to the net investment in the lease. The income on the finance lease receivable is based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the finance lease and is presented as revenues.

Financial assets measured at fair value through other comprehensive income

Financial instruments in this class are initially measured at fair value plus any directly related transaction costs. Reference is made to the accounting policies on fair value measurement in note 36.

Debt instruments

These instruments are held both for collection of contractual cash flows, representing solely payments of principal and interest, and for selling the financial assets. Changes in the fair value of these investments are recorded in other comprehensive income and recycled through the consolidated statement of income upon derecognition. Both interest and the provision for impairment, based on the expected loss model (refer to note 36), are recognized in the consolidated statement of income.

Equity instruments

Management can make the irrevocable election at inception to present the subsequent changes in fair value of certain quoted equity investments, included in other financial assets, in other comprehensive income. Dividends from these investments are recognized in the consolidated statement of income when the right to receive payment is established. When the equity interest is sold or becomes equity accounted or part of a business combination, the cumulative result recognized in other comprehensive income is reclassified from the other reserves to retained earnings, without recycling through the consolidated statement of income.

Financial assets measured at fair value through profit or loss

Debt instruments that do not qualify for measurement at amortized cost or measurement at fair value through other comprehensive income are measured at fair value through profit or loss. This classification also applies to all equity investments, unless management has made the specific election for measurement through other comprehensive income. Initial recognition of these assets is at fair value with any directly related transaction costs expensed as incurred. Gains or losses on financial instruments in this category are recognized in the consolidated statement of income.

The specification is as follows:

	Dec. 31, 2022	Dec. 31, 2021
Investments in unquoted equity securities	94.0	83.6
Loans to associates and joint ventures	5.2	8.0
Other loans	95.6	95.8
Finance lease receivable	131.9	131.2
Escrow	250.0	500.0
Other	68.8	47.6
	645.5	866.2

The escrow comprises of an amount of € 250 million (2021: € 500 million) representing the part of the proceeds from the sale of the Company's 76.72% shareholding in GrandVision N.V. that is held in escrow until July 3, 2023, for potential liabilities of HAL under the sale and purchase agreement. The funds held in escrow carry 0% interest for HAL. The category "other" includes long-term deposits and receivables. For additional information on derivatives reference is made to note 37.

The other financial assets can be further specified as follows:

	Dec. 31, 2022	Dec. 31, 2021
Non-current	360.0	588.9
Current	285.5	277.3
	645.5	866.2

Amounts included in the cash flow statement comprise:

	Dec. 31, 2022	Dec. 31, 2021
Loans provided to associates and joint ventures	(6.3)	(3.5)
Repayment of loans by associates and joint ventures	-	38.0
Other	245.5	(25.1)
Proceeds from/(investments in) other financial assets in the statement of cash flows	239.2	9.4

The category “other” mainly relates to the receipt of € 250 million from the afore-mentioned escrow.

10. Marketable securities and deposits

The accounting policies applied to marketable securities and deposits are the same as those applied to other financial assets (note 9). Marketable securities are measured at fair value through profit or loss except for certain fixed income securities which are measured at fair value through other comprehensive income.

Marketable securities consist of equity securities amounting to € 521.2 million (2021: € 418.7 million) and fixed-income securities amounting to € 2,839.7 million (2021: € 3,741.3 million). The fixed-income securities mainly include corporate investment-grade bonds, with an average S&P credit rating of A, an average duration of 1.1 year and an average yield to maturity of 3.43%. The portfolios were on average 41% invested in BBB-rated bonds, 40% in A-rated bonds, 10% in AA-rated bonds and 9% in AAA-rated bonds. On average, the portfolio matures for 55% within 1 year, 41% within 1-3 years and 4% within 3-5 years. The emerging market exposure of the portfolios was 4% of the total value. The average amount invested per security was € 4 million.

11. Receivables

Trade receivables are initially recognized at the transaction price and subsequently measured at amortized cost using the effective interest method, less a provision for impairment. Trade receivables that include a significant financing component are initially recognized at fair value plus any directly related transaction costs. A provision for impairment is established based on the expected loss model (refer to note 36) with application of the simplified approach. The amount of the provision is the difference between the assets' carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Additions to and releases from the provision are recognized in the consolidated statement of income.

	Dec. 31, 2022	Dec. 31, 2021
Trade receivables	1,502.3	1,042.5
Allowance for doubtful accounts	(78.5)	(64.6)
	1,423.8	977.9

The ageing analysis of the trade receivables that are past due, net of provision for impairment, is as follows:

	Dec. 31, 2022	Dec. 31, 2021
Up to 3 months	249.0	178.2
Between 3 and 6 months	27.3	24.3
Between 6 and 9 months	13.5	10.6
Over 9 months	32.9	19.8
	322.7	232.9

Movements on the provision for impairment of trade receivables are as follows:

	2022	2021
Balance on January 1	(64.6)	(68.4)
Consolidation	(39.2)	(2.4)
Addition to allowance	(31.2)	(15.3)
Utilized during the year	37.9	18.2
Released	20.0	3.7
Reclassification to held for sale	0.3	0.4
Other movements	(1.7)	(0.8)
Balance on December 31	(78.5)	(64.6)

There was no indication at the reporting date that these receivables will not be recovered, other than as already provided for. The fair value of the receivables approximates their carrying value.

Information on pledges is included in note 22.

12. Construction and offshore contracting activities

A construction contract is a contract specifically negotiated for the construction of an asset, including (residential) real estate, greenhouse projects, technical facilities, civil and maritime infrastructure and development projects for which a contract with a customer is present. Development projects for which there is not yet a contract with a customer are included within inventories (refer to note 13). Offshore service contracts are specifically negotiated contracts for (sub-sea) marine services, including heavy transport, inspections and surveys. The timing of invoicing and cash collection may result in unbilled revenue, accounts receivable and deferred revenue with respect to these contracts. Amounts are generally invoiced based on contractual terms, either at periodic intervals or upon achievement of contractual milestones, and for each contract a net position is included in the statement of financial position. In the event that billing occurs subsequent to revenue recognition, unbilled revenue is recognized (as an asset). In the event that payments are received from customers in advance of revenue recognition, deferred revenue is recognized (as a liability).

A provision for onerous contracts is recognized when the remaining unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The provisions taken for onerous contracts related to construction and offshore service contracts are included in note 21. The provision is measured based on the expected incremental and directly related costs of fulfilling the contract.

The order book includes future revenues from projects that have been signed and, for framework contracts, for which work packages have been agreed with clients. This includes mainly projects that are in progress but not yet completed and to a lesser extent projects acquired but not yet in progress at the reporting date.

For information on revenue recognition for construction and offshore service contracts reference is made to note 23.

Critical accounting estimates and judgments

The expected outcome of a construction or offshore service contract is periodically estimated. If the contract is expected to be profitable and the contract revenue highly probable, contract revenue and costs are recognized based on the progress of the project over time, generally by reference to the percentage-of-completion method. When a contract is not estimated to be profitable, the realized loss, determined based on the progress of the project, is recognized in the consolidated statement of income immediately. The expected future losses are included in a provision for onerous contracts (refer to note 21) that is charged against the consolidated statement of income.

There is a robust process in place to determine both progress and forecasted outcomes of construction and offshore service contracts. This process builds on decentralized estimates by project managers that are thoroughly discussed with and reviewed by experienced staff and management at various levels of the organization, including comparative analyses with earlier projections and project budgets. There is inherent estimation uncertainty in this process and actual outcomes of projects may deviate from the forecasted outcomes, affecting revenue and results.

Unbilled revenue and deferred revenue related to construction and offshore contracting activities for which there is a contract with a customer are as follows.

	Dec. 31, 2022*	Dec. 31, 2021**
Unbilled revenue	372.4	70.6
Deferred revenue	(584.5)	(160.3)
	(212.1)	(89.7)

* Unbilled revenue and deferred revenue may also relate to periods before acquisition and subsequent consolidation of Boskalis in these financial statements

** Unbilled revenue and deferred revenue may also relate to periods before acquisition and subsequent consolidation of GreenV in these financial statements

The unbilled revenue and deferred revenue balances are expected to be mainly recognized in 2023 as the Company does not pre-finance projects longer than one year and regular invoicing of installments applies.

The order book with regards to construction and offshore service projects for which a signed contract is in place amounts to € 7.9 billion (2021: € 1.9 billion). The increase is primarily the result of the acquisition of Boskalis. These revenues are expected to be realized mainly over the next three years. The Company does not use the practical expedient to exclude performance obligations in contracts with an original expected duration of one year or less.

13. Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is generally determined using the weighted-average cost method. Cost comprises direct costs and a proportion of attributable production overheads, but excludes interest expense. Net realizable value is the estimated selling price less the estimated costs necessary to make the sale.

Project development includes land positions, related building rights and capitalized property development costs related to projects for which a signed customer contract is not yet in place.

Critical accounting estimates and judgments

Finished goods are regularly subjected to specific assessment tests to identify damaged, slow moving or obsolete inventory, taking into consideration past experience, historic results and the probability of sale under normal market conditions. Based on these analyses, management asserts judgment to determine the write-downs required to reduce the value of the inventory to its net realizable value.

The composition of the inventories is set out below.

	Dec. 31, 2022	Dec. 31, 2021
Raw materials	261.5	189.4
Work in progress	60.0	67.1
Spare parts	93.9	16.9
Finished goods	725.0	700.5
Project development (including land and building rights)	120.8	118.0
Stock in transit	12.9	16.3
Provision on inventory	(140.4)	(140.8)
	1,133.7	967.4

The cost of inventory, services and subcontracted work recognized as an expense amounts to € 4,792.6 million (2021: € 2,883.5 million). The total write-down of inventories recognized as an expense amounts to € 14.3 million (2021: € 7.2 million).

Information on pledges is included in note 22.

14. Other current assets

Other current assets generally include prepayments relating to the following year and other receivables to be received within 12 months.

The composition of the other current assets is as follows:

	Dec. 31, 2022	Dec. 31, 2021
Prepaid vendors	418.0	81.6
VAT receivable	82.3	57.0
Supplier bonus receivable	46.5	40.9
Income tax receivable	116.9	54.2
Other receivables	234.6	181.6
	898.3	415.3

15. Cash and cash equivalents

Cash and cash equivalents comprise unrestricted bank balances and liquid investments with a maturity of three months or less.

	Dec. 31, 2022	Dec. 31, 2021
Cash	1,707.3	1,496.4
Cash equivalents	336.6	760.0
Cash and cash equivalents	2,043.9	2,256.4

Cash equivalents include time deposits with a maturity of less than three months. Cash and cash equivalents in amount of € 103.0 million (2021: € 8.3 million) was held by project-driven construction consortia (joint operations).

16. Discontinued operations and assets and liabilities held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amounts are to be recovered principally through a sales transaction rather than through continuing use and a sale is considered highly probable at the reporting date. This assessment is based on the facts and circumstances at that date, including the level of commitment from potential buyers as may be reflected in an executed letter of intent. These facts and circumstances may change and this could result in a situation where assets are divested that were not classified as held for sale at year-end. Immediately before classification as held for sale, the measurement of the assets (and all assets and liabilities in a disposal group) is updated in accordance with applicable IFRS. Then, on initial classification as held for sale, non-current assets and disposal groups are recognized at the lower of their carrying amount and fair value less costs of disposal. Depending on the nature of the non-current assets, the estimated fair value may be associated with uncertainty and potentially adjusted subsequently. Impairment losses on initial classification as held for sale are included in the income statement. Subsequent to classification as held for sale the depreciation, amortization and impairment of intangible assets, property, plant and equipment and right-of-use assets are

no longer recognized in the consolidated statement of income. In addition, if applicable, equity accounting ceases.

A discontinued operation is a component of the Company's business that represents a separate, major line of business or geographical area of operations, or is a company acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or, if earlier, when the operation meets the criteria to be classified as held for sale.

At the reporting date the composition of total assets held for sale and related liabilities was as follows.

	Dec. 31, 2022	Dec. 31, 2021
Property, plant and equipment	71.4	131.2
Right-of-use assets	4.0	22.4
Intangible assets	-	37.4
Investments in associates and joint arrangements	228.3	26.5
Other non-current assets	-	1.4
Current assets	-	7.7
Total assets held for sale	303.7	226.6
Non-current liabilities	42.3	43.6
Current liabilities	-	6.6
Total liabilities related to assets held for sale	42.3	50.2
Total net assets held for sale	261.4	176.4

In May 2022, Vopak completed the divestment of its Canadian terminals (refer to note 3). At year-end 2021, the net assets held for sale for these terminals amounted to € 104.6 million. Also in May 2022, Vopak completed the divestment of its CRL terminal in Kandla, India, (refer to notes 3 and 8). At year-end 2021, the net assets held for sale for this terminal amounted to € 37.5 million. In December 2022, Vopak completed the divestment of its 100% shareholding in Agencies B.V. and its 50% shareholding in Diize B.V.

On February 7, 2022, a joint venture in which HAL had an 85.5% equity interest sold an apartment building in Bellevue, a suburb of Seattle, consisting of 279 apartments. The sale resulted in proceeds to HAL of € 75 million and a pre-tax capital gain of € 50 million. This apartment building was included in assets held for sale at year-end 2021 for € 26.5 million.

On May 2, 2022, HAL completed the sale of its ownership interest in Orthopedie Investments Holding B.V. ('Livit'). On May 31, 2022, HAL sold its ownership interest in Floramedia Group B.V. ('Floramedia'). On July 8, 2022, HAL sold its ownership interest in MYLAPS. Refer to note 3 for details on these divestments. On August 16, 2022, a joint venture in which HAL had a 90% equity interest sold an apartment building in Beacon Hill, a neighborhood in southeast Seattle, consisting of 139 apartments. The sale resulted in proceeds to HAL of € 27 million and a pre-tax capital gain of € 13 million.

Vopak - Pacific Canada project

In the fourth quarter of 2022, Vopak has classified capitalized development costs, a right-of-use asset and a related lease liability as held for sale. These relate to the Pacific Canada Project that Vopak is developing, for which a sales transaction is expected to be closed in 2023.

Boskalis - Lamnalco

As a result of obtaining control over Boskalis, the company also obtained an indirect investment in the joint venture Smit Lamnalco. Taking into account the earlier announcement by Boskalis that it was reviewing its position as shareholder in the joint venture, HAL considered this investment as “held for sale” in its purchase price allocation. At the end of 2022, Smit Lamnalco is carried at a value of € 228.3 million in the books of HAL. If Smit Lamnalco were to be divested for a different amount, this would lead to a capital gain or loss in the books of HAL.

The other assets held for sale refer to land and buildings and related mortgages.

The movement in the net asset held for sale during periods are as follows.

	2022	2021
Balance on January 1	176.4	2,293.3
Consolidation	233.2	-
Addition	95.5	585.8
Disposal	(238.7)	(2,702.7)
Exchange differences	(5.0)	-
Balance on December 31	261.4	176.4

17. Share capital

When share capital recognized as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares and are deducted from equity. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is also presented in equity.

The issued and fully paid up share capital at December 31, 2022, consists of 88,598,887 shares of which 6,337 are held as treasury stock by the Company.

Movements in the number of shares were as follows:

<i>x 1,000</i>	Issued shares	Treasury shares
Balance on January 1, 2021	85,385.1	73.5
Sale and transfer of treasury shares	-	(27.0)
Stock dividend and purchase of treasury shares	1,344.6	44.5
Shares granted	-	(65.0)
Balance on December 31, 2021	86,729.7	26.0
Balance on January 1, 2022	86,729.7	26.0
Sale and transfer of treasury shares	-	(20.2)
Stock dividend and purchase of treasury shares	1,869.2	0.5
Balance on December 31, 2022	88,598.9	6.3

	Dec. 31, 2022
<i>x 1,000</i>	
Authorized shares	90,000.0
Outstanding shares	88,592.6
Par value (HAL Holding N.V.) (<i>in euro</i>)	0.02
Share capital (<i>in millions of euro</i>)	1.8

The treasury shares referred to are HAL Trust Shares held by HAL Holding N.V. and are not expected to be cancelled. Each share has one voting right.

A 2021-related dividend of € 494.2 million (excluding dividend on treasury shares) or € 5.70 per Share was distributed on June 17, 2022 (2021: € 200.5 million or € 4.70 per Share), of which € 247.1 million in cash and € 247.1 million in Shares. Shareholders received one new Share for 46.4 existing Shares held. The calculation of the 2021 earnings per Share has been adjusted to take account of this stock dividend (in accordance with IAS 33.64).

The conversion ratio was determined based on the volume-weighted average share price of HAL Trust Shares traded on Euronext in Amsterdam during the period May 23, 2022, through June 10, 2022. Accordingly, 1,869,174 Shares were issued on June 17, 2022.

18. Other reserves

Other reserves include the cumulative valuation reserve, the cash flow hedge reserve and the cumulative currency translation reserve.

The cumulative valuation reserve includes the unrealized results, net of tax, on financial assets classified as fair value through other comprehensive income.

The cash flow hedge reserve contains the effective part of the accumulated change in the fair value of cash flow hedges, net of tax, in respect of which the hedged future transaction has not yet taken place.

The cumulative currency translation reserve includes all exchange differences resulting from the translation of the financial statements of foreign entities. It also includes the exchange differences on liabilities and the effective currency component of fair value changes of derivative financial instruments, net of tax, to the extent that they are part of an effective net investment hedge relationship.

<i>In millions of euro</i>	Cumulative valuation reserve	Cash flow hedge reserve	Cumulative currency translation reserve	Total other reserves
Balance on January 1, 2021	20.8	(137.2)	(156.7)	(273.1)
Change in fair value of financial assets at fair value through other comprehensive income	16.7	-	-	16.7
Translation of foreign subsidiaries, including share of associates and joint arrangements*	-	-	317.5	317.5
Effective portion of hedging instruments, including share of associates and joint arrangements	-	12.8	-	12.8
Reclassification	-	19.8	-	19.8
Balance on December 31, 2021	37.5	(104.6)	160.8	93.7
Change in fair value of financial assets at fair value through other comprehensive income	(13.5)	-	-	(13.5)
Translation of foreign subsidiaries, including share of associates and joint arrangements	-	-	63.4	63.4
Effective portion of hedging instruments, including share of associates and joint arrangements	-	159.1	-	159.1
Reclassification	-	30.1	-	30.1
Other	-	0.7	-	0.7
Balance on December 31, 2022	24.0	85.3	224.2	333.5

* Includes € 143.2 million recycling related to the sale of the Company's 76.72% shareholding in GrandVision N.V.

The cash flow hedge reserve contains the effective part of the accumulated change in the fair value of the cash flow hedges, net of tax, in respect of which the hedged future transaction has not yet taken place. The table below provides an overview of the estimated maturity profile of the cash flow hedge reserve.

Use of cash flow hedge reserve	
< 1 year	49.4
1-5 years	12.1
> 5 years	23.8
	85.3

19. Deferred taxes

Deferred tax is recognized using the liability method on taxable temporary differences between the tax base and the accounting base of items included in the consolidated financial statements. Temporary differences are not provided if they relate to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit or differences relating to investments in subsidiaries, associates and joint ventures to the extent that the reversal of the temporary differences are controlled by the Company and it is probable that they will not reverse in the foreseeable future. Withholding tax and any other tax due for unremitted earnings of subsidiaries are not recognized as deferred tax liability unless there is an intention to distribute these earnings in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, at the year end. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax is recognized in the consolidated statement of income unless it relates to items recognized through other comprehensive income.

Tax assets and liabilities are offset when there is a legally enforceable right to set off the recognized amounts and that there is an intent to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

Critical accounting estimates and judgments

Deferred tax assets, including those arising from carry-forward losses, are recognized if it is likely that taxable profits will be available against which losses can be set off. Management exercises judgment to establish the extent to which expected future profits substantiate the recognition of a deferred tax asset.

The movement in deferred tax assets and liabilities during the period is set out on the next page.

	Carry- forward losses	PP&E	Leases	Intangibles	Inventories	Other	Offset	Total
Assets	57.4	14.6	199.5	3.7	22.7	65.2	(267.2)	95.9
Liabilities	-	(187.2)	(186.3)	(115.4)	(7.8)	(131.1)	267.2	(360.6)
Balance on January 1, 2021	57.4	(172.6)	13.2	(111.7)	14.9	(65.9)	-	(264.7)
Credited/(charged) to net income - continued operations (restated)	24.4	(33.1)	1.1	12.5	(16.5)	1.6	-	(10.0)
Credited/(charged) to net income - discontinued operations	(2.2)	(0.6)	(1.0)	(0.8)	0.6	2.3	-	(1.7)
Credited/(charged) to OCI	-	-	-	0.1	-	(17.4)	-	(17.3)
Acquisitions and purchase price accounting adjustments	2.2	(0.1)	(0.2)	(104.1)	(0.3)	(9.7)	-	(112.2)
Divestitures	-	11.9	-	-	-	(4.5)	-	7.4
Other	-	-	-	-	-	(1.0)	-	(1.0)
Reclassifications to held for sale	0.4	0.3	1.8	0.9	(0.6)	6.1	-	8.9
Reclassifications	0.5	0.8	(0.2)	(0.1)	-	(0.9)	-	0.1
Exchange differences	4.2	(8.8)	-	(3.9)	1.7	(4.5)	-	(11.3)
Balance on December 31, 2021	86.9	(202.2)	14.7	(207.1)	(0.2)	(93.9)	-	(401.8)
Assets	86.9	23.9	218.4	10.9	22.9	61.7	(295.9)	128.8
Liabilities	-	(226.1)	(203.7)	(218.0)	(23.1)	(155.6)	295.9	(530.6)
Balance on January 1, 2022	86.9	(202.2)	14.7	(207.1)	(0.2)	(93.9)	-	(401.8)
Credited/(charged) to net income - continued operations	(12.8)	49.8	(79.3)	21.6	5.9	(6.9)	-	(21.7)
Credited/(charged) to OCI	-	-	-	-	-	(26.3)	-	(26.3)
Acquisitions and purchase price accounting adjustments	2.8	(61.3)	(0.3)	(90.6)	1.5	10.9	-	(137.0)
Divestitures	(6.5)	(1.8)	(0.1)	0.4	-	0.1	-	(7.9)
Other	-	-	-	-	-	2.7	-	2.7
Reclassifications	-	(0.2)	0.5	(5.4)	2.1	3.0	-	-
Exchange differences	4.4	(10.4)	0.6	(4.9)	1.0	(4.7)	-	(14.0)
Balance on December 31, 2022	74.8	(226.1)	(63.9)	(286.0)	10.3	(115.1)	-	(606.0)
Assets	74.8	19.0	140.5	7.5	33.5	43.5	(231.1)	87.7
Liabilities	-	(245.1)	(204.4)	(293.5)	(23.2)	(158.6)	231.1	(693.7)
Balance on December 31, 2022	74.8	(226.1)	(63.9)	(286.0)	10.3	(115.1)	-	(606.0)

The portion of the deferred tax liabilities that is expected to be recovered within 12 months amounts to € 30.3 million (2021: € 20.3 million). The portion of the deferred tax assets that is expected to be recovered within 12 months amounts to € 34.8 million (2021: € 32.7 million).

Unused tax losses for which deferred tax assets have not fully been recognized are as follows:

Expiration	2022	2021
2022	-	1.9
2023	4.2	0.8
2024	5.7	0.2
2025	10.9	5.2
2026	12.7	4.5
2027 and further years	105.7	50.5
No expiration date	1,632.1	867.6
Total continuing operations	1,771.3	930.7
Discontinued operations	-	-
	1,771.3	930.7

The increase in the unused tax losses for which deferred tax assets have not fully been recognized is due to the impairments in Botlek and Europoort at Vopak that did not lead to recognition of deferred tax assets as insufficient profits are expected to be available as well as the first time consolidation of Boskalis.

Deferred tax assets for which the utilization is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences amount to € 87.7 million (2021: € 128.8 million).

Deferred tax assets of € 42.9 million (2021: € 77.7 million) relate to entities that suffered a loss in either the current or the preceding period. Their recognition is supported by projections of future taxable income and deferred tax liabilities against which they can be offset. Unused tax losses with no expiration date include tax losses relating to acquired entities. These tax losses relate to business models that were different than the activities of the entity at the moment of acquisition. This is an important reason for the fact that these losses have not (fully) been valued.

Unused tax credits for which deferred tax assets have not been fully recognized are not significant.

20. Pension benefits

The Company has both defined benefit and defined contribution plans.

Defined benefit plans

Defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The pension charges for defined benefit plans are based on actuarial calculations and calculated in accordance with the projected unit credit method. Under this method, the cost of providing pensions is charged to the consolidated statement of income so as to spread the regular costs over the service lives of employees in accordance with the advice of independent qualified actuaries who carry out a full valuation of the plans every year. The pension obligation is measured as the present value of the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related liability. The plan assets are measured at fair value. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise. Current and past service costs, interest components and administrative

costs are recognized immediately in the consolidated statement of income. A net defined benefit asset is only recognized to the extent the surplus in the pension plan can be realized during the life of the plan, through refund or reduced future contributions, or at the settlement of the plan.

Defined contribution plans

A defined contribution plan is a pension plan under which the Company pays contributions to a publicly or privately administered pension insurance plan on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

Critical accounting estimates and judgments

The defined benefit obligation is determined on the basis of assumptions for future developments in variables such as salary increase, price index increase, life expectancy and discount rate. All assumptions are assessed at the reporting date. Changes in the assumptions may significantly affect the liabilities and pension costs under the defined benefit plans. The weighted average of these assumptions as well as sensitivities of key assumptions are disclosed in this note.

The net amounts recognized in the statement of financial position for pension benefits are as follows:

	Dec. 31, 2022	Dec. 31, 2021
Pension benefit assets	55.3	58.5
Pension benefit liabilities	(109.7)	(105.0)
	(54.4)	(46.5)

The net pension benefit liability consists of:

	Dec. 31, 2022	Dec. 31, 2021
Present value of funded obligations	(404.6)	(450.2)
Fair value of plan assets	422.4	496.0
Impact from asset ceiling	(19.4)	(26.4)
Surplus/(deficit) of funded obligations	(1.6)	19.4
Present value of unfunded obligations	(52.8)	(65.9)
Total defined benefit plans	(54.4)	(46.5)
Net asset/(liability) in the statement of financial position	(54.4)	(46.5)

Pension benefit liabilities

The pension liabilities of € 109.7 million mainly relate to pension plans at Boskalis (€ 48.9 million), primarily a closed insured pension plan in the Netherlands, and a pension plan of Westag (€ 22.4 million), a subsidiary of Broadview Holding B.V. , in Germany. Also included are two Formica pension plans in the United Kingdom with a net liability of nil.

Westag plan

The pension plan of Westag is unfunded and payments are made from Westag's operating cash flow. Participants are insured against the consequences of old age, disability and death. The pension plan is closed to new participants. The defined benefit liability is calculated based

on expected, salary-independent, old-age and disability pension payments per full year of staff membership in the company.

Pension supervision in Germany

The Westag pension plan operates under the German Pension Reform Act and is overseen by the Federal Financial Supervisory Authority BaFin.

Boskalis plans

This primarily relates to a closed insured pension plan in the Netherlands, for which future cash inflows consist of the company's entitlement to excess returns achieved by the insurance company and future cash outflows for premiums for price indexation of insured pensions. The net defined benefit obligation for this pension plan is based on an estimate of this future cash outflow for premiums. The company's entitlement to excess returns is not accounted for as an asset. Both the annual income from excess returns and expense for premiums for price indexation continue to be recognized through the statement of other comprehensive income. Therefore the expected impact of the defined benefit pension plans on future statements of profit or loss is not significant.

Formica plans United Kingdom

At December 31, 2022, the assets of certain plans at Formica (€ 109.6 million) exceeded the obligations of the plans (€ 93.8 million) by € 15.8 million. The surplus in these pension plans has not been recognized since it is not possible to recognize any economic benefit from refunds or reductions in future contributions. Both plans are closed for new entrants and the future benefit accrual has been frozen with effect of August 31, 2018, when a defined contribution plan was introduced. The benefits of the existing members were not affected by the closure of the scheme. The pension plans provide benefits upon retirement (based on final pay), death, disability and termination. Both plans are operated by separate pension trustees.

Pension supervision in the United Kingdom

The Formica plans operate under the regulatory framework of the Pensions Act 2004, as overseen by The Pensions Regulator. According to a 2018 UK High Court ruling, most UK defined benefit plans are expected to be required to provide additional benefits to their participants regarding guaranteed minimum pensions. This is expected to affect one of the plans and an estimated 1.5% allowance was applied in calculating the defined benefit obligation.

Pension benefit assets

The pension benefit assets of € 55.3 million relate fully to a surplus of a pension fund in the Netherlands (the 'pension fund') that insures its participants against the consequences of old age, death and disability. The Company and its employees currently do not pay contributions to these pension plans. The pension fund has the legal structure of a foundation. The (actuarial) risks related to the pension plan consist of demographic risks (primarily life expectancy) and financial risks (primarily discount rate, future increases in salaries, and return on plan assets) and are regularly reviewed by the board of the pension fund. The board of the pension fund is the most senior governing body of the pension fund and is composed of equal numbers of employer and employee representatives (including pensioners). Modification of the pension plan requires the approval of the Company. The minimum required funding level for the pension fund is 104%. The pension fund had a funded level of 197% at year-end 2021. The funding level at December 31, 2022, was preliminary calculated at 194%. The pension asset is calculated, in accordance with IFRIC 14, as the lower of the surplus and the present value of the future service cost using assumptions (including the discount rate) consistent with those used to determine the defined benefit obligation, taking into account minimum funding requirements.

Pension supervision in the Netherlands

Pension funds in the Netherlands are overseen by the Authority for the Financial Markets (AFM) and the Dutch Central Bank (DNB). An annual report including an actuarial review on the plan

is prepared in accordance with legal requirements. Additional reports are prepared periodically in accordance with IFRS requirements.

Multi-employer plans

Multi-employer pension plans are defined benefit plans classified as defined contribution, as the information received from these plans is not detailed per employee and per company. In case of a deficit in the multi-employer plans, future pension premiums may increase. There are no multi-employer plans for which the Group is significant in respect to the total plan. Certain multi-employer plans have indicated they have no reliable and consistent basis on which to attribute the pension obligations, plan assets and the absolute and relative share of the Group in the fund and on which to allocate income and expenses to the individual member companies of these pension funds. As a result, appropriate calculations for these defined benefit plans cannot be preformed and they are recognized in these financial statements as a defined contribution plan.

The movement in the net provision for defined benefit plans is as follows:

	2022	2021
Balance on January 1	(46.5)	(89.8)
Pension charge defined benefit plans continuing operations	(12.7)	(11.5)
Pension charge defined benefit plans discontinued operations	-	(5.1)
Consolidation	(39.9)	(0.5)
Contributions	8.3	7.4
Remeasurement effects	32.7	54.8
Benefits paid for unfunded plans	-	0.9
Reclassification to held for sale	-	(6.9)
Plan amendments, settlements and curtailments	0.9	-
Exchange differences and other	2.8	4.2
Balance on December 31	(54.4)	(46.5)

In 2022, the remeasurement effects of € 32.7 million are primarily the result of higher discount rates and lower returns on plan assets. In 2021, the remeasurement effects of € 54.8 million were primarily the result of higher returns on plan assets.

The amounts recognized in the consolidated statement of income are as follows:

	2022	2021
Current service costs	11.2	9.9
Interest expense/(income)	0.1	0.5
Plan amendments, settlements and curtailments	-	0.1
Administrative costs	0.9	0.8
Total defined benefit costs	12.2	11.3
Other costs	112.2	79.3
Pension charges related to continuing operations	124.4	90.6

Other costs mainly include costs related to defined contribution plans and multi-employer plans classified as defined contribution plans, as referred to above.

Movements in the defined benefit obligation, for both funded and unfunded plans, and plan assets and related asset ceilings, are as follows:

	Plan assets		Obligation		Asset ceiling	
	2022	2021	2022	2021	2022	2021
Balance on January 1	496.0	467.9	516.1	535.6	26.4	22.1
Consolidation	72.7	0.2	112.6	0.7	-	-
Service cost	-	-	11.2	9.8	-	-
Interest income	10.2	7.7	-	-	-	-
Interest expense	-	-	10.3	8.1	-	-
Pension charges related to discontinued operations	-	1.4	-	6.5	-	-
Employer contributions	8.3	7.4	-	-	-	-
Return on plan assets (excluding amounts included in interest income)	(142.6)	35.2	-	-	-	-
Experience adjustments	-	-	25.5	(2.9)	-	-
Change in financial assumptions	-	-	(199.5)	(12.4)	(6.2)	2.3
Change in demographic assumptions	-	-	4.9	(6.6)	-	-
Plan amendments, settlements and curtailments	-	(12.9)	-	(12.8)	-	-
Benefits paid	(21.6)	(17.5)	(25.6)	(24.6)	-	-
Reclassification	-	-	0.1	(1.5)	-	0.1
Reclassification to held for sale	-	(15.0)	-	(6.5)	-	-
Exchange differences and other	(0.6)	21.6	1.8	22.7	(0.8)	1.9
Balance on December 31	422.4	496.0	457.4	516.1	19.4	26.4

The Company expects to contribute € 21.3 million to defined benefit plans in 2023. The increase mainly relates to expected indexation of certain pension benefits.

The expected maturity analysis of undiscounted pension benefits is as follows:

	Dec. 31, 2022	Dec. 31, 2021
Less than 1 year	21.7	18.8
1-2 years	23.7	19.0
2-5 years	64.8	60.3
> 5 years	970.8	708.5
	1,081.0	806.6

The principal weighted-average assumptions used were:

	Dec. 31, 2022	Dec. 31, 2021
Discount rate/return on assets	4.66%	1.79%
Future inflation rate	2.76%	2.46%
Future salary increases	2.72%	2.47%
Life expectancy in years:		
Age 65 for men	18.8	20.3
Age 65 for women	21.1	22.8
Age 65 in 20 years for men	20.3	22.0
Age 65 in 20 years for women	22.5	24.4

The latest available mortality tables were used. The discount rates used in the determination of defined benefit obligations and pension charges are based on high-quality corporate bonds (AA-rated) with a duration matching the duration of the pension benefit liabilities.

Plan assets include as of December 31, 2022:

	Level 1	Level 2	Level 3	Total	Total (%)
Equity instruments	141.9	14.0	-	155.9	36.9%
Debt instruments	54.0	78.4	0.1	132.5	31.4%
Cash and cash equivalents	15.0	-	-	15.0	3.6%
Other	1.2	1.7	116.1	119.0	28.1%
	<u>212.1</u>	<u>94.1</u>	<u>116.2</u>	<u>422.4</u>	<u>100.0%</u>

The amounts in level 3 mainly relate to insurance policies that provide coverage for the related pension obligations.

Plan assets included as of December 31, 2021:

	Level 1	Level 2	Level 3	Total	Total (%)
Equity instruments	174.4	25.4	-	199.8	40.3%
Debt instruments	36.8	152.2	0.1	189.1	38.1%
Cash and cash equivalents	19.3	-	-	19.3	3.9%
Other	5.0	2.1	80.7	87.8	17.7%
	<u>235.5</u>	<u>179.7</u>	<u>80.8</u>	<u>496.0</u>	<u>100.0%</u>

The sensitivity of the defined benefit obligation to changes in the weighted-average principal assumptions is as follows:

	Impact on obligation		
	Change	Increase	Decrease
Discount rate/return on assets	1.00%	(44.4)	55.2
Future inflation rate	1.00%	30.4	(28.2)
Future salary increases	0.25%	1.9	(1.8)
Life expectancy	1 year	12.6	N/A

The plan liabilities are calculated using a discount rate set with reference to high-quality corporate bond yields. If plan assets underperform this yield, this will create a deficit. A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings. The majority of the plans' obligations are to provide benefits for the lifetime of the members, therefore increases in life expectancy will result in an increase in the plans' liabilities.

21. Provisions

A provision is recognized for a present legal or constructive obligation as a result of past events, when it is more likely than not that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made (for onerous contracts refer to note 12). Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognized as interest expense.

The composition and movements in provisions is as follows:

	Environmental	Employee related	Claims & regulatory	Onerous contracts	Warranty	Other	Total
Balance on January 1, 2021	21.0	29.0	35.1	21.5	17.3	39.4	163.3
Addition to provision	5.6	23.0	2.5	2.2	12.1	9.8	55.2
Consolidation	-	-	-	3.5	0.2	0.2	3.9
Utilized during the year	(2.2)	(22.6)	(3.8)	(16.3)	(9.3)	(9.5)	(63.7)
Released	(0.6)	(3.0)	(20.0)	(3.5)	(0.7)	(2.9)	(30.7)
Net addition related to discontinued operations	-	6.0	(10.3)	-	0.4	0.5	(3.4)
Reclassification to held for sale	(2.7)	(5.9)	10.3	-	(0.4)	(0.5)	0.8
Exchange differences	0.5	-	-	-	0.2	-	0.7
Reclassifications and other movements	-	(0.5)	-	-	-	(3.5)	(4.0)
Balance on December 31, 2021	21.6	26.0	13.8	7.4	19.8	33.5	122.1
Current	8.4	15.6	-	0.4	3.6	23.9	51.9
Non-current	13.2	10.4	13.8	7.0	16.2	9.6	70.2
Balance on December 31, 2021	21.6	26.0	13.8	7.4	19.8	33.5	122.1
Addition to provision	14.3	9.7	4.9	39.2	64.6	5.3	138.0
Consolidation	1.4	8.3	1.6	69.2	56.5	4.4	141.4
Utilized during the year	(4.9)	(15.3)	(8.1)	(33.2)	(20.7)	(8.0)	(90.2)
Released	(0.3)	(5.4)	-	(0.2)	(0.9)	(0.9)	(7.7)
Reclassification to held for sale	-	(0.7)	-	-	(0.2)	-	(0.9)
Exchange differences	0.1	0.1	-	0.5	0.3	0.2	1.2
Reclassifications and other movements	-	(0.1)	14.3	35.7	5.3	(13.7)	41.5
Balance on December 31, 2022	32.2	22.6	26.5	118.6	124.7	20.8	345.4
Current	5.7	7.7	7.9	66.7	80.2	15.1	183.3
Non-current	26.5	14.9	18.6	51.9	44.5	5.7	162.1
Balance on December 31, 2022	32.2	22.6	26.5	118.6	124.7	20.8	345.4

Environmental

The environmental provisions primarily relate to historical contaminations of locations where Vopak terminals are located.

Onerous contracts

The increase in provision for onerous contracts is mainly due to the consolidation of Boskalis. The provision relates primarily to construction and offshore services contracts (refer to note 12).

Warranty

Warranty provisions relate to multiple projects, mainly at Boskalis.

22. Debt and other financial liabilities

Debt is initially recognized at fair value, less any directly related transaction costs. When debt instruments are designated as being part of a fair value hedge relationship, the debt is carried at amortized cost, adjusted for the fair value of the risk being hedged, with changes in value shown in the consolidated statement of income. Other debt is subsequently carried at amortized cost, using the effective interest method. Convertible (equity-linked) borrowings that include a cash-settlement option are carried at amortized cost using an effective interest rate deemed appropriate for the risk profile of an equivalent financial instrument without the conversion component.

Other financial liabilities include contingent considerations related to acquisitions and obligations to acquire non-controlling interests from management of certain subsidiaries. These are initially recognized and subsequently measured at fair value with remeasurement differences recorded as financial income or expense in the consolidated statement of income. Refer to note 36 on fair value measurement.

Debt and other financial liabilities are classified as current unless the Company has an unconditional right to defer settlement until at least twelve months after statement of financial position date.

Fees paid with respect to loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs and subsequently amortized over the lifetime of the facility. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Debt and other financial liabilities is comprised of:

	Dec. 31, 2022	Dec. 31, 2021
Debt	5,025.7	3,731.4
Other financial liabilities	177.3	133.4
	<u>5,203.0</u>	<u>3,864.8</u>

	Dec. 31, 2022	Dec. 31, 2021
Non-current debt and other financial liabilities		
Mortgage loans	464.3	272.7
Private placements	1,899.5	2,054.2
Other loans	592.7	590.3
Total non-current debt	2,956.5	2,917.2
Non-current other financial liabilities	150.2	119.7
Total non-current debt and other financial liabilities	3,106.7	3,036.9
Current debt and other financial liabilities		
Bank overdrafts	1,193.4	709.7
Current portion of long-term debt	874.9	103.1
Other loans	0.9	1.4
Total current debt	2,069.2	814.2
Current other financial liabilities	27.1	13.7
Total current debt and other financial liabilities	2,096.3	827.9
Total debt and other financial liabilities	5,203.0	3,864.8

Mortgage loans are secured by mortgages and pledges on vessels, real estate, inventory and receivables with a corresponding carrying value of € 632.1 million (2021: € 492.1 million). These are non-possessory pledges, which means that only in case of default under the mortgage loan agreements, the lender will have the right to sell the vessels, real estate or inventory and receive the cash flows from the receivables. The other loans are secured to an amount of € 847.7 million (2021: € 958.6 million) by non-possessory pledges on machinery and equipment, receivables, inventories and other current assets.

The debt position relates for € 2,359.7 million (47.0%) to Vopak (2021: € 2,287.2 million, 61.3%). This debt mainly consists of unsecured private placements in the U.S. and Asian markets. The average remaining maturity at the end of 2022 was 4.3 years (2021: 4.7 years).

Current bank debt includes amounts drawn by HAL Holding N.V. at two banks for a total amount of € 576 million. These loans are collateralized by fixed-income securities included in the marketable securities and need to be repaid prior to December 31, 2023. The loan/commitment-to-value covenant ratio of 70% was met during 2022.

The summary of debt per currency is as follows:

	Dec. 31, 2022	Dec. 31, 2021
Euro	3,132.3	1,795.0
U.S. dollar	1,533.0	1,407.2
Singapore dollar	139.6	139.8
Other currencies	220.8	389.4
	<u>5,025.7</u>	<u>3,731.4</u>

For 100% of the bank debt, the applicable covenants were complied with or waived during 2022 (2021: 100%). The table below provides details on certain company-specific covenants that applied in 2022.

	Debt	Required	Actual
<i>Boskalis</i>	392.3		
Maximum net debt:EBITDA ratio		3.00	(0.70)
Minimum interest cover ratio		4.00	42.00
<i>Vopak</i>	2,359.7		
Maximum senior net debt:EBITDA ratio		3.75 - 4.00	2.65
Minimum interest cover ratio		3.50	8.40
<i>Other</i>	2,273.7		
Total debt	<u>5,025.7</u>		

Included in other financial liabilities is the obligation to acquire equity instruments in certain subsidiaries from the management of these subsidiaries and liabilities related to share-based payment plans for an aggregate amount of € 83.3 million (2021: € 58.9 million), of which € 67.6 million (2021: € 42.9 million) is included as non-current liabilities. Reference is made to note 34 on share-based compensation.

Also included are obligations related to options on non-controlling interest and deferred/contingent payments with respect to acquisitions for € 79.1 million (2021: € 59.6 million) and other liabilities of € 15.0 million (2021: € 14.9 million). These liabilities expire during 2023 through 2025. In 2020, Safilo entered into reciprocal option agreements with a view to acquiring the non-controlling interest in Blenders and Privé Revaux. In 2022, these options were revalued for an update to the business plans, leading to a € 31.2 million revaluation gain and a reduction of the liability. In 2022, the CEO and certain other employees of Privé Revaux resigned and, pursuant to the contractual terms, Safilo early exercised its call option on their non-controlling interest in the company in exchange for a nominal amount. As a result, the ownership interest in Privé Revaux increased from 64.2% to 82.8%.

The fair value of debt and other financial liabilities is disclosed in note 36.

23. Revenues

Revenue is recognized in the period in which the performance obligation from the underlying contract has been satisfied. In most sales transactions this is at the point in time when control over a product or service has been transferred to the customer. Revenue is shown net of sales tax, value-added tax, discounts, rebates, expected returns and amounts collected on behalf of third parties. A contract with a customer may comprise of multiple distinct performance obligations that require separation. In general, the total consideration under the contract is allocated to performance obligations based on stand-alone selling prices. The timing of revenue recognition depends on the type of performance obligation, as described below.

Sale of goods

The group operates physical retail stores and webstores in the Quoted minority interests and Unquoted segments. Sales on a wholesale basis are present in the Quoted minority interest and Unquoted segments. Revenue is recognized when the product is sold to the customer and control over the product has been transferred to the customer in return for (a right to) payment.

For retail sales, revenue recognition generally coincides with the physical transfer of the product to the customer. Revenue is then recognized at the transaction price, gross of (credit card) fees payable for the transaction which are recorded in selling cost. For rights issued under a customer loyalty program, through vouchers and by way of other future discounts or awards, a contract liability is incurred as a reduction to revenue. Revenue is further reduced and a refund liability is recognized for applicable rights of return. An asset reflecting the right to returned goods is recognized, reducing the cost of sales, at the carrying amount of those goods, net of expected refurbishment cost for returns that are not scrapped. In general, when a replacement product is not an acceptable alternative, the transaction price is refunded. An expected-value calculation based on accumulated experience is used to determine the amounts recognized as a refund liability. Where loyalty programs are in place, revenue allocated to the awards is recognized based on (anticipated) expiration and when the awards are redeemed.

For wholesale and franchise sales the timing of revenue recognition depends on when the products are delivered, with full discretion by the customer or franchisee over the sales channel and price to re-sell the products. Revenue recognition depends on individual customer terms and may occur when the products have been shipped or delivered to a specific location, the risks of obsolescence and loss have been transferred to the customer and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or objective evidence has been obtained that all criteria for acceptance have been satisfied. Volume incentives apply to various wholesale contracts and reduce related revenues. Depending on the contract, these incentives are either paid at the end of the contract period as a rebate, or provide a right to a discount in the next contractual period. In case of rebates, a refund liability is recorded at the time of the transaction, as a reduction to revenue. The group periodically reviews the expected transaction price for the goods and services provided under the contract and adjusts the revenues from the contract and the refund liability accordingly. Discounts to be provided in future periods based on current year sales are considered a separate performance obligation, reducing current year revenue, and are recognized as a contract liability. The contract liability is recognized as revenue in the consolidated statement of income based on (anticipated) expiration and when the discounts are redeemed. A receivable is recognized for wholesale deliveries when payment has become unconditional. No element of financing is deemed present as payment terms are consistent with market practice. Any prepayments by customers are not considered revenue but are accounted for as contract liabilities.

Obligations to provide a refund under the standard warranty terms are recognized as a provision. Where warranties exceed these standard terms either in time, extent or through the inclusion of

(additional) services it is recognized as distinct performance obligation and part of revenues is allocated and recognized over the period covered by the extended warranties. Extended warranties are considered services to be rendered and included under contract liabilities until revenue is recognized.

Provision of services

The group provides storage services in its Quoted minority interest segment and a range of other services, including shipping, staffing and financial services, in its Unquoted segment. Revenue from providing services is recognized in the period in which the services are rendered. Tank storage rentals, including minimum guaranteed throughputs, are recognized on a straight-line basis over the contractual period when these services are rendered, as clients simultaneously consume and benefit from the services at the moment that these are rendered. Revenues from excess throughputs and other services are recognized in the period in which they are provided.

For fixed-price contracts, revenue is recognized based on the actual service provided at the end of the reporting period as a proportion of the total services to be provided. Estimates of revenues, based on costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in the consolidated statement of income in the period in which the circumstances that give rise to the revision become known by management. Contracts for the rendering of services typically do not exceed a duration of twelve months, except for framework agreements for which prices are variable or periodically renegotiated.

Modifications of property, plant and equipment paid upfront by customers are accounted for as a contract liability and recognized in the consolidated statement of income over the contractual period on a straight-line basis.

In case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered exceed the payment, depending on the specific terms of the contract, a contract asset is recognized. If the payments exceed the services rendered, a contract liability is recognized. If the contract includes an hourly fee, revenue is recognized in the amount to which there is a right to invoice. No element of financing is deemed present as payment terms are consistent with market practice.

License revenues

Franchise rights are accounted for as rights to access the franchisor's intellectual property. Any fixed fee allocated to those rights is generally recognized over the term of the franchise agreement. Franchise fees that are based on a percentage of sales are recognized at the time of the sale. Access to (digital) content is recognized over time for subscription contracts and at a point in time for usage-based contracts. License revenues are presented within rendering of services.

Construction and offshore contracting activities

The group provides (integration of) goods and services through its construction and offshore contracting businesses in the Unquoted segment, including housing, greenhouse, civil infrastructure and maritime construction. Revenue and results from these businesses are determined by reference to the latest estimate of the total selling price of the contract, after taking into account claims that have been accepted by the client or that derive from enforceable rights, are highly probable to lead to revenue and can be reliably measured. Such revenue is recognized over time, using the percentage-of-completion method, using a completion rate determined by reference to estimated cost of completed works (input method) and reviewed against progress of the works.

Recognition of revenues and results for property development activities commences only when a contract with a customer for the (further) development and sale of such property has been signed. These contracts generally involve the delivery of both land and buildings. Revenues related to (further) development of the land and the construction of buildings are recognized as set out above. Revenues and results from sale of the land positions are realized at the signing date if the land is transferred to the buyer directly, or through inclusion of land and land-related expenses in the cost basis for determination of project completion, if it remains an integral part of the project under development.

Construction, development and offshore services contracts of the group are frequently subject to variation orders that affect the scope and/or price of the contract and that amend existing performance obligations. Variation orders that are highly probable, cannot be reversed and for which payment is legally enforceable constitute contract modifications. These modifications are accounted for through a cumulative catch-up adjustment.

A provision for onerous contracts is formed against operating expenses when future contract losses are known and can be reliably measured. Additional information on judgement and estimates in relation to construction, development and offshore services contracts are included in note 12.

The Company's 2022 revenue can be disaggregated as follows:

2022	Europe	USA & Canada	Asia	Other	Total	Quoted	Unquoted
Revenue from contracts with customers							
Sale of goods	3,179.3	878.5	302.5	254.5	4,614.8	1,072.4	3,542.4
Construction and offshore contracting activities	1,977.1	91.5	630.3	60.4	2,759.3	-	2,759.3
Provision of services	1,466.0	286.3	507.8	387.1	2,647.2	1,341.6	1,305.6
	6,622.4	1,256.3	1,440.6	702.0	10,021.3	2,414.0	7,607.3
Revenue from other sources	48.9	14.1	11.8	8.2	83.0	64.4	18.6
Total revenue	<u>6,671.3</u>	<u>1,270.4</u>	<u>1,452.4</u>	<u>710.2</u>	<u>10,104.3</u>	<u>2,478.4</u>	<u>7,625.9</u>

The Company's 2021 revenue can be disaggregated as follows:

2021	Europe	USA & Canada	Asia	Other	Total	Optical retail	Quoted	Unquoted
Revenue from contracts with customers								
Sale of goods	3,337.8	976.2	549.3	371.3	5,234.6	-	2,163.8	3,070.8
Construction and offshore contracting activities	1,271.7	55.3	9.2	34.2	1,370.4	-	-	1,370.4
Provision of services	527.9	8.8	15.6	11.6	563.9	-	-	563.9
	<u>5,137.4</u>	<u>1,040.3</u>	<u>574.1</u>	<u>417.1</u>	<u>7,168.9</u>	-	2,163.8	5,005.1
Revenue from other sources	13.1	8.8	8.9	13.6	44.4	-	41.1	3.3
Total revenue from continuing operations	<u>5,150.5</u>	<u>1,049.1</u>	<u>583.0</u>	<u>430.7</u>	<u>7,213.3</u>	-	2,204.9	5,008.4
Revenue from discontinued operations	1,747.9	35.6	-	107.6	1,891.1	1,891.1	-	-
Total revenue	<u>6,898.4</u>	<u>1,084.7</u>	<u>583.0</u>	<u>538.3</u>	<u>9,104.4</u>	<u>1,891.1</u>	<u>2,204.9</u>	<u>5,008.4</u>

Expected future revenues from continuing operations can be specified as follows:

	2022	2021
Future revenues expected to be realized in one year	3,898.6	1,284.8
Future revenues expected to be realized between one and two years	2,242.9	436.5
Future revenues expected to be realized between two and five years	1,453.3	158.4
Future revenues expected to be realized beyond five years	274.1	-
Future revenues in order book	<u>7,868.9</u>	<u>1,879.7</u>
Future revenues from current projects	<u>2,405.4</u>	<u>1,102.6</u>

Future revenues in order book primarily relates to housing, greenhouse, civil infrastructure and maritime construction, office furniture and industrial businesses. Future revenues from current projects mainly relate to the unfulfilled part of extended (service-type) warranties and construction contracts.

The table below provides a reconciliation of the contract liabilities for the periods presented.

	Deferred revenue construction and offshore service contracts	Other deferred revenues	Customer prepayments	Total
Balance on January 1, 2021	81.6	73.3	28.5	183.4
Payments received	628.5	62.8	93.6	784.9
Consolidation	13.3	-	-	13.3
Increase from new contracts with customers	1.0	-	-	1.0
Recognized as revenue in current period	(564.1)	(73.4)	(60.6)	(698.1)
Exchange differences and other	-	3.2	4.8	8.0
Balance on December 31, 2021	<u>160.3</u>	<u>65.9</u>	<u>66.3</u>	<u>292.5</u>
Balance on January 1, 2022	160.3	65.9	66.3	292.5
Payments received	730.1	104.3	51.5	885.9
Consolidation	430.3	0.5	-	430.8
Increase from new contracts with customers	-	-	0.2	0.2
Recognized as revenue in current period	(781.1)	(90.9)	(87.7)	(959.7)
Reclassification	42.9	4.3	(2.6)	44.6
Exchange differences and other	2.1	3.1	1.9	7.1
Balance on December 31, 2022	<u>584.6</u>	<u>87.2</u>	<u>29.6</u>	<u>701.4</u>

The amounts due to customers relate mainly to construction contracts (refer to note 12).

24. Income from marketable securities and deposits

Income from marketable securities and deposits includes realized and unrealized capital gains and losses, impairment losses, interest, dividends and management fees.

Capital gains and losses represent the change in market value of the marketable securities. Interest income on financial instruments recorded at amortized cost is recognized on an accrual basis, using the effective interest rate method. Dividends are recognized when the right to receive payment is established.

	2022	2021
Net capital gains / (losses)	(179.0)	85.3
Interest income / (expense)	40.8	(13.6)
Dividends	21.2	8.7
Management fees	(2.7)	(0.4)
	<u>(119.7)</u>	<u>80.0</u>

25. Share of results from associates and joint ventures

Associates and joint ventures are accounted for using the equity method, which involves recognition in the consolidated statement of income the Company's share of the net result of the associate or joint venture. When the Company's share of losses exceeds the carrying amount of an equity-accounted investment, including any unsecured receivables, the Company does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the company in question. Significant unrealized gains on transactions between the Company and its associates and joint ventures are eliminated to the extent of the Company's interest in the specific company. Significant unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

	2022	2021
Share of results*	381.2	384.6
Revaluation upon gaining control	656.2	-
Impairments	(165.8)	(43.5)
Reversal of impairments	3.8	-
Continuing operations	875.4	341.1
Discontinued operations	-	2.8
	875.4	343.9

* Capital gains and share of results from real estate joint ventures of € 50.0 million (2021: € 42.3 million) is presented under income from real estate activities in the consolidated statement of income

The revaluation gain in 2022 related to the revaluation of the previously held equity interest of the Company in Boskalis upon gaining de facto control over the company (refer to note 3).

For details on impairments, reference is made to note 35.

26. Income from real estate activities

The Company develops, leases and sells residential, retail and office properties in its Real estate segment. Revenue from (operating) lease activities is recognized on a straight-line basis over the lease term. Capital gains from property sales are recognized at the transaction price agreed in the contract when control over the property has been transferred to the buyer. Revenue is recognized at the point in time when the legal title has passed to the buyer and the consideration becomes due.

	2022	2021
Capital gains	63.7	50.0
Rental and residential income	8.1	7.4
Share of results from real estate joint ventures	(13.7)	(7.7)
	58.1	49.7

The € 63.7 million capital gains relates to the sale of two real estate assets that were held by joint ventures within in the Real estate segment (refer to note 16).

27. Other income

The 2022 net other income of € 127.8 million relates mainly to the capital gains realized on the sale of the Company's interests in MYLAPS, Livit and Floramedia, capital gains and losses on sale of subsidiaries by Vopak, capital gains realized on the disposal of property, plant and equipment, negative goodwill realized in acquisitions and a capital gains on the dilution of an associate by Vopak. Reference is made to note 3 for further details on negative goodwill and disposals and note 8 for the dilution result on associates. The 2021 net other income of € 3,512.6 million related mainly to the capital gain realized on the sale of the Company's 76.72% shareholding in GrandVision N.V.

28. Employee expenses

Short-term employee benefits

Wages, salaries, social security contributions, annual leave, sickness absenteeism, bonuses and non-monetary benefits are measured on an undiscounted basis and are recognized as an expense as the related service is provided by the employee of the Company. A liability is recognized for the amount expected to be paid under short-term cash bonus plans if there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Termination benefits

Termination benefits are recognized as an expense when the Company and its subsidiaries are committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

Termination benefits for voluntary redundancies are recognized as an expense if an offer has been made of voluntary redundancy, it is probable that the offer will be accepted and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period they are discounted to their present value.

Share-based compensation

The compensation cost for share-based payment plans is recognized as an expense on a straight-line basis over the vesting period. The amounts expensed are adjusted over the vesting period for changes in the estimate of number of shares and the equivalent in cash that will eventually vest. Adjustments are made at the end of each reporting period to reflect expected and actual forfeitures during the vesting period due to the failure to satisfy service conditions or non-market performance conditions (e.g. profitability growth targets or continued employment over a specified time period). Refer to note 34 for more details on share-based payment plans.

Participation by management of unquoted subsidiaries

Management of certain subsidiaries own non-controlling interests in the capital of these subsidiaries. With respect to certain subsidiaries, the Company has the conditional obligation to acquire these equity instruments for cash. Obligations to acquire non-controlling interest are fair valued, generally, based on a multiple of EBITA less net debt, with measurement differences recorded as employee expense in the consolidated statement of income in accordance with IAS19. Multiples applied are either contractually determined or, generally, in accordance with those applied in the section on estimated value of the subsidiaries and associates.

	2022	2021
Wages and salaries	1,586.6	1,277.5
Social security costs	217.8	189.2
Pension costs	124.4	90.6
Other	162.0	148.5
Continuing operations	2,090.8	1,705.8
Discontinued operations	-	659.8
Total	2,090.8	2,365.6

The number of persons employed by the Company and its subsidiaries at the end of 2022 was 31,144 (2021: 27,443) on a full-time equivalent basis.

29. Other operating expenses

Operating expenses, including marketing and information and communication technology, are recognized in the consolidated statement of income when incurred.

Other operating expenses include the following:

	2022	2021
Marketing and publicity	215.4	172.6
Staffing expenses Atlas Professionals	145.4	157.8
Information and communication technology	137.8	115.7
Royalty expenses	59.4	55.3
Housing	44.3	26.3
Other	937.0	688.3
Continuing operations	1,539.3	1,216.0
Discontinued operations	-	285.5
Total	1,539.3	1,501.5

Research and development costs expensed, included in other, amounted to € 29.3 million (2021: € 25.1 million). Expenses recognized in the consolidated statement of income in respect of low-value asset leases and short-term leases amounted to € 32.2 million and in respect of variable lease payments € 7.4 million was expensed (2021: € 19.7 million, respectively € 5.1 million).

30. Financial income and expense

Financial income includes income on cash and cash equivalents and income on financial assets not included in marketable securities and deposits or in other financial assets. Financial expense includes net finance costs in relation to financial liabilities. Fair value changes of (embedded) derivatives not included in a hedge relationship, fair value changes of contingent consideration related to acquisitions ('earn-out' liabilities) and results from foreign currency translation of monetary items can be either financial income or expense.

Interest income and expense on financial instruments recorded at amortized cost is recognized on an accrual basis, using the effective interest method.

Financial income and expense include:

	2022	2021
Financial expense	272.2	209.3
Other financial income	(146.5)	(90.2)
Net finance costs continuing operations	125.7	119.1
Net finance costs discontinued operations	-	17.4
	<u>125.7</u>	<u>136.5</u>

Financial expense includes:

	2022	2021
Interest expense on lease liabilities	31.9	28.6
Other interest expense	167.2	121.3
Exchange differences, net of hedges*	42.0	43.2
Derivatives, not included in hedge accounting	14.7	-
Other	16.4	16.2
Continuing operations	272.2	209.3
Discontinued operations	-	18.4
	<u>272.2</u>	<u>227.7</u>

* Exchange differences on underlying items includes the impact of foreign currency derivatives that are part of a fair value hedge accounting relationship and/or the recycling of results from the cash flow hedge reserve.

Other financial income includes:

	2022	2021
Interest income	5.5	2.4
Exchange differences	77.9	46.3
Derivatives, not included in hedge accounting	2.8	7.6
Revaluation of options on non-controlling interests	31.2	27.4
Revaluation of earn-out liabilities	18.9	-
Other	10.2	6.5
Continuing operations	146.5	90.2
Discontinued operations	-	1.0
	<u>146.5</u>	<u>91.2</u>

The revaluation of options on non-controlling interests relates to the revaluation of reciprocal put and call options concluded by Safilo with respect to the non-controlling interest in Blenders and Privé Revaux (refer to note 22). The revaluation of earn-out liabilities relates to the release of an earn-out liability in relation to Prodrive (refer to notes 8 and 35).

31. Income tax expense

The current income tax charge is calculated on the basis of the tax law enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries have operations, taking into account tax-exempt income and tax losses carried forward. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretations. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Income tax is recognized in the consolidated statement of income unless it relates to items recognized in the consolidated statement of comprehensive income or in the consolidated statement of changes in equity. Where the final outcome of tax-related provisions is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Critical accounting estimates and judgments

Significant judgment is required in determining the worldwide provision for income tax, as subsidiaries are subject to income taxes in numerous jurisdictions. There are many transactions and calculations for which the ultimate tax determination is uncertain. Provisions for anticipated tax audit issues are recognized based on management's estimates of whether additional taxes will be due.

	2022	2021
Current income taxes	163.6	154.8
Deferred income taxes	21.7	10.0
Income tax from continuing operations	185.3	164.8
Income tax from discontinued operations	-	43.2
	185.3	208.0

Income taxes differ from the theoretical amount that would arise using the domestic tax rates applicable to profits of taxable entities in the countries concerned, as follows:

	2022	2021
Profit before income tax from continuing operations	681.2	4,346.1
Less: after-tax share of results from associates and joint ventures	(875.4)	(341.1)
Less: non-taxable other income (sale of subsidiaries and associates)	(127.8)	(3,512.6)
Adjusted profit before income tax	(322.0)	492.4
Income tax expense	185.3	164.8
Effective tax rate (%) on continuing operations	(57.5)	33.5

Composition	2022		2021	
	Amount	%	Amount	%
Weighted-average statutory tax rate	(93.9)	29.2	120.5	24.5
Goodwill impairment	76.1	(23.6)	-	-
Recognition of tax losses*	176.0	(54.7)	22.7	4.6
Non-taxable income	(37.8)	11.7	(21.1)	(4.3)
Non-deductible expenses	69.7	(21.6)	29.0	5.9
Adjustment tax provisions and PY adjustments	(4.9)	1.5	15.3	3.1
Rate changes	0.1	-	(1.6)	(0.3)
Effective tax (rate) on continuing operations	185.3	(57.5)	164.8	33.5
Impact from discontinued operations	-	-	43.2	-
Effective tax	185.3	-	208.0	-

* Current period losses that are not recognized increase the effective tax rate. When previously unrecognized tax losses are recognized, this reduces the effective tax rate.

The 2022 effective tax rate is affected by a non-tax deductible goodwill impairment of € 312 million and non-tax deductible exceptional losses at Vopak of € 463 million. Excluding these items the effective tax rate was 40.8%.

The impairments in Botlek and Europoort at Vopak did not lead to recognition of deferred tax assets as insufficient taxable profits are expected to be available. This explains to a large extent, together with a derecognition of deferred tax assets in the Dutch fiscal unity of Vopak, the effect of recognition of tax losses in the above table.

The effect of non-taxable income in the above table primarily relates to non-taxable financial income (revaluation of earn-out liabilities and options on non-controlling interests) and income subject to tonnage tax.

The effect of non-deductible expenses primarily relates to a decrease of the value of the fixed-income portfolio (included in marketable securities) of € 147 million which is non-tax deductible and expenses which are non-tax deductible under local tax law. This explains to a large extent the increase in the (revised) effective tax rate from 33.5% to 40.8%

Taxes recognized in other comprehensive income:

	2022	2021
On changes in the fair value of financial assets measured through other comprehensive income	-	0.4
On changes in the fair value of cash flow hedges	(19.2)	(3.7)
On translation and related hedges	-	(2.4)
On changes in defined benefit obligations	(7.1)	(12.8)
	(26.3)	(18.5)

32. Earnings per Share

Earnings per Share for profit attributable to the owners of parent are calculated by dividing the profit attributable to the owners of parent by the time-weighted average number of outstanding Shares. The calculation of the previous year earnings per Share is adjusted to take into account

the stock dividend paid in the current year, in respect of the previous year, in accordance with IAS 33.64.

The calculation of the time-weighted average number of outstanding shares is as follows:

<i>x 1,000</i>	2022	2021
Issued and outstanding Shares at January 1	86,704	85,312
Sale and transfer of treasury shares	11	16
Purchase of treasury shares	-	(14)
Dividend paid in stock	1,009	722
Average number of outstanding Shares at December 31	87,724	86,036

There was no dilutive effect on earnings per Share in the years presented.

33. Cash flows from operating activities

	<i>Notes</i>	2022	2021
Profit before taxes from continuing operations		681.2	4,346.1
Profit before taxes from discontinued operations		-	443.1
Depreciation and impairments	4,5	1,022.9	481.0
Depreciation and impairments right-of-use assets	6	156.8	132.3
Amortization and impairments	7	459.8	129.4
Badwill recognized on acquisitions	3	(6.6)	-
(Profit)/loss on sale of other financial assets and marketable securities	24	179.0	(85.3)
Fair value gain on remeasurement of previously held equity interest	25	(656.2)	-
Results from associates and joint ventures, net of impairments	8, 25	(269.2)	(386.2)
(Profit)/loss on sale of property, plant, equipment and investment properties	27	-	(0.1)
Profit on assets and liabilities held for sale	27	(121.3)	(3,510.7)
Net financial expense	30	125.7	136.5
Other movements in provisions and pension benefits		16.8	(149.6)
Dividend from associates and joint ventures		313.2	291.8
Changes in working capital		(114.2)	30.2
Cash generated from operating activities		1,787.9	1,858.5

Changes in working capital, excluding exchange differences and the effect of acquisitions:

	2022	2021
Accounts receivable	4.2	(106.1)
Inventories	(2.2)	(151.2)
Other current assets	(55.3)	68.5
Accounts payable / accrued expenses	(60.9)	219.0
	(114.2)	30.2

34. Share-based compensation

The Company and its subsidiaries operate a number of equity-settled and cash-settled share-based compensation plans. Under the plans these entities receive services from employees as consideration for respectively ordinary shares of the respective entity or for the cash equivalent to the value of the underlying ordinary shares of the respective entity.

For equity-settled share-based compensation plans, the fair value is determined at the date of grant and expensed in the consolidated statement of income with a corresponding adjustment directly in equity. For cash-settled share-based compensation plans, the fair value is determined at the date of the grant and is re-measured at each reporting date until the liability is settled.

The compensation is recognized as an expense on a straight-line basis over the vesting period. The amounts expensed are adjusted over the vesting period for changes in the estimate of number of shares and the equivalent in cash that will eventually vest. Adjustments are made at the end of each reporting period to reflect expected and actual forfeitures during the vesting period due to the failure to satisfy service conditions or non-market performance conditions (e.g. profitability growth targets or continued employment over a specified time period).

Expenses related to share-based compensation consist of:

	2022	2021
<i>HAL Holding N.V.</i>		
Share Plan*	3.3	2.5
<i>Vopak</i>		
Long-Term Share Plans*	3.3	7.8
Long-Term Cash Plans**	0.7	0.7
<i>Safilo</i>		
Stock Option Plans*	0.7	-
<i>Unquoted subsidiaries</i>		
Cash Plans**	24.6	25.3
	32.6	36.3

* Equity-settled

**Cash-settled

Liabilities recognized in relation to cash-settled share-based compensation are comprised of:

	Dec. 31, 2022	Dec. 31, 2021
<i>Vopak</i>		
Long-Term Cash Plans	0.7	2.7
<i>Unquoted subsidiaries</i>		
Cash Plans	82.6	56.2
	83.3	58.9

The current part of this liability of € 15.7 million (2021: € 16.0 million) is included under current other financial liabilities and the non-current part of € 67.6 million (2021: € 42.9 million) under non-current other financial liabilities.

HAL Holding N.V.

The HAL Supervisory Board has the power to grant Executive Board members shares HAL Trust.

The granted, unvested shares can be summarized as follows:

<i>x 1,000</i>	2022	2021
Outstanding shares on January 1	65	20
Granted	-	65
Vested	-	(20)
Outstanding shares on December 31	65	65

The Supervisory Board resolved, on November 19, 2014, to grant each of Messrs. A.A. van 't Hof and J.N. van Wiechen, members of the Executive Board, a one-time allotment of 19,500 shares HAL Trust. These shares vested in 2019 and are restricted until November 19, 2024.

On May 18, 2016, the Supervisory Board resolved to grant Mr. M.F. Groot, chairman of the Executive Board, 20,000 shares HAL Trust, under the condition precedent that he was still employed with the Company on June 1, 2021. These shares vested on June 1, 2021, and are restricted until June 1, 2026.

The Supervisory Board granted on September 5, 2021, to Messrs. M.F. Groot, A.A. van 't Hof and J.N. van Wiechen, members of the Executive Board, a one-time allotment of respectively 25,000, 20,000 and 20,000 shares HAL Trust. These shares will vest on September 5, 2024 and are restricted until September 5, 2031.

Vopak

Long-Term Share Plans (LTSP)

The LTSPs reward participants for the increase in Vopak's earnings per share (Vopak's EPS) performance during a three-year performance period, from their respective start dates in 2020, 2021 and 2022 at a pre-set Vopak EPS target. If a considerable, ambitious improvement in Vopak's EPS has been achieved during the three-year performance period, a long-term remuneration will be awarded. The 2019 LTSP was vested and settled during 2022.

The conditional awards granted under the LTSPs 2020-2022 can be summarized as follows:

<i>x 1,000</i>	2022	2021
Outstanding conditional awards on January 1	344	315
Granted	177	134
Forfeited	-	(6)
Exercised	(27)	-
Settled	(93)	(99)
Outstanding conditional awards on December 31	401	344

The weighted-average fair value of the equity-settled LTSP awards granted in 2022 of € 25.14 (2021: € 35.60) has been determined based on Vopak's share price at the grant date.

Unquoted subsidiaries

Cash plans

The cash plans provide eligible participants with a right to participate in unlisted subsidiaries' growth in EBITA, subject to meeting the applicable vesting conditions. Obligations with respect to these plans are fair valued, generally, based on a multiple of EBITA less net debt. Multiples applied are either contractually determined or in accordance with those applied in calculating estimated value of the subsidiaries and associates.

35. Impairment of non-financial, non-current assets

Assets that have an indefinite useful life are tested for impairment annually, while all non-current assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss on non-financial assets is recognized in the consolidated statement of income for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and an asset's value in use. Goodwill is allocated to groups of cash-generating units (CGU's) for the purpose of impairment testing. A CGU is in no event larger than the operating segment it belongs to.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

For discontinued operations, impairment testing requires management to determine whether the carrying value of the discontinued operation does not exceed the fair value less cost of disposal.

The recoverable amounts in impairment testing are determined based on the value in use and fair value less costs of disposal of the asset or cash-generating unit. The calculation of these values require the use of estimates. Calculation of the value in use is primarily performed through a discounted cash flow model which requires management to apply judgments around future cash flows, discount rates and growth rates. Value-in-use calculations only take into account capital expenditures required to continue the business. In calculating fair value less cost of disposal management may apply a valuation model based on multiples of sales or EBITDA (fair value level 2), for which the selection of relevant market multiples is the primary judgment made by management. Management may also apply a discounted cash flow model (fair value level 3) in which capital expenditures are included that reflect the expansion plans for the business, here the same key judgments apply as in the value-in-use test. Where preliminary or indicative non-binding offers are used as inputs, management needs to assess that these offers are a good reflection of fair value.

The primary impairment test for the Company relates to annual goodwill impairment testing. Property, plant and equipment as well as joint ventures and associates are reviewed and, when required, tested.

Critical accounting estimates and judgments

The recoverable amounts in impairment testing are determined based on the value in use and fair value less costs of disposal of the asset or cash-generating unit. The calculation of these values require the use of estimates. Calculation of the value in use is primarily performed through a discounted cash flow model which requires management to apply judgments around future cash flows, discount rates and (terminal) growth rates. Value-in-use calculations only take into account capital expenditures required to continue the business. In calculating fair value less cost of disposal management may apply a valuation model based on multiples of sales or EBITDA (fair value level 2), for which the selection of relevant market multiples is the primary judgment made by management. Management may also apply a discounted cash flow model (fair value level 3) in which capital expenditures are included that reflect the expansion plans for the business, here the same key judgments apply as in the value-in-use test. Where preliminary or indicative

non-binding offers are used as inputs, management needs to assess that these offers are a good reflection of fair value.

The following impairment losses, net of reversals, are recognized:

	2022	2021
Property, plant and equipment	451.5	60.2
Investment properties	-	0.1
Goodwill	312.1	-
Other intangibles	0.3	16.3
Right of use assets	1.1	-
Investments in associates and joint arrangements	162.0	43.5
	927.0	120.1

Impairment losses by segment are as follows:

	2022	2021
Unquoted	445.5	1.0
Quoted minority interests	481.5	119.1
	927.0	120.1

Impairment losses, net of reversals, are included as follows in the consolidated statement of income:

	2022	2021
Amortization and impairment of intangible assets	312.3	16.3
Depreciation and impairment of property, plant, equipment, right-of-use assets and investment properties	452.7	60.3
Share of results of associates and joint arrangements	162.0	43.5
	927.0	120.1

All impairments are included in the exceptional items (note 2).

Property, plant and equipment

With respect to Vopak, in performing the impairment test, Vopak management made an assessment of whether cash-generating units (CGU) will be able to generate positive net cash flows that are sufficient to support the value of the intangible assets, property, plant and equipment and financial assets included in the cash-generating unit. For value-in-use calculations, the assessment is based on estimates of future expected cash flows on the basis of the budget for the coming year and two subsequent plan years, which form the basis for a 15-year discounted cash flow model. For oil-related assets, the assessment is impacted by the energy transition and the forecast period is extended from a 15-year period to include the period in which the energy transition is expected to take place. Key assumptions applied are the expected occupancy, the estimated storage rate per cubic meter (for revenues not covered by long-term contracts), sustaining capital expenditures, expected (decreasing) growth rates (where relevant based on most recent IEA energy transition scenarios) and the estimated terminal value, together with the applied discount rates. The discount rates are based on long-term government bonds, adjusted for a risk premium and specific country risks. The equity market risk premium was assumed 6.5% by Vopak management (2021: 6.5%). There is significant uncertainty towards the impact of the

energy transition on the projected cash flows and these remain subject to continuous review and monitoring by Vopak management.

Vopak management has assessed that the value in use for a very limited number of terminals is lower than the carrying amount. For these individual terminals, the fair value less cost of disposal was calculated. Fair value less cost of disposal calculations are primarily based either on comparable market multiples and/or (indicative non-) binding bids or discounted cash flow models from the perspective of a willing buyer in an orderly transaction. When the fair value less cost of disposal of a terminal is based on (preliminary) offers received from interested parties (level 2 fair value), Vopak management has assessed that these offers are a good reflection of the fair value of the terminals concerned and assessed whether it is probable that these terminals will be sold in the near future resulting in a situation where the carrying amount will be recovered principally through a sale instead of through continued use. The value in use and fair value less cost of disposal assessments may change over time, amongst others due to changes in the business environment and/or outcomes of decisions taken by management, and when applicable could result in (reversal of) impairment. For impaired CGUs the recoverable amount from the value-in-use calculation exceeded the estimated fair value less cost of disposal. The pre-tax discount rates used for the value-in-use assessment of impaired cash-generating units ranged from 6.5% to 12.1% (2021: 9% to 9.2%) reflecting the current market assessments for the relevant geographical locations. The Vopak share of the recoverable amount of the impaired cash-generating units in total is € 858 million.

2022

Vopak - Europoort terminal

For the cash-generating unit Europoort an impairment of € 240.0 million was recognized in the first half of 2022. By accelerating into new energies and repurposing some of its assets, the terminal will reduce its capacity by 2030 and will use the available land for new energy investments. Over time, this will reduce Vopak's exposure to oil assets in line with its ambition to increase the relative exposure of industrials, gas and new energies. Transition in the energy markets is expected to impact the long-term revenue prospects of Europoort, in addition to current dynamics related to inflation pressure, utility prices, labor and material costs. The combined impact of these items caused the CGU's carrying amount to exceed its recoverable amount, leading to an impairment.

Vopak - Botlek terminal

In the first half of 2022, an impairment of € 190.0 million was recorded for the cash-generating unit Botlek. The Botlek CGU is performing below Vopak's minimum return levels, which is driven by lower revenue projections in addition to challenging conditions related to, among others, inflation pressure, utility prices and labor costs.

Vopak - Colombia terminals

In the fourth quarter of 2022, an impairment of € 17.1 million was recorded for the cash-generating unit. The decrease in recoverable value is primarily related to the business environment in which the terminals currently operate and forecasted competition.

Vopak - cancelled projects

Vopak recorded an impairment of € 1.7 million on a business development project for the Belgium terminal Eurotank due to Vopak's decision to discontinue the project.

2021

Vopak Bahia las Minas terminal - Panama

In the first half year of 2021, an incremental impairment was recognized for the Vopak Bahia las Minas terminal in Panama for the amount of € 71.0 million, of which € 55.1 million related to property, plant and equipment and € 15.9 to other intangible assets. This impairment is the result of a further deteriorating business environment and lower occupancy rates.

Goodwill

Unquoted

Goodwill for the unquoted segment has been tested for impairment losses at a level that reflects the way the operations are managed and with which the goodwill would naturally be associated. Management reviews the unquoted business performance on an entity level. Goodwill is also monitored on this level.

The recoverable amount of cash-generating units is generally determined based on the calculation of their value in use. These calculations use cash flow projections covering a five-year period. Cash flows beyond this five-year period are extrapolated using an estimated growth rate of nil. In 2022 the value-in-use method was applied to 51.7% of the goodwill tested (2021: all). For 48.3% (2021: none) of the goodwill tested, the fair value less cost of disposal was used, this related to Pro Gamers Group. These percentages do not take into account the goodwill related to the Boskalis acquisition, discussed below.

Key assumptions used for value-in-use calculations are included as follows:

	2022	2021
Unquoted investments		
Weighted-average increase in revenues	6.6%	5.9%
Weighted-average gross margin	54.5%	56.0%
Weighted-average pre-tax discount rate	15.6%	13.1%
Growth rate beyond year five	0.0%	0.0%

For impairment tests using fair value less cost of disposal calculations the key assumptions have been individually disclosed, below.

Impairment testing during the year resulted in impairment charges on the goodwill of Pro Gamers Group of € 312.1 million (HAL share € 200.0 million), in the Unquoted segment. This was primarily the result of a contraction of the markets for graphical cards and other computer components, the significant increase of container freight prices and a decrease in sales as a result of the war in Ukraine, combined with a significant increase in the weighted-average cost of capital, as risk-free rates, debt spreads and beta for the peer group experienced a sharp increase. The recoverable value of € 510.2 million was based on a five-year discounted cash flow model using a pre-tax WACC of 15.94% and a terminal growth rate of 1.5%, applying the fair value less cost of disposal method.

The valuation models include certain assumptions with respect to revenue growth, margin development, discount rates and terminal growth rates. A negative development of 2% in these assumptions would result in a potential (further) impairment charge on goodwill for the Unquoted segment as follows:

	2022	2021
2% lower increase in revenues	97.8	2.5
2% increase in the discount rate	88.4	11.5
2% lower gross margin	241.0	18.7

If the cash flows beyond the five-year period were extrapolated using an estimated growth rate of 2%, the value in use of the cash-generating units within the Unquoted segment that indicated a potential impairment in the above sensitivity analyses would increase by € 352.7 million (2021: € 37.6 million).

The goodwill recognized as a result of the Boskalis transaction in 2022 (refer to note 3) was tested by comparison of the performance since acquisition with the business enterprise valuation underlying the purchase price allocation. The business enterprise valuation was based on a five-year discounted cash flow model using a weighted-average pre-tax WACC of 11.1% and a 1.6% terminal growth rate. No impairment was recognized.

Quoted

Vopak and Safilo are both listed entities. At the year-end 2022 the stock market value of the ownership interest in Safilo exceeded its carrying value by € 105.4 million. At the end of 2022, the stock market value of the ownership interest in Vopak exceeded its carrying value by € 170.0 million. These stock market values qualify as level 1 in the fair value hierarchy.

The goodwill at the level of Safilo (€ 34.9 million) has been tested on a single cash-generating unit basis using a five-year projection based on the financial projections for the period 2023-2027, which confirm the main goals and strategies as defined in the 2023-2027 business plan. This value-in-use model includes a weighted-average cost of capital (WACC) of 10.12% and a 2.07% terminal growth rate beyond the explicit forecast period (2021: 7.93%, respectively 1.90%). Applying alternative scenarios with a 30% decrease of EBITDA or with an increase of the WACC by 3.0% also does not lead to impairment.

Other intangibles

The total amount of impairments recognized on other intangibles was € 0.3 million (2021: € 16.3 million). There were no reversals of impairment (2021: nil).

Associates and joint arrangements

2022

Prodrive Technologies

At year-end 2022, an impairment of € 129.6 million was recognized on the associate Prodrive Technologies. An impairment trigger was recognized due to a combination of supply chain challenges, cost inflation and personnel shortages, which caused the company to fall behind on its expected revenues and results. In addition, discount rates increased significantly as a result of macro-economic factors, further deteriorating the net present value of the company's future cash flows. The key assumptions applied in the impairment test included a weighted-average cost of capital of 12.2% and a terminal-growth rate after the 10-year forecast period of 1.9%. The fair value less cost of disposal was calculated at € 81.0 million. An earn-out liability of € 18.9 million

related to the investment in Prodrive was reduced to nil, which led to the recognition of a gain within other financial income (refer to note 30).

Vopak - Colombia LNG terminal

In the second quarter an impairment was recognized for Vopak's SPEC LNG terminal in Colombia for an amount of € 36.2 million. Mainly due to unusual weather conditions in recent years, which have brought a significant amount of rain in Colombia, hydropower has been available as the main source of power, which resulted in a reduced utilization of Vopak's Floating Storage and Regasification Unit (FSRU). In addition, the tight FSRU market associated with the war in Ukraine is leading to the opportunity to reduce FSRU costs becoming remote. As a result of the above there is a decrease in dividend expectations, leading to impairment.

Vopak - German LNG terminal

As a result of Vopak's divestment of its 33.3% shareholding in the German LNG Terminal GmbH, in the first half of 2022 an impairment reversal of € 3.8 million was recorded. This reversal partially offsets the 2021 impairment discussed below.

2021

Vopak LNG terminal project - Germany

After a strategic review, Vopak decided to discontinue its active participation in the German LNG project joint venture, leading to an exceptional loss of € 10.8 million recognized in the third quarter of 2021.

Vopak LNG Terminal Altamira - Mexico

Due to a new commercial agreement in place for the LNG Terminal Altamira in Mexico, the major assets in this joint venture are now held under a finance lease arrangement. As a result, the carrying amount of the joint venture increased significantly and exceeded its recoverable amount resulting in an impairment of the goodwill balance for an amount of € 32.7 million.

36. Financial instruments

Classification

The classification of financial assets is detailed in the notes on derivatives and other financial assets. The classification of financial liabilities is detailed in the notes on debt and other financial liabilities and derivatives.

Fair value measurement

A number of the accounting policies and disclosures require the determination of fair value for financial instruments. The fair values of the financial assets and liabilities are defined as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.

The fair values calculated are classified into three categories depending on the inputs used in the valuation technique. Where available, fair values are derived from quoted prices for identical instruments (level 1). In the absence of such information, other observable inputs, either directly or indirectly, are used to estimate fair values (level 2). Where insufficient observable market data is available, the best applicable unobservable inputs are used to perform the valuation (level 3). The valuation techniques used per type of financial instrument are described in more detail below.

Equity securities

The Company holds direct investments in equity securities and indirect investments in equity

securities through managed portfolios. When available, the Company uses quoted market (bid) prices in active markets to determine the fair value of its investments in equity securities (level 1). Fair values for unquoted shares are estimated using valuation techniques such as discounted cash flow analysis, using expected future cash flows and a market-related discount rate, or a market-multiples approach (level 2 or 3).

Investment funds

Investment funds include private equity funds. The fair values of investments held in unquoted investment funds are determined by the Company after taking into consideration information provided by the fund managers and the liquidity of the investments. The Company reviews the valuations and performs analytical procedures to ensure the fair values are appropriate (level 2 or 3).

Debt securities and own debt

The Company uses quoted market (bid) prices in active markets to determine the fair value of its debt investments (level 1). When the Company cannot make use of quoted market prices, market prices from indices, corroborating broker quotes or discounted cash flow analyses, using expected future cash flows and market-related discount rates, are used (level 2).

Other liabilities

Obligations to acquire non-controlling interests are fair valued, generally, based on a contractual multiple of EBITA less net debt. Multiples applied are either contractually determined or in accordance with those applied in calculating estimated value of the subsidiaries and associates (level 3). Contingent considerations are fair valued based on the expected cash outflows, taking into account the effects of discounting (level 3).

Derivatives

Where quoted market prices (level 1) are not available, other valuation techniques and corroborating broker quotes are used that maximize the use of observable inputs. These valuation techniques include option pricing and discounted cash flow analysis, using expected future cash flows and a market-related discount rate. The models used incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, expected volatility and interest rate curves (generally level 2).

Financial instruments for which carrying value approximates fair value

Certain financial instruments that are not carried at fair value are carried at amounts that approximate fair value, due to their short-term nature and generally negligible credit risk. These instruments include cash and cash equivalents, short-term receivables and accrued interest receivable, short-term liabilities and accrued liabilities.

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the beginning of the period.

Impairment

The Company applies the expected credit loss model to determine a loss allowance on its financial assets, loan commitments and financial guarantee contracts, except for equity investments and derivative financial instruments. This requires the use of both historical (loss) data and forward-looking information. The allowance is initially calculated as the potential credit loss over the next twelve months.

Should credit risk on the instrument have increased significantly since initial recognition, the loss allowance is determined as the potential credit loss over the remaining lifetime of the instrument. This is calculated using expected cash flows from the instrument at a revised discount rate. To determine whether a significant increase in credit risk or an impairment has

occurred the Company takes into account various factors, including actual or expected credit rating downgrades of the instrument or issuer, adverse changes in business, financial or economic conditions of the debtor, covenant breaches, waivers or amendments and past-due information. For trade receivables and contract assets the Company applies the simplified approach, which uses a lifetime expected loss allowance from inception. The changes in loss allowance recognized by the Company are recorded as impairment gains or losses in the consolidated statement of income with an adjustment to the carrying value for assets measured at amortized cost. For assets measured at fair value through other comprehensive income a corresponding entry is made in other comprehensive income. Any credit loss not yet provided for is recognized in the consolidated statement of income as incurred.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a current, legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The offset is limited to the amount actually expected to be offset.

The following tables provide an analysis of the Company's financial instruments per line item, stating the classification of the instruments, their fair value and their level within the fair value hierarchy:

December 31, 2022	Fair value through other comprehensive income	Financial assets at amortized cost	Fair value through profit and loss	Total book value	Total fair value
Assets					
Other financial assets					
- Unquoted debt securities	2	551.5	-	551.5	551.5
- Unquoted equity securities	3	-	-	94.0	94.0
Marketable securities					
- Quoted equity securities	1	-	518.4	518.4	518.4
- Quoted debt securities	1	33.5	2,806.2	2,839.7	2,839.7
- Unquoted equity securities	2	-	2.8	2.8	2.8
Derivatives	2	-	98.8	98.8	98.8
Other current assets		281.1	-	281.1	281.1
Receivables		1,423.8	-	1,423.8	1,423.8
Cash		2,043.9	-	2,043.9	2,043.9
Total financial assets		4,300.3	3,426.2	7,854.0	7,854.0

	Fair value level	Fair value through other comprehensive income	Financial assets at amortized cost	Fair value through profit and loss	Total book value	Total fair value
December 31, 2021						
Assets						
Other financial assets						
- Unquoted debt securities	2	-	782.6	-	782.6	782.6
- Unquoted equity securities	3	83.6	-	-	83.6	83.6
Marketable securities						
- Quoted equity securities	1	-	-	415.7	415.7	415.7
- Quoted debt securities	1	47.7	-	3,693.6	3,741.3	3,741.3
- Unquoted equity securities	2	-	-	3.0	3.0	3.0
Derivatives	2	-	-	45.6	45.6	45.6
Other current assets		-	222.5	-	222.5	222.5
Receivables		-	977.9	-	977.9	977.9
Cash		-	2,256.4	-	2,256.4	2,256.4
Total financial assets		131.3	4,239.4	4,157.9	8,528.6	8,528.6

	Fair value level	Financial liabilities at amortized cost	Fair value through profit and loss	Total book value	Total fair value
December 31, 2022					
Liabilities					
Debt and other financial liabilities					
- Non-current debt	2	2,956.5	-	2,956.5	3,215.0
- Current debt	2	2,069.2	-	2,069.2	2,069.2
- Other financial liabilities	2	15.0	-	15.0	15.0
- Other financial liabilities	3	-	162.4	162.4	162.4
Lease liabilities	2	1,195.3	-	1,195.3	1,195.3
Derivatives	2	-	20.5	20.5	20.5
Accounts payable		1,317.0	-	1,317.0	1,317.0
Total financial liabilities		7,553.0	182.9	7,735.9	7,994.4

	Fair value level	Financial liabilities at amortized cost	Fair value through profit and loss	Total book value	Total fair value
December 31, 2021					
Liabilities					
Debt and other financial liabilities					
- Non-current debt	2	2,917.2	-	2,917.2	3,201.0
- Current debt	2	814.2	-	814.2	814.2
- Other financial liabilities	2	14.9	-	14.9	14.9
- Other financial liabilities	3	-	118.5	118.5	118.5
Lease liabilities	2	1,072.5	-	1,072.5	1,072.5
Derivatives	2	-	17.2	17.2	17.2
Accounts payable		1,040.6	-	1,040.6	1,040.6
Total financial liabilities		5,859.4	135.7	5,995.1	6,278.9

Valuation techniques used to value level 2 financial instruments include, for unquoted securities, quoted market prices or dealer quotes for similar instruments. Derivatives and debt instruments are valued using present value calculations of estimated future cash flows, based on observable yield curves and forward exchange rates. These calculations include credit spreads based on recent borrowing contracts and observable credit information on counterparties.

Level 3 financial instruments include contingent considerations that are remeasured based on the achievement of agreed business targets, taking into account the effect of discounting.

There were no transfers between levels 1, 2 and 3 during the period.

A reconciliation of level 3 financial liabilities for the period is given below:

	2022	2021
Balance on January 1	118.5	141.6
Additions	69.5	16.4
Consolidation	19.7	-
Settlements	(26.1)	(35.6)
(Gains)/losses through income continuing operations	(25.9)	(8.9)
Exchange differences	6.7	5.0
Balance on December 31	162.4	118.5

37. Derivatives and hedge accounting

Derivatives are measured at fair value with any related transaction costs expensed as incurred. Reference is made to the accounting policies in note 36 on fair value measurement. The treatment of changes in the fair value of derivatives depends on their use, as explained below.

Cash flow hedge

Derivatives held to hedge the uncertainty in timing or amount of future forecasted cash flows are classified as being part of cash flow hedge relationships. For effective hedges, gains and losses from changes in the fair value of derivatives are recognized through other comprehensive income. Any ineffective elements of the hedge are recognized in the consolidated statement of income. If the hedged cash flow relates to a non-financial asset, the amount accumulated in equity is subsequently included within the carrying value of that asset. For other cash flow hedges, amounts deferred in equity are recycled in the consolidated statement of income at the same time as the related cash flow. When a derivative no longer qualifies for hedge accounting, any cumulative gain or loss remains in equity until the related cash flow occurs. When the cash flow takes place, or if the hedged cash flow is no longer expected to occur, the cumulative gain or loss is taken to the consolidated statement of income immediately.

Net investment hedge

The Company applies hedge accounting to certain investments in foreign operations. For an effective hedge, gains and losses from changes in the fair value of derivatives are recognized through other comprehensive income. Any ineffective elements of the hedge are recognized in the consolidated statement of income. In the event of disposal or partial disposal of an interest in a foreign operation either through sale or as a result of a repayment of capital, the cumulative exchange difference is recognized in the consolidated statement of income.

Fair value hedge

Certain derivatives are held to hedge the risk of changes in value of a specific bond or other loan.

In these situations, the Company designates the liability and related derivative to be part of a fair value hedge relationship. The carrying value of the bond is adjusted by the fair value of the risk being hedged, with changes going to the consolidated statement of income. Gains and losses on the corresponding derivative are also recognized in the consolidated statement of income. The amounts recognized are offset in income to the extent that the hedge is effective. When the relationship no longer meets the criteria for hedge accounting, the fair value hedge adjustment made to the bond is amortized using the effective interest method.

Derivatives for which hedge accounting is not applied

Derivatives not classified as hedges are carried at fair value with changes being recognized in the consolidated statement of income.

Derivatives are classified as follows in the statement of financial position:

	Assets		Liabilities	
	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021
Equity derivatives	-	-	(0.2)	(0.6)
Fuel derivatives	2.3	-	(0.4)	-
Interest rate derivatives	9.9	0.2	(1.0)	(5.6)
Currency derivatives	86.6	45.4	(18.9)	(11.0)
	<u>98.8</u>	<u>45.6</u>	<u>(20.5)</u>	<u>(17.2)</u>
Current	75.6	9.8	(18.0)	(11.6)
Non-current	23.2	35.8	(2.5)	(5.6)
	<u>98.8</u>	<u>45.6</u>	<u>(20.5)</u>	<u>(17.2)</u>

For an overview of the movements in the cash flow hedge reserve in equity, reference is made to note 18. Information on fair value measurement of derivatives is included in note 36, disclosure on financial risk management, including hedging, is provided in note 38.

38. Financial risk management

The Company is exposed to credit risk, liquidity risk and market risk. Market risk primarily relates to movements in exchange rates, interest rates and the market value of investments in equity securities.

Financial risk management activities are carried out both on a central level and on the level of individual subsidiaries and controlled minority interests (Vopak and Safilo). For managing these risks, both derivative and non-derivative financial instruments are used.

Risks related to discontinued operations are not included in this paragraph as these assets are held for sale and there is a high probability that the assets will be recovered through a sale rather than through continuing use.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty fails to meet its contractual obligations, including committed credit facilities extended to the Company. Credit

risk on trade receivables, finance lease receivables and contract assets is generally monitored and managed on the level of each subsidiary and on the level of the controlled minority interests. These receivables generally have short payment periods, reference is made to note 11 for more information on trade receivables and note 12 for more information on contract assets.

Credit risk with respect to bonds, loans, derivatives, other financial instruments, cash and cash equivalents and credit facilities is managed by the Company for the Real estate and Liquid portfolio segments. Debt securities are mainly managed by external asset managers. The mandate to these managers stipulate that only investments in highly liquid, investment-grade bonds with an average S&P credit rating of A is allowed. These portfolios have a maximum average duration of two years. The Company mitigates its credit risk on cash and cash equivalents by spreading these assets over highly rated counterparties, applying regularly reviewed counterparty exposure limits that take into account their credit rating. A similar approach applies to credit facilities. The credit risk on the aforementioned financial instruments with respect to the other segments is managed by the respective subsidiary or controlled minority interest. The expected credit losses recognized in the consolidated statement of income for these financial instruments is insignificant for both years presented. There was no indication as at the statement of financial position date that these financial instruments will not be recovered, other than as already provided for.

The maximum exposure to credit risk is the carrying value of the consolidated financial assets, excluding equity securities, which can be specified by segment as follows:

	Dec. 31, 2022	Dec. 31, 2021
Unquoted	3,076.4	1,582.0
Quoted minority interests	885.2	807.5
Real estate	28.7	18.0
Liquid portfolio	3,370.9	5,189.4
Other	250.0	500.0
	7,611.2	8,096.9

The category other comprises an amount of € 250 million (2021: € 500 million) representing the part of the proceeds from the sale of GrandVision N.V. that is held in escrow, at BGL BNP Paribas S.A., for potential liabilities of HAL under the sale and purchase agreement. This amount is held in escrow until July 3, 2023.

These financial assets can be further specified as follows:

	Dec. 31, 2022	Dec. 31, 2021
Loans	100.8	103.8
Trade receivables	1,423.8	977.9
Contract assets	372.4	70.6
Marketable securities and deposits	2,839.7	3,741.3
Derivative financial instruments	98.8	45.6
Other financial assets	450.7	678.8
Other current assets	281.1	222.5
Cash and cash equivalents	2,043.9	2,256.4
	7,611.2	8,096.9

Cash and cash equivalents can be specified by segment as follows:

	Dec. 31, 2022	Dec. 31, 2021
Unquoted	1,396.1	633.3
Quoted minority interests	111.5	172.4
Real estate	5.1	2.6
Liquid portfolio	531.2	1,448.1
	2,043.9	2,256.4

For the Liquid portfolio and Real estate segments, cash and cash equivalents were held by counterparties with the following short-term Standard & Poor's credit ratings:

	Dec. 31, 2022	Dec. 31, 2021
A-1+	75.7	-
A-1	362.7	1,441.1
A-2	86.0	-
Not rated	11.9	9.6
	536.3	1,450.7

The bonds held in the Liquid portfolio can be disaggregated based on their Standard & Poor's (equivalent) credit ratings as follows:

	Dec. 31, 2022	Dec. 31, 2021
AAA	255.5	322.9
AA+, AA, AA-	295.2	492.1
A+, A, A-	1,113.3	1,426.2
BBB+, BBB, BBB-	1,175.3	1,499.7
CCC	0.4	0.4
	2,839.7	3,741.3

The Company is not exposed to any significant concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that the financial obligations associated with financial instruments and off-balance sheet commitments cannot be met.

The risks with respect to the individual entities belonging to the Unquoted and Quoted minority interests segments are managed by these entities. The Company has no ability to transfer cash (or other assets) from the entities belonging to the segment Quoted minority interests that may be consolidated in these financial statements (i.e. Vopak and Safilo).

The approach to managing liquidity at the level of the Company is to ensure, as far as possible, that there will be sufficient liquidity to meet liabilities when due, both under normal and stressed conditions, without incurring unacceptable losses or risk damaging the Company's reputation. The Company seeks to mitigate liquidity risk through its cash reserves held in the Liquid portfolio segment and committed credit facilities entered into at corporate level. Reference is made to the table on cash and cash equivalents per segment above. At the end of 2022, unused committed credit facilities were available to an amount of € 2,161.8 million (2021: € 1,565.9 million).

The following tables categorize the consolidated, undiscounted cash flows of non-derivative financial liabilities and derivative financial liabilities into relevant maturity groupings based on the remaining lifetime of the contract at the end of the reporting periods. The financial guarantee contracts are contingent liabilities.

	December 31, 2022			
	< 1 year	1-2 years	3-5 years	> 5 years
<i>Non-derivative liabilities</i>				
Redemption of debt	2,069.2	499.6	1,316.7	1,157.3
Redemption of other financial liabilities	27.1	83.2	67.0	-
Interest payments	168.0	120.0	235.9	197.0
Payments on lease liabilities	175.2	268.7	180.7	964.3
Accounts payable	1,317.0	-	-	-
Commitments and guarantees provided	1,362.2	156.6	148.6	250.5
Total undiscounted non-derivative financial liabilities	5,118.7	1,128.1	1,948.9	2,569.1
<i>Derivative liabilities</i>				
Gross-settled derivative liabilities outflow	597.2	141.0	70.3	73.2
Gross-settled derivative liabilities inflow	(535.2)	(151.3)	(61.2)	(66.6)
Total gross-settled derivative liabilities	62.0	(10.3)	9.1	6.6
Net-settled derivative liabilities	1.5	1.2	1.5	1.0
Total undiscounted derivative liabilities	63.5	(9.1)	10.6	7.6
Total undiscounted financial liabilities	5,182.2	1,119.0	1,959.5	2,576.7

	December 31, 2021			
	< 1 year	1-2 years	3-5 years	> 5 years
<i>Non-derivative liabilities</i>				
Redemption of debt	814.2	600.4	1,002.1	1,317.0
Redemption of other financial liabilities	13.9	41.2	72.0	6.5
Interest payments	111.9	98.6	208.0	188.1
Payments on lease liabilities	123.8	228.1	161.7	908.2
Accounts payable	1,040.9	-	-	-
Commitments and guarantees provided	447.5	11.0	22.1	0.5
Total undiscounted non-derivative financial liabilities	2,552.2	979.3	1,465.9	2,420.3
<i>Derivative liabilities</i>				
Gross-settled derivative liabilities outflow	1,265.9	-	-	-
Gross-settled derivative liabilities inflow	(1,254.8)	-	-	-
Total gross-settled derivative liabilities	11.1	-	-	-
Net-settled derivative liabilities	0.6	-	0.9	5.3
Total undiscounted derivative liabilities	11.7	-	0.9	5.3
Total undiscounted financial liabilities	2,563.9	979.3	1,466.8	2,425.6

The total debt of continuing operations as of December 31, 2022, amounted to € 5,025.6 million (2021: € 3,731.4 million). For 100% of the bank debt, the applicable covenants were complied with or waived during 2021 and 2022. Refer to note 22 for details on applicable covenants.

The movements during 2022 and 2021 in the net cash position were as follows:

	Cash and cash equivalents	Marketable securities and deposits	Total debt	Net (debt) / cash
Balance on January 1, 2021	1,427.0	175.8	(3,065.3)	(1,462.5)
Cash flows	820.2	3,898.9	(534.2)	4,184.9
Foreign exchange adjustments	9.2	5.7	(132.9)	(118.0)
Fair value movements	-	79.6	-	79.6
Other non-cash movements	-	-	1.0	1.0
Balance on December 31, 2021	2,256.4	4,160.0	(3,731.4)	2,685.0
Cash flows	(200.1)	(605.8)	(846.9)	(1,652.8)
Foreign exchange adjustments	9.4	(14.3)	(59.2)	(64.1)
Fair value movements	-	(179.0)	-	(179.0)
Reclassification to held for sale	-	-	-	-
Other non-cash movements	(21.8)	-	(388.1)	(409.9)
Balance on December 31, 2022	2,043.9	3,360.9	(5,025.6)	379.2

This net cash position represents a ratio of 0.2 (2021: net cash ratio of 0.6) when compared to the operating result before depreciation, amortization and impairments, less income from marketable securities and share of profit of associates and joint ventures. The differences between the debt

cash flows in the table above and those in the cash flow statement relate to cash flows on other financial liabilities, which are not part of the net cash definition.

Market risk

Market risk - currency risk

Foreign currency exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations. The risks with respect to the individual entities belonging to the Unquoted and Quoted minority interests segments are managed by these entities. From time to time the Company hedges foreign currency exchange risk arising from significant, highly probable forecast transactions, including acquisitions of subsidiaries. The Company primarily uses foreign currency derivative financial instruments to hedge this risk, matching the critical terms of the hedged item, and in principle applies a hedge ratio of one.

The table below shows the net assets per currency, taking into account debt instruments denominated in foreign currency and related hedging instruments.

	Dec. 31, 2022	Dec. 31, 2021
U.S. dollar	2,077.5	1,049.9
U.K. pound sterling	536.3	101.6
Chinese yuan renminbi	496.4	515.8
Singapore dollar	447.2	349.0
Canadian dollar	185.3	230.9
Hong-Kong dollar	161.6	150.4
Brazilian real	117.0	94.0
Australian dollar	108.9	68.5
Thai baht	91.9	77.6
Taiwan dollar	71.3	39.4
Saudi riyal	62.4	54.0
South African rand	50.6	55.7
Other	390.1	184.0
Total continuing operations	4,796.5	2,970.8

An average change in value of these currencies by 10% would have a pre-tax effect on equity of € 479.7 million. Vopak applies hedge accounting to net investments in foreign operations (hedged item) for a nominal amount of € 792.9 million (2021: € 889.5 million), of which € 663.6 million (2021: € 695.3 million) was hedged via foreign currency interest bearing debt and € 129.3 million (2021: € 194.2 million) via derivative financial instruments. The remaining currency exposures relate mainly to investments in foreign operations that the Company does not hedge.

The market value of the currency derivative financial instruments per the consolidated financial statements were as follows.

		December 31, 2022			December 31, 2021		
	Maturity	Assets	Liabilities	Notional amount	Assets	Liabilities	Notional amount
Fair value hedge	< 1 year	0.7	(7.7)	198.9	1.5	(0.5)	45.8
		0.7	(7.7)	198.9	1.5	(0.5)	45.8
Cash flow hedge	< 1 year	53.9	(4.6)	458.4	35.1	(0.3)	473.4
Cash flow hedge	1-5 years	10.2	(2.2)	212.5	-	-	-
Cash flow hedge	> 5 years	6.6	-	66.6	0.5	-	66.6
		70.7	(6.8)	737.5	35.6	(0.3)	540.0
Net investment hedge	< 1 year	1.0	-	130.3	-	(3.9)	189.9
		1.0	-	130.3	-	(3.9)	189.9
No hedge accounting	< 1 year	14.3	(4.4)	839.3	8.3	(6.3)	1,057.2
		14.3	(4.4)	839.3	8.3	(6.3)	1,057.2
Total currency derivative financial instruments		86.7	(18.9)	1,906.0	45.4	(11.0)	1,832.9

In addition, one of the Company's consolidated minority interests holds cross-currency interest rate swaps to hedge foreign currency risk on fixed rate debt denominated in U.S. dollar. These interest rate swaps, with a notional amount of € 525.2 million (2021: € 525.2 million), are included under foreign currency derivatives.

Sensitivity of profit and equity to financial instruments, with respect to exchange rate changes
The value of debt and hedging instruments denominated in currencies other than the functional currency of the entities holding them are subject to exchange rate movements. This primarily relates to instruments denominated in Chinese yuan renminbi, U.S. dollar and Singapore dollar. The aggregate effect on net profit of a 10% depreciation in exchange rates is € 0.1 million (2021: € (0.7) million), with an equal but opposite effect of a 10% appreciation in exchange rates. The aggregate effect on equity of a 10% appreciation of the foreign currencies against the euro is € 92.4 million (2021: € 104.2 million). The aggregate effect on equity of a 10% depreciation of the foreign currencies against the euro is € (66.7) million (2021: € (81.4) million).

Sensitivity of revenues and profit to the translation of the revenues and results of foreign operations, with respect to exchange rate changes
The result is impacted by translating the result of foreign currency operations. The translation risk of converting the net result of foreign entities into euro mainly concerns the British pound, the Singapore dollar and the U.S. dollar. The sensitivity to these currencies is as follows, excluding the effect of discontinued operations.

	EUR/USD Δ \$10ct		EUR/GBP Δ £10ct		EUR/SGD Δ \$10ct	
	2022	2021	2022	2021	2022	2021
Impact on revenues	131.1	103.3	49.4	21.4	129.2	15.0
Impact on net profit from continuing operations	15.9	19.7	1.6	0.5	5.5	4.6

Market risk - interest rate risk

The risks with respect to the individual entities belonging to the Unquoted and Quoted minority interests segments are managed by these entities. There is no debt at other segments.

Fixed income investments that are part of the Liquid portfolio are subject to fair value interest rate risk. In view of the short average duration of this portfolio, this risk is limited.

As of December 31, 2022, taking into account interest rate swaps, 55% (2021: 51%) of the total debt of € 5,025.7 million (2021: € 3,731.4 million) was at fixed rates for an average period of 4.2 years (2021: 4.1 years).

The market value of the interest rate derivative financial instruments per the consolidated financial statements is shown below.

December 31, 2022					December 31, 2021		
	Maturity	Assets	Liabilities	Notional amount	Assets	Liabilities	Notional amount
Cash flow hedge	< 1 year	1.7	(0.2)	37.3	-	-	0.2
Cash flow hedge	1-5 years	5.4	(0.8)	160.5	0.2	(0.9)	85.1
Cash flow hedge	> 5 years	-	-	-	-	(4.7)	53.7
		7.1	(1.0)	197.8	0.2	(5.6)	139.0
No hedge accounting	1-5 years	2.8	-	60.0	-	-	-
		2.8	-	60.0	-	-	-
Total interest rate derivative financial instruments		9.9	(1.0)	257.8	0.2	(5.6)	139.0

The weighted-average interest rate on total debt was 3.6% (2021: 3.1%).

If variable interest rates in 2022 or 2021 had decreased/increased by 25%, the impact on the consolidated statement of income for the year would have been insignificant.

An increase of 25% in interest rates underlying the calculation of the valuation of interest rate swaps would have had a pre-tax positive impact on equity of € 13.3 million (2021: € 1.4 million). An equal but opposite change would have had a pre-tax negative impact on equity of € 14.0 million (2021: € 1.4 million negative).

Market risk - price risk

At the end of 2022, the Company had investments in equity securities (included in marketable securities and deposits and other financial assets) amounting to € 615.1 million (2021: € 502.3 million), based on quoted market prices at the statement of financial position date. If at December 31, 2022, equity markets had fallen 10% overall, the portfolio value could have decreased by 10%, which would have resulted in a negative impact on other reserves of € 9.4 million (2021: € 8.4 million) and a negative impact on income of € 52.1 million (2021: € 41.9 million). A 10% increase would have had the equal but opposite effect.

The Company has not identified additional financial risk exposures in 2022 compared to the previous year, and its approach to financial risk management remained unchanged.

39. Capital risk management

The Company manages its capital to safeguard its ability to continue as a going concern and to provide an adequate return on its invested capital.

The capital structure at the end of the reporting periods is summarized in the table below:

	Dec. 31, 2022	Dec. 31, 2021
Equity	13,010.1	12,434.7
Non-current debt	2,956.5	2,917.2
Current debt	2,069.2	814.2
Cash and cash equivalents	(2,043.9)	(2,256.4)
Total capital employed	15,991.9	13,909.7

40. Related-party transactions

A related party is a person or entity that is related to the Company. These include both people and entities that have, or are subject to, the influence or control of the Company.

Employment benefits for the Executive Board, charged to the income statement, are as follows:

	2022	2021
<i>Members of the Executive Board</i>		
Short-term employee benefits	3.9	9.1
Post-employment benefits	1.7	0.9
Share-based compensation	3.3	2.5
	8.9	12.5

For details on share-based compensation plans refer to note 34.

The fixed 2022 remuneration for the Supervisory Directors of HAL Holding N.V. was € 0.4 million (2021: € 0.4 million) in total.

41. Capital and financial commitments, contingent liabilities

Contingent liabilities are either possible obligations that will probably not require a transfer of economic benefits, or present obligations that may, but probably will not, require a transfer of economic benefits. It is not appropriate to make provisions for contingent liabilities, but there is a chance that they will result in an obligation in the future.

Capital commitments

On December 31, 2022, capital commitments in respect of property, plant and equipment amounted to € 265.8 million (2021: € 237.0 million) and mainly relate to terminal construction activities at Vopak, vessel-related construction activities at Boskalis and a new build vessel ordered at Anthony Veder.

Financial commitments

At year end, Safilo had contracts with licensors for the production and sale of branded sunglasses and frames. These contracts include guarantees for a minimum amount of production as well as commitments for advertising. These licensing commitments can be summarized as follows:

	Dec. 31, 2022	Dec. 31, 2021
No later than 1 year	89.0	68.7
Later than 1 year and no later than 5 years	204.2	250.4
Later than 5 years	12.9	17.6
	306.1	336.7

Commitments and guarantees

The Company and its subsidiaries and controlled minority interests entered into various commitments to provide debt and equity financing. These commitments mainly relate to Boskalis, Vopak, the Real estate segment and acquisitions of HAL. In addition, certain subsidiaries, mainly Boskalis and Van Wijnen, have provided (counter) guarantees to financial institutions in respect of contracts, partnerships, joint arrangements and associates. The total estimated amount of these commitments and guarantees not recognized in the statement of financial position is as follows:

	Dec. 31, 2022	Dec. 31, 2021
Commitments to provide debt or equity funding	598.8	86.7
Guarantees and securities provided	1,319.2	394.4
	1,918.0	481.1

The above commitments and guarantees relate for € 1,086 million to commitments and guarantees provided by Boskalis.

The commitments and guarantees are included in the liquidity risk paragraph in note 38.

Other contingencies

Associates and joint ventures Vopak

The joint ventures and associates of Vopak are currently, and may from time to time become,

involved in a number of legal proceedings, including inquiries from, or discussions with, governmental authorities (including tax authorities) that are incidental to their operations. For the contingent liabilities of the joint ventures and associates as at year-end related to legal cases, it is based on the current facts and circumstances not believed that they may have a material adverse effect on the financial position or profitability of Vopak. Due to inherent uncertainties, Vopak cannot make any accurate quantification of any cost, or timing of such cost, which may arise from any of the legal proceedings referred to in this report, however costs in complex litigation may be substantial.

Environmental obligations Vopak

Vopak is exposed to risks regarding environmental obligations arising from past activities. For example, a number of sites has to be decontaminated before being handed back at the end of the contractual period. Under current legislation, environmental plans and any other measures to be adopted have to be agreed with local, regional and national authorities as appropriate. As soon as such plans are approved or other legal obligations arise, a provision is formed based on the most reliable estimate possible of future expenses. Vopak management is of the opinion that the provisions are adequate, based on information currently available. However, given the degree of difficulty in making estimates, this does not guarantee that no additional costs will arise going forward.

Legal proceedings and other contingent liabilities

As a result of its day-to-day activities, the Company is involved in a number of legal proceedings. Management is of the opinion that for the legal cases and risks for which no provision has been recognized, it is not probable that the final outcome will result in a cash outflow, therefore no provisions have been recognized.

As part of divestments of terminals and assets, Vopak has provided certain customary representations and warranties in the relevant sales purchase agreements. These representations and warranties will generally terminate, depending on their specific features, a number of years after the date of the relevant transaction completion date. Based on the current facts and circumstances, Vopak management has determined that for the items for which no provision is currently recognized, the likelihood of a cash outflow relating to these items is considered to be remote.

42. Non-controlling interests

Non-controlling interests with respect to Vopak and Safilo are significant to the Company. The non-controlling interests in Vopak and Safilo can be detailed as follows:

	Vopak 2022	Vopak 2021	Safilo 2022	Safilo 2021	Total 2022	Total 2021
Profit / (loss) allocated to the non-controlling interest during the year	(57.3)	140.1	23.3	12.7	(34.0)	152.8
Accumulated non-controlling interest at December 31	1,703.3	1,805.1	247.0	217.6	1,950.3	2,022.7

Set out below is the summarized financial information for Vopak and Safilo. This is the financial information as reported by these companies, including purchase price accounting adjustments made by the Company.

	Vopak		Safilo	
	2022	2021	2022	2021
Summarized balance sheet				
<i>As of December 31</i>				
<i>Current</i>				
Assets	520.6	567.7	598.0	564.2
Liabilities	(1,162.2)	(960.2)	(312.2)	(310.6)
	(641.6)	(392.5)	285.8	253.6
<i>Non-current</i>				
Assets	6,546.7	6,587.1	388.4	406.6
Liabilities	(2,691.9)	(2,780.9)	(219.0)	(273.7)
	3,854.8	3,806.2	169.4	132.9
<i>Net assets</i>	3,213.2	3,413.7	455.2	386.5
Summarized income statement				
<i>For the year</i>				
Revenue	1,430.9	1,269.0	1,075.5	969.6
Profit / (loss) before tax	(38.2)	303.2	57.5	28.5
Income tax expense	(100.8)	(60.0)	(9.3)	(12.4)
Profit / (loss) after income tax	(139.0)	243.2	48.2	16.1
Other comprehensive income	132.6	168.3	-	31.2
Total comprehensive income (CI)	(6.4)	411.5	48.2	47.3
CI allocated to non-controlling interest	37.8	37.0	1.9	3.8
Dividend paid to non-controlling interest	33.1	25.0	0.9	1.1
Summarized cash flow statement				
<i>For the year</i>				
Cash from operating activities	872.1	741.1	17.8	25.2
Interest paid net	(96.9)	(70.7)	(6.2)	(6.9)
Income tax (paid) / received	(55.9)	(65.0)	(2.4)	(1.1)
Net cash from operating activities	719.3	605.4	9.2	17.2
Net cash from investing activities	(489.4)	(588.4)	(15.6)	(9.8)
Net cash from financing activities	(249.1)	(15.0)	(16.8)	(0.8)
Increase/(decrease) in cash and cash equivalents	(19.2)	2.0	(23.2)	6.6
Cash and cash equivalents at beginning of year	73.4	68.3	99.0	88.9
Cash included in assets held for sale beginning of year	(21.8)	-	-	-
Effect of exchange rate changes and reclassifications	1.4	3.1	1.9	3.4
Increase/(decrease) in cash and cash equivalents	(19.2)	2.0	(23.2)	6.6
Cash and cash equivalents at end of year	33.8	73.4	77.7	98.9

43. Summarized financial information on associates and joint ventures

The summarized financial information of the associates and joint ventures of Vopak is as follows.

Summarized statements of financial position on a 100% basis:

	Europe & Africa		Asia & Middle East		New energy & LNG		Americas & Other		Total	
	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021
Non-current assets	205.4	209.9	4,657.7	3,771.8	1,858.2	1,984.8	1,205.5	1,130.8	7,926.8	7,097.3
Cash and cash equivalents	10.7	10.6	579.9	465.4	163.4	139.4	17.7	19.6	771.7	635.0
Other current assets	10.0	17.3	243.8	273.9	85.2	104.1	58.5	51.1	397.5	446.4
Total assets	226.1	237.8	5,481.4	4,511.1	2,106.8	2,228.3	1,281.7	1,201.5	9,096.0	8,178.7
Financial non-current liabilities	136.0	149.6	1,861.6	1,795.2	922.3	989.3	386.7	363.1	3,306.6	3,297.2
Other non-current liabilities	12.7	13.8	137.1	179.7	183.0	250.8	2.3	9.1	335.1	453.4
Financial current liabilities	15.6	17.6	516.2	177.3	138.6	125.6	14.2	16.6	684.6	337.1
Other current liabilities	20.5	13.9	352.5	263.5	75.7	62.6	47.5	48.0	496.2	388.0
Total liabilities	184.8	194.9	2,867.4	2,415.7	1,319.6	1,428.3	450.7	436.8	4,822.5	4,475.7
Net assets	41.3	42.9	2,614.0	2,095.4	787.2	800.0	831.0	764.7	4,273.5	3,703.0
Vopak's share of net assets	19.1	20.0	983.7	817.6	405.4	408.7	289.2	258.8	1,697.4	1,505.1
Goodwill on acquisition	-	-	112.1	12.4	31.7	31.4	36.6	34.4	180.4	78.2
Vopak's carrying amount of net assets	19.1	20.0	1,095.8	830.0	437.1	440.1	325.8	293.2	1,877.8	1,583.3

Summarized statements of total comprehensive income on a 100% basis:

	Europe & Africa		Asia & Middle East		New energy & LNG		Americas & Other		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Revenues	50.7	51.8	987.1	842.9	427.6	458.5	238.3	194.7	1,703.7	1,547.9
Operating expenses	(19.3)	(18.5)	(290.9)	(192.1)	(109.9)	(99.9)	(150.8)	(124.2)	(570.9)	(434.7)
Depreciation, amortization and impairment	(13.2)	(13.2)	(236.5)	(210.7)	(161.4)	(120.4)	(28.8)	(30.1)	(439.9)	(374.4)
Operating profit (EBIT)	18.2	20.1	459.7	440.1	156.3	238.2	58.7	40.4	692.9	738.8
Net finance income / (expense)	(4.9)	(5.6)	(88.9)	(56.7)	(70.2)	(65.5)	(17.1)	(12.9)	(181.1)	(140.7)
Income tax	(2.4)	(2.7)	(35.4)	(37.4)	(34.9)	(62.1)	(0.1)	(0.2)	(72.8)	(102.4)
Net profit	10.9	11.8	335.4	346.0	51.2	110.6	41.5	27.3	439.0	495.7
Other comprehensive income	-	-	87.1	44.2	46.5	22.9	42.8	(7.4)	176.4	59.7
Total comprehensive income	10.9	11.8	422.5	390.2	97.7	133.5	84.3	19.9	615.4	555.4
Vopak's share of net profit	3.0	4.0	119.2	125.0	26.5	36.5	13.6	6.8	162.3	172.3
Vopak's share of OCI	-	-	24.0	12.5	23.2	11.4	21.4	(3.7)	68.6	20.2
Vopak's share of total comprehensive income	3.0	4.0	143.2	137.5	49.7	47.9	35.0	3.1	230.9	192.5

44. Events after the reporting period

On March 14, 2023, HAL completed the acquisition of 100% of the shares in IQIP Holding B.V. ('IQIP'). IQIP is a supplier of foundation and installation equipment to the offshore wind, coastal & civil and oil & gas markets. The company is active worldwide and both sells and rents out equipment. Revenue over the financial year ending December 31, 2022, amounted to € 102 million.

IQIP is headquartered in Slidrecht and has approximately 300 employees.

List of Principal subsidiaries and minority interests

as of December 31, 2022

Name	Country of incorporation	Nature of business	Interest in common shares	Interest in preferred shares	Non-controlling interest
Subsidiaries					
HAL Holding N.V.	Curaçao	Holding company	100.0%	0.0%	0.0%
HAL International N.V.	Curaçao	Holding company	100.0%	0.0%	0.0%
HAL International Investments N.V.	Curaçao	Holding company	100.0%	0.0%	0.0%
HAL Investments N.V.	Curaçao	Holding company	100.0%	0.0%	0.0%
HAL Real Estate Inc.	U.S.A.	Real estate	100.0%	0.0%	0.0%
HAL Investments B.V.	The Netherlands	Holding company	100.0%	0.0%	0.0%
Rotter y Krauss	Chile	Optical retail	100.0%	100.0%	0.0%
Koninklijke Boskalis N.V.	The Netherlands	Dredging and offshore	98.9%	0.0%	1.1%
FD Mediagroep B.V.	The Netherlands	Media	97.8%	100.0%	2.2%
Broadview Holding B.V.	The Netherlands	Industrial	97.4%	0.0%	2.6%
Koninklijke Ahrend B.V.	The Netherlands	Office furniture	96.0%	100.0%	4.0%
280ppm B.V.	The Netherlands	GHG reduction investments	95.0%	100.0%	5.0%
Infomedics Holding B.V.	The Netherlands	Financial services	94.5%	0.0%	5.5%
Timber and Building Supplies Holland N.V.	The Netherlands	Building materials	94.3%	0.0%	5.7%
AN Direct B.V.	The Netherlands	Hearing aids	90.0%	0.0%	10.0%
SB Real Estate	The Netherlands	Real estate	90.0%	0.0%	10.0%
Van Wijnen Holding B.V.	The Netherlands	Construction	88.0%	100.0%	12.0%
Atlas Professionals B.V.	The Netherlands	Staffing	86.9%	0.0%	13.1%
HR Top Holding B.V.	The Netherlands	HR services	86.7%	100.0%	13.3%
GreenV B.V.	The Netherlands	Greenhouse projects	71.3%	0.0%	28.7%
Pro Gamers Group	Germany	Computer gaming equipment	64.3%	79.4%	35.7%
Anthony Veder Group N.V.	Curaçao	Shipping	62.9%	0.0%	37.1%
Auxilium GmbH	Germany	Orthopedic devices	53.8%	100.0%	46.2%
Controlled minority interests					
Safilo Group S.p.A.	Italy	Optical products	49.84%	0.00%	50.16%
Koninklijke Vopak N.V.	The Netherlands	Tank terminals	48.15%	0.00%	51.85%

All the above entities are included in the consolidation. The proportion of the effective voting rights in the respective entity are virtually equal to the proportion of the ordinary shares held.

Non-controlled interests

Publicly traded

SBM Offshore N.V.	22.88%
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Other

Coolblue B.V.	49.00%
Prodrive Technologies Group B.V.	31.45%
DMF Investment Management B.V.	26.30%

Information relating to estimated value of the subsidiaries and minority interests of HAL Holding N.V.

As of December 31, 2022

General

This section provides additional information about the investment portfolio of HAL Holding N.V. (the ‘Company’).

For the purpose of this section, book value includes goodwill and loans to the investee companies. Amounts denominated in foreign currencies have been translated at year-end exchange rates.

We emphasize that, especially with respect to unquoted investments, estimated value is based upon a number of assumptions. Values as realized upon sale of an investment can be materially different from these estimates.

The investment in Boskalis is the most significant component of the unquoted investment portfolio as it represents approximately 60% of the estimated value of this portfolio. The investment in Boskalis as of December 31, 2022, is valued at € 4,219 million. This valuation is based on the all cash voluntary offer by HAL of € 33.00 per share (cum dividend) for all issued and outstanding ordinary shares of Boskalis. It is not appropriate to base the valuation of Boskalis in future years on this share price. In view of the cyclical nature of the activities of Boskalis it is also not appropriate to base the valuation, consistent with the valuation of the other unquoted investments, on an earnings multiple using current year earnings, adjusted for non-recurring items, as this could result in an unreasonable (overall) outcome, especially in view of the size of Boskalis. We will therefore discontinue this (non-compulsory) disclosure as from 2023. We will continue to provide financial information on Boskalis.

Portfolio valuation methodology

The valuation of the Company’s portfolio for this section is arrived at using a systematic process. The aim is to value the portfolio as a whole on a prudent and consistent basis.

Quoted investments

Quoted investments are valued at the closing price on the statement of financial position date. In certain circumstances, for example in case of trading restrictions, an appropriate discount may be applied.

Unquoted common equity investments

Unquoted investments are valued subject to overriding requirements of prudence, generally according to one of the following bases:

- Earnings multiple;
- Cost of a recent transaction.

Earnings multiple

Valuations using an earnings multiple are principally based on the following method:

The EBITA (earnings before interest, tax and amortization of intangible assets but including amortization of software) of the current year is used, adjusted for non-recurring items when appropriate. The estimated value of the common equity of the investee company is determined by multiplying the (adjusted) EBITA with a multiple and subtracting the net debt (excluding lease liabilities) and preferred shares of the investee company. EBITA is also adjusted for lease expenses in the context of IFRS 16. One investment with an estimated value of € 145 million was valued based on a multiple of EBITDA. The EBIT(D)A multiples applied vary from 7 to 8. Two

investments with an aggregate estimated value of € 353 million were valued based on a multiple of sales.

The following factors may, among other things, be considered when selecting multiples:

- the multiple paid at the time of the investment;
- the multiples the Company generally would be prepared to pay for comparable investments;
- multiples of a meaningful sample of comparable quoted companies. When referring to multiples of comparable companies, a discount of at least 20% is taken into account for limited marketability, unless there is a strong possibility of a short-term realization.

Realized multiples may be materially different.

The investments in Pro Gamers Group and Prodrive Technologies were subject to an impairment in 2022. These investments were valued based on the outcome of the impairment analysis. Their aggregate estimated value was € 204 million.

Cost of a recent transaction

A recent transaction is defined as a significant transaction in the capital of the investee company which has occurred until 12 months prior to the valuation date. An assessment is made if it is still appropriate to use this value in view of the financial performance of the investee company post acquisition compared to the assumptions made during the acquisition process, developments in earnings multiples of comparable companies or any other material positive or adverse developments. After the twelve-month period the investments are, generally, valued based on an earnings multiple. It is possible that the multiple applied is lower than the multiple paid at the time of the acquisition.

Unquoted other investments

Unquoted preferred shares and loans to investee companies are generally valued at cost unless the investee company has defaulted, or is expected to default, on its payment obligations within the next 12 months. In these circumstances, these assets are valued at the lower of cost and net realizable value.

Valuation investments

<i>As at December 31, 2022</i>	Estimated value	Book value	Difference
Quoted investments	2,599.7	2,522.9	76.8
Unquoted investments	6,945.4	6,587.1	358.3
	<u>9,545.1</u>	<u>9,110.0</u>	<u>435.1</u>

Estimated value less book value of the unquoted investments amounted to € 358.3 million at the end of 2022 (2021: € 691.0 million) or € 4.04 per share (2021: € 7.97 per share).

Quoted investments

<i>As at December 31, 2022</i>	Interest in common shares	Share price	Market value
<i>Share price in euro</i>			
Koninklijke Vopak N.V.	48.15%	27.75	1,680.0
Safilo Group S.p.A.	49.84%	1.52	313.7
SBM Offshore N.V.	22.88%	14.66	606.0
			<u>2,599.7</u>

No discount was applied to the above market prices.

Supplemental information

General

The consolidated financial statements of HAL Trust include the financial statements of Koninklijke Vopak N.V. ('Vopak') and Safilo Group S.p.A. ('Safilo'). This section provides supplemental information where Vopak and Safilo are accounted for on an unconsolidated basis using the equity method. This was the accounting treatment until the application of IFRS 10, effective January 1, 2014, which requires consolidation of these entities. In all other respects, the accounting policies applied are consistent with those applied to the consolidated financial statements. The inclusion of this supplemental information is considered appropriate and useful as the control model of the Company with respect to the entities where its ownership interest exceeds 50% is materially different from the model with respect to Vopak and Safilo. Moreover, the inclusion of Vopak and Safilo in the consolidation has a significant effect on the financial statements.

The following pro forma consolidated statements are included as supplemental information:

- Statement of Financial Position
- Statement of Income
- Statement of Comprehensive Income
- Statement of Changes in Equity
- Statement of Cash Flows

The pro forma consolidated statements of financial position and income as well as the statement of changes in equity, include a bridge from the consolidated financial statements (including consolidation of Vopak and Safilo) to these pro forma statements.

A number of notes has been added to the above statements in order to provide additional information on the effect of the inclusion of Vopak and Safilo in the consolidated financial statements. These notes are based on the notes to the consolidated financial statements on pages 37 through 120. Certain notes are summarized for practical purposes.

Pro forma Consolidated Statement of Financial Position

As of December 31

Supplemental Information

<i>In millions of euro</i>	<i>Notes</i>	Consolidated 2022	Effect exclusion Vopak/Safilo	Pro forma 2022	Pro forma 2021
Non-current assets					
Property, plant and equipment	2	8,095.5	(3,655.7)	4,439.8	1,266.1
Right-of-use assets		1,113.3	(687.6)	425.7	325.1
Investment properties		76.5	-	76.5	68.0
Intangible assets	3	3,646.4	(372.5)	3,273.9	1,926.4
Investments in associates and joint arrangements	5	3,358.8	(208.0)	3,150.8	3,995.6
Other financial assets	6	360.0	(280.6)	79.4	316.4
Derivatives		23.2	(15.8)	7.4	0.2
Pension benefits	10	55.3	-	55.3	58.5
Deferred tax assets	9	87.7	(45.0)	42.7	40.8
<i>Total non-current assets</i>		16,816.7	(5,265.2)	11,551.5	7,997.1
Current assets					
Inventories	8	1,133.7	(258.6)	875.1	733.0
Receivables	7	1,423.8	(341.9)	1,081.9	698.5
Marketable securities and deposits		3,360.9	-	3,360.9	4,160.0
Other financial assets	6	285.5	(7.6)	277.9	272.9
Derivatives		75.6	(59.0)	16.6	0.3
Unbilled revenue		372.4	-	372.4	70.6
Other current assets		898.3	(272.2)	626.1	178.5
Cash and cash equivalents		2,043.9	(111.5)	1,932.4	2,084.0
Assets held for sale		303.7	(67.6)	236.1	32.0
<i>Total current assets</i>		9,897.8	(1,118.4)	8,779.4	8,229.8
Total assets		26,714.5	(6,383.6)	20,330.9	16,226.9
Equity					
Equity attributable to owners of parent		13,010.1	(48.2)	12,961.9	12,387.2
Non-controlling interest		2,227.7	(1,950.3)	277.4	348.8
Total equity		15,237.8	(1,998.5)	13,239.3	12,736.0
Non-current liabilities					
Deferred tax liabilities	9	693.7	(274.6)	419.1	287.5
Pension benefits	10	109.7	(22.0)	87.7	51.2
Derivatives		2.5	(1.7)	0.8	5.6
Provisions	11	162.1	(42.7)	119.4	38.2
Contract liabilities		18.0	(2.0)	16.0	14.3
Lease liabilities		1,044.7	(723.5)	321.2	240.1
Debt and other financial liabilities	12	3,106.7	(1,844.2)	1,262.5	1,022.0
<i>Total non-current liabilities</i>		5,137.4	(2,910.7)	2,226.7	1,658.9
Current liabilities					
Provisions	11	183.3	(27.3)	156.0	11.8
Contract liabilities		683.4	(24.0)	659.4	234.9
Accrued expenses		1,597.4	(206.8)	1,390.6	426.6
Income tax payable		251.0	(42.9)	208.1	66.3
Accounts payable		1,317.0	(344.9)	972.1	666.1
Derivatives		18.0	(12.0)	6.0	3.4
Lease liabilities		150.6	(45.2)	105.4	79.9
Debt and other financial liabilities	12	2,096.3	(733.2)	1,363.1	343.0
Liabilities related to assets held for sale		42.3	(38.1)	4.2	-
<i>Total current liabilities</i>		6,339.3	(1,474.4)	4,864.9	1,832.0
Total equity and liabilities		26,714.5	(6,383.6)	20,330.9	16,226.9

Pro forma Consolidated Statement of Income

For the year ended December 31

Supplemental Information

<i>In millions of euro</i>	Consolidated 2022	Effect exclusion Vopak/Safilo	Pro forma 2022	Pro forma 2021
Revenues	10,104.3	(2,478.4)	7,625.9	5,008.4
Income from marketable securities and deposits	(119.7)	-	(119.7)	80.0
Share of results from associates and joint ventures	875.4	(218.4)	657.0	286.4
Income from other financial assets	(3.0)	(3.0)	(6.0)	4.2
Income from real estate activities	58.1	-	58.1	49.7
Other income (net)	127.8	(19.0)	108.8	3,511.4
<i>Total income</i>	11,042.9	(2,718.8)	8,324.1	8,940.1
Usage of raw materials, consumables and other inventory	4,966.4	(377.5)	4,588.9	2,751.0
Employee expenses	2,090.8	(602.9)	1,487.9	1,128.6
Depreciation and impairment of property, plant, equipment and investment properties	1,022.9	(745.4)	277.5	127.0
Depreciation and impairment of right-of-use assets	156.8	(52.2)	104.6	82.5
Amortization and impairment of intangible assets	459.8	(45.8)	414.0	71.1
Other operating expenses	1,539.3	(714.6)	824.7	635.2
<i>Total expenses</i>	10,236.0	(2,538.4)	7,697.6	4,795.4
Operating profit	806.9	(180.4)	626.5	4,144.7
Financial expense	(272.2)	193.2	(79.0)	(46.9)
Other financial income	146.5	(88.2)	58.3	19.6
Profit before income tax	681.2	(75.4)	605.8	4,117.4
Income tax expense	(185.3)	110.0	(75.3)	(88.3)
Net profit from continuing operations	495.9	34.6	530.5	4,029.1
Net profit from discontinued operations	-	-	-	399.9
Net profit	495.9	34.6	530.5	4,429.0
Attributable to:				
Owners of parent	646.8	0.6	647.4	4,270.8
Non-controlling interest	(150.9)	34.0	(116.9)	158.2
	495.9	34.6	530.5	4,429.0
Average number of Shares outstanding (in thousands)	87,724	-	87,724	86,036
Earnings per Share for profit / (loss) attributable to owners of parent during the period (in euro)				
- basic and diluted from continuing operations	7.37	0.01	7.38	45.66
- basic and diluted from discontinued operations	-	-	-	3.02
- basic and diluted	7.37	0.01	7.38	48.68

Pro forma Consolidated Statement of Comprehensive Income

For the year ended December 31

Supplemental Information

<i>In millions of euro</i>	Pro forma 2022	Pro forma 2021
Net profit / (loss)	530.5	4,429.0
Other comprehensive income (OCI)		
Items that will not be reclassified to statement of income in subsequent periods		
Actuarial results on post-employment benefit obligations	1.8	36.4
Income tax on actuarial results	(0.4)	(8.7)
Associates and joint ventures - share of OCI, net of tax	14.1	25.0
	15.5	52.7
Items that may be reclassified to statement of income in subsequent periods		
Change in fair value of financial assets through OCI	(14.3)	0.3
Income tax on change in fair value	-	0.4
Effective portion of hedging instruments	14.0	11.4
Income tax related to hedging instruments	(1.0)	(4.1)
Translation of foreign subsidiaries, net of hedges	(6.3)	252.5
Associates and joint ventures - share of OCI, net of tax	225.2	123.5
	217.6	384.0
Other comprehensive income for the year, net of tax	233.1	436.7
Total comprehensive income for the year, net of tax	763.6	4,865.7
Total comprehensive income for the year, attributable to:		
- Owners of parent*	869.3	4,650.6
- Non-controlling interest	(105.7)	215.1
	763.6	4,865.7

* For both reporting periods there are no differences in other comprehensive income attributable to the owner of parent between the consolidated and the pro forma consolidated statements of comprehensive income.

Pro forma Consolidated Statement of Changes in Equity

Supplemental Information

<i>In millions of euro</i>	Attributable to owners of parent				Non-controlling interest	Total equity
	Share capital	Retained earnings	Other reserves	Total		
Balance on December 31, 2020	1.7	8,180.4	(237.8)	7,944.3	788.7	8,733.0
Net profit for the year	-	4,270.8	-	4,270.8	158.2	4,429.0
Other comprehensive income for the year	-	32.8	347.0	379.8	56.9	436.7
Total comprehensive income for the year	-	4,303.6	347.0	4,650.6	215.1	4,865.7
Effect of acquisitions and disposals*	-	-	-	-	(595.9)	(595.9)
Capital increase/(decrease)	-	-	-	-	4.6	4.6
Effect purchase of non-controlling interest	-	-	-	-	(16.6)	(16.6)
Dividend paid to minority shareholders and share buyback plans	-	(10.4)	-	(10.4)	(47.2)	(57.6)
Share-based compensation	-	9.1	-	9.1	0.2	9.3
Treasury shares	-	(5.5)	-	(5.5)	-	(5.5)
Dividend paid	-	(200.5)	-	(200.5)	-	(200.5)
Reclassification	-	(9.2)	9.2	-	-	-
Other	-	(0.4)	-	(0.4)	(0.1)	(0.5)
Transactions with the owners of parent recognized directly in equity	-	(216.9)	9.2	(207.7)	(655.0)	(862.7)
Balance on December 31, 2021	1.7	12,267.1	118.4	12,387.2	348.8	12,736.0
Net profit for the year	-	647.4	-	647.4	(116.9)	530.5
Other comprehensive income for the year	-	12.9	209.0	221.9	11.2	233.1
Total comprehensive income for the year	-	660.3	209.0	869.3	(105.7)	763.6
Effect of acquisitions and disposals	-	-	-	-	45.8	45.8
Capital increase/(decrease)	-	2.9	-	2.9	6.3	9.2
Effect purchase of non-controlling interest**	-	(55.3)	-	(55.3)	(13.6)	(68.9)
Dividend paid to minority shareholders and share buyback plans	-	(5.1)	-	(5.1)	(3.4)	(8.5)
Share-based compensation	-	6.9	-	6.9	-	6.9
Treasury shares	-	2.8	-	2.8	-	2.8
Dividend paid	0.1	(247.2)	-	(247.1)	-	(247.1)
Reclassification	-	35.2	(35.2)	-	-	-
Other	-	0.3	-	0.3	(0.8)	(0.5)
Transactions with the owners of parent recognized directly in equity	0.1	(259.5)	(35.2)	(294.6)	34.3	(260.3)
Balance on December 31, 2022	1.8	12,667.9	292.2	12,961.9	277.4	13,239.3

* Transactions with non-controlling interest included € (795.5) million related to the sale of the Company's 76.72% shareholding in GrandVision N.V.

** Mainly related to the purchase of Boskalis shares after obtaining (de facto) control over the company (refer to note 4)

The difference in equity attributable to owners of parent (€ 48.2 million) between the pro forma consolidated statement of financial position and the consolidated statement of financial position is due to the retrospective application of IFRS 10 to Vopak and Safilo.

Pro forma Consolidated Statement of Cash Flows

For the year ended December 31

Supplemental Information

<i>In millions of euro</i>	<i>Notes</i>	Pro forma 2022	Pro forma 2021
Cash flows from operating activities			
Profit before taxes from continuing operations		605.8	4,117.4
Profit before taxes from discontinued operations		-	443.1
Dividend from associates and joint ventures	5	181.2	231.1
Changes in working capital		(51.1)	10.6
Adjustments for other (non-cash) items	18	261.9	(3,638.1)
Cash generated from operating activities	18	997.8	1,164.1
Other financial income received		1.9	8.1
Finance cost paid, including effect of hedging		(78.9)	(73.2)
Income taxes paid		(95.9)	(150.0)
<i>Net cash from operating activities</i>		824.9	949.0
Cash flows from investing activities			
Acquisition of associates and subsidiaries, net of cash acquired*	4	(2,149.0)	(909.1)
Net proceeds from divestiture of associates, joint arrangements and subsidiaries	4	274.4	4,842.3
Proceeds from sale of/ investment in other intangibles		(28.8)	(59.9)
Investment in property, plant, equipment and investment properties		(503.0)	(224.8)
Proceeds from sale of property, plant, equipment		36.6	13.1
Proceeds from/(acquisition of) other financial assets	6	235.0	111.7
Acquisition of marketable securities and deposits		(102.3)	(3,921.0)
Proceeds from marketable securities and deposits		708.1	22.1
<i>Net cash from/(used in) investing activities</i>		(1,529.0)	(125.6)
Cash flows from financing activities			
Proceeds from debt and other financial liabilities		297.0	641.0
Repayment of debt and other financial liabilities		(125.6)	(308.0)
Payments on lease liabilities		(107.2)	(259.2)
Net proceeds from/(repayments of) short-term financing		729.5	24.9
Capital increase non-controlling interests		9.2	4.6
Other non-controlling interest transactions (including dividend paid)*		(12.2)	(64.5)
Movement in treasury shares		2.8	(5.5)
Dividend paid		(247.1)	(200.5)
<i>Net cash from/(used in) financing activities</i>		546.4	(167.2)
Increase/(decrease) in cash and cash equivalents		(157.7)	656.2
Cash and cash equivalents at beginning of year		2,084.0	1,269.7
Cash and cash equivalents included in assets held for sale at beginning of year		-	155.4
Effect of exchange rate changes and reclassifications		6.1	2.7
Cash and cash equivalents retranslated at beginning of year		2,090.1	1,427.8
Net increase/(decrease) in cash and cash equivalents		(157.7)	656.2
Cash and cash equivalents at end of period		1,932.4	2,084.0

* The cash flows from investing activities include € (1,885) million related to the acquisition of Boskalis shares (non-controlling interest) after the de facto control date.

Notes to the pro forma Consolidated Financial Statements

All amounts in millions of euro, unless stated otherwise

Supplemental Information

1. Segmentation

The consolidated financial statements are significantly affected by the consolidation of Vopak and Safilo. Accordingly, the segmented information on a basis whereby Vopak and Safilo are not consolidated is materially different. This section provides segmented information excluding the effect of the consolidation of Vopak and Safilo.

Operating income by segment

	2022	2021
Unquoted	402.8	403.6
Quoted minority interests	98.9	266.7
Real estate	53.6	42.5
Liquid portfolio	(119.7)	80.0
Optical retail (discontinued in 2021)	-	464.5
Total operating income	435.6	1,257.3
Reconciling items:		
- Discontinued operations (optical retail)	-	(464.5)
- Amortization and impairment of intangibles	(414.0)	(71.1)
- Capital gain on the sale of the Company's 76.72% shareholding in GrandVision N.V.	-	3,500.7
- Revaluation of previously held equity interest in Boskalis	656.2	-
- Other	(51.3)	(77.7)
Operating result as per the pro forma consolidated statement of income	626.5	4,144.7
Financial expense, net	(20.7)	(27.3)
Profit before tax as per the pro forma consolidated statement of income	605.8	4,117.4

The "other" reconciling items represent mostly corporate overhead and exceptional (excluding those of Vopak, Safilo, SBM Offshore and, for the first half of 2022, Boskalis). The segment quoted minority interests includes the Company's share in the net income (including exceptional items) of Vopak and Safilo and the Company's share in the net income of SBM Offshore and, for the first half of 2022, Boskalis. In the second half of 2022, Boskalis was included in the Unquoted segment.

The composition of revenues by segment is as follows:

	2022	2021
Unquoted	7,625.9	5,008.4
Discontinued operations (optical retail)	-	1,891.1
	7,625.9	6,899.5

The composition of assets by segment is as follows:

	Dec. 31, 2022	Dec. 31, 2021
Unquoted	13,307.9	6,242.6
Quoted minority interests	2,474.6	3,527.5
Real estate	270.7	237.7
Liquid portfolio	3,892.1	5,608.1
Reconciling items	385.6	611.0
	<u>20,330.9</u>	<u>16,226.9</u>

The reconciling items include an amount of € 250 million (2021: € 500 million) representing the part of the proceeds from the sale of the Company's 76.72% shareholding in GrandVision N.V., which is held in escrow for potential liabilities of HAL under the sale and purchase agreement.

The composition of investments in associates and joint ventures by segment is as follows:

	Dec. 31, 2022	Dec. 31, 2021
Unquoted	501.0	336.6
Quoted minority interests	2,474.7	3,526.1
Real estate	175.1	132.9
	<u>3,150.8</u>	<u>3,995.6</u>

The composition of capital expenditures by segment is as follows:

	2022	2021
Unquoted	521.0	180.8
Real estate	10.9	28.7
Total continuing operations	<u>531.9</u>	<u>209.5</u>
Discontinued operations (optical retail)	-	75.3
	<u>531.9</u>	<u>284.8</u>

Capital expenditure consists of additions of property, plant and equipment, investment properties and other intangible assets that are not related to acquisitions.

The composition of liabilities by segment is as follows:

	Dec. 31, 2022	Dec. 31, 2021
Unquoted	6,442.9	3,411.6
Real estate	3.1	1.9
Liquid portfolio	0.3	0.3
Reconciling items	645.3	77.1
	<u>7,091.6</u>	<u>3,490.9</u>

The 2022 reconciling items include € 576 million in corporate debt (2021: nil).

The composition of revenues by geographical area is as follows:

	2022	2021
Europe	5,712.2	4,277.5
USA & Canada	515.7	359.4
Asia	1,048.2	232.2
Other	349.8	139.3
Total continuing operations	7,625.9	5,008.4
Discontinued operations (optical retail)	-	1,891.1
	7,625.9	6,899.5

The composition of property, plant and equipment, investment properties, right-of-use assets, intangible assets and investment in associates and joint ventures by geographical area is as follows:

	Dec. 31, 2022	Dec. 31, 2021
Europe	9,237.5	7,034.4
USA & Canada	349.5	333.6
Asia	1,764.1	197.9
Other	15.6	15.3
	11,366.7	7,581.2

2. Property, plant and equipment

The amount of property, plant and equipment as per the consolidated financial statements (€ 8,095.5 million) is significantly affected by the consolidation of Vopak and Safilo and in particular the tank storage terminals of Vopak (€ 3,267.5 million at the end of 2022).

The table on the next page provides information on property, plant and equipment excluding the assets of Vopak and Safilo.

Supplemental Information

	Land and buildings	Vessels and floating equipment	Equipment and other	Total
Cost value	545.5	630.9	1,104.8	2,281.2
Cost value - under construction	15.9	11.5	21.8	49.2
Accumulated depreciation and impairments	(199.1)	(188.7)	(753.8)	(1,141.6)
Balance on January 1, 2021	<u>362.3</u>	<u>453.7</u>	<u>372.8</u>	<u>1,188.8</u>
Investments	51.3	17.1	127.7	196.1
Consolidation	18.5	-	9.5	28.0
Disposals	(3.4)	-	(6.0)	(9.4)
Depreciation and impairments, net of reversals	(13.9)	(34.1)	(76.7)	(124.7)
Reclassification	(0.5)	-	0.2	(0.3)
Reclassification to held for sale	(24.7)	-	(23.9)	(48.6)
Exchange differences	6.5	20.7	9.0	36.2
Balance on December 31, 2021	<u>396.1</u>	<u>457.4</u>	<u>412.6</u>	<u>1,266.1</u>
Cost value	564.7	664.1	1,178.4	2,407.2
Cost value - under construction	52.9	31.3	80.5	164.7
Accumulated depreciation and impairments	(221.5)	(238.0)	(846.3)	(1,305.8)
Balance on December 31, 2021	<u>396.1</u>	<u>457.4</u>	<u>412.6</u>	<u>1,266.1</u>
Investments	51.4	343.4	97.3	492.1
Consolidation	150.0	2,836.1	20.1	3,006.2
Disposals	(7.7)	(23.2)	(4.0)	(34.9)
Depreciation and impairments, net of reversals	(18.0)	(174.9)	(82.2)	(275.1)
Reclassification	1.5	(1.8)	0.1	(0.2)
Reclassification to held for sale	(4.0)	-	(4.7)	(8.7)
Exchange differences	(1.4)	(6.0)	1.7	(5.7)
Balance on December 31, 2022	<u>567.9</u>	<u>3,431.0</u>	<u>440.9</u>	<u>4,439.8</u>
Cost value	706.6	3,570.6	1,206.6	5,483.8
Cost value - under construction	74.3	270.0	129.4	473.7
Accumulated depreciation and impairments	(213.0)	(409.6)	(895.1)	(1,517.7)
Balance on December 31, 2022	<u>567.9</u>	<u>3,431.0</u>	<u>440.9</u>	<u>4,439.8</u>

3. Intangible assets

The intangible assets are significantly affected by the consolidation of Vopak and Safilo. This section provides information on the intangible assets excluding those of Vopak and Safilo.

Movements for goodwill and other intangibles are as follows:

	Goodwill	Software	Trade- marks	Customer relationships	Other	Total
Cost value	539.1	136.1	164.2	322.6	72.3	1,234.3
Accumulated amortization and impairments	(144.3)	(91.9)	(32.6)	(80.3)	(34.3)	(383.4)
Balance on January 1, 2021	<u>394.8</u>	<u>44.2</u>	<u>131.6</u>	<u>242.3</u>	<u>38.0</u>	<u>850.9</u>
Investments	597.7	42.9	-	-	17.1	657.7
Consolidation	-	8.3	204.4	234.8	20.5	468.0
Purchase price accounting adjustments	5.7	-	-	-	-	5.7
Disposals	-	(0.1)	-	-	-	(0.1)
Amortization and impairments	-	(15.4)	(15.7)	(22.6)	(17.4)	(71.1)
Reclassification	(1.4)	0.8	-	-	-	(0.6)
Reclassification from /(to) held for sale	9.3	(29.8)	0.9	(0.2)	(0.4)	(20.2)
Exchange differences and other	20.1	1.3	7.0	7.2	0.5	36.1
Balance on December 31, 2021	<u>1,026.2</u>	<u>52.2</u>	<u>328.2</u>	<u>461.5</u>	<u>58.3</u>	<u>1,926.4</u>
Cost value	1,175.1	163.2	383.1	565.4	109.7	2,396.5
Accumulated amortization and impairments	(148.9)	(111.0)	(54.9)	(103.9)	(51.4)	(470.1)
Balance on December 31, 2021	<u>1,026.2</u>	<u>52.2</u>	<u>328.2</u>	<u>461.5</u>	<u>58.3</u>	<u>1,926.4</u>
Investments	1,301.7	11.8	0.1	-	17.0	1,330.6
Consolidation	-	0.7	369.4	7.2	60.0	437.3
Disposals	-	-	(0.1)	-	-	(0.1)
Amortization and impairments	(312.1)	(13.3)	(33.0)	(32.6)	(23.0)	(414.0)
Reclassification from /(to) held for sale	(18.0)	(2.5)	-	-	(1.5)	(22.0)
Exchange differences and other	9.5	-	5.0	1.8	(0.6)	15.7
Balance on December 31, 2022	<u>2,007.3</u>	<u>48.9</u>	<u>669.6</u>	<u>437.9</u>	<u>110.2</u>	<u>3,273.9</u>
Cost value	2,423.7	166.1	758.4	574.1	162.8	4,085.1
Accumulated amortization and impairments	(416.4)	(117.2)	(88.8)	(136.2)	(52.6)	(811.2)
Balance on December 31, 2022	<u>2,007.3</u>	<u>48.9</u>	<u>669.6</u>	<u>437.9</u>	<u>110.2</u>	<u>3,273.9</u>

4. Acquisition and divestment of subsidiaries

Below a summary is included of the acquisitions during 2022, excluding the acquisitions made by Vopak and Safilo.

	Boskalis	Ducky	Other	Total
Cash paid	17.2	46.8	68.3	132.3
Future consideration	-	-	6.2	6.2
Equity instruments issued	-	-	15.0	15.0
Fair value of previously held equity interests	2,246.4	-	-	2,246.4
Fair value of net assets acquired	(2,916.4)	(15.3)	(50.5)	(2,982.2)
Non-controlling interest recognized at fair value	1,877.5	-	(0.1)	1,877.4
Goodwill	1,224.7	31.5	45.5	1,301.7
Badwill (in consolidated statement of income)	-	-	(6.6)	(6.6)

The reconciliation to the cash flow statement is as follows:

	Total
Cash paid for the above acquisitions	132.3
Cash acquired in the above acquisitions	(554.2)
Cash outflow due to acquisition of subsidiaries, net of cash acquired	(421.9)
Acquisition of associates and joint arrangements	685.8
Acquisition of Boskalis shares after the (de facto) control date	1,885.1
Cash outflow due to acquisition of associates, joint arrangements and subsidiaries, net of cash acquired	2,149.0

The acquisition of associates and joint arrangements are further detailed in note 5.

The 2022 divestments of subsidiaries, associates and joint ventures resulted in the following cash flows:

Cash received from divestment of subsidiaries	134.8
Cash sold in divestments of subsidiaries	(13.0)
Net cash inflow resulting from divestment of subsidiaries	121.8
Disposal of associates and joint arrangements, including capital repayments*	152.6
Cash inflow due to divestment of associates, joint arrangements and subsidiaries, net of cash sold	274.4

* Includes € 102 million related to the sale of two investment properties held by joint ventures in the Real estate segment

5. Investments in associates and joint arrangements

The amount of investments in associates and joint arrangements in the consolidated financial statements is significantly affected by the consolidation of Vopak. Vopak has a significant amount of associates and joint arrangements on its balance sheet (€ 1,877.8 million at the end of 2022). This section provides information about the investments in associates and joint arrangements excluding the investments in associates and joint arrangements of Vopak and Safilo.

The movement of investments accounted for using the equity method is as follows:

	Associates	Joint ventures	Total
Share of net assets	3,176.2	168.9	3,345.1
Goodwill	319.6	-	319.6
Balance on January 1, 2021	<u>3,495.8</u>	<u>168.9</u>	<u>3,664.7</u>
Investments	68.2	40.7	108.9
Consolidation	0.4	-	0.4
Disposals	(10.6)	(0.9)	(11.5)
Share of results - real estate	-	42.3	42.3
Share of results - discontinued operations	3.1	(0.3)	2.8
Share of results - other	282.1	4.3	286.4
Share of other comprehensive income	148.1	0.3	148.4
Dividends	(144.6)	(86.5)	(231.1)
Reclassification	6.3	(1.7)	4.6
Reclassification to held for sale	(3.1)	(26.1)	(29.2)
Exchange differences and other	(4.0)	12.9	8.9
Balance on December 31, 2021	<u>3,841.7</u>	<u>153.9</u>	<u>3,995.6</u>
Share of net assets	3,513.3	153.9	3,667.2
Goodwill	328.4	-	328.4
Balance on December 31, 2021	<u>3,841.7</u>	<u>153.9</u>	<u>3,995.6</u>
Investments	604.0	99.0	703.0
Consolidation	10.8	59.3	70.1
Disposals	(43.6)	(2.5)	(46.1)
Share of results - real estate	-	50.0	50.0
Share of results - other	782.1	4.8	786.9
Share of other comprehensive income	239.3	-	239.3
Dividends	(155.5)	(25.7)	(181.2)
Impairments	(129.9)	-	(129.9)
Reclassification*	(2,262.5)	-	(2,262.5)
Reclassification to held for sale	(1.6)	(79.1)	(80.7)
Exchange differences and other	(1.2)	7.5	6.3
Balance on December 31, 2022	<u>2,883.6</u>	<u>267.2</u>	<u>3,150.8</u>
Share of net assets	2,645.2	267.2	2,912.4
Goodwill	238.4	-	238.4
Balance on December 31, 2022	<u>2,883.6</u>	<u>267.2</u>	<u>3,150.8</u>

* Mainly related to the acquisition of Boskalis (refer to note 4)

The 2022 additions in joint ventures primarily relate to the real estate joint ventures in Seattle, United States of America. The amount invested in real estate joint ventures in the United States as of December 31, 2022, amounted to € 175.1 million (2021: € 133.0 million).

The 2022 result was impacted by extraordinary charges at Vopak for an amount of € 462.8 million. The share of the Company in these charges was € 222.8 million, included in share of results.

The amounts recognized in the consolidated statement of financial position consist of:

	Dec. 31, 2022	Dec. 31, 2021
Publicly traded	2,474.7	3,526.1
Other	676.1	469.5
	3,150.8	3,995.6

The difference between the market value of the Company's share in its publicly traded associates and the book value is as follows:

	Dec. 31, 2022	Dec. 31, 2021
Market value	2,599.7	4,250.2
Book value	(2,474.7)	(3,526.1)
	125.0	724.1

6. Other financial assets

The table below provides information on other financial assets, excluding the assets of Vopak and Safilo.

	Dec. 31, 2022	Dec. 31, 2021
Other financial assets		
Loans to associates and joint ventures	5.2	8.0
Other loans	50.0	50.2
Escrow	250.0	500.0
Other	52.1	31.1
	357.3	589.3

The escrow accounts comprise an amount of € 250 million (2021: € 500 million) representing the part of the proceeds from the sale of the Company's 76.72% shareholding in GrandVision N.V. that is held in escrow for potential liabilities of HAL under the sale and purchase agreement. This amount is held in escrow until July 3, 2023. The funds held in escrow carry 0% interest for HAL.

The maturity of other financial assets can be split as shown below.

	Dec. 31, 2022	Dec. 31, 2021
Non-current	79.4	316.4
Current	277.9	272.9
	357.3	589.3

Amounts included in the cash flow statement comprise:

	2022	2021
Loans provided to associates	(6.3)	-
Repayment of loans to associates	-	128.0
Other	241.3	(16.3)
Changes in other financial assets in cash flow statement	235.0	111.7

The category “other” mainly relates to the receipt of € 250 million from the afore-mentioned escrow.

7. Receivables

The amount of receivables in the consolidated financial statements (€ 1,423.8 million at the end of 2022) is significantly affected by the consolidation of Vopak and Safilo.

This section provides information on the receivables, excluding those of Vopak and Safilo.

	Dec. 31, 2022	Dec. 31, 2021
Trade receivables	1,147.8	741.3
Allowance for doubtful accounts	(65.9)	(42.8)
	1,081.9	698.5

The ageing analysis of the trade receivables that are past due but not impaired is as follows:

	Dec. 31, 2022	Dec. 31, 2021
Up to 3 months	195.3	137.9
Between 3 and 6 months	21.4	13.4
Between 6 and 9 months	9.3	5.4
Over 9 months	30.0	18.5
	256.0	175.2

8. Inventories

The amount of inventories in the consolidated financial statements (€ 1,133.7 million at the end of 2022) is significantly affected by the consolidation of Vopak and Safilo. This section provides information on the inventories, excluding those of Vopak and Safilo.

The composition of the inventories is as follows:

	Dec. 31, 2022	Dec. 31, 2021
Raw materials	187.2	118.6
Work in progress	54.8	60.2
Spare parts	93.9	16.9
Finished goods	486.6	475.7
Project development (including land and building rights)	120.8	118.0
Stock in transit	12.9	16.3
Provision on inventory	(81.1)	(72.7)
	<u>875.1</u>	<u>733.0</u>

9. Deferred taxes

The movement in deferred tax assets and liabilities during the period are set out on the following page.

Supplemental Information

	Carry- forward losses	PP&E	Leases	Intangibles	Inventories	Other	Offset	Total
Assets	23.0	5.8	37.0	1.1	5.6	24.5	(76.0)	21.0
Liabilities	-	(59.2)	(38.1)	(106.3)	(11.6)	(22.0)	76.0	(161.2)
Balance on January 1, 2021	23.0	(53.4)	(1.1)	(105.2)	(6.0)	2.5	-	(140.2)
Credited/(charged) to net income - continued operations (restated)	(3.1)	10.3	0.1	11.9	(9.5)	4.3	-	14.0
Credited/(charged) to net income - discontinued operations	(2.2)	(0.6)	(1.0)	(0.8)	0.6	2.3	-	(1.7)
Credited/(charged) to OCI	-	-	-	0.1	-	(12.5)	-	(12.4)
Acquisitions and purchase price accounting adjustments	2.2	(0.1)	(0.2)	(104.1)	(0.3)	(9.7)	-	(112.2)
Reclassifications to held for sale	0.5	0.8	(0.2)	(0.1)	-	(0.9)	-	0.1
Reclassifications	0.4	0.3	1.8	0.9	(0.6)	6.1	-	8.9
Exchange differences	3.1	(1.7)	(0.1)	(3.9)	0.2	0.2	-	(2.2)
Balance on December 31, 2021	23.9	(44.4)	(0.7)	(201.2)	(15.6)	(8.7)	-	(246.7)
Assets	23.9	13.1	49.5	1.3	7.3	26.9	(81.2)	40.8
Liabilities	-	(57.5)	(50.2)	(202.5)	(22.9)	(35.6)	81.2	(287.5)
Balance on January 1, 2022	23.9	(44.4)	(0.7)	(201.2)	(15.6)	(8.7)	-	(246.7)
Credited/(charged) to net income	(2.4)	0.3	(0.2)	22.3	2.2	(8.4)	-	13.8
Credited/(charged) to OCI	-	-	-	-	-	(1.4)	-	(1.4)
Acquisitions and purchase price accounting adjustments	2.8	(61.3)	(0.3)	(90.6)	1.5	10.9	-	(137.0)
Divestitures	(6.5)	-	(0.1)	0.4	-	0.1	-	(6.1)
Other movements	-	-	-	-	-	2.7	-	2.7
Reclassifications	-	(0.1)	0.5	(5.4)	2.1	2.9	-	-
Exchange differences	0.2	(0.6)	-	(1.6)	-	0.3	-	(1.7)
Balance on December 31, 2022	18.0	(106.1)	(0.8)	(276.1)	(9.8)	(1.6)	-	(376.4)
Assets	18.0	12.9	48.7	4.1	13.3	37.3	(91.6)	42.7
Liabilities	-	(119.0)	(49.5)	(280.2)	(23.1)	(38.9)	91.6	(419.1)
Balance on December 31, 2022	18.0	(106.1)	(0.8)	(276.1)	(9.8)	(1.6)	-	(376.4)

Unused tax losses, excluding those of Vopak and Safilo, for which deferred tax assets have not been recognized are as follows:

Expiration	2022	2021
2022	-	1.9
2023	4.2	0.8
2024	5.7	0.2
2025	10.8	5.1
2026	11.0	4.3
2027 and further years	102.0	50.5
No expiration date	699.9	287.5
Total continuing operations	833.6	350.3
Discontinued operations	-	-
	833.6	350.3

10. Pension benefits

The pension obligations are significantly affected by the consolidation of Vopak. The present value of the funded obligations and the fair value of the plan assets as per the consolidated financial statements are € 404.6 million, respectively € 422.4 million whereas excluding Vopak these amounts are significantly lower. This section therefore provides additional information on the pension obligations, excluding those of Vopak and Safilo.

The amounts recognized on the pro forma statement of financial position comprise:

	Dec. 31, 2022	Dec. 31, 2021
Pension benefit assets	55.3	58.5
Pension benefit liabilities	(87.7)	(51.2)
	(32.4)	7.3

The net pension benefits consist of:

	Dec. 31, 2022	Dec. 31, 2021
Present value of funded obligations	(275.5)	(278.0)
Fair value of plan assets	300.1	357.5
Impact from asset ceiling	(19.4)	(26.4)
Surplus/(deficit) of funded obligations	5.2	53.1
Present value of unfunded obligations	(37.6)	(45.8)
Net asset/(liability) in the statement of financial position	(32.4)	7.3

The movement in the net liability is as follows:

	2022	2021
Balance on January 1	7.3	(17.1)
Pension charge defined benefit plans continuing operations	(4.5)	(3.7)
Pension charge defined benefit plans discontinued operations	-	(5.1)
Consolidation	(40.3)	(0.5)
Contributions	1.2	0.9
Remeasurement effects	1.7	36.5
Benefits paid for unfunded plans	-	0.9
Plan amendments, settlements and curtailments	0.9	-
Reclassification to held for sale	-	(6.9)
Exchange differences and other	1.3	2.3
Balance on December 31	(32.4)	7.3

The amounts recognized in the pro forma consolidated statement of income are as follows:

	2022	2021
Current service costs	4.3	3.4
Interest expense/(income)	(0.7)	(0.4)
Plan amendments, settlements and curtailments	-	0.1
Administrative costs	0.4	0.4
Total defined benefit costs	4.0	3.5
Other costs	69.3	40.0
Pension charges related to continuing operations	73.3	43.5

Other costs mainly relate to defined contribution plans and multi-employer pension plans classified as defined contribution plans. The increase in expenses primarily relates to the consolidation of Boskalis.

The principal, weighted-average assumptions used were:

	Dec. 31, 2022	Dec. 31, 2021
Discount rate/return on assets	3.92%	1.42%
Future inflation rate	2.36%	2.31%
Future salary increases	1.50%	1.07%

The latest available mortality tables were used. The discount rates used in the determination of defined benefit obligations and pension charges are based on AA-rated corporate bonds with a duration matching the duration of the pension liabilities.

As of December 31, 2022, the plan assets consist of:

	Level 1	Level 2	Level 3	Total	Total (%)
Equity instruments	85.2	14.0	-	99.2	33.1%
Debt instruments	33.5	34.1	0.1	67.7	22.6%
Cash and cash equivalents	15.0	-	-	15.0	5.0%
Other	0.5	1.7	116.0	118.2	39.3%
	134.2	49.8	116.1	300.1	100.0%

The amounts in level 3 mainly relate to insurance policies that provide coverage for the related pension obligations.

As of December 31, 2021, the plan assets consisted of:

	Level 1	Level 2	Level 3	Total	Total (%)
Equity instruments	110.3	25.4	-	135.7	38.0%
Debt instruments	10.2	104.4	0.1	114.7	32.1%
Cash and cash equivalents	19.3	-	-	19.3	5.4%
Other	5.0	2.1	80.7	87.8	24.5%
	144.8	131.9	80.8	357.5	100.0%

The sensitivity of the defined benefit obligation to changes in the principal, weighted-average assumptions is as follows:

	Impact on obligation		
	Change	Increase	Decrease
Discount rate/return on assets	1.00%	(45.4)	59.2
Future inflation rate	1.00%	26.0	(24.4)
Future salary increases	0.25%	0.8	(0.8)
Life expectancy	1 year	11.9	N/A

The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. If plan assets underperform this yield, this will create a deficit. A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings. The majority of the plans' obligations are to provide benefits for the lifetime of the members, so increases in life expectancy will result in an increase in the plans' liabilities.

11. Provisions

The provisions (current and non-current) as per the consolidated financial statements amount to € 345.4 million. This amount is significantly affected by the consolidation of Vopak and Safilo.

This section provides information on provisions excluding the amounts relating to Vopak and Safilo.

The composition and movement of the provisions is as follows:

	Environmental	Employee related	Onerous contracts	Warranty	Other	Total
Balance on January 1, 2021	4.9	14.4	21.6	10.7	14.4	66.0
Addition	0.5	13.6	2.2	11.0	6.0	33.3
Consolidation	-	-	3.5	0.2	0.2	3.9
Utilization	(0.8)	(11.6)	(16.3)	(8.9)	(2.8)	(40.4)
Released	(0.4)	(1.2)	(3.5)	(0.7)	(2.8)	(8.6)
Net addition/(utilization) related to discontinued operations	-	(4.3)	-	0.4	0.5	(3.4)
Reclassification to/from held for sale	-	4.4	-	(0.4)	(0.5)	3.5
Exchange differences	0.3	-	-	0.2	(0.4)	0.1
Reclassifications and other movements	-	(0.5)	-	(0.2)	(3.7)	(4.4)
Balance on December 31, 2021	<u>4.5</u>	<u>14.8</u>	<u>7.5</u>	<u>12.3</u>	<u>10.9</u>	<u>50.0</u>
Current	2.2	4.7	0.4	1.6	2.9	11.8
Non-current	2.3	10.1	7.1	10.7	8.0	38.2
Balance on December 31, 2021	<u>4.5</u>	<u>14.8</u>	<u>7.5</u>	<u>12.3</u>	<u>10.9</u>	<u>50.0</u>
Addition	1.2	6.7	39.2	63.9	1.8	112.8
Consolidation	1.4	8.3	68.8	56.5	6.0	141.0
Utilization	(1.6)	(7.6)	(33.2)	(20.0)	(3.6)	(66.0)
Released	(0.3)	(1.8)	(0.2)	(0.9)	(1.0)	(4.2)
Reclassification to held for sale	-	(0.7)	-	(0.2)	-	(0.9)
Exchange differences	-	0.1	0.5	0.2	-	0.8
Reclassifications	-	(0.1)	36.1	5.3	0.6	41.9
Balance on December 31, 2022	<u>5.2</u>	<u>19.7</u>	<u>118.7</u>	<u>117.1</u>	<u>14.7</u>	<u>275.4</u>
Current	1.4	4.9	66.7	78.0	5.0	156.0
Non-current	3.8	14.8	52.0	39.1	9.7	119.4
Balance on December 31, 2022	<u>5.2</u>	<u>19.7</u>	<u>118.7</u>	<u>117.1</u>	<u>14.7</u>	<u>275.4</u>

12. Debt and other financial liabilities

The amount of debt and other financial liabilities in the consolidated financial statements (€ 5,203.0 million) is significantly affected by the consolidation of Vopak and Safilo. The amount excluding Vopak and Safilo is significantly lower as set out below.

Debt and other financial liabilities excluding Vopak and Safilo consists of:

	Dec. 31, 2022	Dec. 31, 2021
Debt	2,518.6	1,292.4
Other financial liabilities	107.0	72.6
	2,625.6	1,365.0
	Dec. 31, 2022	Dec. 31, 2021
Non-current debt and other financial liabilities		
Mortgage loans	464.3	272.6
Private placements	236.7	231.9
Other loans	475.4	458.6
Total non-current debt	1,176.4	963.1
Non-current other financial liabilities	86.1	58.9
Total non-current debt and other financial liabilities	1,262.5	1,022.0
Current debt and other financial liabilities		
Bank overdrafts	915.4	245.2
Current portion of long-term debt	425.9	82.8
Other loans	0.9	1.3
Total current debt	1,342.2	329.3
Current other financial liabilities	20.9	13.7
Total current debt and other financial liabilities	1,363.1	343.0
Total debt and other financial liabilities	2,625.6	1,365.0

The summary of debt per currency is as follows:

	Dec. 31, 2022	Dec. 31, 2021
Euro	2,257.1	927.8
U.S. dollar	233.6	187.7
Other currencies	27.9	176.9
	2,518.6	1,292.4

13. Revenues

Revenues included in the consolidated financial statements amount to € 10.1 billion of which € 2.5 billion is related to Vopak and Safilo.

The 2022 revenues excluding those of Vopak and Safilo can be disaggregated as follows:

2022	Europe	USA & Canada	Asia	Other	Total
Revenue from contracts with customers					
Sale of goods	2,764.8	374.2	226.8	176.6	3,542.4
Construction and offshore contracting activities	1,977.1	91.5	630.3	60.4	2,759.3
Provision of services	951.8	50.0	191.1	112.7	1,305.6
	<u>5,693.7</u>	<u>515.7</u>	<u>1,048.2</u>	<u>349.7</u>	<u>7,607.3</u>
Revenue from other sources	18.5	-	-	0.1	18.6
Total revenue	<u>5,712.2</u>	<u>515.7</u>	<u>1,048.2</u>	<u>349.8</u>	<u>7,625.9</u>

The 2021 revenues excluding those of Vopak and Safilo can be disaggregated as follows:

2021	Europe	USA & Canada	Asia	Other	Total
Revenue from contracts with customers					
Sale of goods	2,474.7	296.1	207.4	92.1	3,070.3
Construction and offshore contracting activities	1,271.7	55.3	9.2	34.2	1,370.4
Provision of services	529.5	7.9	15.6	12.8	565.8
	<u>4,275.9</u>	<u>359.3</u>	<u>232.2</u>	<u>139.1</u>	<u>5,006.5</u>
Revenue from other sources	1.6	0.1	-	0.2	1.9
Total revenue from continuing operations	<u>4,277.5</u>	<u>359.4</u>	<u>232.2</u>	<u>139.3</u>	<u>5,008.4</u>
Revenue from discontinued operations	1,747.8	35.7	-	107.6	1,891.1
Total revenue	<u>6,025.3</u>	<u>395.0</u>	<u>232.2</u>	<u>246.9</u>	<u>6,899.5</u>

14. Share of results from associates and joint ventures

Results from associates and joint ventures as per the consolidated financial statements is affected by the inclusion of the results of the joint ventures of Vopak.

The table below provides information on the share of results from associates and joint ventures excluding those of Vopak.

	2022	2021
Share of results*	130.7	286.4
Revaluation upon gaining control	656.2	-
Impairments	(129.9)	-
Continuing operations	657.0	286.4
Discontinued operations	-	2.8
	657.0	289.2

* Capital gains and share of results from real estate joint ventures of € 50.0 million (2021: € 42.3 million) is presented under income from real estate activities in the consolidated statement of income

15. Employee expenses

The table below provides information on the employee expenses excluding the employee expenses of Vopak and Safilo.

	2022	2021
Wages and salaries	1,103.5	802.9
Social security costs	140.5	115.5
Pension costs	73.3	43.5
Other	170.6	166.7
Continuing operations	1,487.9	1,128.6
Discontinued operations	-	659.8
Total	1,487.9	1,788.4

The number of persons employed by the Company and its subsidiaries, excluding Vopak and Safilo, at the end of 2022 was 22,961 (2021: 18,804) on a full-time equivalent basis.

Reference is made to note 10 for details of the pension costs.

16. Other operating expenses

The table below provides information on the other operating expenses excluding the other operating expenses of Vopak and Safilo.

	2022	2021
Marketing and publicity	79.3	62.5
Staffing expenses Atlas Professionals	145.4	157.8
Information and communication technology	81.5	62.4
Housing	42.6	24.7
Other	475.9	327.8
Continuing operations	824.7	635.2
Discontinued operations	-	285.5
Total	824.7	920.7

Research and development costs expensed, excluding Vopak and Safilo, during 2022 amounted to € 14.9 million (2021: € 11.2 million).

17. Income tax expense

Income taxes in the consolidated financial statements, and in particular the analysis of the effective tax rate, are significantly affected by the consolidation of Vopak and Safilo.

The tax charge excluding the consolidation of Vopak and Safilo can be detailed as follows:

	2022	2021
Current income taxes	89.1	102.3
Deferred income taxes	(13.8)	(14.0)
Income tax from continuing operations	75.3	88.3
Income tax from discontinued operations	-	43.2
	75.3	131.5

The table below provides an analysis of the effective tax rate excluding the consolidation of Vopak and Safilo.

	2022	2021
Profit before income tax from continuing operations	605.8	4,117.4
Less: after-tax share of results from associates and joint ventures	(657.0)	(286.4)
Less: non-taxable other income (sale of subsidiaries and associates)	(108.8)	(3,511.4)
Adjusted profit before income tax	(160.0)	319.6
Income tax expense	75.3	88.3
Effective tax rate (%) on continuing operations	(47.1)	27.6

18. Cash flows from operating activities

The cash flows from operating activities can be detailed as follows:

		2022	2021
Profit before taxes from continuing operations		605.8	4,117.4
Profit before taxes from discontinued operations		-	443.1
Depreciation and impairments		277.5	127.0
Depreciation and impairments right-of-use assets		104.6	82.5
Amortization and impairments	3	414.0	71.1
Badwill recognized on acquisitions		(6.6)	-
(Profit)/loss on sale of property, plant, equipment and investment properties		-	(0.1)
(Profit)/loss on sale of other financial assets and marketable securities		179.0	(85.3)
Fair value gain on remeasurement of previously held equity interest	14	(656.2)	-
Results from associates and joint ventures, net of impairments	14	(50.8)	(331.5)
Profit on assets and liabilities held for sale		(102.3)	(3,511.4)
Net financial expense		20.7	44.7
Other movements in provisions and pension benefits		82.0	(35.1)
Dividend from associates and joint ventures	5	181.2	231.1
Changes in working capital		(51.1)	10.6
Cash generated from operating activities		997.8	1,164.1

19. Share-based compensation

The amount of expenses and liabilities related to share-based compensation in the consolidated financial statements (€ 32.6 million and € 83.3 million, respectively) is also affected by the consolidation of Vopak and Safilo. The amounts excluding Vopak and Safilo are set out below.

Expenses related to share-based compensation consist of:

	2022	2021
<i>HAL Holding N.V.</i>		
Share Plan*	3.3	2.5
<i>Unquoted subsidiaries</i>		
Cash Plans**	24.6	25.3
	27.9	27.8

* Equity-settled

** Cash-settled

Liabilities recognized in relation to cash-settled share-based compensation are disclosed in the table on the following page.

	Dec. 31, 2022	Dec. 31, 2021
<i>Unquoted subsidiaries</i>		
Cash Plans	82.6	56.2
	82.6	56.2

The current part of this liability of € 15.7 million (2021: € 13.7) is included under current debt and the non-current part of € 66.9 million (2021: € 42.5 million) under non-current debt.

20. Financial risk management

The financial risk management of the Company is set out in note 38 to the consolidated financial statements. In this note it is set out that the financial risks of Vopak, Safilo and the companies belonging to the Unquoted segment are not managed by the Company but by these entities.

As the financial risks of Vopak and Safilo are, in aggregate, substantial, the tables below provide quantitative information with respect to the financial risks of the Company excluding the amounts relating to Vopak and Safilo.

Credit risk

The maximum exposure to credit risk can be specified by segment as follows:

	Dec. 31, 2022	Dec. 31, 2021
Unquoted	3,076.7	1,581.9
Real estate	28.7	18.0
Liquid portfolio	3,370.9	5,189.4
Other	250.0	500.0
	6,726.3	7,289.3

The category other comprises an amount of € 250 million (€ 500 million) representing the part of the proceeds from the sale of GrandVision N.V. that is held in escrow, at BGL BNP Paribas S.A., for potential liabilities of HAL under the sale and purchase agreement. This amount is held in escrow until July 3, 2023.

These financial assets can be further specified as follows:

	Dec. 31, 2022	Dec. 31, 2021
Loans	55.2	58.3
Trade receivables	1,081.9	698.5
Contract assets	372.4	70.7
Marketable securities and deposits	2,839.7	3,741.3
Derivative financial instruments	24.0	0.5
Other financial assets	302.1	530.8
Other current assets	118.6	105.2
Cash and cash equivalents	1,932.4	2,084.0
	6,726.3	7,289.3

At the end the period, cash and cash equivalents can be specified by segment as follows:

	Dec. 31, 2022	Dec. 31, 2021
Unquoted	1,396.1	633.3
Real estate	5.1	2.6
Liquid portfolio	531.2	1,448.1
	<u>1,932.4</u>	<u>2,084.0</u>

Liquidity risk

The following tables categorize the undiscounted cash flows of non-derivative financial liabilities and derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting periods to the contractual maturity date, excluding the amounts relating to Vopak and Safilo. The financial guarantee contracts are contingent liabilities.

	December 31, 2022			
	< 1 year	1-2 years	3-5 years	> 5 years
<i>Non-derivative liabilities</i>				
Redemption of debt	1,342.2	256.5	322.9	605.6
Redemption of other financial liabilities	20.9	26.2	59.9	-
Interest payments	93.6	59.0	132.1	51.7
Payments on lease liabilities	109.3	152.4	74.2	123.0
Accounts payable	972.1	-	-	-
Commitments and guarantees provided	1,229.3	156.6	148.6	250.5
Total undiscounted non-derivative financial liabilities	<u>3,767.4</u>	<u>650.7</u>	<u>737.7</u>	<u>1,030.8</u>
<i>Derivative liabilities</i>				
Gross-settled derivative liabilities outflow	102.9	-	-	-
Gross-settled derivative liabilities inflow	(97.8)	-	-	-
Total gross-settled derivative liabilities	<u>5.2</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net-settled derivative liabilities	1.5	1.2	1.5	1.0
Total undiscounted derivative liabilities	<u>6.7</u>	<u>1.2</u>	<u>1.5</u>	<u>1.0</u>
Total undiscounted financial liabilities	<u>3,774.1</u>	<u>651.9</u>	<u>739.2</u>	<u>1,031.8</u>

	December 31, 2021			
	< 1 year	1-2 years	3-5 years	> 5 years
<i>Non-derivative liabilities</i>				
Redemption of debt	329.3	52.4	385.9	525.9
Redemption of other financial liabilities	13.9	12.0	40.4	6.5
Interest payments	40.1	34.0	86.0	62.1
Payments on lease liabilities	80.3	114.4	60.8	81.2
Accounts payable	666.1	-	-	-
Commitments and guarantees provided	321.3	11.0	22.1	0.5
Total undiscounted non-derivative financial liabilities	1,451.0	223.8	595.2	676.2
<i>Derivative liabilities</i>				
Gross-settled derivative liabilities outflow	186.1	-	-	-
Gross-settled derivative liabilities inflow	(183.3)	-	-	-
Total gross-settled derivative liabilities	2.8	-	-	-
Net-settled derivative liabilities	0.6	-	0.9	5.3
Total undiscounted derivative liabilities	3.4	-	0.9	5.3
Total undiscounted financial liabilities	1,454.4	223.8	596.1	681.5

The total debt, excluding the debt of Vopak, Safilo and discontinued operations, as of December 31, 2022, amounted to € 2,518.6 million (2021: € 1,292.4 million). For 100% of the bank debt, the applicable covenants were complied with during 2021 and 2022. At the end of 2022, unused committed credit facilities were available to an amount of € 1,226.4 million (2021: € 534.7 million). These exclude the facilities of Vopak and Safilo.

Market risk - currency risk

The table below shows the net assets per currency (taking into account debt and hedging instruments denominated in foreign currency), excluding the exposures of Vopak and Safilo.

	Dec. 31, 2022	Dec. 31, 2021
U.S. dollar	1,388.5	542.0
U.K. pound sterling	531.1	97.7
Chinese yuan renminbi	109.0	109.5
Canadian dollar	105.6	103.6
Hong-Kong dollar	84.0	76.9
Taiwan dollar	71.3	39.4
Australian dollar	42.8	0.3
Chilean peso	41.0	34.8
Thai baht	35.5	34.1
Norwegian krone	23.9	14.5
Other	72.7	56.4
Total continuing operations	2,505.4	1,109.2

An average change in value of these currencies by 10% would have a pre-tax effect on the pro forma consolidated equity of € 250.5 million.

The market value of the currency derivative financial instruments at December 31, 2022, per the consolidated financial statements is a net asset of € 67.8 million on a notional amount of € 1,906.0 million (2021: net asset € 34.4 million, notional amount € 1,832.9 million). These amounts are primarily comprised of derivatives of Vopak. The amount excluding Vopak and Safilo and discontinued operations is a net asset of € 7.4 million on a notional amount of € 343.5 million (2021: net liability € 2.5 million, notional amount € 235.7 million).

Market risk - interest rate risk

As of December 31, 2022, taking into account interest rate swaps, 29% of the total debt, excluding the bank debt of Vopak, and Safilo, of € 2,518.6 million (2021: 25% of € 1,292.4 million) was at fixed rates for an average period of 4.3 years (2021: 5.5 years). The weighted-average interest rate was 3.6% (2021: 3.1%).

21. Capital risk management

The table below summarizes the capital structure excluding the impact from the consolidation of Vopak and Safilo.

	Dec. 31, 2022	Dec. 31, 2021
Equity	12,961.9	12,387.2
Non-current debt	1,176.5	963.1
Current debt	1,342.2	329.3
Cash and cash equivalents	(1,932.4)	(2,084.0)
Total capital employed	13,548.2	11,595.6

The net asset value based on the market value of the ownership interests in quoted companies and the liquid portfolio and on the book value of the unquoted companies amounted to € 13,087 million on December 31, 2022 (2021: € 13,111 million). The net asset value consists of the sum of the shareholders' equity attributable to the owners of the parent (€ 12,962 million) and the difference between the market value of the ownership interests in quoted companies and their book value, calculated based on equity accounting and excluding the difference due to purchase price accounting adjustments (€ 125 million).

22. Capital and financial commitments

Capital commitments

The capital commitments in respect of property, plant and equipment under construction, excluding those of Vopak and Safilo, amounted to € 152.1 million (2021: € 151.6 million).

Financial Statements (unconsolidated) HAL Trust

Unconsolidated Statement of Financial Position HAL Trust *(in millions of euro)*

<i>As of December 31</i>	2022	2021
Assets		
Shareholding in HAL Holding N.V.	69.3	69.3
Trust Property	69.3	69.3

Unconsolidated Statement of Comprehensive Income HAL Trust *(in millions of euro)*

<i>For the year ended December 31</i>	2022	2021
Dividend received from HAL Holding N.V.	494.4	401.3
Net Income	494.4	401.3

Unconsolidated Statement of Changes in Trust Property *(in millions of euro)*

Balance on January 1, 2022	69.3
Dividend received from HAL Holding N.V. (in cash and in shares)	494.4
Distributed to Unit Holders HAL Trust (in cash and in shares)	(494.4)
Balance on December 31, 2022	69.3

Unconsolidated Statement of Cash Flows HAL Trust *(in millions of euro)*

<i>For the year ended December 31</i>	2022	2021
Dividend received from HAL Holding N.V.	(247.2)	(200.5)
Distributed to Unit Holders HAL Trust	247.2	200.5
Net change	-	-

Notes to the unconsolidated financial statements *(in millions of euro)*

The shares in HAL Holding N.V. are accounted for at historical cost. As of December 31, 2022, HAL Trust owned 88,598,887 shares of HAL Holding N.V. (2021: 86,729,713)

Distribution of Dividends

It is proposed to the Shareholders' Meeting of HAL Trust to instruct the Trustee to vote, at the General Meeting of Shareholders of HAL Holding N.V., in favor of the proposals to approve the Financial Statements for 2022 and to pay a dividend of € 5.00 per Share outstanding of which € 2.50 per Share shall be payable in Shares in the share capital of HAL Holding N.V. and € 2.50 per Share in cash.

It is proposed to direct the Trustee:

- to issue by way of stock dividend distribution to each HAL Trust Shareholder: such number of Shares as shall be based on the Conversion ratio, the number of Shares held by such HAL Trust Shareholder and the dividend per HAL Trust Share of € 2.50 payable in shares (refer to the explanatory notes to the agenda items 2(d) and 4 of the Notice to Trust Shareholders);
- to pay a cash dividend of € 2.50 per HAL Trust Share;
- and
- to convey to HAL Holding N.V. for what amount cash payments are to be made to the Trustee representing the value of fractions of HAL Trust Shares (if any) to which the respective HAL Trust Shareholders will be entitled on the basis of the Conversion ratio.

Shareholders holding their shares through Euroclear Nederland will be paid via affiliated banks and security brokers. To the other Shareholders payment of the dividend due is made directly, in accordance with the conditions agreed upon with these Shareholders.

The text of Article VII, Section 7.1 of the Trust Deed reads:

Profits of the Trust. The profits of the Trust in respect of a Financial Year as they appear in the profit and loss account of the Trust as approved by an Ordinary Resolution as provided in Section 14.3 shall be applied as follows:

- (A) FIRST: out of the profits such dividend as may be determined by Ordinary Resolution shall be distributed to the Trust Shareholders in proportion to the number of Units represented by the Shares held by such Trust Shareholders
- (B) SECOND: the remaining part of the profits, if any, shall be retained as Trust Property.

Independent Auditor's Report

To the Trustee and Shareholders of HAL Trust

Report on the audit of the financial statements

Our opinion

In our opinion the accompanying consolidated financial statements and unconsolidated financial statements give a true and fair view of the consolidated financial position of HAL Trust (the 'Trust') and its subsidiaries (together: the 'Group') and the unconsolidated financial position of the Trust as of December 31, 2022, and of their consolidated and unconsolidated financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS).

What we have audited

The consolidated financial statements and the unconsolidated financial statements (collectively referred to as the 'financial statements') are included on pages 25 to 155.

The financial statements comprise:

- the consolidated and unconsolidated statements of financial position as of December 31, 2022;
- the consolidated statement of income for the year ended December 31, 2022;
- the consolidated and unconsolidated statements of comprehensive income for the year ended December 31, 2022;
- the consolidated statement of changes in equity and the unconsolidated statement of changes in trust property for the year ended December 31, 2022;
- the consolidated and unconsolidated statements of cash flows for the year ended December 31, 2022; and
- the notes to the consolidated and unconsolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

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

Independence

We are independent of HAL Trust in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements of the Chartered Professional Accountants of Bermuda Rules of Professional Conduct (CPA Bermuda Rules) that are relevant to our audit of the financial statements. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the CPA Bermuda Rules.

Our audit approach

Overview and context

The Group is comprised of several components and therefore we considered our group audit scope and approach as set out in the “How we tailored our group audit scope” section of our report. We paid specific attention to the areas of focus driven by the operations of the Group, as set out below.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the Executive Board of HAL Holding N.V. (hereinafter the ‘Executive Board’) made subjective judgments; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

In the “Basis of preparation” section on page 33 of the financial statements, the Executive Board describes the areas of judgment in applying accounting policies and the key sources of estimation uncertainty. Given the higher inherent risks of material misstatement in the valuation of assets and liabilities in acquisitions of subsidiaries, impairment testing of tank terminal assets and joint ventures and associates and assessment of valuation of goodwill, we continued to consider these to be key audit matters in 2022. The obtained (de facto) control and consolidation of Koninklijke Boskalis N.V. (‘Boskalis’) had significant impact on the financial position of the Group and required significant judgment by the Executive Board in relation to the determination of the moment of (de facto) control and the revaluation of the previously held equity interest. Therefore, we also considered this a key audit matter. We also added the recognition of contract revenue and valuation of unbilled revenue and deferred revenue of Boskalis as a key audit matter because significant judgments are involved in the assessment of the financial performance of contracts. Each of these key audit matters have been set out in the section “Key audit matters” of this report.

As in all of our audits, we addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the Executive Board that may represent a risk of material misstatement due to fraud. This was not considered to be a key audit matter.

We ensured that the audit teams both at Group and at component levels included the appropriate skills and competencies which were needed for the audit. Specialists in the areas of IT, cyber security, taxes, valuation, forensics, pensions and share-based compensation were included in the audit teams.

The outline of our audit approach was as follows:

Materiality	<ul style="list-style-type: none">• Overall materiality: € 28.7 million which represents 5% of profit before tax adjusted for exceptional items and non-controlling interests.
Group scoping	<ul style="list-style-type: none">• We conducted our audit work at the Trust and HAL Holding N.V.'s corporate entities and 19 components, as described in the section "How we tailored our group audit scope".• Each of the 19 components was audited by a local component audit team with whom the group audit team has been in frequent contact. The majority of the audits were carried out in a hybrid way, being a combination of virtual meetings and meetings physically at the components. We fulfilled our oversight obligations through (virtual) visits for 9 components including the individually, financially significant components Boskalis, Koninklijke Vopak N.V. ('Vopak') and Broadview Holding B.V. ('Broadview').• Audit coverage: 100% of consolidated revenue, 94% of consolidated total assets and 92% of consolidated profit before tax.
Key audit matters	<ul style="list-style-type: none">• The obtained (de facto) control and consolidation of Boskalis• Valuation of assets and liabilities in acquisitions of subsidiaries• Impairment testing of tank terminal assets and joint ventures and associates of Vopak• Assessment of valuation of goodwill (including goodwill related to associates)• Recognition of contract revenue and valuation of unbilled and deferred revenue of Boskalis

Materiality

The scope of our audit was influenced by our application of materiality which is further explained in the "Auditor's responsibilities for the audit of the financial statements" section of our report. An audit is designed to obtain reasonable assurance about whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They 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 the financial statements.

Based on our professional judgment, we determined certain quantitative thresholds for materiality, including the overall group materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Overall group materiality	€ 28.7 million
How we determined it	5% of adjusted profit before tax
Rationale for the materiality benchmark applied	We used profit before tax as the primary benchmark, a generally accepted auditing practice, based on our analysis of the common information needs of users of the financial statements. On this basis we believe that profit before tax is an important metric for the financial performance of the Group. We adjusted profit before tax for the effect of exceptional items and non-controlling interests.
Component materiality	To each component in our audit scope, we, based on our judgment, allocated materiality that is less than our overall group materiality. The materiality allocated across components was in the range of € 0.5 million to € 27.5 million.

We also take misstatements and/or possible misstatements into account that, in our judgment, are material for qualitative reasons.

We agreed with the Executive Board and the Supervisory Board of HAL Holding N.V. that we would report to them any misstatements impacting profit before tax identified during our audit above € 500,000 for components with revenues above € 100 million and € 250,000 for components with revenues below € 100 million. Where misstatements have no impact on profit before tax, we agreed that we would report those above € 4,000,000 for components with revenues above € 100 million, and for components with revenues below € 100 million we would report those above € 2,000,000. We also agreed that we would report misstatements below these amounts that, in our view, warranted reporting for qualitative reasons. In relation to Boskalis, Vopak and Safilo Group S.p.A. ('Safilo') we agreed with the Executive Board and Supervisory Board of HAL Holding N.V. that we would report to them misstatements identified during our audit above € 1,250,000, € 1,050,000 and € 500,000 respectively.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have communicated the key audit matters and a summary of the audit procedures we performed on those matters to the Supervisory Board of HAL Holding N.V. (hereinafter the 'Supervisory Board'). The key audit matters are not a comprehensive reflection of all matters that were identified by our audit and that we discussed.

The key audit matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon. We do not provide a separate opinion on these matters or on specific elements of the financial statements. Any comments we make on the results of our procedures should be read in this context.

Key audit matter	How our audit addressed the key audit matter
<p>The obtained (de facto) control and consolidation of Boskalis</p> <p><i>See note 3 of the consolidated financial statements for the disclosures of related accounting policies, judgments and estimates.</i></p> <p>During the year, HAL made an all-cash, voluntary offer for all issued and outstanding ordinary shares of Boskalis and increased its shareholding in Boskalis to 98.9% as of December 31, 2022. Following the announcement of the intended offer on March 10, 2022, HAL acquired shares in Boskalis. As a result of the increase in shareholding throughout the year, the Executive Board determined that HAL obtained de facto control over Boskalis on July 5, 2022.</p> <p>The increase in shareholding in Boskalis has a significant impact on the financial position of the Group and had a significant impact on our audit. We considered this to be a key audit matter given that significant judgment was required by the Executive Board in relation to the determination of the moment of (de facto) control and the revaluation of the previously held equity interest.</p> <p>Management determined that on July 5, 2022, de facto control was obtained over Boskalis and consequently as of that date management included Boskalis in the consolidation.</p> <p>As of the date of (de facto) control, the Executive Board applied purchase accounting in accordance with IFRS 3. In that respect, we refer to our key audit matter “Valuation of assets and liabilities in acquisitions of subsidiaries”.</p> <p>The revaluation of the previously held equity interest to fair value resulted in a gain of € 656.2 million.</p>	<p>We obtained an understanding of the offering memorandum and held inquiries with management.</p> <p>We obtained an understanding of management’s process to assess (de facto) control over Boskalis. Because shares in Boskalis were purchased at various dates throughout the year, management performed a (de facto) control assessment at each date that shares were purchased, taking into account historical attendance and voting patterns at Boskalis’ Annual General Meeting and HAL’s potential voting rights.</p> <p>Based on our procedures performed, we considered management’s assessment of (de facto) control appropriate.</p> <p>We assessed whether the revaluation of the previously held equity interest in Boskalis was appropriately calculated in accordance with IFRS 3, based on the observable market price as of the date that (de facto) control was obtained.</p> <p>In relation to the above matters, we considered the related disclosures in note 3 to the consolidated financial statements to be adequate.</p>

Key audit matter	How our audit addressed the key audit matter
<p>Valuation of assets and liabilities in acquisitions of subsidiaries</p> <p><i>See notes 3 and 7 of the consolidated financial statements for the disclosures of related accounting policies, judgments and estimates.</i></p> <p>During 2022 the Group entered into various acquisition agreements. The net valuation of assets and liabilities acquired in these acquisitions amounted to €2,982.2 million in 2022.</p> <p>We considered this to be a key audit matter given that the valuation of assets and liabilities in the current year acquisitions requires significant judgment by management in allocating the purchase consideration to assets acquired and liabilities assumed based on their respective fair values. This included, but was not limited to, assessing the fair value of tangible and intangible non-current assets acquired such as vessels, trademarks, customer relationships and order backlog. The remaining unallocated balance determined the value of goodwill.</p> <p>As part of the valuation process, management utilized valuation experts to assist in the determination of the purchase price allocation and valuation of identified assets and liabilities.</p>	<p>Our audit procedures on acquisitions included an assessment of the purchase agreements, the process that management has undertaken to determine the allocation of the respective purchase considerations, including contingent adjustments, including but not limited to, understanding the scope of work, assessing the qualifications, competence and objectivity of the valuation experts engaged by the Group and evaluating the process and oversight performed by the Group's finance team on harmonizing the accounting policies.</p> <p>Furthermore, with the assistance of our valuation experts, we tested the fair value measurements prepared by management and their valuation experts, including evaluating the key valuation inputs and assumptions used. We corroborated and, where appropriate, benchmarked key data used in the valuation model, such as the pre-acquisition carrying values, discount rates, royalty rates and retention rates for the valuation of customer relationships and trademarks.</p> <p>Based on our procedures, we considered management's allocation of the purchase considerations and fair value measurements to be appropriate. Further, we consider the related disclosures in notes 3 and 7 to the consolidated financial statements to be adequate.</p>

Key audit matter	How our audit addressed the key audit matter
<p>Impairment testing of tank terminal assets and joint ventures and associates of Vopak</p> <p><i>See notes 4, 8, 35 and 43 of the consolidated financial statements for the disclosures of related accounting policies, judgments and estimates.</i></p> <p>Through its de facto controlling interest in Vopak, the Group controls a number of tank storage terminals with a total carrying value of owned property, plant and equipment of €3,267.5 million as of December 31, 2022. Furthermore, Vopak has an interest in a number of joint ventures and associates, with a total carrying value of €1,877.8 million as of December 31, 2022. The valuation of these assets is significant to our audit as the determination of whether these assets are not carried at more than their recoverable amounts is subject to significant management judgment.</p> <p>Such judgment is inherently uncertain and significantly depends on estimated future cash flows which are, among others, dependent on economic conditions. These future cash flows are also potentially impacted by climate-related risks and the energy transition, and judgment has to be applied to reflect the potential changes in supply and demand as a result of these climate-related risks and the energy transition.</p> <p>Management's assessment of the impact of the energy transition resulted in a revised value-in-use ('ViU') model for oil terminals. The revisions are disclosed in note 35 and mainly relate to:</p> <ul style="list-style-type: none"> • extending the distinct forecast beyond the 15-year period (which continues to be used for non-oil terminals) to include the period in which the energy transition is expected to take place; • the expected revenue and cash flow levels (using decreasing and negative growth rates); and • the estimated terminal value. <p>As described in note 35, the Group recognized impairments of (i) € 448.8 million on property, plant and equipment and intangible assets and (ii) € 36.2 million on joint ventures in 2022.</p>	<p>The audit of the impairment testing included, among others, evaluating Vopak's policies and procedures, including internal controls, to identify triggering events for potential impairment of terminal assets, joint ventures and associates. This included assessing the completeness of the impairment triggers identified by reviewing the actual and forecast financial performance of the cash-generating units.</p> <p>For the terminal locations that triggered management's impairment testing, we (i) evaluated the policies and procedures regarding impairment testing, (ii) challenged management's primary cash flow assumptions and (iii) corroborated them by comparison to commercial contracts, customer relationship management information, available market reports, historical trend analyses or market multiples from recent tank terminal sales transactions in the region. Furthermore, through inquiry with management and reviewing Vopak's Sustainability Roadmap as approved by the supervisory board of Vopak, we obtained an understanding of the outlook and plans for their oil terminals in the light of climate-related risks and the energy transition to obtain an understanding of the potential impact on the cash flow forecasts.</p> <p>We subsequently assessed the appropriateness of management's assumptions applied in the value-in-use models by obtaining an understanding of the terminal specific circumstances, including the specific product mix and the relevant geography's outlook on supply and demand. Furthermore, we involved our valuation experts to validate the weighted average cost of capital as applied by Vopak and the appropriateness of certain assumptions in the applied value-in-use calculations. Finally, we assessed whether the main assumptions and related uncertainties are appropriately reflected in the disclosures in note 35.</p> <p>We did not identify any material reportable matters in management's assessment of the recoverability of property, plant and equipment, joint ventures and associates and the corresponding disclosures in the notes. By their nature, the assumptions applied in measuring the recoverable amount are subject to developments and changes in later periods. This could potentially result in future (reversal of) impairments of terminal assets, joint ventures and associates.</p>

Key audit matter	How our audit addressed the key audit matter
<p>Assessment of valuation of goodwill (including goodwill related to associates)</p> <p><i>See notes 7, 8 and 35 of the consolidated financial statements for the disclosures of related accounting policies, judgments and estimates.</i></p> <p>The goodwill on the consolidated statement of financial position of the Group totals to € 2,116.8 million. In assessing whether these amounts are recoverable, management generally applied the value-in-use method. The Group also holds interests in associates other than those held by Vopak. Management performs a triggering-event analysis annually for its associates. If a trigger is identified, an impairment test is performed. A trigger was identified for the Group's associate Prodrive Technologies.</p> <p>We considered this to be a key audit matter given the level of management judgment involved in assessing the recoverable amounts.</p> <p>In relation to discounted cash flow assumptions, the growth rates of revenue, anticipated margin improvements and discount rates are considered to be the most sensitive assumptions.</p> <p>Management's impairment assessments resulted in the recognition of an impairment of goodwill of € 312.1 million, and an impairment of goodwill on associates of € 93.7 million (as part of a total impairment on this associate of € 129.6 million).</p>	<p>Our audit procedures included, among others, an evaluation of the Group's policies and procedures applied in the triggering-event-based and the annual impairment test of goodwill performed to identify potential impairments of goodwill, as well as management's assessment with respect to triggering events for their associates.</p> <p>For management's calculations, using the discounted cash flow method, we have evaluated and challenged (component) management's key cash flow assumptions, including but not limited to growth rates of revenue and anticipated gross margin developments including the implications of the Russian military invasion of Ukraine to the business, and corroborated them by comparing to internal forecasts and long-term and strategic plans that were approved by (component) management and the (local) supervisory board.</p> <p>We also performed historic trend analyses to assess the quality of the forecasting process and – with the assistance of our valuation experts – evaluated the discount rate applied for each cash-generating unit.</p> <p>Based on our procedures, we consider management's key assumptions used in measuring the recoverable amount to be within a reasonable range of our own expectations and the related disclosures on assumptions, uncertainties and impairments in note 35 to the consolidated financial statements to be adequate.</p>

Key audit matter	How our audit addressed the key audit matter
<p>Recognition of contract revenue and valuation of unbilled revenue and deferred revenue of Boskalis</p> <p><i>See notes 12 and 23 of the consolidated financial statements for the disclosures of related accounting policies, judgments and estimates.</i></p> <p>The Group's controlling interest Boskalis operates a business on a project basis. The projects are characterized by contract risk with significant judgments involved in the assessment of contract financial performance.</p> <p>Contract revenue and costs are recognized based on the progress of the projects over time by reference to the percentage-of-completion method. When a contract is not estimated to be profitable, the loss is recognized in the consolidated statement of income immediately.</p> <p>The status of contracts is updated on a regular basis. In doing so, Boskalis' management exercises significant judgment in their assessment of:</p> <ul style="list-style-type: none"> • the valuation of contract variations, claims and liquidated damages; • the completeness and accuracy of forecasts regarding costs to complete; and • the ability to deliver contracts within forecasted timescales. <p>The valuation of contracts includes inherent uncertainty in the estimation of costs to fulfil the contract (e.g. weather conditions, seabed conditions and operational performance of the vessels). The potential final contract outcomes can cover a wide range.</p> <p>We considered management override of controls relating to significant judgments and assumptions involved. Changes in these judgments, and the related estimates, as contracts progress can result in material adjustments to revenue and margin, which can be both positive and negative.</p> <p>Based on the above, we considered this to be a key audit matter.</p>	<p>The audit procedures on contract revenue and valuation of unbilled revenue and deferred revenue included an assessment of the Group's policies and procedures for Boskalis' projects, substantive audit procedures and testing of Boskalis' management's positions against underlying documentation.</p> <p>We tested the adequacy and support for cost-to-complete estimates and also tested management's estimate of potential losses in projects in the order book for adequacy and completeness.</p> <p>We also considered developments noted at ongoing projects and assessed updated budgets. Other substantive procedures comprised of testing contractual terms and conditions, including performance obligations, disputes, claims and variation orders, costs incurred, including local representatives' fees, and forecasted cost to complete including progress measurement. We challenged Boskalis' management's assumptions at the project and central management level. We also discussed with management during site visits the impact of financial and operational risks, disputes and related estimation uncertainties and assessed whether these factors have been adequately reflected in revenue recognition and the valuation of unbilled and deferred revenue.</p> <p>We assessed that the Group's revenue recognition accounting policies were appropriately applied and disclosed in accordance with IFRS 15. We assessed whether contract revenues, including claims and variation orders, meet the IFRS 15 recognition criteria and are accurately and completely valued.</p> <p>Where applicable, we assessed whether losses were completely and accurately accounted for. Furthermore, we have assessed that management's assumptions and estimates are within an acceptable range and that the disclosure notes are adequate.</p>

How we tailored our group audit scope

HAL Trust holds 100% of the shares of HAL Holding N.V., a Curaçao based limited liability company, that manages the group of entities included in the financial statements. The financial information of HAL Holding N.V. and this group of entities are included in the financial statements of HAL Trust. The Executive Board and the Supervisory Board reside at the level of HAL Holding N.V.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to provide an opinion on the financial statements as a whole, taking into account the management structure of the Group, the nature of operations of its components, the accounting processes and controls, and the markets in which the components of the Group operate.

We conducted audit work at HAL Trust, HAL Holding N.V.'s corporate entities and 19 of its components. A full scope audit was performed at three components as we determined these components to be individually financially significant to the Group. These three components are: Boskalis (The Netherlands), Vopak (The Netherlands) and Broadview (The Netherlands). Additionally, three components were selected for full scope audit procedures based on our scoping determinations. At the request of the Executive Board and the Supervisory Board, we further undertook full scope audits at 13 additional components. For HAL Trust, HAL Holding N.V. and HAL Holding N.V.'s corporate entities, the group engagement team performed the audit work. For all other components that are in scope of the Group audit, the group audit team used component auditors, who are familiar with the local laws and regulations, to perform this audit work.

In establishing the overall group audit strategy and plan, we determined the type of work required to be performed at the component level by the group engagement team and by each component auditor. Where the work was performed by component auditors, the group audit team determined the level of involvement it needed to have in the audit work at those components, to be able to conclude whether sufficient appropriate audit evidence had been obtained, to support our opinion on the financial statements as a whole.

We issued instructions to the component audit teams in our audit scope. These instructions included among others our risk analysis, materiality and the scope of the work to be performed. We explained to the component audit teams the structure of the Group, the main developments in the current year that were relevant for the component auditors, the risks identified relevant to the group audit, the materiality levels to be applied and our global audit approach. We had individual calls with each of the in-scope component audit teams both during the year and upon conclusion of their work. During these calls, we discussed the significant accounting and audit issues identified by the component auditors, their reports, the findings of their procedures and other matters that could be of relevance for the consolidated financial statements.

The group engagement team visited local management and the component auditors of Boskalis, Vopak and Broadview, given the significance of these components. Visits were carried out in a hybrid way, being a combination of virtual meetings and meeting physically at the components. For each of these components the group audit team reviewed all reports regarding the audit approach and audit findings of the component auditors, held several meetings with and reviewed the selected working papers of the component auditors and assessed the sufficiency and appropriateness of the work performed by the component auditors.

The group audit team also attended the (virtual) meetings with local management for Boskalis, Vopak, Broadview, De Drie Eiken ('Van Wijnen', The Netherlands), Safilo (Italy), CaseGi Holding GmbH ('Pro Gamers Group', Germany), Atlas Professionals B.V. (The Netherlands), Auxilium GmbH (Germany) and GreenV B.V. (The Netherlands). The group audit team reviewed

and discussed all reports regarding the audit approach and audit findings of the component auditors.

In total, in performing these procedures, we achieved the following coverage on the financial line items:

Audit coverage per financial statements line item*

Revenue	100%
Total assets	94%
Profit before tax	92%

* The in scope percentages are the percentages of revenue, total assets and profit before tax covered by the component auditor's reports on the investments of HAL Holding N.V., notwithstanding that the audits of the financial statements of those investments do not necessarily have all their subsidiaries in scope to support their full scope audit opinion to us.

None of the remaining components represented more than 5% of total group assets. For those remaining components, the group audit team performed, among other things, analytical procedures to corroborate the assessment that there were no significant risks of material misstatements within those components. In instances where the remaining component was a quoted entity, the group audit team also performed reconciliations to the audited financial statements.

By performing the procedures outlined above at the components, we have been able to obtain sufficient and appropriate audit evidence on the Group's financial information, as a whole, to provide a basis for our opinion on the financial statements.

Other information

The Executive Board is responsible for the other information. The other information comprises all information in the Annual Report 2022 (but does not include the financial statements and our auditor's report thereon).

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Report on other legal and regulatory requirements

European Single Electronic Format (ESEF)

HAL Trust has prepared the annual report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion, the annual report prepared in XHTML format, including the (partially) marked-up consolidated financial statements, as included in the reporting package by HAL Trust, complies in all material respects with the RTS on ESEF.

The Executive Board is responsible for preparing the annual report, including the financial statements in accordance with the RTS on ESEF, whereby the Executive Board combines the various components into a single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package complies with the RTS on ESEF.

Our examination included among others:

- Obtaining an understanding of the entity's financial reporting process, including the preparation of the reporting package.
- Identifying and assessing the risks that the annual report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including:
 - obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance document and the XBRL extension taxonomy files have been prepared in accordance with the technical specifications as included in the RTS on ESEF;
 - examining the information related to the consolidated financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF.

Responsibilities of management and those charged with governance for the financial statements

The Executive Board is responsible for the preparation of the financial statements that give a true and fair view in accordance with EU-IFRS, and for such internal control as the Executive Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Board is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for supervising the procedures followed by the Executive Board in the preparation of the financial statements.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

-
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our 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.
 - Obtain 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 Group's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures of the Group and of the Trust, made by the Executive Board.
 - Conclude on the appropriateness of the Executive Board'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 Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Group's consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion on the Group's consolidated financial statements.

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

We also 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Supervisory Board, we determine those matters that were of most significance in the audit of the financial statements of the Trust for the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is David Gibbons.

PricewaterhouseCoopers Ltd.

Chartered Professional Accountants

Hamilton, Bermuda, March 29, 2023

Five-Year Summary

Consolidated Statement of Financial Position

<i>In millions of euro</i>	2022*	2021*	2020*	2019*	2018*
Non-current assets					
Property, plant and equipment	4,439.8	1,266.1	1,188.8	1,217.9	1,517.5
Right of use assets	425.7	325.1	320.5	347.6	-
Investment properties	76.5	68.0	42.0	34.0	-
Intangible assets	3,273.9	1,926.4	850.9	852.1	2,275.8
Investments in associates and joint arrangements	3,150.8	3,995.6	3,664.7	3,279.2	3,089.0
Derivatives and other financial assets	86.8	316.6	167.6	598.8	504.8
Pension benefits	55.3	58.5	41.2	40.5	68.8
Deferred tax assets	42.7	40.8	21.0	24.0	63.9
<i>Total non-current assets</i>	11,551.5	7,997.1	6,296.7	6,394.1	7,519.8
Current assets					
Inventories	875.1	733.0	519.6	428.5	610.8
Receivables	1,081.9	698.5	566.1	560.6	616.2
Marketable securities and deposits	3,360.9	4,160.0	175.8	222.6	274.7
Derivatives and other financial assets	294.5	273.2	20.8	11.7	3.6
Other current assets	626.1	178.5	157.2	122.3	282.4
Contract assets	372.4	70.6	79.3	-	-
Cash and cash equivalents	1,932.4	2,084.0	1,269.7	1,399.9	2,020.8
Assets held for sale	236.1	32.0	5,281.4	4,991.1	55.7
<i>Total current assets</i>	8,779.4	8,229.8	8,069.9	7,736.7	3,864.2
Total assets	20,330.9	16,226.9	14,366.6	14,130.8	11,384.0
Equity attributable to owners of parent	12,961.9	12,387.2	7,944.3	7,960.3	7,471.2
Non-controlling interest	277.4	348.8	788.7	630.3	588.4
Non-current liabilities					
Deferred tax liabilities	419.1	287.5	161.2	181.6	181.8
Provisions	207.1	89.4	109.9	67.7	156.9
Contract liabilities	16.0	14.3	13.6	13.0	8.2
Lease liabilities	321.2	240.1	238.7	277.5	-
Debt and other financial liabilities	1,263.3	1,027.6	582.2	647.9	932.5
<i>Total non-current liabilities</i>	2,226.7	1,658.9	1,105.6	1,187.7	1,279.4
Current liabilities					
Provisions	156.0	11.8	14.4	20.2	26.5
Contract liabilities	659.4	234.9	141.2	53.5	140.8
Accrued expenses	1,390.6	426.6	325.8	256.8	548.3
Income tax payable	208.1	66.3	38.1	16.2	57.2
Accounts payable	972.1	666.1	529.5	419.1	537.5
Lease liabilities	105.4	79.9	72.1	66.4	-
Debt and other financial liabilities	1,369.1	346.4	413.3	237.1	697.8
Liabilities related to assets held for sale	4.2	-	2,993.6	3,283.2	36.9
<i>Total current liabilities</i>	4,864.9	1,832.0	4,528.0	4,352.5	2,045.0
Total equity and liabilities	20,330.9	16,226.9	14,366.6	14,130.8	11,384.0
Equity per share (in euro)	146.31	142.87	93.12	95.45	91.45
Net asset value per share at market value of quoted companies (in euro)	147.72	151.22	149.91	164.20	137.57

* Figures used are based on the pro forma consolidated financial statements

Five-Year Summary

Consolidated Statement of Income

<i>In millions of euro</i>	2022*	2021*	2020*	2019*	2018*
Revenues	7,625.9	5,008.4	3,387.4	2,965.4	2,401.8
Earnings from marketable securities and deposits	(119.7)	80.0	(28.9)	5.5	(7.7)
Share of results of associates and joint ventures	657.0	286.4	108.4	235.3	(54.4)
Income from other financial assets	(6.0)	4.2	4.4	11.5	6.7
Income from real estate activities	58.1	49.7	2.3	(2.5)	10.2
Other income	108.8	3,511.4	86.4	39.0	2.7
Total Income	8,324.1	8,940.1	3,560.0	3,254.2	2,359.3
Raw materials, consumables used and changes in inventories	4,588.9	2,751.0	1,658.8	1,352.4	1,131.2
Employee expenses	1,487.9	1,128.6	836.1	735.4	578.3
Depreciation and impairments property, plant and equipment and investment properties	277.5	127.0	126.6	110.7	89.1
Depreciation & impairment Right of Use assets	104.6	82.5	72.9	57.7	-
Amortization and impairments intangible assets	414.0	71.1	95.0	58.2	21.2
Other operating expenses	824.7	635.2	529.7	526.5	477.5
Total expenses	7,697.6	4,795.4	3,319.1	2,840.9	2,297.3
Operating profit	626.5	4,144.7	240.9	413.3	62.0
Financial income and (expense)	(20.7)	(27.3)	(47.0)	(32.6)	(28.7)
Profit before income tax	605.8	4,117.4	193.9	380.7	33.3
Income tax expense	(75.3)	(88.3)	(9.8)	(36.4)	(23.6)
Net profit from continuing operations	530.5	4,029.1	184.1	344.3	9.7
Net profit from discontinued operations	-	399.9	642.9	460.8	226.0
Net profit before non-controlling interest	530.5	4,429.0	827.0	805.1	235.7
Non-controlling interest	116.9	(158.2)	(203.7)	(139.3)	(81.0)
Net profit attributable to owners of parent	647.4	4,270.8	623.3	665.8	154.7
Earnings per Share (in euro)	7.38	48.68	7.25	7.91	1.87
Dividend per Share (in euro)	5.00**	5.70	4.70	5.80	5.30

* Figures used are based on the pro forma consolidated financial statements

**Proposed

Company Financial
Statements
HAL Holding N.V.

Company Statement of Financial Position HAL Holding N.V. (in millions of euro)

<i>As of December 31</i>	2022	2021
Non-current assets		
Financial assets	10,403.3	8,017.4
Current assets		
Other current assets	0.4	0.9
Marketable securities and bank deposits	3,194.7	4,431.5
Total assets	<u>13,598.4</u>	<u>12,449.8</u>
Equity	13,010.1	12,434.7
Current liabilities		
Current debt	576.0	-
Accrued expenses	12.3	15.1
Total equity and liabilities	<u>13,598.4</u>	<u>12,449.8</u>

Company Statement of Income HAL Holding N.V. (in millions of euro)

<i>For the year ended December 31</i>	2022	2021
Income from financial assets	772.0	4,302.6
General and administrative expenses	(14.5)	(14.9)
	<u>757.5</u>	<u>4,287.7</u>
Financial income/(expense)	(110.7)	(17.5)
Net income	<u>646.8</u>	<u>4,270.2</u>

Notes to the company financial statements HAL Holding N.V. (in millions of euro)

The company financial statements of HAL Holding N.V. have been prepared in accordance with book 2 of the Civil Code applicable for Curaçao, applying accounting principles generally accepted in the Netherlands as allowed by article 2:120 of the Civil Code applicable for Curaçao. For details concerning the accounting principles in respect of the statement of financial position and statement of income, reference is made to the consolidated financial statements of HAL Trust (which are identical to the consolidated financial statements of HAL Holding N.V.) except for investments in subsidiaries which are carried at net asset values.

Financial assets

Balance on January 1, 2022	8,017.4
Income	772.0
Increase/(decrease) in loans, net	1,392.0
Exchange differences, valuation differences and equity adjustments	221.9
Balance on December 31, 2022	<u>10,403.3</u>

Financial assets include receivables on group companies for an amount of € 1,500.4 million (2021: € 1.0 million).

Equity

The movement for 2022 of Shareholders' equity is included on pages 31 and 70.

On December 31, 2022 and 2021, 88,598,887 and 86,729,713 Shares respectively were outstanding, with a nominal value of € 0.02 each, and all were held by HAL Trust.

The Company may purchase HAL Trust Shares, when deemed appropriate, up to a maximum of 10% per year of the number of Shares outstanding at the beginning of the year.

A 2021 dividend of € 494.2 million (excluding dividend on treasury shares) or € 5.70 per Share was distributed on June 17, 2022 (2021: € 200.5 million or € 4.70 per Share), of which € 247.1 million in cash and € 247.1 million in stock. The conversion ratio of 1:46.4 resulted in 1,869,174 new Shares being issued.

The Company owned 6,337 HAL Trust Shares as of December 31, 2022. These shares may be used in the context of a share participation plan for management (not being members of the Executive Board).

Supervisory Directors

The 2022 fixed remuneration for the Supervisory Directors of HAL Holding N.V. was € 0.4 million in total (2021: € 0.4 million).

Distribution of Profits

The profit to be decided upon by the General Meeting of Shareholders of HAL Holding N.V. for 2022 is as follows:

<i>In millions of euro</i>	2022
Net income according to the Statutory Statement of Income	646.8
Available for distribution to Shareholders	646.8
Proposed distribution	
In accordance with Article 31 (1), 0.03 euro for each of the 88,598,887 Shares	2.7
Available to the General Meeting of Shareholders in accordance with Article 31 (2)	644.1
Addition to the available reserves	(203.8)
Available for distribution	<u>443.0</u>
After approval of the dividend proposal of € 5.00 per Share by the General Meeting of Shareholders of HAL Holding N.V., the dividend shall be distributed to HAL Trust for 88,598,887 Shares at € 5.00 per Share	<u>443.0</u>

The above references to Articles refer to the Articles of Association of the Company.

The dividend shall be payable in Shares in the share capital of the Company for an amount of € 2.50 per Share and € 2.50 per Share in cash.

HAL Trust Organization

A Trust, which is quite common in Anglo-American law, is a property managed in accordance with a trust deed by a Trustee on behalf of the beneficial owners.

The Trust has the following three components:

The Meeting of Shareholders of HAL Trust

Except for the powers of the Trust Committee described below, control of the Trust rests with the Meeting of Trust Shareholders. The Meeting of Trust Shareholders approves the annual accounts and decides on the distribution of profits.

Execution of the decisions of the Meeting of Trust Shareholders is the task of the Trustee. The Trustee therefore votes at the General Meeting of Shareholders of HAL Holding N.V. in accordance with the outcome of the vote taken at the Meeting of Shareholders of HAL Trust.

The Annual Meeting of Trust Shareholders takes place in Rotterdam. The members of the Board of Supervisory Directors and the Executive Board of HAL Holding N.V. shall be present at the meeting in order to explain policies pursued.

The Trustee

The function of Trustee is exercised by HAL Trustee Limited, Hamilton, Bermuda. The Board consist of Messrs. D.C. Meerburg, *Chairman*, C. MacIntyre, H.E. Cooper M.P.M. de Raad and H. van Everdingen, *members*.

The Trustee is the legal owner of the assets of the Trust, which consist of Shares in HAL Holding N.V., Curaçao.

The powers of the Trustee are limited to execution of the decisions of the Meeting of Trust Shareholders of HAL Trust and of the Trust Committee.

The Trustee votes at the General Meeting of Shareholders of HAL Holding N.V. in accordance with the instructions of the Meeting of Shareholders of HAL Trust.

The Trust Committee

The Trust Committee is HAL Trust Committee Limited, Hamilton, Bermuda.

The Board of HAL Trust Committee Limited consists of Messrs. P.J. Kalff, *Chairman*, C. MacIntyre, H.E. Cooper, M. van der Vorm and A.A. van 't Hof, *members*.

This Board is appointed by the Stichting HAL Trust Commissie, shareholder of HAL Trust Committee Limited. The Board of the Stichting is appointed by the shareholders of HAL Trust and consists of Messrs. P.J. Kalff, M. van der Vorm and A.A. van 't Hof.

The Trust Committee is empowered to regroup the assets of the enterprise if, in special circumstances such as international political complications, it considers it necessary to do so in the interest of the shareholders and/or the enterprise. The objective of such regrouping is to replace HAL Holding N.V. with a company situated in another jurisdiction. To achieve this, HAL Holding N.V. may transfer its assets to that new company in exchange for a repurchase of shares. The Trust Committee also has the power to appoint another Trustee, if necessary. Finally, the Trust Committee has some duties of an administrative nature.

Description Corporate Governance

HAL Holding N.V.

A Curaçao public company

HAL Holding N.V. is a public company with its corporate seat in Curaçao. The Corporate Governance of HAL Holding N.V. is subject to the law of Curaçao as well as the articles of association and regulations adopted in accordance with such law. HAL Holding N.V. reports its financial position in accordance with International Financial Reporting Standards as adopted by the European Union.

HAL Holding N.V. is a holding company and parent company of a number of subsidiaries.

Share capital

HAL Holding N.V. has a share capital that is divided in shares with a nominal value of € 0.02 each. All shares have the same rights. Each share carries the right to exercise one vote in the General Meeting of Shareholders. All shares are in registered form.

HAL Trust

All shares in the capital of HAL Holding N.V. are held by HAL Trust on behalf of the Trust Shareholders. For each share in the capital of HAL Holding N.V. one Trust Share has been issued by HAL Trust. All Trust Shares have the same rights. Each Trust Share carries the right to exercise one vote in the meeting of Trust Shareholders. All distributions made by HAL Holding N.V. in respect of its shares are distributed by HAL Trust to the Trust Shareholders.

HAL Trust is a trust under Bermuda law and is subject to a trust deed, the text whereof has most recently been changed on May 18, 2011. The function of Trustee is exercised by HAL Trustee Limited. In addition, the trust deed grants certain powers to HAL Trust Committee Limited. For further information on HAL Trustee Ltd. and HAL Trust Committee Limited, see page 176. The Trust Shares are listed and traded on Euronext in Amsterdam.

Meetings of Trust Shareholders

In accordance with the provisions of the trust deed each year a meeting of Trust Shareholders is held prior to the General Meeting of Shareholders of HAL Holding N.V.

The meeting of Trust Shareholders has, inter alia, the power to direct the Trustee as to the exercise by the Trustee of its voting rights in the General Meeting of Shareholders of HAL Holding N.V. This means that the Trust Shareholders have de facto control in the General Meeting of Shareholders of HAL Holding N.V.

Neither the articles of association of HAL Holding N.V. nor the trust deed contain any protective provisions which limit the control of the Trust Shareholders. All resolutions of the General Meeting of Shareholders of HAL Holding N.V. require a simple majority of the votes cast. The same holds for the decision-making process in the meeting of Trust Shareholders.

Rights of Trust Shareholders

Each Trust Shareholder has the right to attend the meetings of Trust Shareholders, either in person or by written proxy, to speak at such meetings and to exercise his voting rights. In addition, Trust Shareholders who together represent at least 10% of all outstanding Trust Shares are entitled to request the Trustee to convene a meeting of Trust Shareholders.

Powers General Meeting of Shareholders

In accordance with the articles of association of HAL Holding N.V. the General Meeting of Shareholders of HAL Holding N.V. and therefore indirectly the meeting of Trust Shareholders, has the following powers:

1. appointment and dismissal of the members of the Executive Board and the Supervisory Board;
2. approval of the financial statements;
3. granting discharge to the members of the Executive Board and the Supervisory Board;
4. amendment of the articles of association, provided such amendment is proposed by the Executive Board and has been approved by the Supervisory Board;
5. remuneration of supervisory directors;
6. appointment of the external auditor;
7. decisions about the distribution of profits following payment of the primary dividend on shares, as set out in the articles of association, and after the taking of certain reserves by the Executive Board subject to the approval of the Supervisory Board;
8. all other powers which the articles of association do not grant to another corporate body.

Executive Board

The Executive Board of HAL Holding N.V. is responsible for the management of the Company, which means, among other things, that it is responsible for achieving the company's objectives, strategy and policy. The Executive Board is accountable to the Supervisory Board and to the General Meeting of Shareholders. In discharging its role, the Executive Board is guided by the interests of the Company and its business, taking into consideration the relevant interests of all those involved in the Company.

The Executive Board is responsible for complying with all relevant legislation and regulations, for managing the risks associated with the Company's activities and for the financing of the Company.

The number of members of the Executive Board is determined by the Supervisory Board. At present the Executive Board consists of three members. All members have been appointed by the General Meeting of Shareholders for an indefinite period of time. They can be dismissed by the General Meeting of Shareholders. In addition they can be suspended by the Supervisory Board.

With the approval of the Supervisory Board the Executive Board has adopted regulations which, inter alia, provide for additional rules in respect of the decision taking process within the Executive Board, the reporting to the Supervisory Board, the treatment of possible conflicts of interest and the fulfilment by members of the Executive Board of additional offices.

The Supervisory Board determines the remuneration of each member of the Executive Board. The remuneration consists of a fixed part and a variable part, the size whereof is determined by the Supervisory Board who also decides on additional benefits. The members of the Executive Board do not participate in any option scheme and do not receive any personal loans or guarantees from the Company.

Supervisory Board

The Supervisory Board is responsible for the supervision of the policies of the Executive Board and the general affairs of the Company and its business. It also assists the Executive Board by providing advice. In discharging its role the Supervisory Board is guided by the interests of the

Company and its business and shall take into account the relevant interests of all those involved in the Company. The Supervisory Board is responsible for the quality of its own performance.

The Supervisory Board consists of at least five members. The Supervisory Board can determine that the Board consists of more members. At present the Board has five members which have been appointed by the General Meeting of Shareholders for an indefinite period of time. Each year at least one supervisory director resigns in accordance with a retirement schedule set by the Board. A supervisory director resigning in accordance with the retirement schedule is eligible for re-appointment.

The Supervisory Board has chosen a chairman and a vice chairman from among its members.

All tasks and duties of the Supervisory Board are exercised on a collegiate and full-board basis. The Supervisory Board has adopted regulations which, inter alia, provide for rules in respect of the providing of information by the Executive Board, the matters that in any case must be addressed each year, the manner of meeting and decision taking by the Supervisory Board, the treatment of potential conflicts of interest, the individual investments by supervisory directors and the criteria which may possibly jeopardize the independent exercise of the position of supervisory director.

The Supervisory Board has prepared a profile for its composition. Each member is capable of assessing the broad outline of the overall policy. Together the supervisory directors have sufficient expertise to carry out the tasks of the Supervisory Board taken as a whole.

The General Meeting of Shareholders determines the remuneration of the members of the Supervisory Board.

Supply of information/logistics General Meeting of Shareholders

The Executive Board and the Supervisory Board provide the General Meeting of Shareholders, and the meeting of Trust Shareholders, with all relevant information that they require for the exercise of their powers, unless this would be contrary to an overriding interest of the Company.

The Executive Board and the Supervisory Board will provide all shareholders and other parties in the financial markets who find themselves in an equal position with equal and simultaneous information about matters that may influence the price of the Trust Shares.

Any possible contacts between the Executive Board on the one hand and the press and financial analysts on the other will be carefully handled and structured, and the Company shall not engage in any acts that compromise the independence of analysts in relation to the Company and vice versa.

Financial reporting

The Executive Board is responsible for the quality and completeness of publicly disclosed financial reports. The Supervisory Board sees to it that the Executive Board fulfils this responsibility.

The consolidated financial statements of HAL Holding N.V. are prepared in accordance with International Financial Reporting Standards as adopted by the European Union. In addition HAL Holding N.V. publishes interim reports in accordance with the relevant provisions of the law and the listing requirements of Euronext in Amsterdam. All financial information is also published on the web site www.halholding.com. The financial statements are signed by the members of

the Executive Board and the Supervisory Board. The Supervisory Board discusses the financial statements with the external auditor prior to signing of the statements by the supervisory directors.

Reference is made to the Report of the Supervisory Board (page 7) and the report of the Executive Board (page 9). These reports explain the implications and the measures that have been taken as a consequence of the application of IFRS 10 which requires the Company to consolidate the financial statements of Koninklijke Vopak N.V. ('Vopak') and Safilo Group S.p.A. ('Safilo'). As explained in these reports, the Company has entered into Memoranda of Understanding with Vopak and Safilo with respect to confidentiality, the process of exchanging information and attendance rights to the Audit Committee meetings of Vopak and the Control and Risk Committee meetings of Safilo of an independent financial expert appointed by the Company. This independent financial expert reports to the Company if there are any matters which should be brought to the attention of the Company prior to the signing of the financial statements.

The assessment that the Company's financial statements do not contain material errors attributable to the financial statements of Vopak and/or Safilo is based on the external audit of these companies and the involvement of the independent financial expert referred to above. The Executive Board and the Supervisory Board felt that it was necessary to take the measures outlined above, in order to provide additional comfort to the Executive Board when discharging itself of its responsibility for financial statements of the Company and to the Supervisory Board when discharging itself of its responsibilities to supervise the Executive Board and to review and sign the annual financial statements.

The General Meeting of Shareholders appoints the external auditor. Following receipt by the Board of Supervisory Directors of advice from the Executive Board, the Supervisory Board prepares a nomination for the appointment of the external auditor. HAL Holding N.V. has no internal audit function.

Non-assurance services by the external auditor to HAL and entities (de facto) controlled by HAL are only allowed to a limited extent. These services need to be allowed under the independence rules of the audit profession and require approval of the Executive Board of HAL. Services for which the remuneration is in excess of € 50,000 also require the approval of the Supervisory Board. This policy is applicable as from January 26, 2023.

The external auditor is represented at the meetings of Trust Shareholders.

Information in respect of members of the Supervisory Board

M. van der Vorm (64) is a Dutch citizen. Mr. van der Vorm was appointed member of the Supervisory Board of HAL Holding N.V. in 2014. In 2016 he was appointed Chairman. His current term is from 2020-2025. Mr. van der Vorm was Chairman of the Executive Board of HAL Holding N.V. from 1993-2014.

L.J. Hijmans van den Bergh (59) is a Dutch citizen. In 2013 he was appointed member of the Supervisory Board of HAL Holding N.V. In 2016 he was appointed vice-Chairman. His current term is from 2019-2024. Mr. Hijmans van den Bergh is a former partner of De Brauw Blackstone Westbroek N.V. and a former member of the Management Board of Royal Ahold N.V. He is chairman of the Supervisory Board of BE Semiconductor Industries N.V. (until the annual general meeting of shareholders on April 26, 2023), member of the Supervisory Board of ING Groep N.V. and chairman of the boards of the Utrecht University Fund as well as Vereniging Aegon.

G.J. Wijers (72) is a Dutch citizen. In 2014 he was appointed member of the Supervisory Board of HAL Holding N.V. His current term is from 2022-2027. He is a former Minister of Economic Affairs, former Senior Partner at the Boston Consulting Group and former CEO of Akzo Nobel N.V. He is chairman of the Supervisory Board of ING Groep N.V., he will retire from this position in the second half of 2023.

C.O. van der Vorm (52) is a Dutch citizen. In 2015 he was appointed member of the Supervisory Board of HAL Holding N.V. His current term is from 2021-2026. He is based in the United Kingdom and serves as a managing director of Southberg Holdings UK Ltd., which is active in agricultural operations in South America and Eastern Europe.

M.E. Harris (56) has the British and Dutch nationality. In 2020 she was appointed member of the Supervisory Board of HAL Holding N.V. Her current term is from 2020-2023. Mrs. Harris is a former partner of McKinsey & Co. She is currently non-executive director of ITV plc and Reckitt plc as well as member of the remuneration committee of St Hilda's College, Oxford University. It will be proposed to re-elect Mrs. Harris.

HAL Trust

established in Bermuda

Notice to Trust Shareholders

A general meeting of Trust Shareholders of HAL Trust, will be held on Wednesday, May 17, 2023, at 11:00 a.m. in the Rotterdamse Schouwburg, Schouwburgplein 25, Rotterdam. The agenda of the meeting is as follows:

1. Opening
2. Instructions for the Trustee to vote at the General Meeting of Shareholders of HAL Holding N.V., to be held on Wednesday, May 24, 2023, with regard to the following items on the agenda:
 - (a) Report of the Executive Board of HAL Holding N.V.
 - (b) Report of the Supervisory Board of HAL Holding N.V.
 - (c) Approval of the 2022 financial statements of HAL Holding N.V.
 - (d) Dividend payment against the profits of 2022 in the amount of € 5.00 per Share as published in the Annual Report 2022, of which € 2.50 per Share shall be payable in Shares in the share capital of HAL Holding N.V., and € 2.50 per Share in cash and, with the approval of the Supervisory Board, to direct and authorize the Executive Board to effectuate such share issue and cash payments and to approve the share issue. If applicable, cash payments will be made to the Trustee representing the value of fractions of HAL Trust Shares (if any) to which the respective HAL Trust Shareholders will be entitled based on the Conversion ratio
 - (e) Amendment of the Articles of Association of HAL Holding N.V. The proposed change is to increase the maximum number of issued shares as mentioned in article 5.1 from 90 to 100 million shares
 - (f) Election Supervisory Director. It is proposed to re-elect Mrs. M.E. Harris
 - (g) Discharge of the members of the Executive Board in respect of their duties of management during the financial year 2022
 - (h) Discharge of the members of the Supervisory Board in respect of their duties of supervision during the financial year 2022
 - (i) Increase of the remuneration per Supervisory Board member from € 80,000 to € 95,000 per year
3. Approval of the 2022 financial statements of HAL Trust
4. (i) Proposal to distribute a dividend against the profits of 2022 of € 5.00 per Trust Share of which
€ 2.50 per Trust Share shall be payable in Trust Shares, and € 2.50 per Share in cash subject to (ii) below:
 - (ii) to direct the Trustee:
 - (a) to issue by way of stock dividend distribution to each HAL Trust Shareholder such number of HAL Trust Shares as shall be based on the Conversion ratio, the number of HAL Trust Shares held by such HAL Trust Shareholder and the dividend per Share of € 2.50 payable in Shares; and
 - (b) to convey to HAL Holding N.V., prior to June 16, 2023, for what amount cash payments are to be made to the Trustee representing the value of fractions of HAL Trust Shares (if any) to which the respective HAL Trust Shareholders will be entitled on the basis of the Conversion ratio
5. Report of the Trust Committee
6. Other business
7. Closing

HAL Trust Shareholders who want to exercise their voting rights without attending the meeting must use an e-voting system (www.abnamro.com/evoting) prior to the meeting (see below). HAL Trust Shareholders whose holding of Trust Shares is registered in the HAL Trust shareholders' register and who want to exercise their voting rights are required to exercise these by a written proxy and voting instruction (see below).

HAL Trust Shareholders who wish to attend and vote at the meeting or be represented via electronic proxy without attending the meeting must notify this not later than May 9, 2023, via

their intermediary where their Trust Shares are administered or directly via www.abnamro.com/ voting. HAL Trust Shareholders who wish to attend the meeting will receive a written confirmation of their entitlement to HAL Trust Shares, which confirmation will at the same time serve as a permit providing admission to the meeting. If you intend to instruct your intermediaries for any of the above, please be aware that their deadlines could be a number of days before those mentioned above. Please check with the individual intermediaries as to their cut-off dates. Furthermore, please be aware that some intermediaries do not accommodate electronic proxies. In this case you may contact ABN AMRO Bank N.V (+31 20 6286070 or ava@nl.abnamro.com). HAL Trust Shareholders whose holding of shares is registered in the shareholders' register and who wish to be represented at the meeting should contact HAL Holding N.V. at 5 avenue des Citronniers, 98000 Monaco (agm@hnhv.com) and provide a written proxy and voting instructions prior to May 9, 2023.

Attention is drawn to the fact that HAL Trust Shareholders who will not be able to attend the meeting but wish to be represented at the meeting must provide a proxy. For the sake of good order it is pointed out that proxyholders will only be admitted to the meeting against surrender of the confirmation of entitlement referred to above together with a duly signed proxy statement.

This notice is enclosed with the 2022 Annual Report which is presented to you in accordance with Section 14.4 of the trust deed of HAL Trust.

HAL Trustee Ltd.
Hamilton, Bermuda, April 3, 2023

Explanatory notes to agenda items 2.d and 4

It is proposed to distribute a dividend of € 5.00 per HAL Trust Share against the profits of 2022 and that this dividend will be paid in HAL Trust Shares for € 2.50 per HAL Trust Share and in cash for € 2.50 per HAL Trust Share. The Conversion ratio for the dividend in HAL Trust Shares will be determined on the basis of the volume weighted average share price during the period May 22, 2023, through June 9, 2023, (the 'Conversion ratio'), and will be announced on June 9, 2023, after the close of business of Euronext in Amsterdam. The value of the stock dividend, at the above volume weighted average share price, will be virtually the same as the value of the cash dividend. The number of HAL Trust Shares acquired after conversion will be rounded down whereby any fraction of a HAL Trust Share will be settled in cash. The newly issued HAL Trust Shares will carry dividend rights for 2023 and subsequent years. Dividend rights will not be traded on Euronext in Amsterdam. The distribution of the dividend in Trust Shares is free of charge for HAL Trust Shareholders.

The time-table is as follows:

<u>2023</u>	
May 19	Ex-dividend date
May 22	Dividend record date
June 9 (after close of trading)	Determination and publication Conversion ratio
June 16	Delivery of HAL Trust Shares and payment of cash dividend

Explanatory notes to agenda item 2.e

It is proposed to amend the Articles of Association of HAL Holding N.V. The amendment represents a change of Article 5.1 and increases the authorized share capital from ninety million

shares to hundred million shares. The resolution to amend the Articles of Association of HAL Holding N.V. includes the authorization of each lawyer and each employee working at the offices of STvB to cause the notarial deed required for the amendment of the Articles of Association to be executed. The full text of the proposed amendment is available on www.halholding.com and is also available at ABN AMRO Bank N.V., Gustav Mahlerlaan 10, 1000 EA Amsterdam.