Boskalis

ANNUAL REPORT 2021

ANNUAL REPORT 2021

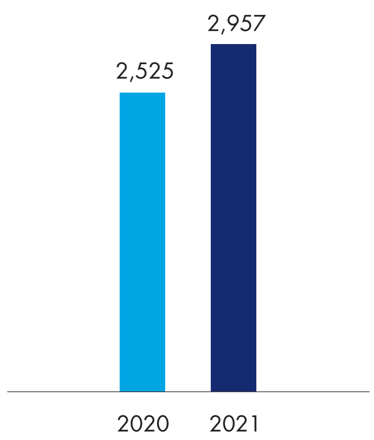
KEY FIGURES

(in EUR million, unless stated otherwise)	**2021**	2020
Revenue	**2,957**	2,525
Order book	**5,406**	5,306
EBITDA	**462**	404
Net result from joint ventures and associates	**39**	19*
Depreciation and amortization	**264**	264
Operating result	**199**	140
Exceptional items (charges/income)	**-**	-195
EBIT	**199**	-56
Net profit (loss)	**151**	-97
Net group profit (loss)	**148**	-97
Cash flow	**412**	355*
Shareholders' equity	**2,404**	2,283
Net financial position incl. IFRS 16 lease liabilities: cash (debt)	**203**	318
RATIOS (IN PERCENTAGES)		
EBIT as % of revenue	**6.7**	5.5*
Return on capital employed	**5.8**	3.9*
Return on equity	**6.4**	3.8*
Solvency	**48.0**	50.5
FIGURES PER SHARE (IN EUR)		
Profit	**1.16**	0.69*
Dividend (proposal)	**0.50**	0.50
Cash flow	**3.18**	2.48*
NON-FINANCIAL INDICATORS		
Employees including associated companies	**10,250**	9,913
Employees in Boskalis majority owned entities	**6,254**	6,137
Ratio women/men within Boskalis' majority owned entities	**14/86**	14/86
Number of nationalities within Boskalis' majority owned entities	**85**	84
Lost Time Injuries (LTI)	**4**	9
Lost Time Injury Frequency (LTIF)	**0.02**	0.05
Total Recordable Injury Rate (TRIR)	**0.21**	0.32
Strategic suppliers: percentage spend covered by Supplier Code of Conduct	**88**	85
CO_2 emissions scope 1+2 (MT ('000))	**1,078**	984

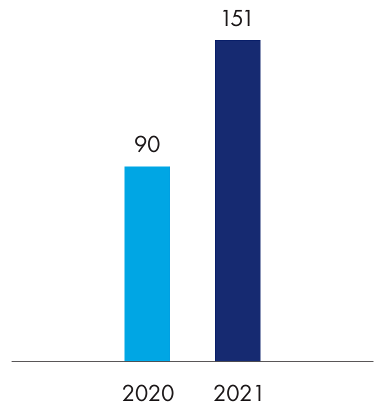
Please refer to the glossary for definitions of the terms used

** Excluding exceptional charges*

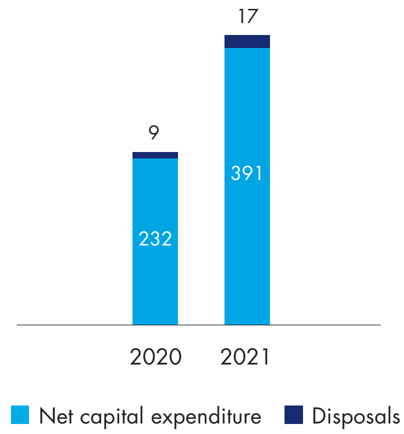
REVENUE (in EUR million)



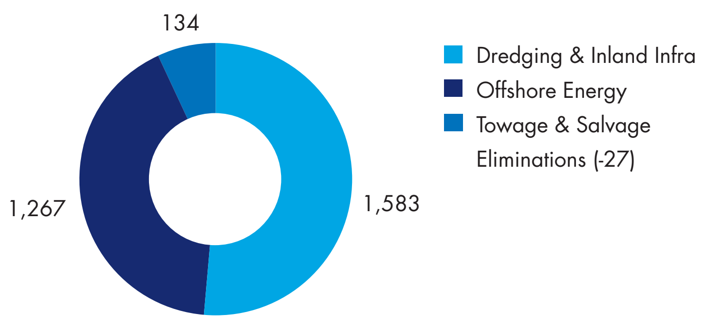
NET OPERATING PROFIT (in EUR million)



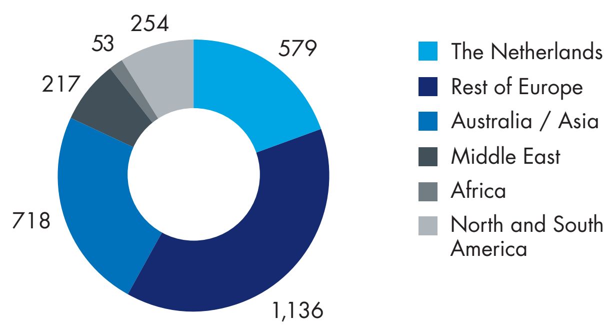
CAPITAL EXPENDITURE (in EUR million)



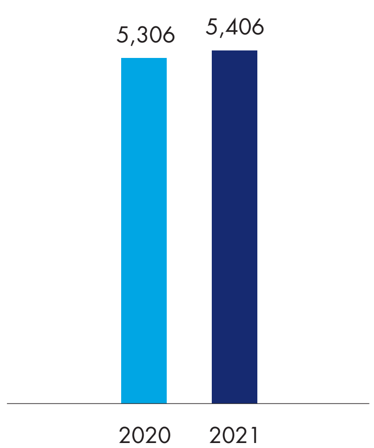
REVENUE BY SEGMENT (in EUR million)



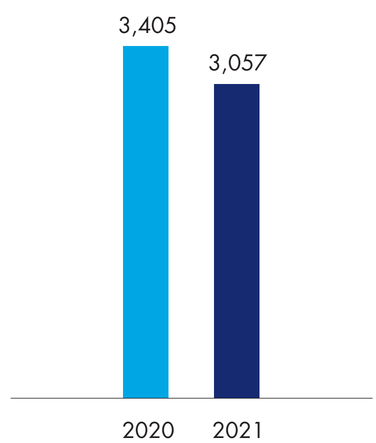
REVENUE BY GEOGRAPHICAL AREA (in EUR million)



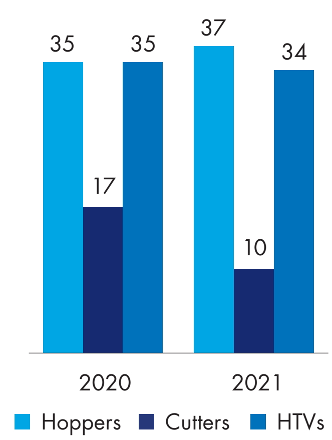
ORDER BOOK (in EUR million)



ACQUIRED ORDERS (in EUR million)



FLEET UTILIZATION (in weeks per year)



ANNUAL REPORT 2021

The Annual Report 2021 has been filed in accordance with the European Single Electronic Format (ESEF). The original approved annual report pursuant to article 361 of Book 2 of the Dutch Civil Code, including the audited financial statements and the auditor's report, is available as a single report package on boskalis.com in the financial information section of the download center. This document is a 'printed version' of that digital report and in the event of any discrepancies, the digital single report package will prevail.

This annual report contains forward-looking statements. These statements are based on current expectations, estimates and projections of Boskalis' management and information currently available to the company. These forecasts are not certain and contain elements of risk that are difficult to predict and therefore Boskalis does not guarantee that its expectations will be realized. Boskalis is under no obligation to update the statements contained in this annual report. Some of the projects referred to in this report were carried out in cooperation with other companies.

TABLE OF CONTENTS

Successful refloating of the 20,124 TEU container ship Ever Given in the Suez Canal

CHAIRMAN'S STATEMENT

Looking back at 2021, we can be proud of what we have achieved in an environment which continues to be affected by the COVID-19 pandemic. Twelve months ago we were anticipating that the pandemic would be consigned to history during the course of the year. While the availability of vaccines has brought some relief, the reality is that the emergence of new variants of the virus continues to impact us today. Against this backdrop, it is all the more impressive that we can reflect on an operationally strong year in which we improved on our 2020 financial performance. With an EBITDA of EUR 462 million, order book of EUR 5.4 billion and a net financial position of EUR 203 million cash, our performance in 2021 was very solid.

DREDGING & INLAND INFRA

In the Dredging & Inland Infra division, the year got off to a good start with the award of a substantial part of the Oosterweel project in Antwerp, Belgium. This was soon followed by a large climate change-related project: the award of a major dike reinforcement and river-widening project, Meandering Meuse. As part of the Dutch Flood Protection Program, this project became highly relevant following last summer's extreme rainfall and dramatic floods in Belgium, Germany and in the Dutch region South Limburg. We were also commissioned to construct two additional nature islands to accompany the five existing islands of the Marker Wadden, which we have been working on in recent years.

In the course of 2021, preparatory works commenced in Manila in the Philippines ahead of the construction of the platform for the new international airport. At EUR 1.5 billion, this is the largest contract in Boskalis' history. Furthermore, a large team of experts have worked hard over the past year to complete a thorough environmental and social impact assessment and to draw up detailed action plans in accordance with international standards. The construction of the platform commenced in early 2022.

Work on a second pioneering infrastructure project, the Fehmarnbelt tunnel, is now in full swing. Construction of the work harbor is in an advanced phase and dredging of the tunnel trench will commence in 2022, bringing the fixed shore connection between Germany and Denmark a step closer.

OFFSHORE ENERGY

Our Offshore Energy division benefitted from an improved market in 2020 and managed to build on this with a good performance during 2021. The strong demand within the renewables market was noticeable both in terms of the number of tenders as well as projects currently in execution. The largest work in progress concerns the Changfang & Xidao wind farm in Taiwan. Despite some significant challenges related to COVID-19, we were able to complete our first installation campaign with the Bokalift 1. The remaining pin piles and jackets will be installed in 2022-23 with our new crane vessel Bokalift 2 that will be brought into service in the coming months. Subsea Cables was particularly busy on the Ostwind 2 project, which involves the installation of three 90-kilometer-long export cables in the Baltic Sea. This is our largest cable project to date and is scheduled for completion in 2022.

Marine Transport continued to be affected by COVID-19-related delays. Despite the shifting schedules caused by delays at the fabrication yards in Asia, we managed to maintain a good vessel utilization by switching to the spot market. Important projects in 2021 included the transportation of the Argos FPU, the completion of the extensive Olefins project and the construction of world's largest floating wind farm, Kincardine off the coast of Scotland.

At Subsea Services, the year began with the acquisition and integration of Rever Offshore. One year on, we have already achieved some excellent results under difficult COVID conditions. Marine Survey was initially impacted by a weak market in the Middle East but activity levels picked up in the course of 2021 supported by a large number of wind projects.

At the end of 2021, we were awarded a substantial contract for the transport and installation of monopile foundations and substations for an offshore wind farm off the east coast of the US. This is an important contract in a market that will offer plenty of opportunities for Boskalis in the years to come.

SALVAGE

For Boskalis, 2021 will go down in salvage history as the year of the Ever Given. The 400-meter long and 60-meter wide container ship with 20,000 containers on board blocked the Suez Canal for just under a week and through our efforts to free the vessel, Boskalis was thrust into the global spotlight. With the help of a strong spring tide the 224,000-ton vessel was successfully refloated on 29 March. Shortly thereafter, we successfully averted an environmental disaster when the freighter Eemslift Hendrika got into difficulties off the coast of Norway. The ship had succumbed to rough seas and high waves and was on course to crash onto the rocky coastline. With the help of two tugboats and a helicopter, the ship was safely hooked up and towed into port.

SAFETY AND PERSONAL DEVELOPMENT

With a busy operational year, it is gratifying to see an improvement in our safety performance with a decline in the Lost Time Injury Frequency to 0.02 per 200,000 hours worked. Nonetheless, it is truly sad to report that last year, for the first time in many years, we were confronted with a fatal accident on board one of our vessels. We again extend our condolences to the victim's family and friends.

With the pick-up in the market and our significantly increased workload, we launched several new initiatives to highlight the many opportunities for personal development within Boskalis. We recognize the great need, particularly among our younger colleagues, to gain a better understanding of and control over their career options within the company and we support employees and their managers to engage in a structured dialogue around relevant opportunities.

CORPORATE BUSINESS PLAN

This report also marks the launch of our updated Corporate Business Plan. Our previous three-year business plan was presented early March 2020 on the eve of the COVID-19 pandemic. And although significant progress was made with the execution of nearly all of the strategic actions, we considered a comprehensive review and update was called upon.

Population growth and rising levels of prosperity are the overarching trends that underpin our business model and propel our business, driving the need for more and preferably renewable energy as well as marine and inland infrastructure to support economic growth and increasing levels of world trade. At the same time, we expect the consequences of climate change including extreme weather events and rising sea levels to continue to drive the need for more coastal defenses and river flood protection over the medium to long term. Collectively these macro trends propel the demand for our services.

Our sustainable growth strategy for the coming period is based on three pillars: Good Stewardship, Human Excellence and Distinguishing Assets. Good Stewardship dictates effective management of risks and opportunities related to our business. The second and third pillar – our people and the assets we deploy – are equally critical to the success of our business in the short and long term. More details on our strategy can be found in this report.

I am optimistic and confident about the mid- to longer term period that lies ahead of us. The near-term market outlook is generally positive, albeit that the impact of current geopolitical developments in Eastern Europe are difficult to read. We have a substantial role to play in the energy transition and providing sustainable solutions to many of the challenges facing today's world. Together with the best talent in our industry, we are creating sustainable new horizons.

On behalf of the Board of Management, I would like to thank all colleagues for their great dedication and valued flexibility during the past year, as well as our clients, partners and shareholders for the trust and confidence they place in us.

Peter Berdowski

BOSKALIS AT A GLANCE

The Black Marlin transporting
a module for an LNG plant


Boskalis

COMPANY PROFILE

Boskalis is a leading dredging and marine expert creating new horizons for all its stakeholders.

In addition to our traditional dredging activities we offer a broad range of maritime services for the offshore energy and renewables sectors. Furthermore, we provide towage services as well as emergency response and salvage-related services.

As a partner we are able to realize complex infrastructural works for our clients within the chain of design, project management and execution on time, safely and within budget, even at vulnerable or remote locations around the world. We strive for a sustainable design and realization of our solutions.

Demand for our services is driven by the structural growth and rising prosperity of the global population, which in turn drives growth in global trade and demand for raw materials and energy. Boskalis positively contributes to climate change mitigation by helping to expand access to renewable power and by facilitating the energy transition by developing infrastructure to deliver affordable and clean energy. Furthermore, we help protect populations and the natural environment from the consequences of climate change, such as rising sea levels and extreme weather conditions through our coastal defense and riverbank protection activities. Collectively these macro trends drive demand for maritime infrastructure and as such constitute the key drivers of sustainable growth for our activities.

Royal Boskalis Westminster N.V. (Boskalis) operates worldwide but concentrates on those regions that have the highest growth expectations. This spread gives us both a solid foundation and the flexibility to be able to secure a wide range of projects, as well as providing good prospects for balanced and sustainable growth. Our main clients are governments, port and terminal operators, energy companies, mining companies and related EPC contractors and subcontractors, shipping companies, insurance companies and international project developers.

Boskalis has 10,250 employees, including associated companies. The safety of our employees and those of our subcontractors is paramount. Boskalis operates its progressive global safety program No Injuries, No Accidents (NINA), which is held in high regard in the industry and by our clients. Our versatile fleet consists of more than 600 vessels and floating equipment, including associated companies. Our head office is based in the Dutch city of Papendrecht. Royal Boskalis Westminster N.V. shares have been listed on Euronext Amsterdam since 1971.

ACTIVITIES

Boskalis is renowned for its innovative approach and specialist knowledge of environmentally friendly techniques. With our great expertise, multidisciplinary approach, versatile state-of-the-art fleet and extensive experience in engineering and project management we have proven time and again that we are able to realize complex projects on time, safely and within budget, anywhere in the world.

DREDGING & INLAND INFRA

Traditionally the core activity of Boskalis is dredging. This involves all activities required to remove silt, sand, clay and other layers from the sea- or riverbed and reusing it elsewhere where possible, for example for coastal protection or land reclamation. The services we provide also include the construction and maintenance of ports and waterways, and coastal defense and riverbank protection. In addition, Boskalis is active in the extraction of raw materials using dredging techniques and dry earthmoving. In the Netherlands, Boskalis also operates as a contractor of dry infrastructure projects. This involves the design, preparation and execution of large-scale civil infra works, such as the construction of roads and railroads, bridges, aqueducts, viaducts and tunnels in addition to dike and riverbank related projects. In doing so, we also perform specialist works such as soil improvement and remediation.

OFFSHORE ENERGY

Through its offshore contracting capabilities and services Boskalis supports the activities of the international energy and renewables sectors, including oil and gas companies and providers of renewable energy such as wind power. We are involved in the engineering, construction, maintenance and decommissioning of oil and LNG import/export facilities, offshore platforms, pipelines and cables and offshore wind farms. In performing these activities Boskalis applies its expertise in the areas of marine survey, heavy transport, lift and installation work, as well as diving and ROV services complemented with dredging, offshore pipeline, cable and rock installation.

TOWAGE

In ports and terminals around the world towage and terminal services are provided to oceangoing vessels through the joint ventures Keppel Smit Towage and Smit Lamnalco. Keppel Smit Towage offers assistance to incoming and outgoing vessels in various ports in the Asia-Pacific region. Smit Lamnalco offers a full range of services for the operation and management of onshore and offshore terminals. These services include assistance with the berthing and unberthing of tankers at oil and LNG terminals as well as additional support services such as pilotage, subsea inspection and maintenance, firefighting, and the coupling and uncoupling of terminal connections. With a combined fleet of over 200 vessels assistance is provided to, amongst others, oil and chemical tankers, LNG carriers, container ships, reefers, ro-ro vessels and mixed cargo ships around the world.

SALVAGE

Boskalis provides services relating to marine salvage and wreck removal. We assist vessels in distress and are able to spring into action at any time and anywhere in the world. We are able to do so by operating out of four locations which are strategically situated along the main international shipping routes: Houston, Cape Town, Rotterdam and Singapore. The removal of shipwrecks or damaged offshore platforms almost always takes place at locations where the wreck forms an obstruction to traffic or presents an environmental hazard. We have the advanced technology and expertise needed to remove hazardous substances such as heavy fuel oil from wrecks and boast a successful track record in salvaging vessels and platforms under challenging circumstances.

STRATEGY

We create and protect prosperity and advance the energy transition.

UPDATED CORPORATE BUSINESS PLAN

Boskalis operates around the world and is a leading player in the fields of dredging, offshore energy and maritime services. The company is a frontrunner in many of its markets thanks to its ability to deliver innovative all-round solutions with a comprehensive portfolio of specialist activities. More than 10,000 dedicated professionals and a versatile fleet with value-adding potential are the cornerstones of the Boskalis business model. Disciplined execution of the strategy, which is reviewed regularly in light of relevant market developments, is a key factor in our success.

Our strategy is elaborated in our Corporate Business Plan. At the beginning of March 2020, we presented our Corporate Business Plan for 2020-2022. What was expected to be the promising start of an auspicious new business plan period turned into a time during which the COVID-19 pandemic dictated our daily lives. Despite the greatly changed conditions, significant progress was made with the execution of nearly all of the strategic actions detailed in our business plan while a few initiatives and investments were rephased as opposed to cancelled altogether. Nevertheless, we considered a comprehensive review of the current business plan was called for once the mid- to long-term impact of the COVID-19 pandemic became less ambiguous. Consequently, during the second half of 2021, we reviewed the key long-term trends that underpin the Boskalis business model as well as the short- and mid-term development of our relevant end-markets. This has resulted in an update of our Corporate Business Plan.

OUR CONTRIBUTION

Boskalis' activities facilitate the development of economic value while addressing societal needs and challenges. Since its inception in 1910, Boskalis' raison d'être has been to create and to protect infrastructure through innovative solutions to challenges in the maritime, coastal and delta regions of the world. The importance of our climate change adaptive solutions will only increase with time and through our renewables business, we strive to advance the energy transition. This is also captured in our purpose statement: "We create and protect prosperity and advance the energy transition".

Across the breadth of our activities we contribute to creating prosperity, for example by facilitating world trade, creating infrastructure as well as new land. Through our dredging and marine salvage activities we offer solutions to protect valuable areas and assets. Our coastal defense and riverbank protection activities protect society and the natural environment from the consequences of climate change, rising sea levels and extreme weather events. Our marine salvage business helps to prevent environmental disasters and recovers valuable vessels and their cargo. With our offshore energy activities, in particular through our offshore wind business and the decommissioning of legacy infrastructure, we help to advance the energy transition. Together these activities contribute significantly to achieving the UN Sustainable Development Goals (SDGs).

BUSINESS DRIVERS

In monitoring and developing our corporate strategy we keep a clear eye on the long-term trends that underpin the Boskalis business model. Population growth and rising levels of prosperity are the overarching trends that propel our business, resulting in a need for more energy as well as marine and inland infrastructure to support economic growth and increasing levels of world trade.

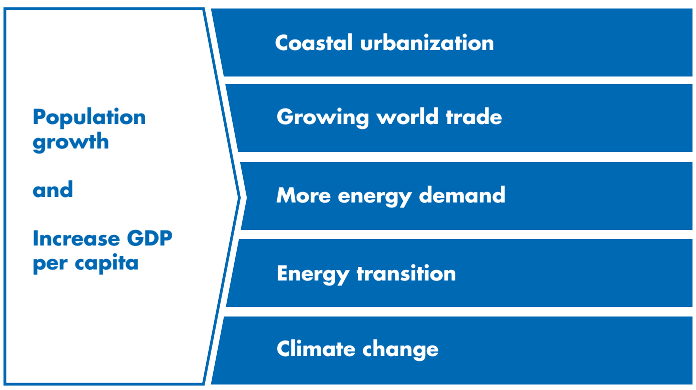


Figure 1: Trends that drive our business

By 2040, the global population is projected to rise by more than a billion people to approximately nine billion. By then, almost 70% of people – together with associated assets and infrastructure – will live on less than 1% of the world's land area, much of it in close proximity to water while some of that land will be reclaimed. At the same time, growth in emerging markets is expected to outpace that of advanced economies and the average Gross Domestic Product per capita is set to increase globally by around 45% over the next twenty years. This growing and more affluent population living in coastal regions underpins the drivers of our business: world trade, energy consumption and climate change.

According to the World Bank, infrastructure services are the backbone of development – they support essential services required to meet countries' economic, social and environmental objectives. In particular, the construction of trade-related infrastructure is recognized as a key component of progress towards achieving the SDGs. Growth in global trade is expected to continue with increased interregional shipping, having a particularly pronounced impact in Asia.

IN RETROSPECT

Although the 2020-2022 business plan was founded on a fundamentally different macro environment in which the impact and duration of the COVID-19 pandemic was not foreseen, Boskalis made significant progress in the timely execution of that business plan.

From the very start of the pandemic, the priority was on a continuation of day-to-day operations. The safety, health and well-being of our colleagues was the number one priority whilst we focused on keeping projects and vessels operational, supported by the majority of office-based colleagues working from home. Despite these challenges, we were successful in continuing projects, starting up new projects and winning large tenders. The steadfast focus on our operations resulted in robust cash generation and was accompanied by an equally keen emphasis on cash preservation. The success is probably best reflected in the solid order book and the very robust balance sheet with a net financial position of EUR 203 million.

The remainder of this section highlights key strategic accomplishments of the past two years. Within Dredging, the main achievements included keeping our projects and vessels on track despite travel and quarantine restrictions and the impressive growth of the order book with the addition of the new Manila airport project as the highlight. The new mega cutter Krios, the sister vessel of the Helios, was completed and delivered at the start of the plan period. The remainder of the Dredging investment program was largely deferred to the new business plan period.

Within the Offshore Energy division good progress was made by solidifying its leading global position in the marine survey market through the further integration of Gardline and Horizon and investments in numerous new survey vessels. The incumbent subsea services activities operating out of Aberdeen made a strategically important step with the acquisition of direct competitor Rever Offshore. The positive effects of the integration become clearly visible in the first year of joint operations. Despite delays at shipyards globally, the new crane vessel Bokalift 2 was largely completed during the plan period and is currently being finalized ahead of its launching offshore wind project in Taiwan.

At Salvage, we acquired the activities of Ardent in the United States, further bolstering our existing position, particularly in the US marine salvage market. Boskalis already provided emergency response services in the US through SMIT Salvage together with a joint venture partner.

As for the Towage activities, following the divestment of our share in the harbor towage joint ventures with SAAM (Americas) and Kotug (Europe) in 2019, Boskalis had signaled the possible divestment of its share in the Keppel Smit Towage joint venture. The divestment is expected to be completed in the first half of 2022. The future of our long-standing partnership Smit Lamnalco is also under review. These acquisitions and divestment illustrate Boskalis' ongoing efforts to optimize its business portfolio.

Boskalis continues to benefit from this growth, as well as the trend towards larger vessels with deeper drafts. In ports these vessels require deeper access channels and larger and deeper berths and turning basins, creating widespread opportunities for dredging.

These demographic and economic developments in turn increase the global demand for energy. This can partly be met by existing power generation, however significant investments in new energy sources will also be necessary. The International Energy Agency (IEA) estimated that USD 44 trillion in new energy supply infrastructure will be needed between now and 2040. At the same time, climate change necessitates a substantial shift in investment away from fossil fuels towards renewables.

The rate at which the energy transition proceeds will dictate the magnitude and focal areas for capital investment. Whilst this transition is driving growth in renewables, traditional energy sources including oil and gas are expected to remain significant components of the global energy mix in the years to come.

Whatever the pace and shape of the energy transition, the effects of climate change – such as rising sea levels and more frequent extreme weather events – will continue to increase over the coming decades, pushing up demand for climate adaptive measures. As previously communicated, almost half the global population – 3.5 billion people – live within sixty kilometers of the sea and 75% of major world cities are located on the coast. It is estimated that annual investment of USD 77 billion will be required to keep flood risks at their current levels. Without this level of expenditure, the cost of flood damage is projected to increase between hundred and thousand times by the end of the century.

In summary, the mid- to long-term development of macro trends relevant to Boskalis are all supportive to its business. The structural growth and rising prosperity of the global population that increasingly lives in coastal areas drives demand for raw materials and energy and stimulates global trade. Climate change necessitates massive investments in the energy transition away from fossil fuels towards renewable energy sources. Given the unavoidable changes that are already locked in as a result of current and near-term emissions, the damaging effects of climate change will nonetheless increase over the next decades. Adequately addressing these effects through adaptive measures also requires very substantial investments.

Irrespective of unpredictable and potentially less favorable short-term developments in some of the regions and markets where Boskalis is active, collectively these macro trends propel the demand for maritime infrastructure and as such constitute key drivers of sustainable growth for our activities. It is therefore clear that Boskalis' portfolio of activities will remain relevant in the longer term with plenty of opportunities to continue delivering meaningful contributions to help address the major societal challenges of our time.

DIVISIONAL REVIEW

DREDGING & INLAND INFRA

For more than 110 years, Dredging & Inland Infra constitutes the traditional core activity of Boskalis. It holds an important position in this consolidated market and has a very strong global presence, putting the company in a good position to take advantage of opportunities in market segments with structural growth.

Land reclamation activities by the mega trailing suction hopper dredgers Queen of the Netherlands and Fairway

Based on a recent assessment of market developments during the next decade, Boskalis estimates the global dredging market for hopper and cutter dredger projects to have a contract value in the order of EUR 57 billion, with the bulk of the identified projects expected in the next five years. This outlook is slightly more positive compared to the market assessment conducted two years ago, which is also reflected in a higher cumulative order book of the industry, particularly providing an improved level of near-term visibility for the hopper vessels.

Climate change is one of the greatest threats facing humanity with potentially far-reaching and devastating impact on people, the environment and the economy. The investments needed to adequately protect coastal regions are immense. Therefore, accelerating climate change adaptation is a human, environmental, and economic necessity. The dredging industry is uniquely positioned to protect populations and the natural environment from the consequences of climate change, such as rising sea levels and extreme weather events through our coastal defense and riverbank protection activities.

To position ourselves for these opportunities we continue to make investments and, where appropriate, expand our market position. With regard to our fleet, investments are centered around strengthening our position in the large and jumbo hopper segment:

- Boskalis will modify and lengthen two large trailing suction hopper dredgers in 2022. The Prins der Nederlanden will be lengthened in the first half of 2022, followed by the Oranje. The process involves cutting the vessel in half and the insertion of a new 45 meter middle section, resulting in a capacity increase to 21,000 cubic meters. Boskalis already has previous experience in 'extending' hoppers with the successful lengthening of the Queen of the Netherlands and the Fairway many years ago. During the lengthening, an overhaul and life extension program of each vessel is conducted.
- Boskalis will also order two new jumbo trailing suction hopper dredgers. The vessels are being designed to be ready to operate on future generation fuels such as methanol and will be more energy efficient than comparable current generation vessels. The vessels are expected to have a hopper capacity of approximately 25,000 cubic meters with a specific emphasis on a shallow-draught. Market developments are expected to increasingly require larger dredging vessels to operate in relatively shallow waters for port-related activities and for coastal protection purposes. Based on the current planning, the first new vessel is expected to be delivered in 2024.
- Boskalis has always been open to possible interesting consolidation opportunities involving the acquisition of regional players, and remains open to pursue such prospects should they arise.

OFFSHORE ENERGY

Boskalis offers a broad range of distinctive assets and capabilities to the offshore energy sector. Over the past decade, the mix of end markets served has clearly shifted from oil and gas towards renewables. Ten years ago, renewables comprised an insignificant share of the total divisional revenue, compared to over 45% today.

At an industry level, offshore capital expenditures have been under pressure since 2014 with a 50% drop in annual spend. An anticipated market recovery did not materialize in 2020 and 2021 due to the COVID-19-related uncertainties resulting in a global slowdown and low energy prices. The recent economic recovery and significant increase in energy prices is a precursor for an anticipated substantial increase in offshore spending. Overall capital expenditure in offshore, including renewables and decommissioning, is expected to grow by an average of over 9% per year in the near term. The long-term industry growth is also driven by the projected strong growth in the offshore wind market. Of the geographical markets relevant to Boskalis, Northwest Europe is expected to be the largest and most important while the importance of floating wind is forecast to increase globally.

Boskalis' offshore business units are uniquely positioned in that they serve both the traditional oil & gas segments and the growing offshore wind industry. This operational flexibility allows us to deploy our assets and staff for the most attractive opportunities.

BUSINESS UNITS	OIL & GAS	RENEWABLES
MARINE TRANSPORT	●	●
HEAVY LIFTING	◐	●
MARINE SURVEY	●	●
SUBSEA CABLES	◐	●
SUBSEA SERVICES	●	◐
SEABED INTERVENTION	●	●

Figure 2: Favorable market outlook across end markets

To position ourselves for these opportunities and further strengthen our position in the important renewables market, we have developed an ambitious investment program for the coming years comprising both assets, vessel modifications and intended asset acquisitions:

- To further expand our position in offshore wind, the Bokalift 2 will be commissioned in 2022. Based on the projects in hand and the current market outlook, it is expected that this vessel will be fully deployed in the renewables market in the coming years.
- Boskalis is in the process of co-developing a motion-compensated pile gripper frame for its US wind project, which is due to start in 2023. This will allow us to install large monopiles directly from our Bokalift crane vessel.
- A number of existing assets are being modified, demonstrating our ability to engineer and deliver impressive vessel modification projects. These include the conversion of the Ndeavor from a cable-laying vessel into a rock installation vessel, the modification of the Boka Ocean into a cable-laying vessel and an additional fallpipe vessel.
- Where possible, Boskalis is keen to acquire attractive assets from the market. If the opportunities present themselves, the current activities will be expanded through bolt-on acquisitions or by acquiring existing vessels from their current owners. In pursuing such opportunities, Boskalis has a particular interest in the offshore renewables market.

TOWAGE & SALVAGE

The size of our towage joint venture portfolio decreased substantially as a result of divestments made in 2019. Boskalis intends to also divest its last remaining harbor towage joint venture – Keppel Smit Towage – in the course of 2022. Furthermore, the then remaining part of towage – the terminals activities of Smit Lamnalco – is also subject to a strategic review.

By nature, the Salvage business is unpredictable. Boskalis has nonetheless successfully expanded its global footprint to leverage its Emergency Response business. Where possible, we use our own assets complemented by in-house engineering know-how, contract and risk management skills as well as our solid financial position to secure attractive contracts. The importance of our salvage operations from an ESG perspective continues to be impressive. Over the last five years, Salvage has had on average one emergency response case every six days and prevented 1.6 million tons of (refined) oil products and 4.6 million tons of hazardous cargo from spilling in our oceans and seas per year. Through our efforts we protect economic value and avert ecological damage thereby also protecting life below water.

SUSTAINABLE GROWTH

The Boskalis strategy is a logical progression from our purpose and mission:

Purpose – We create and protect prosperity and advance the energy transition.
Mission – We strive to be the leading dredging and marine contracting experts, creating new horizons for all our stakeholders.

Our strategy is structured around three activity clusters and the value they bring to society with the objective of creating sustainable growth:

- **Create Innovative Infrastructure:** we facilitate world trade, support economic development, and create infrastructure and new land for society;
- **Advance the Energy Transition:** we help expand access to renewable power and facilitate the energy transition by developing infrastructure to deliver affordable and clean energy; and
- **Protect through Climate Adaptation:** we help protect populations and the natural environment from the consequences of climate change, such as rising sea levels and extreme weather conditions through our coastal defense and riverbank protection activities.

Our sustainable growth trajectory for the coming period is based on three pillars: Good Stewardship, Human Excellence and Distinguishing Assets.

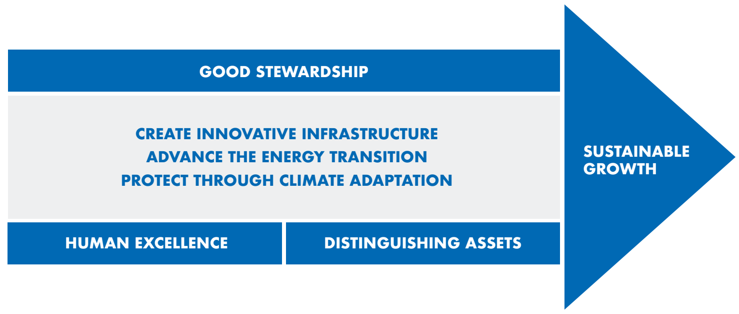


Figure 3: Sustainable growth lies at the heart of our strategy

GOOD STEWARDSHIP

Good Stewardship is the first pillar supporting our business strategy and fundamental to the success of the company. Good Stewardship dictates effective management of risks and opportunities related to our business, and is thereby pivotal to our ability to achieve sustainable growth. Focal topics are identified from both the outcome of our biennial materiality assessment as well as our structured approach to managing our broader social and environmental impact. They include the following:

Responsible Business Conduct: our focus on integrity and business ethics which is underpinned by our Responsible Business Principles, policy framework and business ethics program. Our Responsible Business Principles, as detailed in the Boskalis Code of Conduct and in our Supplier Code of Conduct, are based on international guidelines including the United Nations Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and the conventions of the International Labour Organization.

Safety & Occupational Health: we aim to provide a safe, injury- and accident-free working environment and culture, while supporting the broader wellbeing of our employees and subcontractors. Our long-standing No Injuries, No Accidents (NINA) health and safety program is an important part of this pillar and continues to deliver quality results and ongoing improvements.

Biodiversity and Ecosystems: the prevention and mitigation – through our structured approach to managing environmental risks – of negative impacts on marine life or local habitats, such as those linked to invasive species, turbidity or pollution. We also aim to be an industry leader in the development of nature-based solutions to protect and enhance coastal ecosystems.

Social and Community Impact: the active management of our social engagement in the regions and communities where we work. The majority of our work takes place offshore, however, our operations can impact local communities at the coast or inland. This impact may be either positive — through the creation of jobs and opportunities for trade and economic growth – or, potentially, negative, through disturbance or changes to the local environment. Wherever possible we enhance the positive impact we can have and mitigate or offset negative outcomes of our work.

Climate Change: with regard to climate change, Boskalis plays a relevant role in numerous ways through its activities.

- We protect society from the consequences of climate change. We are uniquely positioned to protect populations and the natural environment from rising sea levels and extreme weather conditions through our coastal defense and riverbank protection activities.
- We help mitigate the effects of climate change by advancing the energy transition. The size and share of offshore wind energy has grown substantially within the group and based on the market outlook, the further prospects are positive. Over the last number of years, EUR 750 million of capital expenditures has been allocated to serve this market and approximately a quarter of the identified expenditures in the new business plan period are also related to renewables.

Through our activities, we also generate emissions and have committed to being climate neutral across our global operations by 2050. As such, we aim to further reduce emissions and drive our competitive advantage through our ability to offer accessible, low-carbon solutions to our clients. The rate at which we move towards our climate target is a function of the opportunities and technology available to different parts of the company. The largest part of our CO_2 footprint is linked to our vessels, an area where we have initiated a range of measures and technologies to drive down fuel consumption and reduce emissions from our fleet. Although the results from these initiatives are already significant, more substantial reductions in emissions are dictated by the readiness and global availability of suitable alternatives to fossil fuels. More details on the progress of our emission reduction program can be found in our Sustainability Report.

Good Stewardship also guides our interventions to enhance the positive and prevent or minimize any negative impacts of our operations. We focus our efforts on the above topics to develop new technologies and more sustainable ways of executing projects for our clients. To support our progress on these sustainability topics, we have articulated high-level ambitions and set measurable targets where possible.

HUMAN EXCELLENCE

In a world of rapid commoditization, low cost capital and growing expectations around local content, human capital is the main differentiator for gaining a sustainable competitive advantage. Our approach to human capital is a key pillar of our business strategy and pivotal to our ability to achieve sustainable growth while managing the impact of our activities on our people and the world around us. Under this pillar, we aim to strategically grow our workforce while creating an environment where employees feel safe, connected, engaged and can maximize their talents. By doing so, we put ourselves in a position of strength to meet the sustainability challenges and objectives of our activities and ensure the sustainable growth of our business.

DISTINGUISHING ASSETS

Together with our human capital, Boskalis' strength lies in its ability to deploy proprietary, distinguishing assets. During the upcoming business plan period, we currently expect to invest EUR 1.25 billion in assets, comprising a combination of new builds, vessel modifications and acquisitions of existing vessels for both the dredging and offshore energy division.

The BOKA Vanguard transporting the 70,000-ton Argos floating production unit

Most dredging vessels are co-designed by Boskalis in consultation with shipyards. The requirements for these vessels are specified by Boskalis based on decades of experience, detailed knowledge of the current market requirements and understanding of future demands. The ability to be actively involved in the specification and design of these vessels differentiates Boskalis from many of its competitors and enables co-building and operating distinguishing dredging vessels. In the new business plan period, Boskalis intends to invest in the large and jumbo hopper segment, whilst previous business plans focused on the rejuvenation of the cutter fleet and the medium-sized hoppers.

Within the Offshore Energy division, Boskalis has built-up a versatile fleet of distinguishing assets mainly by acquiring vessels and in certain cases modifying them. In contrast to dredging vessels for which there is no second-hand market, offshore vessels can often be readily acquired in the market. The advantages of acquiring existing assets typically include the ability to buy at an attractive valuation and the short time to market. Furthermore, by modifying and extending the lifetime of vessels, premature scrapping is prevented making this also a more sustainable approach. When looking to acquire and modify a vessel, Boskalis can rely on a large team of inhouse engineers capable of designing and coordinating complex conversions and re-builds with shipyards around the world. During the new business plan period, Boskalis intends to selectively expand its offshore fleet with assets geared to serving the offshore renewables market, including the Bokalift 2, the conversion of a fallpipe vessel, modifications on a number of existing vessels and a new motion compensated pile gripper frame for wind turbine foundations.

IN SUMMARY

Following two years that have been clouded by the pandemic and associated uncertainties, we believe we reached a point at which its mid- to long-term impacts are less ambiguous, allowing us to develop an updated corporate business plan. The near-term market outlook is generally positive, albeit that the impact of current geopolitical developments in Eastern Europe are difficult to read.

Our sustainable growth strategy is structured around our three main activity clusters and the benefits they bring to society: creating innovative infrastructure, advancing the energy transition and providing protection against the impacts of climate change.

Based on our comprehensive review of the relevant drivers that fuel the demand for our services, we are positive that their mid- to long-term developments remain supportive to our business. Continued growth and rising prosperity of the global population are two overarching macro trends that drive and coincide with ongoing urbanization in coastal areas, growing demand for raw materials, increased energy consumption and intensified global trade. Climate change necessitates massive investments towards renewable energy sources. Despite efforts to accelerate this energy transition, the damaging consequences of climate change are projected to increase over the next decades. Adequately addressing these effects through adaptive measures also requires very substantial investments.

Collectively these macro trends boost the demand for maritime infrastructure and as such constitute the key drivers of sustainable growth for our activities. The longer term relevance of Boskalis' portfolio of assets and activities is clear and their short- to mid-term prospects are generally positive.

For our updated business plan we have defined three strategic pillars: Good Stewardship, Human Excellence and Distinguishing Assets. Good Stewardship focuses on the effective management of our sustainability performance, including responsible business conduct, safety and occupational health as well as further reducing our carbon emissions. Initiatives under the heading of Human Excellence aim to foster the necessary talent and commitment of our employees ensuring the sustainable growth of our business. Our third strategic pillar – Distinguishing Assets – pertains to building, acquiring or modifying unique assets that allow us to create new horizons for our clients through our projects and services. Total capital expenditure over the coming three years is projected at around EUR 1.25 billion. This amount excludes any asset acquisitions, bolt-on acquisitions or consolidation opportunities that may arise.

A robust balance sheet is a prerequisite for responsibly conducting and growing our businesses. We maintain the view that a net debt/EBITDA ratio in a 'through-the-cycle' range of 1 to 1.5 is appropriate for our mix of activities. We expect to be at or somewhat below this range during the business plan period. This is both out of prudence and to allow for the flexibility and decisiveness needed if additional growth opportunities present themselves.

We are committed to sharing success with our shareholders and therefore maintain the prevailing dividend policy based on distributing 40% to 50% of the net profit from ordinary operations. Based on the anticipated market developments, we expect dividends per share to increase during the business plan period. Furthermore, we are also announcing a new EUR 100 million share buyback program.

The mega cutter suction dredger Krios

SHAREHOLDER INFORMATION

We strive to inform our stakeholders as completely as possible and to provide insight into the strategic direction and performance of the company. These efforts should allow for an accurate valuation of the Boskalis share over time.

Rock installation activities by the fallpipe vessel Seahorse for the Yunlin offshore wind farm in Taiwan

INVESTOR RELATIONS POLICY

Providing clear, transparent, accurate and timely information to our stakeholders is something we value highly. We consider our financial stakeholders to include existing and potential shareholders, other investors, banks and brokers as well as the media. Relevant information is equally and simultaneously provided to all interested parties and is made available through annual, semi-annual and quarterly updates, press releases, presentations to investors and the Boskalis website. To build and maintain long-term relationships with our stakeholders we organize roadshows, attend conferences and accommodate meeting requests and conference calls where feasible, while adhering to all legal disclosure regulations and obligations.

Bilateral meetings and conference calls with analysts and existing or potential shareholders are not held during ‘closed periods’. Our policy of holding bilateral meetings with shareholders is set out in the Investor Relations section on our corporate website.

OPEN DIALOG

Following the publication of the annual and half-year results, we host comprehensive plenary analyst meetings, which can also be followed through a live video webcast. Following important announcements, we also contact shareholders proactively and we maintain regular contact with major investors and analysts, for example by providing the opportunity, where feasible, to visit a project or a vessel.

Throughout 2021, we interacted with investors by means of online meetings both during virtual conferences and virtual roadshows. This included meetings with investors located in Belgium, Canada, Denmark, France, Germany, Ireland, Italy, the Netherlands, Spain, Switzerland, the UK and the US. The total number of meetings held in 2021 was approximately 180, more than in 2020 however less than in the years prior to COVID-19.

Boskalis is covered by all the major Benelux brokers. We are in frequent contact with their analysts, who play a key role in distributing information to their clients about the markets in which Boskalis operates.

Due to COVID-19, the Annual General Meeting of Shareholders (AGM) on 12 May 2021 was held as a virtual meeting with a live video webcast that was available for shareholders. More information on the AGM can be found on our corporate website.

DIVIDEND

The main principle underlying the Boskalis dividend policy is to distribute 40% to 50% of the net profit from ordinary operations as dividend. At the same time Boskalis aims to achieve a stable development of the dividend in the longer term. The choice of dividend takes into account both the company's desired balance sheet structure and the interests of shareholders.

On 12 May 2021 the AGM approved the proposal to keep the dividend for 2020 stable compared to the dividend distributed in previous years, and therewith to distribute more than the dividend policy. The dividend of EUR 0.50 per ordinary share was distributed fully in cash and equaled approximately 72% of the net operating profit.

REPURCHASE AND CANCELLATION OF SHARES

Early 2019, Boskalis announced and initiated a EUR 100 million share buyback program, which was completed on 16 September 2021. The share buyback program was aimed at reducing the issued share capital. During the program, a total number of 4,742,928 shares were repurchased at an average price of EUR 21.08 per share.

The issued share capital of Boskalis as per 31 December 2021 amounted to 130,277,832 with 952,934 held as treasury stock.

To reduce its share capital, Boskalis canceled 952,934 shares held in treasury on 11 February 2022 bringing the current issued share capital to 129,324,898 shares as per that date.

SHARES AND LISTINGS

Ordinary shares in Royal Boskalis Westminster N.V. are listed on the Euronext stock exchange in Amsterdam, the Netherlands (ticker BOKA.AS, ISIN code NL0000852580). Options on ordinary Boskalis shares are traded on the European Option Exchange in Amsterdam (Euronext.liffe). Boskalis shares are included in the AMX-index.

The authorized capital amounts to EUR 4.8 million with 240 million ordinary shares and 80 million cumulative protective shares, with a respective nominal value per share of EUR 0.01 and EUR 0.03.

MAJOR SHAREHOLDERS

Under the Dutch Financial Markets Supervision Act, shareholdings of 3% or more in any Dutch company must be disclosed to the Netherlands Authority for the Financial Markets (AFM). According to the register kept by the AFM the following shareholders disclosed that they have a direct or indirect (potential) interest in Boskalis as at 31 December 2021:

HAL Investments B.V.: 45.54%*
Sprucegrove Investment Management Limited: 5.16%
Marathon Asset Management: 3.57%
Moneta Asset Management: 3.07%
Black Creek Investment Management, Inc.: 3.03%

** According to the 2021 half year disclosure of HAL Holding N.V.*

Besides these large shareholders, an estimated 20% of the shares are held by shareholders in the US plus Canada, 5% in the UK and the remainder in mainly Norway, Switzerland, France and the Benelux.

SHARE INFORMATION

In 2021, approximately 34 million Boskalis shares were traded on Euronext Amsterdam and the average daily trading volume was approximately 133,000 shares (2020: 230,000).

The 2021 closing share price was EUR 25.62, 13.5% higher compared to the end of 2020 and the market capitalization increased in the course of the year to EUR 3.31 billion.

	Note	**2021**	2020	2019	2018	2017
High share price (in EUR)	*(1)*	**29.46**	23.50	25.42	32.58	35.51
Low share price (in EUR)	*(1)*	**22.16**	14.14	16.48	20.10	27.08
Close share price (in EUR)	*(1)*	**25.62**	22.58	22.73	21.47	31.43
Average daily trading volume	*(1)*	**133,384**	229,969	299,217	598,044	507,778
Number of issued ordinary shares at year-end (x 1,000)	*(2)*	**129,325**	130,220	131,727	134,068	130,677
Average number of outstanding shares (x 1,000)		**129,592**	130,954	133,248	132,492	131,097
Market capitalization at year-end (in EUR billion)	*(3)*	**3.31**	2.94	2.99	2.88	4.11
Enterprise value at year-end (in EUR billion)	*(4)*	**2.96**	2.49	2.97	3.01	4.23
Profit per share (in EUR)		**1.16**	0.69 (5)	0.56	0.63 (5)	1.15
Cash flow per share (in EUR)		**3.18**	2.48 (5)	2.55	2.41 (5)	3.07
Dividend per share (in EUR)		**0.50**	0.50	none	0.50	1.00
Pay out ratio %	*(6)*	**43%**	72%	n/a	79%	87%
Dividend yield %	*(7)*	**2.0%**	2.2%	n/a	2.3%	3.2%

Figures taken from the respective financial statements unless otherwise stated
(1) Nasdaq IR Insights
(2) Number of outstanding ordinary shares minus the number of shares owned by the company as at 31 December
(3) Market capitalization: total number of outstanding ordinary shares minus the number of shares owned by the company as at 31 December x share price at year-end
(4) Enterprise value: market capitalization plus net debt
(5) Excluding exceptional charges
(6) Payout ratio: dividend per share divided by profit per share
(7) Dividend yield: dividend per share divided by share price at year-end

Foreshore replenishment activities near the island of Texel
by the trailing suction hopper dredgers Freeway and Causeway

FINANCIAL AGENDA 2022

10 March 2022	Publication of 2021 annual results
12 May 2022	Trading update on first quarter of 2022
12 May 2022	Annual General Meeting of Shareholders
16 May 2022	Ex-dividend date
17 May 2022	Record date for dividend entitlement (after market close)
24 May 2022	Date of dividend payment
18 August 2022	Publication of 2022 half-year results
11 November 2022	Trading update on third quarter of 2022

SALVAGE OF COLOSSAL CONTAINER VESSEL EVER GIVEN IN THE SUEZ CANAL

Boskalis executed one of the most intense salvage projects in its history in March 2021, refloating the grounded mega container vessel Ever Given in the Suez Canal. The successful operation saved the global economy from losses that would have run into billions.

In the early morning of Thursday 29 July, the Ever Given, loaded with 18,350 TEU containers, sailed into the port of Rotterdam. It should have arrived here many months earlier. News media from around the world reported on the arrival of the vessel that dominated global headlines for a week in March. Once again, the focus on the berthing of the Ever Given in Rotterdam demonstrated the impact of the blockage of the Suez Canal and the importance for the global economy of the work done by Boskalis to refloat the 240,000-ton vessel.

THREE SCENARIOS

An intense week preceded the refloating of Ever Given, with a range of Boskalis specialists working at the same time on three different salvage plans. The scenario in which the vessel had to be refloated with two heavy tugs was labeled 'Plan A'. As that work proceeded, the Boskalis experts in Egypt and the Netherlands

devised two other plans as fallback options. In Alexandria, where Boskalis had just completed a dredging project, 24 containers were made ready for transport. They were loaded with the pipelines and other equipment needed to wash away the sandy clay around and under the bow of the Ever Given. That work would have been executed using a cutter suction dredger from the Suez Canal Authority (SCA) as a pumping platform. To prepare for 'Plan C', contacts were established with owners of large barges and colossal cranes with the aim of unloading hundreds of containers from the deck if the other plans failed.

STRONG HEADWIND

To execute 'Plan A' the salvage team managed to charter the heavy seagoing tugs ALP Guard and Carlo Magno. Because the SCA's heavy equipment was located to the north of the grounded vessel in the canal, the two tugs were needed to help with the refloating operation from the south side. Both vessels were already in the Indian Ocean so they had to turn around and set course against a strong headwind to the southern entrance of the Suez Canal. "We knew one thing for sure: a higher water level was expected within a few days because of the spring tide," says salvage operations director Thijs van der Jagt, who was coordinating the operation from Egypt. "That was the best opportunity – and really perhaps the only serious opportunity at that point in time – to refloat the Ever Given. If it didn't work, there were only two options left: dredging and flushing the soil out from under the vessel at high pressure, or unloading some of the cargo."

WIDE-RANGING LOGISTICAL EXPERTISE

"And that would have been a huge job," says Paul van 't Hof, salvage operations manager EMEA. "The top containers were at a height equivalent to the sixteenth floor of a high-rise building. Getting them off was going to be quite a challenge, even more so given the strong winds at the time. Fortunately, we could have drawn on our wide-ranging logistical expertise – because if there is one company in the world that is well-equipped for an operation like this, it's Boskalis." On Sunday night, with assistance from the crew of the Ever Given, the salvage team connected the towing wire of the recently-arrived ALP Guard to the bollards of the stranded container vessel. With a lighter tug at work to the south and ten local tugs to the north, the stern of the vessel started to move. But the cheering didn't last long: the strong current in the canal soon pushed the Ever Given back to its original position.

FIVE THOUSAND TONS OF WATER

In the meantime, the seagoing tug Carlo Magno had also arrived to replace the lighter tug. A towing wire was connected and a new attempt was scheduled for that same afternoon. "We hoped to improve our chances by pumping more water – about five thousand tons – to the stern section using the ballast system. We also moved extra ballast to the port side to incline the vessel and reduce the ground contact at the bow slightly," says senior naval architect Alexander Gorter. The spring tide, in combination with the two powerful ALP Guard and Carlo Magno tugs, got the Ever Given moving again. Inch by inch, the bow moved away from the bank and the vessel turned towards the center of the canal. After that, the ALP Guard and Carlo Magno were able to refloat the stern. A chorus of horns sounded loudly from the tugs: the canal was open for business again.

HUNDREDS OF VESSELS IN WAIT

The Ever Given then sailed under its own steam to anchor in the Great Bitter Lake. For hundreds of vessels carrying goods worth billions of euros, the waiting was over. The end of an intense week with a global audience looking over the shoulder of the Boskalis team.

REPORT OF THE SUPERVISORY BOARD

Earthmoving activities in connection with the reinforcement of the Markermeer dikes in the Netherlands


Boskalis

REPORT OF THE SUPERVISORY BOARD

The Supervisory Board wishes to thank the employees and the Board of Management of Boskalis for the dedication, creativity and resilience they have shown in 2021, especially considering the COVID-19 pandemic.

In accordance with Article 26 of the Articles of Association of Royal Boskalis Westminster N.V., the Supervisory Board presents the 2021 annual report to the Annual General Meeting of Shareholders. The annual report, including the report of the Board of Management, the statement of directors' responsibilities and the financial statements, was drawn up by the Board of Management. The financial statements are accompanied by the report of the company's external auditor Ernst & Young Accountants LLP (EY), which is included on pages 142 to 147 of this report.

We recommend the following to the Annual General Meeting of Shareholders:
- the adoption of the financial statements, including the proposed profit appropriation;
- the discharge of the members of the Board of Management in respect of their management activities during 2021;
- the discharge of the members of the Supervisory Board for their supervision of management during 2021;
- the distribution to shareholders of a cash dividend of EUR 0.50 per ordinary share.

COMPOSITION OF THE BOARD OF MANAGEMENT

The Board of Management consisted of four members at the start of the 2021 reporting year. No changes to the composition of the Board of Management occurred during the year under review.

COMPOSITION OF THE SUPERVISORY BOARD

At the start of 2021, the Supervisory Board consisted of six members. No changes to the composition of the Supervisory Board occurred during the year under review.

ACTIVITIES OF THE SUPERVISORY BOARD

The Supervisory Board held five regular meetings with the Board of Management and Group Management of the company. In addition, an extra meeting of the Supervisory Board was organized in October 2021 with regard to cybersecurity. Part of the Supervisory Board also attended a special workshop on the earnings model of Boskalis and financial reporting in relation to projects.

The attendance rate at the meetings of the Supervisory Board is for all Supervisory Board members 100 percent, apart from Mr. Sperling, who missed one meeting in August 2021. The Supervisory Board met in the year under review via Microsoft Teams due to the COVID-19 preventive measures and restrictions. The Supervisory Board also met several times without the Board of Management being present and there was regular telephone contact between the Chairman of the Supervisory Board and the Chairman of the Board of Management.

Neither transactions with a (potential) conflict of interest, nor transactions with majority shareholders, have occurred in the year under review. The Supervisory Board has discussed the nomination of supervisory board positions by members of the Board of Management and members of the Supervisory Board at other companies or institutions.

The Supervisory Board held its meetings to discuss the annual and half-year results in the presence of the external auditor, EY.

The impact of COVID-19 on the company, its employees, the execution of projects and the market conditions continued to be an important topic on the agenda of the Supervisory Board in 2021. The Board of Management informed the Supervisory Board outside and during meetings on a very regular basis on the latest developments concerning the precautionary measures taken to ensure the health and safety of its personnel and all necessary steps to continue the business and specific projects. Special attention was paid to the physical and mental well-being and working conditions of personnel in quarantine, on vessels and projects and working from home.
Due to the COVID-19 pandemic, the Supervisory Board decided once again to organize a virtual meeting via webcast for the Annual General Meeting of Shareholders. Measures were taken to safeguard the rights of the shareholders in these extraordinary circumstances.

Permanent items on the agenda of the Supervisory Board are the strategy, the development of the results, the financials, the safety performance, the industry and market developments and the employees.

The last Corporate Business Plan was developed for the years 2020-2022. This plan was however rapidly overshadowed by the COVID-19 pandemic and different near-term market developments relative to the assumptions underlying the 2020-2022 Corporate Business Plan. Notwithstanding this changed environment, also in 2021 the Supervisory Board determined that considerable progress was made on many of the strategic initiatives whilst certain plans have been re-phased and postponed.

Nonetheless, it was decided to update the business plan in the second half of 2021. The plan elaborates on the strategy for the long-term value creation by the company based on a thorough review of Boskalis' markets and business lines. In the development of the strategy and the Corporate Business Plan attention is paid to the implementation and its feasibility, the underpinning business models and assumptions, the opportunities and risks for the company, its operational and financial goals and their impact on the position of Boskalis on future relevant markets, the interests of the stakeholders, as well as environmental, governance and social matters and business ethics. The Supervisory Board has been fully engaged in the formulation of the strategy and the new Corporate Business Plan. At the end of 2021 comprehensive interviews with all members of the Supervisory Board were held to collect their ideas, considerations and suggestions. The final draft version of the Corporate Business Plan was extensively discussed between the Board of Management and the Supervisory Board in February 2022.

Within the context of the market developments the order book and potential large projects as well as the status of important contracted projects were discussed.

The Supervisory Board discussed the contracting of large dredging projects such as the award of the EUR 1.5 billion land development project for Manila International Airport in the Philippines and the award of the road infrastructure project for the Oosterweel link in Antwerp, Belgium. For the Netherlands, the contracting of several dike reinforcement projects were taken into consideration. For Offshore Energy attention was paid to the acquisition of a contract for the transport and installation of monopile foundations for a large windfarm project off the US East Coast. For Towage & Salvage, the Supervisory Board discussed the emergency response for the container vessel Ever Given, which blocked the Suez Canal for nearly a week as well as the rescue of the Eemslift Hendrika off the coast of Norway.

The Supervisory Board was also informed on the execution of projects such as the Fehmarnbelt tunnel project between Denmark and Germany, the LNG Canada dredging project, as well as the first campaign for the installation of pin piles and jackets for the Changfang & Xidao windpark in Taiwan. In discussing these projects, the Supervisory Board devoted attention to the various operational, geopolitical, societal, environmental and financial risks, and, where applicable, judged provisions made by the Board of Management.

Other topics under scrutiny in 2021 included the corporate budget, the share price development, the finalization of 2019 share buyback program and the potential start of a new share buyback program in 2022, relations with shareholders and acquisition and investment/divestment proposals. The Supervisory Board also discussed the organizational structure, personnel and the staffing policies, as well as the culture within the company. In this regard the Human Excellence program for employees to develop themselves within Boskalis and the new trainee programs have been addressed.

The Supervisory Board discussed with the Board of Management the diversity policies within the company and the effect of the new Dutch Act to improve gender diversity in boards of Dutch companies. As a consequence a new Diversity Policy was developed and targets were set to further diversity within the Board of Management and the senior management of Boskalis.

In addition, specific attention was paid to the company's policy on safety, health and the environment and the societal aspects of doing business and the development of the safety results. The Supervisory Board complimented the Board of Management with the stable low lost-time injury frequency of 0.02 per 200,000 hours worked in the year under review.

Attention was also paid to ESG, with a comprehensive discussion by the Supervisory Board of the sustainability report. In the discussion on the updated business plan, the Supervisory Board paid among others attention to the energy transition and the valuable role Boskalis can play in the necessary climate change adaptation. The Board of Management presented to the Supervisory Board the further initiatives to reduce CO_2 emissions of its fleet by researching the application of alternative energy sources. To enhance its role with regard to sustainability the Supervisory Board has decided to include ESG as a regular topic on the agendas of the Audit and the Selection and Appointment Committee respectively. As from 12 May 2022, the Audit Committee will be renamed into the Audit and Sustainability Committee and the Selection and Appointment Committee will be addressed as Governance and Nomination Committee.

The Supervisory Board in addition discussed the new comprehensive compliance framework with the Boskalis Code of Conduct and its underlying policies as well as the Supplier Code of Conduct.

In 2021, the Supervisory Board gave consideration to the divestment of the 49 percent interest in Keppel Smit Towage and the integration of the recently acquired Rever Offshore into the Offshore Energy division.

The regular working visit of the Supervisory Board to a specific region and/or project could not take place in 2021 due to the COVID-19 pandemic.

A number of Supervisory Board members met with the Works Council to discuss the impact of the COVID-19 pandemic on the company and its employees, the financial results, the corporate strategy, the conduct and culture of the company, the market developments and personnel matters.

The Supervisory Board had during the year under review three core committees – the Audit Committee, the Remuneration Committee and the Selection and Appointment Committee. The committees performed their tasks as follows:

AUDIT COMMITTEE

Members of the Audit Committee
At the beginning of 2021, the Audit Committee consisted of three members: Mr. De Kreij (Chairman), Mr. Van Wiechen and Mr. Sperling. Mr. De Kreij fulfills the function of financial expert in the Audit Committee. More than half of the members of the Audit Committee are independent in accordance with the Code.

Duties and responsibilities of the Audit Committee

The duties of the Audit Committee include:

- informing the Supervisory Board of the company of the outcome of the statutory audit and explaining how the statutory audit contributed to the integrity of the financial reporting and what the role of the Audit Committee has been in that process;
- monitoring the financial reporting process and submitting proposals to ensure its integrity;
- monitoring the effectiveness of the internal control system, the internal audit function and the risk management system regarding the financial reporting of the company;
- monitoring the statutory audit of the financial statements and the consolidated annual accounts, in particular the execution thereof taking into account the assessment of the AFM in accordance with article 26, sub clause 6 of EU Regulation 537/2014;
- assessing and monitoring the independence of the external auditor, specifically taking into account the provision of ancillary services to the company;
- determining the procedure for the selection of the external auditor and the nomination for the engagement to carry out the statutory audit in accordance with article 16 of EU Regulation 537/2014;
- advising the Supervisory Board on the approval of the appointment and the dismissal of the internal auditor;
- providing its opinion on the performance of the internal audit function;
- advising on the annual internal audit plan.

Activities during 2021

The Audit Committee met on three regular occasions during 2021. The attendance rate for the meetings of the Audit Committee was 100 percent. Ms. Jones-Bos joined one of the meetings of the Audit Committee as observer to get acquainted with the work of the committee. The Audit Committee met on all occasions via Microsoft Teams due to COVID-19 preventive measures and restrictions. The Committee also held regular telephone consultations outside these meetings.

Like the plenary Supervisory Board, the Audit Committee paid extra attention to the effects of the COVID-19 pandemic on the company. In particular, they discussed the impact of COVID-19 on the execution of projects.

Regular topics discussed during the meetings of the Audit Committee included: the financial statements, the (interim) financial reporting for the financial year, the results relating to large projects, the tender procedures and the project risk environment and the management thereof as well as the operating activities, the developments in IFRS standards, the developments in the order book, cost control, the share price developments, and the financing and liquidity of the company. In this context the Audit Committee addressed proposals for the new financing structure of the company.

The Audit Committee discussed with the Board of Management the internal risk management and control systems and assessed the effectiveness of the design and the operation thereof by evaluating the systems with the Board of Management, the internal and external auditor and senior management. The Audit Committee reported hereon to the Supervisory Board.

Other topics of discussion included the impact of the COVID-19 situation on the financial markets, insurance matters, the company's tax policies, tax position and relevant tax developments, the administrative organization, the provision of adequate information within the company, the relevant legislation and legal proceedings. More in particular, the Audit Committee was informed on the latest developments regarding the Dutch Export Credit Guarantee scheme, which is important for the company to acquire projects overseas. Furthermore, the Dutch tonnage tax regime was discussed.

In addition, the Audit Committee focused more specifically on the framework of the financial reporting and the necessary measures to further enhance cybersecurity, the privacy policies and the fraud and anti-corruption policies.

Within the context of the market developments, the order book and potential large projects as well as the status of important contracted projects were discussed. Furthermore, the proposed divestment of Keppel Smit Towage was assessed.

In the Audit Committee, the activities performed by the internal auditor during 2021 as well as the internal Audit Plan for 2022 have been discussed with the internal auditor. Other topics of discussion included a review of the scope of the internal audit function.

In addition to the Chair of the Board of Management and the Chief Financial Officer, the Group Controller and the external auditor were also present at the meetings of the Audit Committee.

The internal auditor and other officers joined the meetings of the Audit Committee for the topics relevant to their function. The Audit Committee discussed with the external auditor the audit plan as well as the audit fees. The scope and materiality of the audit plan and the principal risks of the annual reporting, as well as the findings and outcome of the control process of the financial statements and management letter, was given consideration by the Audit Committee, whereby the Audit Committee received information on the most important topics of discussion with the external auditor related to the drafts of the Management Letter and the audit reports.

The performance of the external and internal audit functions were assessed by means of discussions with the Board of Management, the internal and external auditor as well as senior management.

The Audit Committee informed the external auditor of the main elements regarding its performance. The Audit Committee also established the independence of the external auditor. The Audit Committee reported its findings on the performance of and the relationship with the external auditor to the Supervisory Board. During the year under review, meetings were also held with the external auditor without the company's Board of Management being present.

Reports and findings of the meetings of the Audit Committee were presented to and discussed with the entire Supervisory Board.

REMUNERATION COMMITTEE

Members of the Remuneration Committee
At the beginning of 2021, the Remuneration Committee consisted of three members, with Ms. Tammenoms Bakker as Chair and Mr. Van der Veer and Ms. Jones-Bos as members. All members of the Remuneration Committee are independent in accordance with the Code.

Duties and responsibilities of the Remuneration Committee
It is the role of the Remuneration Committee to advise the Supervisory Board on:

- the submission of a clear and understandable proposal concerning the remuneration policy to be pursued for members of the Board of Management with focus on long-term value creation for the company and the business connected with it, which shall take into account the internal pay ratios within the company. The Remuneration Committee shall consider and include all matters required by law, and more in particular the Act Implementation EU Shareholders Directive, and the Corporate Governance Code 2016 (the "Code"). The Supervisory Board shall present the policy to the General Meeting of Shareholders for adoption.
- the submission of a proposal concerning the remuneration of individual members of the Board of Management. The proposal shall be drawn up in accordance with the remuneration policy that has been established and will, in any event, cover the remuneration structure, the amount of the fixed and variable remuneration components, the performance criteria used, the scenario analyses that are carried out and the pay ratios within the company and its affiliated enterprise. When formulating the proposal for remuneration of the Board of Management, the Remuneration Committee shall take note of the views of the individual members of the Board of Management with regard to the amount and structure of their remuneration.
- the preparation of the report on the remuneration policy implemented in the past financial year. The Remuneration Committee shall consider and include all matters required by law and the Code. The Supervisory Board's remuneration report shall be placed on the company's website.

Activities during 2021
The Remuneration Committee met three times during 2021. The attendance rate for the meetings of the Remuneration Committee was 100 percent for all members of the Remuneration Committee. All meetings were held via Microsoft Teams due to the COVID-19 preventive measures and restrictions. The Committee also held regular consultations outside these meetings.

During the year under review the activities of the Remuneration Committee included:

- informing itself of developments surrounding the remuneration policy for senior management in the Dutch and international markets;
- staying abreast of the latest corporate governance developments in the Netherlands and internationally;
- performing scenario analyses;
- considering the internal pay ratios;
- evaluating the current remuneration policy;
- reviewing the market reference group and conducting a remuneration survey;
- submitting a proposal concerning the remuneration of the Supervisory Board;
- discussing with the Board of Management the remuneration of the members of the Group Management, who are not members of the Board of Management.

The Remuneration Committee applies for the execution of its remuneration activities a market reference group composed of fourteen Dutch (AEX and AMX-listed) companies that are comparable in terms of size and/or business activities. The market reference group was revised in the year under review based on relevant size criteria, which resulted in a market reference group consisting of BAM, DSM, Fugro, SBM Offshore, Sligro, PostNL, Wolters Kluwer, Arcadis, Vopak, Aalberts Industries, OCI, KPN, TKH Group and IMCD.

Furthermore, the Remuneration Committee evaluated the current remuneration policies for the Board of Management and the Supervisory Board and conducted a remuneration survey. The Remuneration Committee was assisted in the execution of its activities by an external independent remuneration advisor. The Remuneration Committee ascertained that this remuneration advisor does not provide advice to the members of the Board of Management.

The outcome of the remuneration survey showed that the members of the Board of Management receive an appropriate basic salary, but that the short-term and long-term variable components of the remuneration of the Board of Management are in comparison to the market reference group situated below the median. Combining the basic salary and the variable components, the total remuneration package for the Board of Management is below or close to the median level of the market reference group.

The remuneration survey also calibrated the level of the remuneration of the members of the Supervisory Board. The results showed that the remuneration of the Supervisory Board is below or around the lowest quartile (P25) of the market reference group.

Based on the above the Supervisory Board has decided not to schedule any proposals to amend the current remuneration policy for the Board of Management. However, for 2022, the Supervisory Board did approve an increase in the fixed salary for two members of the Board of Management, whose total package was below the median. Also, to bring the level of remuneration for the Supervisory Board more in line with the market, the Supervisory Board has formulated a proposal for the agenda of the Annual General Meeting of Shareholders on 12 May 2022 to adjust the current remuneration policy for the Supervisory Board. The Supervisory Board remuneration was last changed in 2012.

The overview of the activities of the Remuneration Committee is also published in the remuneration report 2021 on the website of the company.

Remuneration policy for the Board of Management
The current remuneration policy for the Board of Management was adopted by the Annual Meeting of Shareholders on 30 June 2020. The remuneration policy is consistent with the strategy and core values of Boskalis. These values are centred on

the long-term value creation, a balanced risk reward approach for contracting projects, and the continuity of the business and take into account the interests of Boskalis' shareholders, clients and employees as well as the public support.

In 2021, the remuneration of the Board of Management was applied in accordance with the remuneration policy as adopted by the Annual General Meeting of Shareholders on 30 June 2020, without any deviations.

Remuneration policy for the Supervisory Board
In 2021, the remuneration of the Supervisory Board was applied in accordance with the remuneration policy as adopted by the Annual General Meeting of Shareholders on 30 June 2020, without any deviations.

The full text of the remuneration policies for the Board of Management and the Supervisory Board is available on the Boskalis website (boskalis.com).

Reports and findings of the meetings of the Remuneration Committee were presented to and discussed with the entire Supervisory Board.

SELECTION AND APPOINTMENT COMMITTEE

Members of the Selection and Appointment Committee
At the beginning of 2021, the Selection and Appointment Committee consisted of three members, with Mr. Van der Veer acting as Chairman and Mr. Van Wiechen and Mr. Sperling as members. More than half of the members of the Selection and Appointment Committee are independent in accordance with the Code.

Duties and responsibilities of the Selection and Appointment Committee
It is the role of the Selection and Appointment Committee to advise the Supervisory Board on:
- drawing up selection criteria and nomination procedures with respect to members of the Supervisory Board and members of the Board of Management of the company;
- the periodic assessment of the size and composition of the Supervisory Board and the Board of Management and submission for a profile of the Supervisory Board;
- the periodic assessment of the performance of individual members of the Supervisory Board and Board of Management and reporting thereon to the Supervisory Board;
- drawing up a plan for the succession with respect to members of the Supervisory Board and the members of the Board of Management;
- proposing appointments and re-appointments;
- supervising the policy of the Board of Management with respect to selection criteria and appointment procedures for the senior management of the company.

Activities during 2021
In 2021, the Selection and Appointment Committee held two meetings. The attendance rate for the meetings of the Selection and Appointment Committee was 100 percent. The meetings were held via Microsoft Teams due to the COVID-19 preventive measures and restrictions. In addition, the members consulted by telephone on several occasions outside these meetings.

The sheerleg crane Asian Hercules III lifting and installing bridge sections for the Çanakkale 1915 bridge in Turkey

The Selection and Appointment Committee discussed the long-term composition and succession planning for both boards. During the year under review no appointments or re-appointments for the Board of Management and the Supervisory Board have taken place.

However on 12 May 2022 the term of appointment of Mr. J.P. de Kreij as member of the Supervisory Board ends. The Selection and Appointment Committee proposed to the Supervisory Board in accordance with the Profile of the Supervisory Board to make a binding nomination to the Annual General Meeting of Shareholders to reappoint Mr. De Kreij as member of the Supervisory Board, due to his extensive experience as member of the Supervisory Board and the professional manner in which he fulfills that membership. The Supervisory Board adopted this recommendation and shall make a binding nomination to the coming Annual Meeting of Shareholders to reappoint Mr. De Kreij for a period commencing on 12 May 2022 until and including the Annual Meeting of Shareholders in 2026.

Furthermore, the term of appointment of Mr. B.H. Heijermans as member of the Board of Management ends on 12 May 2022. The Selection and Appointment Committee proposed to the Supervisory Board to make a binding nomination to the Annual General Meeting of Shareholders to reappoint Mr. Heijermans as member of the Board of Management, due to his important contribution to the company and the professional manner in which he fulfills that membership and his role as director Offshore Energy.
The Supervisory Board adopted this recommendation and shall make a binding nomination to the coming Annual Meeting of Shareholders to reappoint Mr. Heijermans for a period commencing on 12 May 2022 until and including the Annual Meeting of Shareholders in 2026.

Reports and findings of the meetings of the Selection and Appointment Committee were presented to and discussed with the entire Supervisory Board.

DUTCH CORPORATE GOVERNANCE CODE

Since the introduction of the Dutch Corporate Governance Code (the "Code") in 2004 and the revision in 2016, the principles of proper corporate governance and best practice provisions set out in the Code and their implementation have regularly been discussed at Supervisory Board meetings. The principal points of the Boskalis Corporate Governance policy can be found on pages 70 to 72 of this annual report.

In the opinion of the Supervisory Board, the provisions of the Code regarding the independence of the members of the Supervisory Board have been complied with. The Supervisory Board considers Mr. Van Wiechen the only Supervisory Board member not to be independent in light of the Code, due to the fact that he fulfills the position of director at HAL Investments B.V., which company holds an interest of 45.54 percent in the share capital of Boskalis.

Outside the presence of the Board of Management, the Supervisory Board discussed the performance of the Board of Management. It also discussed the performance of the Supervisory Board, the Chairman of the Supervisory Board, the three committees and the individual members of the Supervisory Board. This evaluation was conducted by means of a questionnaire as well as through collective and bilateral discussions between the members of the Supervisory Board, the Chairman of the Supervisory Board and the Chairman of the Board of Management. In its opinion the Supervisory Board is functioning well. The Supervisory Board concluded in the evaluation that insight and knowledge of the Supervisory Board can be further enhanced by operational visits and 'deep dives' of the Supervisory Board. Furthermore, in the coming year extra attention will be given to the bench strength, diversity and internationalization of the senior staff.

The Supervisory Board wishes to thank the employees and the Board of Management of Boskalis for the dedication, creativity and resilience they have shown in 2021, especially considering the COVID-19 pandemic.

Papendrecht / Sliedrecht, 9 March 2022

Supervisory Board

Mr. J. van der Veer, Chairman
Mr. J.P. de Kreij, deputy Chairman
Ms. R.V.M. Jones-Bos
Mr. D.A. Sperling
Ms. J.A. Tammenoms Bakker
Mr. J.N. van Wiechen

Cable installation and burial with a trencher
for the Moray East windfarm project

KINCARDINE: INSTALLATION OF THE WORLD'S LARGEST FLOATING WIND FARM

For many years, Boskalis has made an important contribution to the energy transition with the construction of offshore wind farms in Europe. Until recently these involved so-called fixed wind farms but in 2021 the company also installed the world's largest floating wind farm.

"The Kincardine project can be considered a breakthrough in the world of offshore wind energy because it has opened the door to installing wind turbines in deep water," says Boskalis Marine Services director Steve van Hulle. "Floating structures in water depths of 60 to 800 meters are increasingly needed as offshore locations where wind turbines can be placed on jackets or monopiles are slowly becoming scarce. So in the future, more and more wind farms will be located in deeper water, making floating structures like this indispensable."

170 METERS TALL

The Kincardine wind farm is located off the coast of Aberdeen, UK and was commissioned by Cobra Wind International from Spain. Five floating wind turbines have been installed, each with a capacity of over 9.5 megawatts. The turbines are approximately 170 meters tall at the top of the rotor blades, dwarfing the London Eye by almost forty meters.

FLOATERS

The turbines are positioned on triangular, floating foundations called floaters that are about thirty meters tall. About a third of a floater sticks out above the surface. They consist of three floating steel columns with a diameter of twelve meters held together by three connecting elements about fifty meters long. Each one has a ballast system to maintain height and stability. The turbine is placed in one of the corners of the triangle. Heavy-duty anchoring structures with chains and concrete blocks keep the floaters in place so that the towering wind turbines can run safely and stably.

MOORING

The mooring is a crucial part of the work. The three-point mooring system consists of large Stevshark Rex anchors and enormous chains that were installed on the seabed. A heavy anchor handling tug positioned the mooring spread on the seabed after which a Remotely Operated Vehicle (ROV) was used to check if everything had been executed correctly. Lighter chains were connected to the mooring spread and finally an HMPE (High Modulus Polyethylene) cable to the three corners of the floater. The cables hang in the water in a curved pattern. “The special chain structure bridges the height difference between low and high tide and the structure is locked into place in all weather conditions,” Van Hulle explains. “To fix the mooring spread to the seabed, the anchor chains were weighed down every few meters with concrete blocks weighing more than eight tons.”

TRANSPORT SPAIN-NETHERLANDS-SCOTLAND

Dry marine transport also played a major role in the project. The five floaters were constructed in Ferrol in Spain, where they were loaded onto Boskalis’ semi-submersible barge Fjord. After sea-fastening the floater, Boskalis’ anchor handling tug Seraya towed the Fjord to Rotterdam in about six days. In addition to the five voyages from Spain to the Netherlands, one of the floaters was first transported from Gibraltar to Ferrol. After arrival in Rotterdam the Fjord was partially submerged after which the floaters actually did what their name implies – float – for the first time. That was followed by extensive testing before they were transported a short distance by harbor tugs to the Sif company’s quay where the wind turbines were built. The floaters were temporarily held in place there with a mooring system so that the turbines could be installed.

The assembly and operational delivery of a floating turbine took about a month. The Boskalis heavy anchor handler Manta was deployed to tow the huge structures to Scotland. “To eliminate any risk the Manta sailed at a speed of three knots per hour, so each transport to Scotland took about six days,” says Van Hulle.

HOOK-UP

In addition to a number of Boskalis vessels, ROVs were deployed for the hook-up activities as well, this time from the anchor handler Nicobar. The ROV arms picked up the anchor cables from the seabed and attached them to a winch line on the floater, after which the HMPE cable was pulled up from the mooring spread and attached to the floater. “It’s not possible to work with ROVs in high waves and fast currents, and our colleagues have to be able to move safely from the ship to the floater during the operation, so we needed relatively calm weather to complete the installation work, which we did successfully in July 2021.”

“I’m extremely proud of the Boskalis team that executed this innovative project to the full satisfaction of our client. With our team of highly skilled professionals and specialized fleet we are ready to play our part in this exciting new market,” concludes Van Hulle.

REPORT OF THE BOARD OF MANAGEMENT

Maintenance dredging by the trailing suction hopper dredger Prins der Nederlanden dredging in the access channel to the port of Lumut in Malaysia

FINANCIAL PERFORMANCE

Royal Boskalis Westminster N.V. concluded 2021 with a strong increase in revenue and earnings and with a well-filled order book, despite COVID-19-related restrictions. Revenue increased by 17.1% compared to last year to EUR 2.96 billion (2020: EUR 2.52 billion). Adjusted for (de)consolidation and currency effects, revenue growth was 13.9%. EBITDA increased by 14.3% to EUR 462 million (2020: EUR 404 million) and the operating result increased by 42.0% to EUR 199 million (2020: EUR 140 million). Net profit was EUR 151 million, where a year ago there was a net loss of EUR 97 million. There were no exceptional gains or losses in 2021.

In the Dredging & Inland Infra segment, revenue increased by over 20% and the operating result by 57% compared to last year. These strong growth figures came about despite COVID-19-related travel restrictions and quarantine measures resulting in operational inefficiencies, most prevalent in Southeast Asia. The utilization of the trailing suction hopper dredgers was strong in the second half of the year, after a relatively quiet first half due to early maintenance on the mid- to large-sized vessels. The largest revenue contribution came from projects in the Philippines, Singapore, Denmark and from the domestic Dutch market.

At Offshore Energy, revenue increased by 19% on a 52% higher operating result. The revenue growth was almost entirely attributable to the services part of the division. Both Marine Transport & Services and Marine Survey contributed to the growth, but the largest increase came from Subsea Services, in part due to the addition of Rever Offshore acquired late 2020. Across the board, the various contracting and services activities contributed to the good divisional result. In 2021, revenue from offshore wind activities continued to increase, accounting for 46% of division revenue.

The Towage & Salvage division had a good year, both in harbor towage activities and salvage. For many, the combination of Salvage and 2021 will be associated with the refloating of the Ever Given in the Suez Canal, but there were also dozens of other successful salvage assignments in which vessels were saved or where an environmental disaster was averted. Nevertheless, following a number of exceptionally busy years, 2021 was relatively quiet in terms of revenue for Salvage. The harbor towage activities contributed well with a substantial increase in earnings.

The customary holding and non-allocated group costs are returning to normal historic levels following a period during which cost were temporarily lowered as part of the COVID-19 measures.

Boskalis' financial position remains strong with a net cash position of EUR 203 million, including EUR 148 million of IFRS 16 lease liabilities. Substantial capital investments were made in 2021, following a year in which investments were postponed under the influence of COVID-19. Furthermore, the share buyback program was completed and an all-cash dividend was paid. The exceptionally high negative working capital position remained stable in 2021. With the available cash and bank facilities Boskalis has a direct financing capacity in excess of EUR 1.1 billion. Solvency remains high at 48% and Boskalis comfortably meets its financial covenants.

The order book increased modestly to EUR 5.41 billion (year-end 2020: EUR 5.31 billion). The increase was fully attributable to Offshore Energy, partly as a result of acquiring a substantial offshore wind project in the United States. With the projects in the order book a significant part of the 2022 revenue has been secured and there is a solid basis for the years thereafter.

Hook-up of a Floating Storage and Regasification Unit by the anchor handling tug supply vessel Sovereign off the coast of El Salvador

OPERATIONAL AND FINANCIAL DEVELOPMENTS

In 2020, a critical review of the business, including assets and activities, was conducted due to the global impact of the COVID-19 pandemic and strong decline in the oil price. This review resulted in exceptional mostly non-cash impairments charges. There were no exceptional charges in 2021. For comparison purposes certain 2020 results are adjusted for exceptional charges; Operating Result is defined as EBIT before exceptional charges and the Net result from joint ventures and associates is adjusted for exceptional charges.

REVENUE

In 2021, the group revenue increased by 17.1% to EUR 2.96 billion (2020: EUR 2.52 billion). Adjusted for consolidation, deconsolidation and currency effects, the increase amounted to 13.9%.

Dredging & Inland Infra revenue increased by 20.3%, on the back of a weak COVID-19-impacted 2020. Despite ongoing operational COVID-19-related disruptions in 2021, a well-filled order book and improved vessel utilization resulted in a strong revenue increase. The largest revenue contribution came from projects in the Philippines, Singapore, Denmark and the Netherlands

The revenue of Offshore Energy increased by 19.0%. Contracting revenues were virtually stable whilst the revenue contribution from the services activities increased significantly. In addition to a busier year at Marine Transport & Services and Survey, the strongest increase came from Subsea Services with the integration of Rever Offshore following the acquisition late 2020.

Within the Towage & Salvage division, Salvage had a relatively quiet year. Nonetheless, Salvage was successfully involved in a number of high-profile emergency response contracts including the refloating of the container ship Ever Given in the Suez Canal.

RESULT

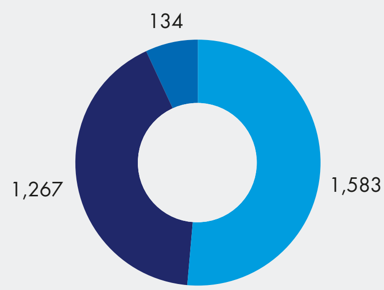
Looking back at 2021, the operational performance continued to be impacted by the COVID-19 pandemic. Notwithstanding this, the financial result was good with an improvement of the operating margin in all divisions. An improving market environment, higher vessel utilization rates and settlement results within Salvage contributed to this improvement.

EBITDA increased to EUR 462.3 million (2020: EUR 404.3 million) and the operating result increased to EUR 198.6 million (2020: EUR 139.8 million adjusted for EUR 195.4 million exceptional charges). The result includes our share in the net result of joint ventures and associates, which increased to EUR 39.1 million (2020: EUR 18.9 million, adjusted for impairment charges).

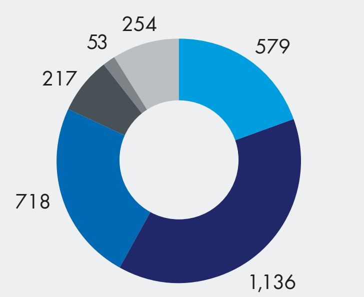
The operating result for the Dredging & Inland Infra division increased by 57% to EUR 83.4 million (2020: EUR 53.2 million). The strong improvement is related to the higher revenue and a busy year with a higher vessel utilization.

Within Offshore Energy, the operating result increased by 52% to EUR 100.7 million (2020: EUR 66.3 million). The strong increase was driven by a combination of factors within the services cluster. Compared to 2020, there was a substantial increase in the operating result within Marine Transport & Services and Subsea Services in part due to the successful integration of Rever Offshore.

REVENUE BY SEGMENT	2021	2020
(in EUR million)		
Dredging & Inland Infra	**1,583.3**	1,315.7
Offshore Energy	**1,266.9**	1,064.9
Towage & Salvage	**133.7**	174.6
Eliminations	**-27.1**	-30.3
Total	**2,956.8**	2,524.9



REVENUE BY GEOGRAPHICAL AREA	2021	2020
(in EUR million)		
The Netherlands	**578.5**	581.3
Rest of Europe	**1,136.5**	893.2
Australia / Asia	**718.3**	456.8
Middle East	**217.1**	244.1
Africa	**52.7**	97.4
North and South America	**253.7**	252.1
Total	**2,956.8**	2,524.9



Within the contracting cluster, the wind activities made a strong contribution however overall the operating result was slightly lower than last year. In 2020, Seabed Intervention had a number of exceptionally profitable projects.

At Towage & Salvage, the operating result increased by 33% to EUR 60.7 million (2020: EUR 45.6 million). The contribution from joint ventures, mainly towage related, increased to EUR 29.3 million whilst the strong performance at Salvage was largely related to settlement results on emergency response contracts that were operationally concluded in prior years.

Non-allocated group income and expenses amounted to negative EUR 46.2 million and relate primarily to the non-allocated head-office costs (2020: negative EUR 25.3 million).

NET PROFIT

EBIT amounted to EUR 198.6 million (2020: negative EUR 55.6 million). Net of financing expenses of EUR 16.1 million on balance, the pre-tax profit was EUR 182.5 million. The net profit attributable to shareholders totaled EUR 150.8 million, compared to a net loss of EUR 96.5 million in 2020.

ORDER BOOK

In 2021, on balance, EUR 3.06 billion worth of new contracts were added to the order book. This includes a correction that was made out of prudence and due to execution uncertainties on a limited number of projects. At the end of the year the order book, excluding our share in the order books of joint ventures and associates, stood at EUR 5.41 billion (end-2020: EUR 5.31 billion).

OPERATING RESULT BY SEGMENT	2021	2020
(in EUR million)		
Dredging & Inland Infra	**83.4**	53.2
Offshore Energy	**100.7**	66.3
Towage & Salvage	**60.7**	45.6
Non-allocated group (costs) result	**-46.2**	-25.3
Operating Result	**198.6**	139.8
Exceptional items	**-**	-195.4
EBIT	**198.6**	-55.6

ORDER BOOK	END-2021	END-2020
(in EUR million)		
Dredging & Inland Infra	**3,999.8**	4,075.7
Offshore Energy	**1,397.6**	1,226.8
Towage & Salvage	**8.8**	3.8
Total	**5,406.2**	5,306.3

As part of the Fehmarnbelt tunnel project Boskalis and a partner are constructing a work harbor in Rødbyhavn on the south coast of Lolland in Denmark

DREDGING & INLAND INFRA

Construction, maintenance and deepening of ports and waterways, land reclamation, coastal defense and riverbank protection, underwater rock fragmentation and the extraction of minerals using dredging techniques as well as earthmoving, soil improvement and remediation. Construction of roads and railroads, bridges, aqueducts, viaducts and tunnels – mainly in the Netherlands.

DREDGING & INLAND INFRA	2021	2020
(in EUR million)		
Revenue	**1,583.3**	1,315.7
EBITDA	**211.1**	177.3
Net result from JVs and associates	**2.2**	2.6
Operating result	**83.4**	53.2
Order book at year-end	**3,999.8**	4,075.7

EBITDA and operating result include our share in the net result of joint ventures and associates.

REVENUE

Revenue from the Dredging & Inland Infra division amounted to EUR 1.58 billion (2020: EUR 1.32 billion).

REVENUE BY REGION	2021	2020
(in EUR million)		
The Netherlands	**519.9**	456.3
Rest of Europe	**439.0**	302.2
Rest of the world	**624.4**	557.2
Total	**1,583.3**	1,315.7

The Netherlands
Revenue in the Netherlands totaled EUR 519.9 million in 2021. The largest revenue contribution came from the projects Markermeerdijken, IJburg II (the construction of an artificial island in the IJmeer lake for the city of Amsterdam), the road projects N206, N69 and N3 and miscellaneous riverbank and dike reinforcement projects.

Rest of Europe
Revenue in the remaining European home markets (United Kingdom, Germany and the Nordics) amounted to EUR 439.0 million. The strong year-on-year increase is related to the Fehmarnbelt tunnel project between Denmark and Germany, which is now fully underway. Numerous small to mid-sized projects made up the balance including port-related capital and maintenance dredging projects, coastal protection and dredging activities for offshore wind projects.

Rest of the world
Projects outside of Europe continue to be most impacted by COVID-19 measures. Local quarantine rules and restrictions, in particular in Southeast Asia, continue to have a significant impact on the productivity and efficiency of the international projects. This resulted in logistical challenges to move people and supplies to and from projects and vessels. Revenue in The Rest of the World increased to EUR 624.4 million, with the largest contribution coming from projects currently underway in the Philippines and Singapore in addition to smaller projects located in the Middle East and the Indian subcontinent.

FLEET DEVELOPMENTS

The hopper fleet was well utilized in the second half of the year resulting in an annual utilization rate of 37 weeks (2020: 35 weeks). The cutter fleet had an effective annual utilization rate of 10 weeks (2020: 17 weeks) reflecting a very quiet 2021 in the Middle East, which is the typical cutter market.

In 2021, the investment decision was taken to lengthen two 16,000 cubic meter trailing suction hopper dredgers. The Prins der Nederlanden was taken out of service in the first quarter of 2022 for the extension. The modification is being carried out in Singapore and the vessel is expected to return into service in the second quarter with a hopper capacity of approximately 22,000 cubic meters. The second vessel (Oranje) will undergo a similar extension.

SEGMENT RESULT

Dredging & Inland Infra achieved an EBITDA of EUR 211.1 million, with an operating result of EUR 83.4 million (2020: EUR 177.3 million and EUR 53.2 million, respectively).

Despite the continued COVID-19-related inefficiencies on projects, the higher vessel utilization resulted in an increase in the operating result. This increase follows a weaker first half year, which was impacted by additional vessel maintenance carried out in anticipation of the busy outlook. In line with the first half year, the Dutch Inland Infra activities made a very strong contribution to the full year result.

ORDER BOOK

The year-end order book amounted to EUR 4.00 billion (End 2020: EUR 4.08 billion). On balance, projects with a total value of EUR 1.51 billion were added to the order book in 2021.

The order book in the Netherlands and the Rest of Europe increased in the course of the year. Large project awards include the extensive Meanderende Maas dike reinforcement project, part of the Dutch Flood Protection Program, the Zuidasdok in Amsterdam, the Oosterweel link in Belgium and the deepening of the port of Harwich in the United Kingdom. Outside of Europe the order book declined slightly, with the largest volume of new work coming from Asia.

ORDER BOOK BY MARKET	END-2021	END-2020
(in EUR million)		
The Netherlands	**902.7**	833.9
Rest of Europe	**638.6**	619.5
Rest of the world	**2,458.5**	2,622.3
Total	**3,999.8**	4,075.7

OFFSHORE ENERGY

Offshore wind farms, cables, offshore dredging and rock installation projects for pipelines, heavy transport, lift and installation work, surveying, diving and ROV services in support of the development, construction, maintenance and dismantling of offshore import/export facilities.

OFFSHORE ENERGY	2021	2020
(in EUR million)		
Revenue	**1,266.9**	1,064.9
EBITDA	**222.9**	193.5
Net result from JVs and associates	**7.6**	4.3
Operating result	**100.7**	66.3
Order book at year-end	**1,397.6**	1,226.8

EBITDA and operating result include our share in the net result of joint ventures and associates.

REVENUE

Revenue from the Offshore Energy segment amounted to EUR 1.27 billion (2020: EUR 1.06 billion) of which 46% was related to offshore wind (2020: 41%). The services cluster accounted for approximately 52% of the divisional revenue (2020: 44%).

The contracting part of the division consists of Heavy Lifting (including offshore wind foundations), Subsea Cables and Seabed Intervention. Contracting revenue increased slightly compared to last year with an underlying strong growth in the renewables revenue. Within Heavy Lifting, the revenue level increased sharply with numerous offshore wind projects in Taiwan and Europe contributing to this development. The installation of the first pin piles and jackets for the Changfang & Xidao project in Taiwan with the Bokalift 1 commenced in 2021. Progress on projects in Taiwan was affected by continued stringent COVID-19 measures and associated operational disruptions. Subsea Cables had a good year with a slight revenue decline compared to a very busy 2021. The largest revenue contribution came from the cable projects Ostwind 2, Hornsea 2 and Morray East. At Seabed Intervention the main revenue contribution came from the Floating Storage and Regasification Unit project in El Salvador and rock installation activities for offshore wind and gas projects mainly in Europe and Taiwan.

The services part of the division consists of Marine Transport & Services, Subsea Services and Marine Survey. Services revenue increased by 34% reflecting a busy year within all parts of the cluster in addition to the integration effects of Rever Offshore at Subsea Services. Noteworthy Marine Transport projects included the transport of the Argos Floating Production Unit (FPU), the loadout of the Vito FPU and the transport of the last modules for Olefins. Marine Services was active on and completed the Kincardine floating wind farm project, in addition to the Canakkale bridge in Turkey and several wet towage assignments. Marine Survey had a slow start to the year with a busy second half. The split of survey vessel days between renewables and oil & gas was approximately 55:45 with a favorable outlook in both end-markets. At Subsea Services, the acquisition of Rever Offshore and the associated fleet expansion contributed to a substantial growth in revenue. The largest revenue contribution came from ongoing work on the Tyra project on the North Sea and a multi-year IRM contract for DPE in Dubai.

Cable installation activities by the cable-laying vessel Spirit

FLEET DEVELOPMENTS

The weighted utilization rate of the heavy marine transport fleet was stable at 66%. The weighted utilization rate for the captive assets (cable-laying vessels, fallpipe vessels and crane vessel) declined to 51% (2020: 66%), primarily due to a lower utilization of the cable-laying vessels and Rockpiper fallpipe vessel, which were very busy in 2020.

The Offshore Energy fleet was expanded in 2021 through a number of asset acquisitions. Most of these assets can be deployed in multiple end-markets thereby strengthening our position in the important renewables market. The Boka Tiamat, a multi-purpose offshore construction vessel was added in January. The vessel will initially be used for offshore wind projects in Taiwan. In March, the Lewek Fulmar was acquired, the sister vessel of the Boka Falcon. The Southern Ocean, a large CSV was acquired in April with the intent of deploying this vessel on a broad variety of projects throughout the division with the option to add a turntable for cable installation projects. At Marine Survey, the Ocean Resolution was taken into operation and two additional vessels were purchased for conversion into respectively a geotechnical (Horizon Geodiscovery) and a geophysical (Ocean Geograph) survey vessel. Finally, in December, Boskalis acquired the DSV Da Vinci, which has been on charter since 2017.

In 2021, significant progress was made with the conversion of the Bokalift 2 crane vessel. Work was completed at Drydocks World shipyard in Dubai and the vessel is currently being prepared for the installation of the crane. After testing, the Bokalift 2 will start immediately on the Changfang & Xidao wind project in Taiwan. After completing this project in 2023, the vessel will be deployed on a large wind project in the United States. For this project in the US, Boskalis has also started with the construction of a motion compensated pile gripper frame, which is required for the installation of monopiles.

SEGMENT RESULT

EBITDA from the Offshore Energy segment amounted to EUR 222.9 million, with an operating result of EUR 100.7 million (2020: EUR 193.5 million and EUR 66.3 million, respectively).

The services cluster operating result increased substantially compared to last year. The increase is also a reflection of the increased activity levels at Marine Transport & Services and Subsea Services as well as a significant positive effect from the integration of Rever Offshore.

The operating result from the contracting cluster increased slightly in comparison with last year. The completion of the Seabed Intervention project in El Salvador and numerous offshore wind projects (foundations and cables) made a strong contribution to the result. The 2020 contracting result was positively impacted by a limited number of very good Seabed Intervention projects.

The segment result includes our share in the net result of joint ventures and associates of EUR 7.6 million (2020: EUR 4.3 million). This includes the contribution from Asian Lift with the Asian Hercules III which was active on the Canakkale bridge project.

ORDER BOOK

At the end of 2021, the order book stood at EUR 1.40 billion (end-2020: EUR 1.23 billion) of which 61% is related to offshore wind. On balance, EUR 1.44 billion of work was added to the order book.

The strong increase in the order book and increase in the share of renewables follows the award of a substantial offshore wind project in the United States. This contract ties up one year of crane vessel utilization days in addition to the equivalent of two years of heavy transport vessels. Engineering and pre-construction work has already commenced and project execution is scheduled to commence in 2023. The balance of new smaller to mid-sized projects was spread across the different business units.

TOWAGE & SALVAGE

Towage: towage services and berthing and unberthing of oceangoing vessels in ports and at offshore terminals, management and maintenance both above and below the surface of onshore and offshore terminals and associated maritime and management services.
Salvage: providing assistance to vessels in distress, wreck removal, environmental care services and consultancy.

TOWAGE & SALVAGE	2021	2020
(in EUR million)		
Revenue	**133.7**	174.6
EBITDA	**64.9**	50.1
Net result from JVs and associates	**29.3**	12.1
Operating result	**60.7**	45.6
Order book at year-end	**8.8**	3.8

EBITDA and operating result include our share in the net result of joint ventures and associates.
Net result from joint ventures and associates are presented excluding impairment charges.

Boskalis and its co-shareholder Keppel announced mid-November the intended sale of Keppel Smit Towage Private Limited (KST) and Maju Maritime Pte Ltd (Maju) to Rimorchiatori Mediterranei S.p.A. Boskalis expects to receive approximately EUR 80 million in cash for its 49% equity stake. The agreement is subject to approval from the regulatory agencies in Singapore. The activities of KST and Maju are presented as assets held for sale.
Boskalis and its co-shareholder The Rezayat Group announced in mid-December that they have embarked on a review of their position as shareholder in the strategic joint venture Smit Lamnalco.

REVENUE

Revenue from the Towage & Salvage segment amounted to EUR 133.7 million (2020: EUR 174.6 million).

In 2021, Boskalis subsidiary SMIT Salvage was involved in several high-profile projects, including the refloating of the Ever Given in the Suez Canal and the salvage of the freighter Eemslift Hendrika. In revenue terms, 2021 was however relatively quiet when compared to the exceptional busy 2020.

All towage activities are conducted through joint ventures. Our share in the net results of these joint ventures is recognized as net result from joint ventures and associates.

SEGMENT RESULT

EBITDA generated by the Towage & Salvage segment totaled EUR 64.9 million, with an operating result of EUR 60.7 million (2020: EUR 50.1 million and EUR 45.6 million, respectively).

The strong Salvage result includes the contribution from current projects and financial settlements from projects that were executed in previous years. Post completion settlements, in this case reached through an arbitrage, are common for the salvage business.

The segment result includes our share in the net result of joint ventures and associates with terminal services (Smit Lamnalco), harbor towage (Keppel Smit Towage) and salvage (Donjon-Smit). The contribution from these joint ventures was EUR 29.3 million (2020: EUR 12.1 million, adjusted for impairment charges). The strong increase was a combination of a good performance, a busy year within KST and one-off gains including book profits on the sale of assets.

ORDER BOOK

The order book, excluding our share in the order book of joint ventures and associates, was EUR 8.8 million (2020: EUR 3.8 million). The order book relates solely to the Salvage business unit and is in part related to a multi-year standby support contract for Petrobras in Brazil.

The value of the order book of the joint ventures is not included in the consolidated financials. As per the end of 2021, the 100% value of the order book of the joint ventures amounted to EUR 1.22 billion, which is fully attributable to terminal services contracts of Smit Lamnalco (end-2020: EUR 1.08 billion).

HOLDING AND ELIMINATIONS

Non-allocated head office activities.

HOLDING AND ELIMINATIONS	2021	2020
(in EUR million)		
Revenue	**-27.1**	-30.3
EBITDA	**-36.6**	-16.6
Net result from JVs and associates	**0.1**	-
Operating result	**-46.2**	-25.3

EBITDA and operating result include our share in the net result of joint ventures and associates.

SEGMENT RESULT

The operating result for the reporting period mainly includes the usual non-allocated head-office costs, as well as various non-allocated (in many cases non-recurring) income and expenses.

The 2021 EBITDA and operating result was minus EUR 36.6 million and minus EUR 46.2 million respectively (2020: minus EUR 16.6 million and minus EUR 25.3 million respectively). Following the COVID-19 outbreak in 2020, numerous measures were taken to preserve the financial strength of the company, including certain temporary cost saving measures. In 2021, certain human resources related provisions were made and many of the cost savings measures were lifted.

OTHER FINANCIAL INFORMATION

DEPRECIATION, AMORTIZATION AND IMPAIRMENT CHARGES

Depreciation and amortization charges amounted to EUR 263.7 million (2020: EUR 264.5 million). There were no impairment charges incurred in 2021. In 2020, impairment charges of EUR 184 million were recognized which were mostly related to the goodwill and assets embedded in two joint ventures.

INCOME FROM JOINT VENTURES AND ASSOCIATES

Our share in the net result from joint ventures and associates was EUR 39.1 million (2020: EUR 18.9 million, adjusted for impairment charges). This result relates mainly to our share in the net results of Smit Lamnalco and the Singapore partnerships with Keppel (Keppel Smit Towage, Asian Lift).

TAX

The tax expense was EUR 34.1 million (2020: EUR 26.2 million) with an effective tax rate of 18.7%. The effective tax rate is highly dependent on the mix of countries and entities in which projects are executed.

CAPITAL EXPENDITURE AND BALANCE SHEET

In 2021, a total amount of EUR 407.6 million was invested in property, plant and equipment of which EUR 43.0 million was related to dry dockings (2020: EUR 240.6 million and EUR 34.3 million respectively). Disposals were made totaling EUR 16.6 million (2020: EUR 8.8 million). In addition to these investments in property, plant and equipment, EUR 58.2 million was added in right-of-use assets (2020: EUR 24.2 million).

Within Dredging, the largest investment was related to the extension of two large trailing suction hopper dredgers – the Prins der Nederlanden and Oranje. The construction of the first middle section was prepared in 2021 and this was installed in February 2022. Within Offshore Energy, the largest single investment was the conversion of the Bokalift 2 crane vessel. Furthermore, numerous vessels were acquired, including the CSV Southern Ocean, the Lewek Fulmar, Horizon Geodiscovery, Ocean Geograph and DSV Da Vinci.

Capital expenditure commitments at the end of the year amounted to EUR 87 million (end-2020: EUR 112 million). These commitments relate to the completion of the extension of the abovementioned hoppers, the Bokalift 2 and a new motion compensated pile gripper frame.

The cash flow amounted to EUR 412.1 million (2020: EUR 354.6 million).

As part of the share buyback program, Boskalis repurchased EUR 23.8 million worth of shares in 2021. Furthermore, EUR 64.8 million was returned to shareholders in the form of an all cash dividend.

The working capital position at year-end, excluding assets held for sale, was EUR 889 million negative (year-end 2020: EUR 813 million negative). Besides the customary seasonal pattern of revenues and receivables and the receipt of milestone payments that impact working capital, the favorable development of the working capital position can be attributed to the additional cash flow related measures and advance payments on sizable projects that will commence in 2022.

The interest-bearing debt, including lease liabilities, totaled EUR 560 million at year-end. The cash position at the end of the year was EUR 763 million. The resulting net financial position is a net cash position of EUR 203 million, including EUR 148 million of IFRS 16 lease liabilities. At the end of 2020, the debt position, including lease liabilities, was EUR 507 million with a cash position of EUR 825 million resulting in a positive net financial position with a net cash amount of EUR 318 million. The solvency ratio as per year-end was 48.0% (year-end 2020: 50.5%).

The interest-bearing debt relates largely to a long-term US Private Placement (USPP) of USD 325 million (EUR 286 million as at 31 December 2021) with a maturity date in 2023. In October 2019, Boskalis financed its mega suction cutter dredger Krios through an Export Credit Agency covered loan. The outstanding amount under this facility is currently EUR 111 million. The tenor of the facility is twelve years and includes a linear redemption. Boskalis also has a currently undrawn EUR 500 million syndicated bank facility at its disposal which matures in April 2026. With the available cash and cash equivalents and bank facilities, Boskalis now has a direct financing capacity in excess of EUR 1.1 billion.

Boskalis must comply with a number of covenants as agreed with the syndicate of banks and the USPP investors. These covenants were comfortably met as at end-2021. The main covenants relate to the net debt : EBITDA ratio, with a limit of 3, and the EBITDA : net interest ratio, with a minimum of 4. At 31 December 2021, the net debt : EBITDA ratio stood at -0.8 and the EBITDA : net interest ratio at 31.

OTHER DEVELOPMENTS

SHARE BUYBACK PROGRAM

On 15 March 2019, Boskalis announced the start of a EUR 100 million share buyback program. The buyback program was aimed at reducing the issued share capital. As a consequence of the global developments and uncertainty related to the COVID-19 outbreak, Boskalis temporarily suspended the program out of prudence in 2020. The program was restarted in the third quarter of 2020 and was completed on 15 September 2021.

During the program, a total number of 4,742,928 shares were repurchased at an average price of EUR 21.08 per share. All remaining treasury stock was cancelled on 11 February 2022 bringing the total number of issued ordinary shares to 129,324,898.

A toolbox meeting in the morning prior to the start of a salvage project at a shipyard

INNOVATIVE DIKE UPGRADE PROTECTS A LARGE PART OF THE NETHERLANDS

Boskalis and its partners made major advances in 2021 on the large-scale upgrade of a dike bordering the Markermeer lake in the Netherlands. The project demonstrates how Boskalis, as partner in the public-private Markermeer Dikes Alliance, is responding to climate change and can deliver tailor-made hydraulic engineering solutions to protect large parts of the Netherlands against the consequences of increasingly-frequent extreme weather conditions.

Is this a reinforced dike, or a beach? The answer: both. The Markermeer Dikes Alliance has made a virtue out of necessity on the Markermeer lake near Hoorn in the province of North Holland by creating a unique city beach that also serves as a flood defense. This 'lakeside dike' is an innovation that came about because Boskalis was involved in the project at an early stage with its alliance partners VolkerWessels and the Hollands Noorderkwartier water authority. "The water authority, the principal in this project, opted for an alliance structure because of the complexity of the dike upgrade project. As a result, we were already involved in the planning phase and so we had the opportunity to introduce the lakeside dike as a solution for the section near Hoorn, which had come up short during stability tests," says Boskalis project director Arjen Los.

UNIQUE SOLUTION FOR LISTED HISTORICAL SITE

Because the dike section on the northwest bank of the Markermeer is a listed historical site, the usual approach to the upgrade near Hoorn was not on the cards. And so Boskalis engineers came up with a unique solution to protect the

area behind the dike from flooding: the lakeside dike, which is almost six kilometers long and includes a slope on the outside of the historical dike that is more than 100 meters wide. There will be vegetation and a bicycle path on the slope. “We have widened the base of the dike in this area to make it stronger so that it will be fit-for-purpose for decades to come,” says Los. “At the same time, the beach and the bicycle path are long-held wishes of the Hoorn municipal authority and the province of North Holland respectively.”

DIKE NOT UP TO STANDARD

The project is located largely in an inhabited area with considerable cultural and historical value. That complicates the job of reinforcing the dike between Hoorn and Durgerdam over a distance of some 33 kilometers. The dikes are part of the Zuyder Sea dikes that have protected the hinterland for centuries, first from the old Zuyder Sea and now from the Markermeer. The upgrade is necessary because the dike no longer meets the standards for flood risk management, and about 1.2 million people live behind it. In addition, the dike provides protection for some 25 billion euros of economic assets. The project is a part of the Dutch government’s Flood Protection Program. “Reliable flood defenses are extremely important in the low-lying Netherlands,” says Los. “The climate is changing and the weather is becoming more unpredictable and extreme. Extremely large amounts of rain can sometimes fall in a short time and, even though the Markermeer dikes border a lake with a relatively stable water level, you can see that the water has a huge impact on the dikes.”

VERTICAL DRAINAGE

Because the Markermeer dikes were built on peat soil decades ago, the project requires innovative solutions. They include a ‘spray crane’ and vertical drainage developed by Boskalis. “The spray crane was needed to apply the sand in layers on the soft subsurface. Depositing a large quantity of sand too quickly on soil that isn’t stable enough can result in the bed shearing off,” says Los. “Colleagues from Boskalis subsidiary Cofra then installed vertical drainage, accelerating the removal of air from the sand so that it settled faster. This was the first time this technique had been used for a dike. But it allowed us to build a reliable flood defense on the peat in a relatively short period of time.”

NINETY PERCENT OF TRANSPORT BY WATER

To inform residents about the importance of the major dike upgrade project, an exhibition space was set up at the project office of the Alliance. In addition, there were no less than eight stakeholder relationship managers working on maintaining contacts with local residents. To minimize disruption, it was decided from the outset to organize ninety percent of the transport of the required sand, rock and other material by water. Dedicated channels were dredged to six temporary unloading quays along the dike. Bulk carriers sail through them with sand taken from the borrow areas in the Markermeer. “That means we don’t need to drive heavy trucks along the narrow and vulnerable dike roads,” says Los.

Project completion is expected in 2025. “The execution of this complex assignment is on schedule and we are learning a lot by working together in an alliance with the client. We can use those lessons in the future, in a context where deltas around the world are becoming increasingly populous and a climate that is more and more unpredictable. So as hydraulic engineers we can expect to come up against complex adaptive projects of this kind more often. With our knowledge and expertise in this area, we can play an essential role in providing those areas with permanent protection against the water.”

ORGANIZATIONAL DEVELOPMENTS

Foreshore replenishment activities near the island of Texel, the Netherlands

HUMAN EXCELLENCE

Human Excellence is a strategic pillar within our Corporate Business Plan. Under this pillar, we aim to be highly strategic in how we grow our workforce whilst creating an environment in which employees feel both connected and engaged, and can maximize their talents. To achieve this we foster effective leadership and ensure that employees are in control of their own personal development, giving them the time and resources to prioritize their performance and progress.

During 2021, the COVID-19 pandemic continued to pose a number of challenges for Boskalis employees and management. Through the year we remained highly responsive to the impact of the virus and the associated restrictions on the workforce and implemented a range of initiatives to optimize not only the wellbeing of our employees, our first concern, but also the continuity of our business practices.

ATTRACTING TALENT

The race to attract and retain the right talent remained challenging in 2021 as scarcity in the labor market continued to limit our access to the strategic competencies we need for critical roles and to expand our horizons in growth areas. Growing project complexity translates to a greater need to attract more complex skill sets to meet client requirements. We have therefore continued to evolve our recruitment process to attract the next generation of engineers and other specialists, recognizing that innovation and sustainability resonate with the talented individuals we want to join our organization. In 2021, we welcomed 1,306 new colleagues

At the beginning of the year we restructured our approach to hiring graduates for our trainee program. We took the decision to separate our online recruitment campaigns into two strands, Operations and Engineering on the one hand and Fleet Management and Finance on the other. This enabled more targeted engagement with potential applicants, followed by a tailored testing and interview process. Emphasis was also placed on using our existing projects and global platforms to recruit internationally. Of 56 trainees recruited for our Operations and Engineering trainee programs, one third were from outside the Netherlands.

TALENT DEVELOPMENT AND PERFORMANCE MANAGEMENT

To meet the challenges of an increasingly competitive market and ensure our people realize their full potential, in 2021 we delivered a range of training initiatives at every level of the organization. Meanwhile feedback from our own employees has shown a clear desire for more career development opportunities within Boskalis. We have responded by revising our performance management process to make it more transparent and shifting the emphasis around talent development to activate our employees to take the lead in their own career progression.

Boskalis Academy
In 2021, we launched the Boskalis Academy, an online learning management system where our employees in the Netherlands can follow e-learnings and register for a range of accompanying live trainings and courses. The Academy was borne out of the online learning platform set up in the early phase of the pandemic when all company training programs were forced online. The unprecedented circumstances of COVID-19 presented an opportunity to restructure the way in which we offer training to our people and has resulted in a blend of online and live training courses. The hybrid system has vastly reduced travel time and costs and also led to increased attendance rates with a higher percentage of those starting a course seeing it through to completion. Between 3,500 and 4,000 employees have access to this online learning platform which will be extended to our global operations and workforce in 2022. During 2021, our Learning and Development department executed 255 different training programs within the Academy. A total of 1,537 employees took a combined 3,829 courses, amounting to 35,411 training hours.

Our separate Online Academy offers over 400 e-learning courses which can be completed from any of our locations globally and regardless of role or level within the company. Through the Online Academy, employees are in control of their learning and are very much encouraged to take the lead in their own development and hold conversations with their manager about which training fits with their current or future needs. During 2021 new courses in Intellectual Property, Effective Communications, Finance, and Finance for Non-Finance Professionals were developed.

Project Management Academy
Faced with an evolving commercial landscape and increased competition within Offshore Energy, during 2021 we have actively invested in our project manager community to ensure they are properly equipped with the right skills to meet this challenge. More than 40 project managers and directors in our Offshore Energy division undertook management training as part of a new global program. Through a combination of third party content delivery and peer-to-peer coaching, the course developed project managers' knowledge and practical experience in areas such as commercial, contractual and risk strategy, as well as personal leadership and project ownership and awareness.

Dredging Academy
Following its launch in late-2020, our Dredging Academy provided training courses throughout 2021 to develop the craftsmanship and wider skills of employees within the division. The Academy's learning modules focus on specific dredging functions and equipment and are delivered through on-the-job learning, supported by knowledge-sharing and mentorship from colleagues. The Academy's formal learning takes place online and can therefore be completed from project sites and onboard our vessels, making it easily accessible and – supported by mentors and other crew members – highly effective. During the year the Academy trained more than 400 people over 80 training days.

Performance management system
The improved performance management system was finalized and launched across our Netherlands workforce in 2021. The new approach encourages our people to discuss not just their performance, but also their ambitions and future development opportunities directly with their manager via an annual Performance and Development interview. The process starts with a detailed self-evaluation by the team member which then forms the focus of a discussion with their manager. Based on the Human Excellence pillar, we strive for a culture in which our team members and managers have an open and transparent dialogue about performance and development with a focus on active mobility within Boskalis.

EMPLOYEE ENGAGEMENT

With so many of our employees continuing to work from home, or away on vessels for longer periods than usual due to the COVID-19 travel bans, we undertook a range of initiatives in 2021 to keep our employees motivated and engaged. In this respect the role of internal communications has been critical throughout the pandemic, resulting in frequent COVID-19 updates from CEO Peter Berdowski via email and video messages. Through our global internal communications platform Yourizon, we have continued to share stories and pictures from colleagues working on projects, vessels and at home, with the aim of keeping everyone in the company up to date on the latest developments. Through 2021 we held regular livestreams and interviews with the CEO and the members of the Board of Management to keep the organization informed and connected.

INTERNAL MOBILITY AND RETENTION

Internal mobility is an important cornerstone within Human Excellence. In 2021, we have improved the visibility of career opportunities within Boskalis and – through structured training and support to both managers and employees – have fostered a more focused dialogue around personal development and progression.

During the year we developed the Mobility Desk which is designed to offer our people more comprehensive career guidance, outside of formal management and reporting structures. The focus of the initiative in 2022 is to provide and assess career options for people who are weighing up their next steps at Boskalis. The Mobility Desk can give them the appropriate support and guidance on a range of pathways for progression within the company.

SAFETY AND HEALTH

Safety is our top priority in everything we do. We want to ensure that our people and the people we work with return home safely every day. To help us achieve this goal, more than a decade ago we developed our No Injuries, No Accidents (NINA) safety program. Since then our Total Recordable Injury Rate (TRIR) has dropped to 0.21 and our Lost Time Injury Frequency (LTIF) to 0.02, thanks to the sustained commitment of our employees and management. Nonetheless, very sadly, for the first time in many years, in 2021 we were confronted with a fatal accident on board one of our vessels.

NINA develops people's awareness with regard to their own responsibility towards safety and stimulates a working environment in which safety responsibilities and potentially hazardous situations are both discussed openly and reported. We ensure that safety remains foremost in people's minds through regular staff engagement activities and training at all levels. This year, we talked to some 1,800 employees about their needs and concerns around safety, a dialogue that showed us again that safety is first and foremost about behavior. For this reason our trainings and workshops put an emphasis on behavior and we have implemented tools that, for example, help employees to communicate effectively with stakeholders. The focus on behavior helps implementation to be long-lasting and not just rule-driven.

HIGHLIGHTS 2021

Online training
A central focus of the NINA program in 2021 was to develop online versions of all NINA training modules so that the program could continue to run effectively in all locations throughout the pandemic. In total, 43 training programs have successfully been launched online. This process followed the introduction of the NINA E-learning which was launched for our own teams, subcontractors and third parties in 2020 and completed by more than 4,531 employees and contractors.

The Expedition training
A new safety program, known as The Expedition, was launched during the summer of 2021 with a focus on the concept of safety leadership and aimed at further strengthening our safety culture. The Expedition is a six-month program for teams and individuals to develop their safety leadership skills in two key areas: supporting long-term teambuilding around safety issues and helping team members to maintain responsibility for their own and one another's safety within the high-pressure environment of executing a project. The program was originally designed for operational middle management but has since been expanded upwards to include business unit managers, thereby strengthening hierarchical relationships on safety matters. During 2021, 107 people took part in the program. The launch of The Expedition follows successful pilots on the Ostwind 2 and Kitimat projects in 2020.

New SHOC platform
To achieve a safer working environment our people are encouraged to report hazardous situations using our Safety Hazard Observation Cards (SHOCs) system. In 2021, we launched a new SHOC reporting and data analysis platform that includes a mobile app, web application and dashboard. The new platforms enable a more pro-active approach to accident prevention by enabling users to track their reports, include their own safety suggestions, and record positive safety behavior. Meanwhile users of the web app and dashboard can determine behavioral trends and safety statistics across projects.

OCCUPATIONAL HEALTH

We aim to ensure and safeguard healthy working conditions for our employees on projects, vessels and in our offices. During 2021 our central objective remained to keep the COVID virus away from our projects, vessels, and offices. To mitigate risks, we have vaccination, medical check-ups and tailored prevention programs in place.

As a result of continuing restrictions around the pandemic, we have focused heavily on the mental health of our employees, particularly those facing long periods of quarantine or who live alone and have not been able engage physically with colleagues. Our Quarantine Support Team gave assistance to colleagues all around the world, looking after their mental and physical wellbeing. We adapted this support to suit local circumstances; some colleagues were in isolation on vessels while others had to spend their quarantine in hotels. In some instances we hired extra staff from outside the organization, including psychologists.

Recognizing the need to focus on the wellbeing of our employees throughout the pandemic, we created the interactive Vitality Portal, where employees can find a diverse package of information, services and activities to support their vitality and encourage an optimal work/life balance.

FLEET DEVELOPMENTS

Our value-adding assets play a crucial role in the successful execution of our strategy. For this reason, Boskalis invests in new-build and upgrading existing vessels and takes old or non-strategic vessels out of service. In 2021, the following major developments took place:

Dredging
As part of the Corporate Business Plan 2020-2022 both the trailing suction hopper dredgers Prins der Nederlanden and sister vessel Oranje will be lengthened from 156 meters to 201 meters. The maximum draft of the vessels will also be reduced from 12.85 meters to 12.10 meters, enabling their deployment on projects where a relatively shallow draft is required. Simultaneously with the extension, the hopper capacity of the two hoppers will be increased from 16,000 to 22,000 cubic meters. The Prins der Nederlanden is currently being lengthened and expected to be taken into service again in the second quarter of 2022 after which the process to lengthen the Oranje starts.

The nearly forty-year-old trailing suction hopper dredger Barent Zanen was sold.

Offshore Energy
Early 2021, the Offshore Energy fleet was strengthened with the addition of the Boka Tiamat, a multi-purpose offshore construction vessel that will initially be used for offshore wind projects in Taiwan.


Survey activities for the N206 provincial road project in the Netherlands

In March 2021, the multi-purpose DP2 offshore support vessel Lewek Fulmar was acquired. With an impressive bollard pull of 402 tons this sister vessel of the Boka Falcon can be deployed on a range of offshore installation projects.

The DP2 construction support vessel Southern Ocean was acquired in April. The vessel will be deployed for installation activities, such as the installation of mooring systems of floating structures, subsea construction and decommissioning works as well as cable installation.

Early 2022, the Boka Da Vinci was acquired. This large diving support vessel is equipped with two bells for saturation diving work at depths of up to 300 meters. The Boka Da Vinci has been part of the Boskalis fleet for the past years on a charter and is the sister vessel of the Boka Atlantis.

At Marine Survey, the advanced geophysical survey vessel Ocean Resolution was taken into service in 2021 and two additional vessels were purchased that are being converted into respectively a geotechnical (Horizon Geodiscovery) and a geophysical (Ocean Geograph) vessel.

Finally, the conversion of the Bokalift 2 crane vessel at the Drydocks World shipyard in Dubai was successfully completed after which the engines and the entire ballast and propulsion system have been tested.

INNOVATION

Boskalis aims to be a market leader in the provision of innovative solutions for our clients. We focus on testing and delivering sustainable ideas that have a positive impact on the environmental and social outcomes of our projects. Our innovation strategy is built on the priorities of our business units and has defined innovation themes that are directly linked to our corporate and sustainability strategies.

2021 HIGHLIGHTS

Low-carbon dredging vessels

In partnership with Rijkswaterstaat (the executive agency of the Dutch Ministry of Infrastructure and Water Management), Boskalis is designing a low-carbon dredging vessel – the Cablehopper – to conduct maintenance and beach replenishment work along the Dutch coastline. The project is part of the Dutch Coastal Challenge program under which Boskalis is actively supporting Rijkswaterstaat's objective to develop zero-emission coastal maintenance equipment by 2030. Innovative propulsion, a slow sailing speed and optimized suction production mean the Cablehopper uses substantially less energy per cubic meter of dredged material than a conventional trailing suction hopper dredger. The vessel's economics, remote-controlled operation and low energy costs all compensate for its relatively low production rate, thereby creating a cost-effective, low-carbon solution.

Under the same program, a hydrogen-fueled trailing suction hopper dredger is being designed in collaboration with our partner IHC that has about 30% of installed power compared to a similar conventional vessel. We are currently reviewing the production rates and business case for the design compared with alternatives such as methanol-powered vessels.

The 'Go-Barry' – a Self-Moving Traffic Barrier
Following our earlier testing of the concept, in 2021 the Go-Barry remote-controlled traffic barrier was granted a temporary licence by Rijkswaterstaat. It was then successfully deployed on a five-week pilot project at a Boskalis motorway maintenance project in the Netherlands which demonstrated the abilities and readiness of the innovation. The Go-Barry traffic barrier is designed for roadwork situations and is operated from a distance via a remote control. The design delivers substantial safety advantages for roadworkers, as well as improved traffic flow and time savings for motorists. In 2022 a larger version of the Go-Barry will be developed and deployed by Boskalis on another Dutch road maintenance project.

PortXL
For many years Boskalis partners with PortXL, a Dutch organization that identifies innovative start-up companies that can serve the needs of the global maritime industry. During 2021 we selected four start-up and four scale-up companies. Selected scale-ups included Seaqualize and Water Insight. Seaqualize has patented technology to support heavy lifting projects – such as floating installations for offshore wind – that could complement our operations. Water Insight measures water quality in such a way that could provide complementary data to that which we currently gather on certain dredging projects around turbidity.

Joint industry initiatives
In December 2021, as a member of a broader maritime consortium, we launched a multi-year program of over EUR 35 million to conduct research on how to accelerate the use of methanol as an alternative fuel within the shipping industry. The MENENS (Methanol as an Energy Step Towards Zero-Emission Dutch Shipping) program is sponsored by the Dutch Government and aims to develop clean energy technology with a high degree of flexibility and broad applications within the shipping industry. Methanol can enable significant reductions in CO_2 emissions compared to traditional fuels and is viewed within the international maritime sector as one of the most feasible 'clean' fuels for large-scale adoption by the industry. A dual fuel methanol combustion engine of approximately 3.5 MW will be developed by our partner Wärtsilä and tested in variable loading conditions to simulate dredging operations. The project builds on findings from the first phase of the Green Maritime Methanol research project, a study supported by TKI Maritiem and the Dutch Ministry of Economic Affairs and Climate Policy.

We also continued our participation in several joint industry projects within the GROW consortium, which initiates research and accelerates innovations in offshore wind. In 2021, we participated in the 'Bubbles' project aimed at the development of more efficient and effective bubble curtains for noise mitigation in offshore installation projects. Monopiles are the most commonly used foundations for offshore wind turbines and hydraulic impact piling or hammering – the dominant method for driving them into the seabed – can create substantial noise and disturbance for underwater marine life. More effective control of noise levels during piling activities supports compliance with specific project noise requirements.

Artificial Reefs Program
Boskalis' Artificial Reefs Program (ARP) has undertaken pilot projects in Monaco and Panama and, during the year, launched a further pilot in Shimoni, Kenya. The ARP is exploring optimal designs to protect vulnerable coastlines and support the preservation and restoration of important marine ecosystems.

ICT

In 2021, important steps forward were taken with regard to cyber security, taking it to a substantially higher level. With the support of a third party, we ensure continuous monitoring of possible cyber threats. This enables us to respond quickly and adequately in the event of security events and cyber attacks and to minimize the adverse impact of such events.

Our ICT solutions have also made an important contribution to our sustainability ambitions. Using modern technology, we have provided our crews on board with tools and dashboards to optimize fuel consumption. This contributes to the reduction of our CO_2 footprint.

Furthermore, the necessary improvements were made to our Enterprise Resource Planning system within the Dredging division. This helps our project teams gain more control over the progress and costs of ongoing projects. For the coming years, a further implementation within the Offshore Energy division is planned.

Working from home kept playing an important role in 2021 due to the pandemic. Despite the limitations that this entailed, various remote IT projects were successfully completed. With the help of modern tools, Boskalis staff were able to work together constructively all over the world, despite the various restrictions due to COVID-19.

The successful salvage of the rudderless cargo vessel Julietta D off the Dutch coast

SUSTAINABILITY

The principal strategic objective of Boskalis is the creation of long-term sustainable profitability. The systematic execution of the corporate strategy, that is reviewed regularly in light of relevant market developments, is key to our success. Our sustainability strategy is derived from the corporate business strategy, and ongoing interaction and dialog with our stakeholders.

Our sustainable growth strategy is structured around three activity clusters and the benefits they bring to society: creating innovative infrastructure, advancing the energy transition and providing protection against the impacts of climate change.

Our activities include maintaining and developing ports that facilitate global trade and economic growth, as well as reclaiming land from the sea for new housing or commercial projects that improve transport links and global connectivity. Through the transportation and installation of offshore wind farms we also deliver a range of services that are crucial to the energy transition and the development of renewables, making us one of the leading players in the offshore wind market. And our expertise and century of experience in coastal defense and river bank protection makes us a frontrunner in responding to the threats posed by global warming. A fourth area – our marine salvage business – creates additional benefits through the protection of seas and oceans from pollutants and environmental damage.

The majority of our revenue is generated through one of the above outputs and thereby also contributes directly to the realization of the United Nations Sustainable Development Goals (SDGs). At the same time, our aim to create sustainable growth is achieved through a focus on a set of key strategic pillars: Good Stewardship, Human Excellence and our Distinguishing Assets. Further details can be found in the Strategy section of this report. For a full overview of Boskalis' sustainability activities, please consult the separate Sustainability Report.

OUR ACTIVITIES AND THE UN SUSTAINABLE DEVELOPMENT GOALS

To identify which SDGs are most relevant to our activities, we completed an assessment of where Boskalis has the most to contribute. Five SDGs have been recognized as most applicable to Boskalis, of which one SDG is overarching and four core SDGs can be linked to individual projects. For the purposes of measuring and reporting our contribution to each of these SDGs, we have mapped the relevant proportion of Boskalis' revenue against the four core SDGs. Based on this exercise, around 83% of our business activities in 2021 contributed directly to one of the four SDGs:

SDG 7: Affordable and Clean Energy
SDG 9: Industry, Innovation and Infrastructure
SDG 13: Climate Action
SDG 14: Life Below Water

In addition to these SDGs that are directly linked to our activities, we also contribute to SDG 8 represented by a total Group revenue of EUR 3 billion and our total employee base. Boskalis plays an important role in advancing SDG 8 through our contribution to an economy and the creation of jobs directly and indirectly through our projects and the supply chain. According to the International Labour Organization the foundation of contributing to SDG 8 is that the work and jobs created are productive and deliver a fair income, provide safety and security, offer prospects for development, allow freedom of expression and organization as well as equal opportunities and treatment for men and women. We pride ourselves on being a good employer, offering opportunities to develop and grow. We are committed to our human rights and labor principles as a fundamental part of the way we do business. We promote the same principles in our relationships with clients, suppliers and other business partners.

MATERIALITY ASSESSMENT

Our approach to sustainability is informed by a set of material topics that are identified through our biennial materiality assessments as well as our key areas of focus in managing our broader social and environmental impact. During 2021, we commissioned an independent third party to update our materiality analysis to ensure that our stewardship continues to focus on those topics which our stakeholders deem to be materially significant. The materiality assessment illustrates the relative importance of a total of eighteen topics – selected and defined based on leading industry ESG benchmarks and reporting frameworks – to our business and our stakeholders. Based on the outcome of this approach, the following six topics form the primary focus of the Good Stewardship and Human Excellence pillars of our strategy: Responsible Business Conduct, Safety & Occupational Health, Biodiversity and Ecosystems, Social and

INDUSTRY, INNOVATION AND INFRASTRUCTURE	AFFORDABLE AND CLEAN ENERGY	CLIMATE ACTION	LIFE BELOW WATER
Creating resilient infrastructure for trade, transport and society	Facilitating the energy transition by developing infrastructure to deliver affordable and renewable power	Developing climate adaptive solutions that protect people and the natural environment from the impacts of climate change	Protecting seas and oceans from pollutants and environmental damage
We contribute through projects and services that are pivotal to the maintenance and/or development of maritime infrastructure such as ports, land reclamation for society and inland infra such as road-related developments	We contribute through offshore wind energy projects that help advance the energy transition, (natural) gas projects as part of the transition and all offshore platform decommissioning activities	We contribute through projects and services primarily related to adaptive measures against climate change such as protection of land from flooding, sea defenses, development of polders and dike-related activities	We contribute through projects and services primarily related to the salvaging of vessels and associated pollution prevention
In 2021, these accounted for approximately 41% of Group revenue	In 2021, these accounted for approximately 29% of Group revenue	In 2021, these accounted for approximately 8% of Group revenue	In 2021, these accounted for approximately 5% of Group revenue

Projects frequently contribute to multiple SDGs however in the revenue allocation to the above SDGs a project was attributed to only one SDG. The revenue for a project is therefore not counted double or split over more than one of these SDGs.

Community Impact, Climate Change, and Talent Management and Employee Engagement. Our approach and progress on some of these topics is summarized below and more details can be found in our Sustainability Report.

RESPONSIBLE BUSINESS CONDUCT

Boskalis places a strong emphasis on business ethics and is committed to being a partner that acts with integrity, reliability and responsibility. These are key elements for building trust between Boskalis and its stakeholders. We reinforce these intrinsic values by endorsing the principles of the International Labour Organization and the OECD Guidelines for Multinational Enterprises and by applying our Boskalis Code of Conduct.

As a project-based organization, with a global footprint, we rely on the highest ethical standards and levels of trust among individuals and teams working in complex operating environments. Business ethics is an area in which we are further increasing our engagement with staff through the development of a new e-learning program around our Responsible Business Principles and Code of Conduct. At the same time we regularly review our policies and codes of conduct to ensure that they keep pace with evolving practice and regulations. Furthermore, we use our leverage wherever we can to encourage responsible business conduct within the supply chain and audit compliance with our Supplier Code of Conduct. For more information on our approach to responsible business conduct and our policy framework please see pages 58 to 60 of this report.

BIODIVERSITY AND ECOSYSTEMS AND MANAGING OUR SOCIAL IMPACT

In line with the OECD Guidelines for Multinational Enterprises and the principles of the International Labour Organization, the protection of biodiversity and the marine environment and managing our impact on local communities are central to our environmental and social risk management policies and procedures. We aim to prevent, reduce or mitigate any negative biodiversity or social impacts related to our operations. During the project preparation phase, as well as throughout its implementation, we plan, adapt and optimize our working methods to align with the sensitivities of the physical environment and communities associated with the local situation. Through our established environmental and social review process, we apply our Environmental and Social Policy (available on our website) as well as the relevant industry and international standards to manage biodiversity and social risks effectively.

At the same time, we actively seek opportunities to make a positive contribution to local communities as well as the conservation, restoration and enhancement of natural environments. We do this through the provision of nature-based infrastructure solutions, as well as through applying our expertise to the restoration of ecosystems and marine habitats. Wherever possible we enhance the positive impact we can have on society – for instance, through the creation of jobs and opportunities for trade and skills development – whilst we also seek to mitigate or offset any negative outcomes of our work.

For more information on our Biodiversity and Social Impact programs please see pages 60-71 and 74-77 of our Sustainability Report.

ROAD TO CLIMATE-NEUTRALITY

In line with the Paris Agreement, Boskalis is committed to its target of being climate neutral across its global operations by 2050. We seek to further reduce emissions from our activities and, at the same time, drive our competitive advantage through our ability to offer a range of accessible, low-carbon solutions to our clients.

As things stand, those parts of the company that are onshore – our offices and warehouses, lease car fleet and dry earthmoving equipment – offer the greatest potential for near-term emission reductions. At our offices and warehouses in the Netherlands, we are continuing to install solar panels on a large scale and have recently substantially increased our electric vehicle charging infrastructure at our head office. Meanwhile, we continue to lower emissions associated with our Inland Infra dry earthmoving activities. In 2021, all of our dry earthmoving trucks ran on a pure biofuel where it was available, resulting in a reduction in CO_2 emissions of nearly 50% across the entire fleet compared to using fossil fuels.

The largest part of our CO_2 footprint is linked to our vessels, an area where substantial reductions in emissions are dictated by the availability of suitable alternatives to fossil fuels and the global availability of clean sources of energy. In recent years we have devised and adopted a range of measures and new technologies to drive down fuel consumption and reduce emissions from our fleet. These measures include the development of dashboards onboard certain vessels, as well as remotely, to improve awareness of fuel consumption among crew members and help shape their behavior to conserve fuel and reduce emissions through operational changes. Where possible we also use 'light', drop-in biofuels – 100% biofuel or blends of biofuel and marine gas oil – in our vessels which reduce carbon emissions by up to 90%. To move towards climate neutrality, new 'clean' fuels are needed for the international maritime industry. The development of the expertise and technology necessary for the sector to complete its energy transition relies on collaborations with our industry peers, knowledge institutions and other partners and we are therefore participants in several initiatives investigating the viability of alternative fuels – including methanol, ammonia, and hydrogen – as well as testing these fuels with leading maritime engine manufacturers. For more information on our emission reductions please see pages 52 to 57 of our Sustainability Report.

EU TAXONOMY

The EU Taxonomy Regulation sets out a basis for a classification system currently being developed with the aim of providing companies, investors and policymakers with appropriate definitions for which economic activities can be considered environmentally sustainable. To be recognized as such, economic activities will have to make a substantial contribution to at least one of the EU's climate and environmental objectives, while also doing no significant harm to the others and meeting a prescribed set of minimum social safeguards.

The Taxonomy Regulation establishes the following six environmental objectives:

- Climate change mitigation
- Climate change adaptation
- The sustainable use and protection of water and marine resources
- The transition to a circular economy
- Pollution prevention and control
- The protection and restoration of biodiversity and ecosystems

The Taxonomy Regulation identifies environmentally sustainable economic activities based on technical screening criteria which are set out in so-called accompanying delegated acts. In December 2021, the European Council approved the Climate Delegated Act which contains technical screening criteria for activities that contribute substantially to the climate change mitigation and adaptation objectives. A second delegated act – the Environmental Delegated Act – concerning the technical screening criteria for the remaining four environmental objectives, is expected to be published in 2022.

From 2022 onwards, non-financial undertakings falling under the EU Non-Financial Reporting Directive are required to start reporting on the 'eligibility' of their economic activities under the Climate Delegated Act. In this context, eligibility means that an activity is included in this delegated act and thus has the potential to make a substantial contribution to the environmental objectives of the Taxonomy Regulation. From 2023 onwards, these non-financial undertakings also have to report on the 'alignment' of their economic activities. Taxonomy-alignment of an activity goes beyond eligibility and implies that an activity fully complies with the technical requirements and social safeguards enumerated for this activity.

In anticipation of the introduction of the EU Taxonomy, Boskalis has reviewed the eligibility of its activities under both the Climate Delegated Act as well as the draft Environmental Delegated Act. This first time application was conducted at a project level with the objective of assessing the eligibility of projects executed during 2021. The eligible share of operational expenditures is assumed to be proportionate to the eligible share of revenue. Furthermore, a high-level assessment was done of the share of our capital expenditures during 2021 that have been made towards activities included in the Climate Delegated Act. The table below summarizes the results from these evaluations.

Nearly all of the revenue, operational and capital expenditures eligible under the Climate Delegated Act relate to Boskalis' offshore wind related activities.

Furthermore, it is expected that our coastal and river flood protection activities, salvage-related services as well as certain marine transport services will be eligible under the Environmental Delegated Act. Due to the draft status of this delegated act, providing an exact overall eligibility-percentage is currently not possible. Nevertheless, we expect that between 45-60% of Boskalis' 2021 group revenue is eligible under the Climate Delegated Act or Environmental Delegated Act.

Estimates, including those from the European Securities and Markets Authority, set a relatively low level of Taxonomy-alignment for non-financial undertakings, not least because the design of the Taxonomy only recognizes the very highest performance levels. Based on our current understanding of the (draft) Regulation we expect also the degree of Taxonomy-alignment of our activities to be significantly lower than their level of eligibility. Furthermore, since the composition of our global project portfolio is continually changing, we anticipate that the degree of Taxonomy-eligibility and alignment of our activities will fluctuate over time.

CLIMATE DELEGATED ACT ELIGIBILITY	PROPORTION OF REVENUE	PROPORTION OF CAPITAL EXPENDITURES	PROPORTION OF OPERATIONAL EXPENDITURES
A. TAXONOMY ELIGIBLE ACTIVITIES (CODES) ▪ Electricity generation from wind power (4.3) ▪ Renewal of waste water collection and treatment (5.4) ▪ Infrastructure for personal mobility, cycle logistics (6.13) ▪ Infrastructure for rail transport (6.14)	20-25%	35-40%	20-25%
B. TAXONOMY NON-ELIGIBLE ACTIVITIES	75-80%	60-65%	75-80%
TOTAL (A+B)	**100%**	**100%**	**100%**

BUSINESS PRINCIPLES

BOSKALIS CODE OF CONDUCT

Boskalis is a responsible multinational enterprise. Our purpose is to create and protect prosperity and advance the energy transition. We play a pivotal role in keeping the world moving both on land an at sea. The areas where we can make the largest contribution, both to the world economy and sustainable development, are tied to our business, our people and our activities. The company is committed to sustainable profitability and value creation for its shareholders. Boskalis wants to be an attractive employer and the client's first choice of contractor.

We are committed to conducting our business with integrity, honesty and fairness. We do this in compliance with applicable international and national laws and the Boskalis Code of Conduct.

The Boskalis Code of Conduct describes the guiding principles for our business conduct based on our core values, our commitment to our people, our clients, our investors, the environment and communities where we work. It describes our way of working and behavior and has been designed to help all of us to make the right decisions in our daily work to improve our performance, build up trust with our stakeholders and safeguard our solid reputation.

The Boskalis Code of Conduct is based on international guidelines, including the Universal Declaration of Human Rights, the principles and the conventions of the International Labour Organization and the OECD Guidelines for Multinational Enterprises. Boskalis accepts responsibility for matters which lie within its sphere of influence. The Boskalis Code of Conduct applies to Boskalis, its subsidiaries and all its employees performing work for Boskalis.

We developed a set of underlying policies to the Boskalis Code of Conduct to elaborate upon certain important business principles. We review the Boskalis Code of Conduct and its underlying policies on a yearly basis to ensure that the content remains comprehensive, relevant and up to date. The last review has taken place at the beginning of 2022.

The employees of Boskalis receive a copy of the Boskalis Code of Conduct and its underlying policies when they start working for Boskalis. In addition, e-learnings and targeted trainings are being organized to explain and train our people how the use them.

The full text of Boskalis Code of Conduct and its underlying policies as well as the Supplier Code of Conduct are available on our corporate website and our intranet ('Bokanet').

SUPPLIER CODE OF CONDUCT

The principles embodied in the Boskalis Code of Conduct are a fundamental part of the way we do business and we promote the same principles in our relationships with clients, suppliers and other business partners.

Boskalis has a Supplier Code of Conduct, which mirrors our own Code of Conduct. Besides considering quality, delivery reliability and price, we also select our suppliers based on sustainability criteria. The Supplier Code of Conduct is an integral part of all procurement contracts. By entering into a contract, suppliers commit themselves to the Supplier Code of Conduct. This commitment is also applicable to their own suppliers. In 2021, 88% of our strategic suppliers endorsed the Supplier Code of Conduct, compared to 85% in 2020.

The full text of the Supplier Code of Conduct is available on our corporate website and our intranet ('Bokanet').

Each year, we conduct an implementation scan at a cross section of approximately 10% of our strategic suppliers. Suppliers that do not meet our standards are given the chance to improve under our supervision. In the absence of sufficient progress, we will eventually terminate our relationship with these suppliers. More details of this risk assessment matrix and the results over the past years are given on pages 84 and 85 of our Sustainability Report 2021.

OUR CORE VALUES – OUR COMPASS

We strive to be the leading dredging and marine contracting experts, creating new horizons for all our stakeholders. Our five core values guide us in achieving this mission.

SAFETY

Our people and their safety is the core of our success. Safety is the top priority in everything we do. Our behavioral safety program NINA targets No Injuries, No Accidents to safeguard our colleagues and subcontractors.

TEAMWORK

By working together we create new horizons. We approach our complex and specialist work with a collective mindset and the objective to excel. Collaboration within teams and cooperating with clients, suppliers and other stakeholders allows us to get the job done.

PROFESSIONALISM

We strive to achieve the best results for the job without making promises we cannot deliver. With our expertise and experience in project management, operations and risk management we seek to deliver our projects safely, on time and within budget.

ENTREPRENEURSHIP

We offer innovative, competitive and sustainable solutions for our clients. With our strong business sense, we are forward thinking, exploring new ideas and opportunities. We take pride in creating new horizons.

RESPONSIBLENESS

We are committed to conduct our business with integrity, honesty and fairness. Integrity is a prerequisite for success and an important cornerstone of our reputation. The impact of our activities on society and the environment is a key element in the way we conduct our day-to-day business.

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

The Boskalis Anti-Bribery and Anti-Corruption principles are enshrined in the Boskalis Code of Conduct and elaborated upon in its underlying Anti-Corruption and Anti-Bribery Policy. Boskalis does not tolerate any bribery and corruption or any fraud or money laundering. Boskalis shall not offer, pay, request or accept bribes, facilitation payments or other favors for the purpose of acquiring or giving any improper business, financial or personal advantages.

In many countries where Boskalis operates it is impossible to conduct activities without a local partner or sponsor. The guidelines for collaborating with such a partner are set out in a contract, which also specifically includes the principles from the Boskalis Code of Conduct as described above.
Local contacts may be maintained by an agent, who also assists in the efficient setting up and execution of projects. Control of integrity risks and compliance with the internal procedures for concluding agent contracts are part of the internal audits.

ENVIRONMENTAL AND SOCIAL POLICY

The environmental and social guiding principles of Boskalis are part of the Boskalis Code of Conduct and detailed in the Environmental and Social Policy. Boskalis strives to be a leader in sustainability in the dredging, offshore contracting and marine services industries. We aim to create long-term sustainable profitability by managing our business and projects responsibly, adding social, environmental and economic value wherever we can, and leveraging our ability to influence and innovate. This commitment is founded in our ambition to contribute to the United Nations Sustainable Development Goals. Boskalis aligns its business practices with the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. We comply with the applicable environmental and social national and international laws.

HUMAN RIGHTS AND LABOR POLICY

The Boskalis Code of Conduct includes the commitment that Boskalis respects and supports the dignity, wellbeing and human rights of our employees, the communities we work in and everybody involved in our operations. We have a Human Rights and Labor Policy that sets out the guiding principles for Boskalis to conduct its business, which is developed in line with the United Nations Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the OECD Guideline for Multinational Enterprises and applicable national and international labor laws, including the conventions of the International Labour Organization. We seek to identify adverse impacts related to human rights and labor caused by our business activities before they occur and take appropriate steps to avoid, cease, minimize or mitigate them.

SANCTIONS POLICY

Boskalis does not perform any activities that are subject to international and/or national sanctions and does not have dealings with sanctioned persons. In addition, we follow the laws concerning export control for military and dual-use goods and services. The guiding principles regarding sanctions are laid down in the Boskalis Code of Conduct and our Sanctions Policy.

TAX POLICY

The payment of taxes forms an important part of our contribution to the countries and communities in which we operate. Our approach to tax supports the purpose and the corporate business strategy of Boskalis. Our Boskalis Code of Conduct and the underlying Tax Policy reflect our guiding principles that we are responsible taxpayers managing our tax affairs accurately and transparently to the letter and the spirit of the applicable tax laws and regulations. Boskalis supports the OECD initiatives to promote tax transparency and reform of international tax regulations to end tax avoidance strategies and to come to fair tax systems. As part of the yearly review of the tax policy, we conduct various dialogues with external stakeholders, including investors.

SPEAK UP POLICY

Boskalis has a Speak Up Policy in place that offers employees the possibility to report (suspected) misconduct within the company. The Speak Up Policy is developed in line with international and national applicable laws and the OECD Guidelines for Multinational Enterprises. Under the Speak Up Policy a report of (suspected) misconduct can be made on any subject of a general, financial or operational nature which is not in line with the Boskalis Code of Conduct. A confidential and independent counselor has been appointed for the purposes of the Speak Up Policy. Employees also have the possibility to consult a female counselor. Such a report can be made anonymously and on a 24/7 basis. The counselor shall take the reported suspected misconduct into consideration immediately and gain information in relation to this. Based on this information the counselor shall decide which actions are appropriate and necessary, including a possible investigation on the reported misconduct. The employee who has in good faith reported the suspected misconduct to the counselor, in accordance with the Speak Up Policy, shall not suffer any retaliation or detriment as a consequence of making a report.

GRIEVANCE POLICY

Boskalis strives for open and clear communication with our various external stakeholders and is open to suggestions, ideas, complaints, grievances and criticisms. The Grievance Policy describes how we offer our external stakeholders the possibility to bring forward any grievance without the risk of any retaliations. Grievances may be treated on a confidential basis upon request and can be made anonymously on a 24/7 basis.

The world's largest backhoe dredger Magnor in action
in Denmark for the Fehmarnbelt tunnel project

RISK MANAGEMENT

Retaining control and balance in our risks taking is fundamental to our long-term value creation. Therefore the proper identification, assessment and management of risks and opportunities – notably with respect to tendering, preparation and execution of projects – is an integral part of our management approach allowing us to capitalize on opportunities in a disciplined manner.

We operate a group-wide quality management system which we refer to as the Boskalis Way of Working (WoW). In designing this system, we observed the principles and guidelines of the ISO 31000 standard for risk management. The overriding objective of our WoW-system is to give our staff the best possible support in achieving operational excellence throughout the project lifecycle, with a clear focus on safe, high quality and sustainable solutions as well as a consistent client approach. Operational excellence in this context means achieving compliance with the internal and external control requirements imposed on our primary project process whilst minimizing failure costs.

We monitor compliance and identify opportunities to further improve our performance by conducting regular internal audits, inspections, emergency drills, and management reviews. For all business units, external certification bodies have (re-)confirmed that the implementation of WoW complies with the most recent applicable international (ISO) quality, safety and environmental standards. Notwithstanding the practical challenges imposed by the pandemic, we continued our efforts to improve and harmonize (the documentation of) this system as well as to further endorse the awareness and application of WoW.

Our tolerance or appetite for risks is documented in the Group's guidelines, policies, procedures and instructions. Examples include the Boskalis Code of Conduct and the Supplier Code of Conduct, safety and quality policies and procedures, vendor selection criteria, project risk classification system, contracting guidelines, authorization limits, tax and treasury policies, management planning and control systems, financial control framework, crisis management plans, information security and access management policies.

Below sets out an overview of what we currently consider to be the main strategic, operational, compliance, financial (reporting) and other risks we face in pursuing our business objectives. This overview is not exhaustive and risks have not been ranked in order of importance. There may be other risks which we currently do not consider to be significant but which at a later stage may manifest themselves as such. Where possible, we have indicated the specific measures in place to help mitigate these risks.

STRATEGIC AND MARKET RISKS

The Boskalis markets are heterogeneous and often develop disparately. Important (end) client groups include national, regional and local governments, or associated institutions such as port authorities, private port operators and major international energy companies; developers, operators as well as contractors. Other client types are (container) shipping companies, ship and offshore construction yards, insurance companies, mining companies as well as infrastructure and real estate project developers.

Notwithstanding the positive long-term growth prospects for our markets, they can be – certainly in the short and medium term – negatively impacted by factors outside our control. Such factors include for example general or regional geopolitical developments, such as energy policies, political unrest, piracy, government-imposed trade barriers, volatility in the energy and commodities markets as well as natural or man-made calamities. The COVID-19 pandemic being a telling example.

Boskalis aims to respond as effectively as possible to both positive and negative developments in individual markets, through a global spread of its activities, an extensive and versatile fleet operating out of various international locations, and strong positions in its core markets. Moreover, our activities are largely focused on the development, construction, installation and maintenance of infrastructure, which means that longer-term developments will generally outweigh short-term economic fluctuations.

Contracts are not included in our order book until full agreement has been reached with the client. Although experience shows that once agreement has been reached, cancellations, postponements or substantial reductions in the scope or size of contracts are quite rare, they do occur, certainly in markets that are under severe pressure. Consequently, if such a cancellation or substantial reduction occurs, losses may arise from the unwinding or settlement of financial derivatives which were taken out to hedge related currency risks and/or fuel price risks, but for which the underlying transaction or cash flows will no longer be realized.

Boskalis deals with a variety of competitors in the various markets and submarkets in which it operates. Such competitors vary from large, internationally operating companies to more regional and local companies. A considerable part of our revenue is derived from contracts awarded through public or private tender procedures, with competition often being predominantly price-based. However, nowadays other factors – such as the assurance of adequate safety, social and environmental practices as well as the financial resilience of the contractor – are of more importance when awarding contracts. Proper decision-making processes have been put in place for the submission of tenders to ensure that the risks associated with the execution of a specific project are systematically identified, assessed and addressed.

A substantial part of Boskalis' activities are capital-intensive which means that prices in these markets are largely influenced by the utilization rate of the relevant equipment at a given time. This implies that a broad international presence, along with a leadership position in terms of type and quality of our equipment and cost competitiveness, are key success factors. Boskalis places a great deal of emphasis on these, both as a critical point of attention in operational management and in its capital allocation decisions. Consequently, individual investment proposals are subjected to a thorough evaluation and approval process.

In the course of executing its strategy, Boskalis regularly acquires companies. To achieve the anticipated results, Boskalis assigns great importance to integrating such acquisitions with care. Creating value for our stakeholders and retaining key personnel are important elements in this process.

OPERATIONAL RISKS

CONTRACTING AND EXECUTION RISKS

The main operational risks for Boskalis are related to the contracting and execution of projects. For a substantial part of our contracting activities the common type of contract is fixed price/ lump sum. Under this type of contract, the contractor's price must reflect virtually all operational risks as well as the risks associated with the procurement of materials and subcontractor services. Typically, it is not possible to charge clients for any unforeseen costs. Furthermore, many contracts include milestones and associated penalty clauses for if the milestones are not achieved on time. Additionally, we observe further juridification of customer-contractor relations and a related increase in appetite amongst clients for commencing formal dispute resolution proceedings. That is why great emphasis is placed on identifying, analyzing and quantifying such delay risks and the associated operating costs during the tendering process and the preparation and execution phase of a project.

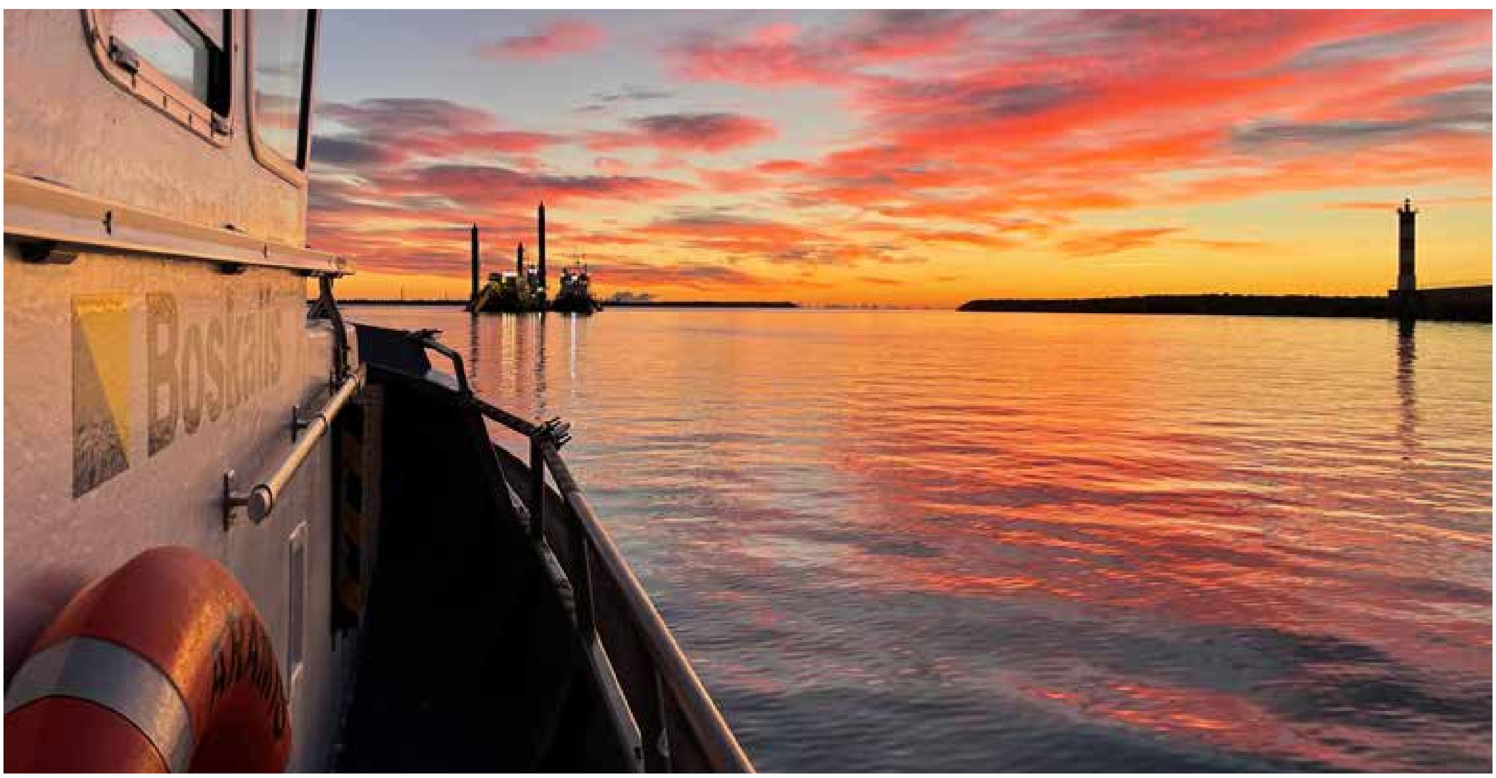
Operational risks typically relate to variable weather or working conditions, technical suitability and availability of the equipment, unexpected soil and settlement conditions, wear and tear of equipment (especially dredging equipment), damage to third-party equipment and property, the performance of subcontractors and suppliers, and the timely availability of cargo or services provided by the client in case of heavy marine transport and/or installation activities.

The following measures are taken systematically to manage the aforementioned risks in the tender, preparation and/or execution phase of a contract:

- During the tendering procedure and the contracting phase of projects much emphasis is placed on identifying, analyzing and quantifying execution, cost and delay risks. Contracts are classified based on their size and risk profile. This classification determines the subsequent course of the tender process and the requirements for authorization of the tender price and conditions. Above a certain level of risk, tender commitments require authorization from the Board of Management.
- In the preparation phase of a project tender and depending on the nature and risk classification of the project, we gain insight by conducting surveys and soil investigations; by consulting (proprietary) databases containing historical data and by applying extensive risk analysis techniques. The results of the risk analyses are then used in the process of costing the project and in setting the commercial and contractual terms and conditions for the offer to be issued to the client.
- Risks related to price developments on the procurement elements of a project, such as costs of materials and services, subcontracting costs and fuel prices, as well as the cost of labor, are all considered when calculating cost prices. Wherever possible, and especially on projects with a long execution time, cost indexation clauses are included in the contract terms and conditions, particularly regarding labor and fuel costs.
- When a contract is awarded, an updated risk analysis is part of the project preparation phase, based upon which measures are taken to mitigate the risks identified.
- In addition, much attention is devoted to the continuous education and training of staff, appropriate project planning and project management, the execution and implementation of certified quality, safety and environmental systems, and the optimal maintenance of equipment.

Our terminal services, which have been incorporated in the Smit Lamnalco strategic joint venture, are to a substantial extent performed under long-term contracts corresponding to the client's requirements and specifications. Most of these contracts include some form of price indexation.

Salvage activities relating to vessels in distress – Emergency Response – are often carried out under great time pressure and



without an extensive tendering procedure and associated preparation activities. Such contracts are regularly concluded based on the standard Lloyd's Open Form (LOF). This means that compensation is based on a valuation mechanism related to various factors, including the salvage value of the vessel and its cargo, the technical complexity of the salvage operation, environmental risks and the use of own equipment and subcontractors. This valuation results in a lump sum, which is finalized through negotiations with the client or through an arbitration process. Experience shows that the company is usually able to make a reasonably accurate estimate of this income. Should it transpire during a salvage operation that the final salvage fee may not be sufficient to cover the costs incurred, then the choice can be made to convert the LOF into a contract based on a daily hire fee, thus limiting the financial risks. Contracts for salvaging sunken vessels (wrecks) are usually carried out on a lump sum basis. The contracting and execution of such projects, which in many cases do involve a tendering procedure, are subject to the customary procedures for contracting and execution activities applicable within Boskalis.

Some of the equipment within the Offshore Energy division, as well as in some of the strategic joint ventures, is chartered out for relatively short periods (spot markets), mainly subject to standard conditions. Although the operational risks involved in such activities are generally relatively limited, they do result in increased utilization and pricing risk, which we aim to mitigate through adequate capacity and strict cost control.

HUMAN RESOURCES

As for any organization, having sufficiently knowledgeable, skilled and experienced personnel is a prerequisite for operational excellence. Boskalis employs an increasingly diverse, multinational workforce requiring our staff to be aware of cultural differences and to develop international competencies. The international travel- and work-requirements inherent to our operations are particularly challenging for younger people in dual career households. To help address these challenges, our (international) talent sourcing and development process as well as our onboarding process have been renewed. We also continue to enhance and operate various talent development programs including Boskalis Trainee Program, Boskalis Project Professionals, Finance Development Program, Boskalis Contracting Academy, Boskalis Operational Development Program and – partly external – leadership development programs. Additionally, a comprehensive employee performance management system is in place as well a strategic workforce planning process that includes succession planning. We maintain our strive to offer our staff a present-day, attractive set of (flexible) employment terms.

ENVIRONMENTAL AND SOCIAL RISKS

To gain insight into the relevance and importance of environmental and social topics, Boskalis engages with its stakeholders and regularly conducts a materiality analysis. The outcome of this engagement is reflected in our sustainability report in a materiality matrix. The nature of most of our activities implies that we have an impact on society and the environment. In most cases this impact will be net-positive, for example from our support in the transition to renewable energy sources or through creating infrastructure to help increase welfare and protect people and assets from the effects of climate change. However, a potential negative impact during the execution of projects cannot be ruled out. Environmental risks include the impact on biodiversity in vulnerable ecosystems and the emissions produced by our vessels. Boskalis has an in-house engineering department to address ecological aspects from the early tender stage through to monitoring during execution. Emissions from our operations are measured and reported and Boskalis is continuously developing and deploying new means to reduce its emissions footprint.

Social risks include the impact of projects on local communities. The extent to which our activities have a social impact is highly dependent on the type and/or location of a project. Where relevant, we implement a social impact program and work with our clients to mitigate the impact and where possible make a positive contribution to communities affected by our activities.

CLIMATE CHANGE RISKS

As mentioned, climate change adaptation and the energy transition will require major investments in infrastructure with significant additional opportunities for Boskalis. There are nonetheless several associated risks that could negatively impact our operations. The surge in frequency and severity of extreme weather events may result in disruptions in project execution. Temperature increase and extreme weather events may also reduce economic activity and GDP growth. Rising climate change concerns may lead to additional regulatory measures which can result in project delays or cancellations. Such concerns also have the potential for a deteriorating relationship with the public and governments in countries where we operate.

ICT RISKS

Like most companies, Boskalis is faced with an increase in cybersecurity risks and increasingly sophisticated levels of computer crime. Successful cyberattacks can result in significant costs as well as other negative consequences including reputational damage, remediation costs and other liabilities to stakeholders. Furthermore, enhanced protection measures place additional financial and operational burdens on the business. To help mitigate these risks Boskalis has developed information security policies and practices based on the international Code of Practice for Information Security Management. We continuously monitor for suspicious activity on our ICT infrastructure with support of external security experts and sustain our (training) efforts to increase awareness of cybercrime risks amongst our staff. The increase in remote working further heightens the importance of these measures. During the year under review, we continued to improve our measures on maritime cyber risk management in line with the guidelines of the International Maritime Organisation as in effect from the start of 2021.

LOCAL WORKING CONDITIONS RISKS

Local management on projects and operations must have a proper understanding of the local (working) conditions. The scale of local operations is often too small to warrant a full-fledged organization, including extensive support services and staff departments. This is addressed through regular visits by responsible managers and employees from the relevant business units and support from central staff departments at head office as well as by involving (local) external advisors.

FINANCIAL RISKS

POLITICAL AND CREDIT RISKS

These include risks related to unrest or disruption due to political developments and violence, and the risk of non-payment by clients. Boskalis operates strict acceptance, credit and hedging policies with respect to political, foreign exchange and payment risks. Other than in the case of very strong, creditworthy clients with an undisputed credit history, all substantial credit risks are normally covered by means of credit insurance, standby letters of credit, bank guarantees and/or advance payments. Revenues and earnings are only recognized in the accounts where there is sufficient certainty that they will be realized.

LIQUIDITY AND FUNDING RISKS

As is customary for a contractor, Boskalis also has significant obligations outstanding in the form of guarantees from banks and insurance companies, mainly in favor of clients. Given that the availability of sufficient credit and bank guarantee facilities is essential to the continuity of the business, Boskalis' funding policy is aimed at maintaining a strong financial position. Solid balance sheet ratios and the use of diversified sources of funding provide for ample capacity to absorb liquidity risks and the constant creation of adequate borrowing capacity and guarantee facilities. The company has ample credit and bank guarantee facilities at its disposal and operates well within the agreed covenants under its financing agreements.

CURRENCY RISKS

The reporting currency of Boskalis is the euro. Most of the business units have the euro as their functional currency while some use other functional currencies as well. The most important of these is the US dollar, followed by the Singapore dollar. The revenues and expenses of these entities are largely or entirely based on these non-euro currencies. Our holdings in these entities are viewed from a long-term perspective. Exchange rate risks related to these entities are not hedged as it is assumed that currency fluctuations and developments in interest rates and inflation will offset each other in the long term.

A significant proportion of the activities of the group companies that have the euro as their functional currency are not contracted in euros. The costs of these entities, however, are largely incurred in euros. Generally, the net cash flows in non-euro currencies within these entities are fully hedged, usually by means of forward exchange contracts. The US dollar exchange rate in relation to the euro is particularly relevant in this context. A large proportion of the projects is contracted in US dollars or in currencies that are to a greater or lesser extent linked to the US dollar.

Most of our major international competitors in the dredging industry also have cost structures largely based on the euro. This implies that exchange rate fluctuations do not have a material impact on our relative competitive position. In several market segments, particularly in Offshore Energy, there is competition from parties whose cost structures are not based on the euro, meaning that the competitive impact of currency fluctuations in these market segments is greater. However, on balance, exchange rate fluctuations only have limited impact on the company's competitive position in these activities.

TAX RISKS

Boskalis operates in a large number of jurisdictions and is subject to a variety of taxes per jurisdiction. Tax legislation can be very complex, is subject to change and is often interpreted in different ways. Boskalis is therefore exposed to a variety of direct and indirect tax risks which could lead to double taxation, additional tax payments, penalties and interest payments. Significant judgement is required to determine the overall tax position. The company accounts for its taxes on the basis of internal analyses and judgements, supported by external advice. In the event of uncertain tax positions, the potential consequences are analyzed and accounted for in accordance with the applicable accounting standards.

INTEREST RATE RISKS

Our long-term financial liabilities are predominantly based on fixed long-term interest rates, meaning that our exposure to interest rate fluctuations on these is limited.

FUEL PRICE RISKS

In a substantial part of its activities, Boskalis is exposed to risks arising from changes in fuel prices. Fuel costs are hedged in a number of different ways. Where possible, contracts include fuel price variation clauses. Also, contracts are sometimes based on fuel being supplied by the client. In other cases, where the fuel price presents a substantial risk, exposure can be hedged by means of financial instruments, such as forward contracts or fixed fuel supply contracts.

DERIVATIVES

Financial derivatives are only used to hedge underlying currency risks, fuel cost risks or other risks where there is a physical underlying transaction. There is, however, a risk of losses arising from the unwinding or settlement of such financial derivatives due to cancellation of a contract or a substantial reduction in the scope of a contract.

OTHER RISKS

COMPLIANCE WITH LEGISLATION AND REGULATIONS

As an international dredging and marine contracting and services expert, Boskalis is active in numerous countries, and therefore must deal with a wide range of diverse legislation and regulations. Some of the activities are managed by Boskalis local management,

The Blue Marlin transporting the mega cutter suction dredger Helios to the Philippines

but in many countries we also use intermediaries and/or local representatives. This combination of factors results in a heightened risk that relevant (local) legislation and regulations may not be fully complied with. Events of non-compliance can result in regulatory investigations, litigations and/or sanctions. These risks are as much as possible mitigated by the company's internal risk management and control systems that include the Boskalis Code of Conduct as well as the Supplier Code of Conduct, which are reviewed and evaluated regularly. Intermediaries and/or local representatives are also contractually bound to comply with our codes of conduct. Entering into contracts with local intermediaries and/or representatives is subject to clearly defined procedures, including background checks. Our legal departments and contract managers monitor compliance with legislation and regulations during the preparation and execution of works. Furthermore, Boskalis has a Speak Up Policy in place and a confidential independent counselor to whom employees can report any suspected misconduct.

PROPERTY DAMAGE AND THIRD-PARTY LIABILITIES

Boskalis has taken out a broad package of insurances to cover against risks with respect to damage to its properties as well as third-party properties and potential other third-party liabilities.

INTERNAL RISK MANAGEMENT AND CONTROL SYSTEMS

The internal risk management and control systems of Boskalis are based on the principles of effective management supervision at various levels in the organization and are tailored to the day-to-day working environment in which the company operates worldwide.

One of the main foundations for risk management is the internal culture of the company, which is characterized by a high degree of transparency regarding the timely identification, evaluation and reporting of risks and a remuneration system that is geared to avoiding potentially perverse incentives. In addition to the specific risk mitigation measures mentioned above, our internal risk management and control systems include the following main components:

- In the daily operations, the operational risk management and control is largely supported by a comprehensive system of quality assurance rules, procedures and systems, particularly regarding the acquisition and execution of projects (the aforementioned Boskalis Way of Working).
- In addition to audits by external certification bodies, Boskalis also performs regular internal audits under the auspices of the SHE-Q department to review the design and operational effectiveness of this system. SHE-Q is discussed at quarterly meetings between the Board of Management and the management of the business units, with the management of the SHE-Q department also participating.
- The daily management of the organization is based on short lines of communication and command. Speed, know-how and decisiveness are of the essence, both in the tendering phase and in project execution. Daily management is hands-on.
- The progress and development of the operating results and the financial position of individual projects and business units and the company as a whole, as well as the operational and financial risks, are monitored by means of structured periodical reporting, analysis of the financial results and performance reviews at Board of Management and senior management levels.

RISKS REGARDING FINANCIAL REPORTING

FINANCIAL REPORTING STRUCTURE

Financial reporting at Boskalis is structured within a tight framework of budgeting, reporting and forecasting. A distinction is made between reports for internal and external use. External reporting at group level consists of an annual report, including financial statements audited by the external auditor, as well as a half-year report, containing summarized financial information, both consolidated and segmented. The external reports are based on the internal financial reporting, in accordance with EU-IFRS.

Internal financial reporting consists of comprehensive consolidated periodic reports in which current developments are compared to the (cumulative) budgets and previous forecasts. In addition, each quarter we reiterate or update our forecast for the annual results and balance sheet positions at the end of the financial year. The budget is prepared every year by the Board of Management and approved by the Supervisory Board. Cash flows are closely monitored via a six months rolling forecast which is reported on a weekly basis. Internal financial reporting has a layered structure – in accordance with the internal allocation of management responsibilities – with consolidation taking place at successive levels, starting with the projects, through the business units and divisions, and resulting in consolidated group reports. The financial and operating results are analyzed and clarified at each of these levels. Project and contract managers are responsible for budgets, income statements and balance sheets for their projects or contracts, and these are drawn up in accordance with the applicable guidelines and instructions. In turn, business unit managers are responsible for the financial reporting of their respective business units.

Boskalis holds several investments in joint ventures and associated companies and these holdings are intensively monitored. Shareholder and/or board meetings are held regularly, with Boskalis being represented in line with the size of its interest. Clear shareholder agreements have been concluded with the co-shareholders in such joint ventures regarding topics such as board and management representation, filling of management positions, strategy and policy, budget, financial reporting, the appointment of auditors, investments and financing. The policy is that such joint ventures are in principle financed without guarantees from the shareholders.

The Board of Management discusses the quarterly reports with the relevant business unit managers in formal quarterly meetings. The consolidated group reports are discussed with the Supervisory Board on a quarterly basis.

The most important aspects of our financial reporting systems are set out in manuals, guidelines and procedures, all of which are available electronically. Staff are trained in how to apply accounting standards, guidelines and procedures. Internal audits

Road maintenance near Amsterdam Schiphol Airport in the Netherlands to monitor and improve quality and discipline are conducted based on an annual audit plan and ad hoc examinations. Moreover, the quality of the financial control systems is evaluated regularly in the context of the activities of the external auditor. Findings concerning the quality of the financial control systems identified during the audit of the financial statements are reported by the external auditor in the Management Letter.

We apply a Financial Control Framework (FCF) that stipulates and documents the control requirements to help mitigate financial (reporting) risks. The updated COSO internal control framework serves as the main standard of reference for our FCF. The set-up of the electronic communication platform containing the FCF-documentation matches that of our WoW-system with the aim of optimizing its user-friendliness for our staff.

INTERNAL AUDIT FUNCTION

In addition to the internal audits performed under the auspices of the SHE-Q department, Boskalis has an internal audit function that mainly focusses on the company's management and financial reporting processes. It is guided by the International Standards for the Professional Practice of Internal Auditing and the Code of Ethics as published by The Institute of Internal Auditors.

The internal audit manager is accountable to the Chief Executive Officer for day to day operations and to the Audit Committee as part of its oversight role. Appointment and dismissal of the internal audit manager will be submitted to the Supervisory Board for approval, along with a recommendation by the Audit Committee.

On an annual basis the internal audit manager submits to the Board of Management and the Audit Committee a report on the activities performed in the year past, including the main findings, as well as a risk-based internal audit plan for the next year for their review and approval.

Based on the internal audit plan, the internal audit manager agrees with the Board of Management the specific audit subjects, the detailed scope of work and the allocation of resources. The internal audit function's performance relative to its plan are regularly communicated and discussed between the internal audit manager and the Board of Management, represented by the Chief Financial Officer.

The internal audit function also periodically interacts with the company's external financial auditor to share information on audit planning and progress as well as key findings and observations. The internal audit function's final reports are made available to the external auditor and management letters of the external auditor will be shared with the internal audit manager.

EVALUATION OF INTERNAL RISK MANAGEMENT AND CONTROL SYSTEMS

Also this year, the Board of Management has initiated a so-called Corporate Risk Assessment to systematically evaluate the risks inherent to the Group's strategic business objectives as well as the related risk management and control activities. For this purpose, a comprehensive risk classification system is used that contains pertinent information for each of the risk categories identified. This includes examples of – and contributing factors to – possible risk manifestations as well as current risk management and control activities to help mitigate these risks.

The risk categories identified were evaluated for their significance, defined as the degree to which risks within the respective risk category could adversely impact our ability to achieve our strategic objectives, as well as for the potential for improving their related risk management and control activities. Notwithstanding the effects of the COVID-19 pandemic on our operations, this evaluation did not identify significant structural shifts in the company's overall risk profile and its main results have been included in the preceding overview of the main risks we face in pursuing our strategic business objectives.

The structure and functioning of our internal risk management and control systems are discussed annually with the Supervisory Board.

No matter how much care is taken in setting up internal risk management and control systems, they are unable to provide absolute certainty with regard to realizing the company's objectives, nor can they preclude material mistakes, losses, fraud, or infringements of legislation and regulations.

STATEMENTS REGARDING INTERNAL RISK MANAGEMENT AND CONTROL SYSTEMS

With due consideration of the aforementioned inherent limitations and scope for improvement, the Board of Management is of the opinion that:

- the report provides sufficient insights into any failings in the effectiveness of the internal risk management and control systems;
- the aforementioned systems provide reasonable assurance that the financial reporting does not contain any material inaccuracies;
- based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis;
- the report states those material risks and uncertainties that are relevant to the expectation of the company's continuity for the period of twelve months after the preparation of the report.

CORPORATE GOVERNANCE

APPLICATION AT BOSKALIS

Boskalis operates a two-tier Board model, which means that management and supervision are segregated.

The Board of Management is responsible for the day-to-day management of the business, the continuity of the company and for setting out and realizing the company's strategy for the long-term value creation as well as for the culture, opportunities and risks and the results of the company. The Board of Management is responsible for establishing the company's objectives, implementing its business policies and for the resulting performance. The Board of Management is accountable to the Supervisory Board and the General Meeting of Shareholders. In performing its tasks, the Board of Management is guided by the interests of the company and its activities, the markets the company is operating in, and takes into account any relevant interests of parties involved with the company. The Board of Management performs a biennial materiality assessment to identify the topics important to the business and our stakeholders. The outcome of this assessment is used in the formulation of the company's strategy for the long-term value creation and in particular sustainable growth. Please refer to pages 12 to 15 of the Sustainability Report.

The Supervisory Board is responsible for supervising the Board of Management on the formulation and implementation of the strategy for the realization of the long-term value creation. Furthermore, the Supervisory Board is responsible for supervising management performance regarding the general affairs of the company and advising the Board of Management. In doing so the Supervisory Board also focuses on the effectiveness of the company's internal risk management and control systems and the integrity and quality of the financial reporting. The Supervisory Board is supported in its work by three core committees: the Audit Committee, the Remuneration Committee and the Selection and Appointment Committee. For a summary of the activities of the Supervisory Board and its committees in 2021, please refer to pages 26 to 32 of this annual report.

At Boskalis there is close collaboration between the Supervisory Board, its committees and the Board of Management. The Board of Management and the Supervisory Board are jointly responsible for looking after the interests of our stakeholders, which includes creating long-term value.

The company has a Group Management, consisting of the members of the Board of Management and the Group Directors. The Group Management meets on a regular basis in order for the Board of Management to obtain a full overview of the activities in the divisions of the company, to align the day-to-day management across the company and to ensure optimal exchange of information between the divisions.

Our stakeholders are those groups and individuals that directly or indirectly influence the company's activities, or are influenced by them. They include the employees, shareholders and financial institutions, suppliers, clients, government bodies, educational and knowledge institutes, industry and society associations (including NGOs) and the communities in which Boskalis operates.

At least one General Meeting of Shareholders takes place every year. Its tasks include the adoption of financial statements and it holds authority with regard to the appointment and dismissal of Supervisory Board members and the members of the Board of Management.

The interests of employees are promoted by the Works Council, which provides ongoing employee representation as required under the Dutch Works Councils Act.

The guiding principles and values relating to our business activities are set out in the Boskalis Code of Conduct and its underlying policies as well as in the Supplier Code of Conduct. These codes set out clear the business ethics for employees and suppliers of Boskalis describing how they should conduct themselves with regard to, for example, legislation and regulations, human rights and labor, anti-corruption, sanctions, competition, the environment and communities, health and safety, staff and quality. Both codes can be found on the company's website. Boskalis reviews the Boskalis Code of Conduct and the Supplier Code of Conduct on a yearly basis.

In addition, the core values and rules for safety at work are set out in our safety program, No Injuries, No Accidents (NINA). The Board of Management regularly stresses the importance of complying with the Boskalis Code of Conduct and the NINA principles. The Board of Management also provides employees with the opportunity to report any suspected misconduct within Boskalis of a general, financial, operational and employment nature which is not in line with the Boskalis Code of Conduct to a confidential independent counselor, without jeopardizing their legal position in accordance with the Speak Up Policy. Furthermore Boskalis offers through the Grievance Policy its external stakeholders the possibility to bring forward their suggestions, ideas and grievances. The Speak Up and Grievance Policies can both be found on the company's website.

ARTICLES OF ASSOCIATION

The Articles of Association of Boskalis set forth aspects of the governing principles regarding the company related to among others, the seat, the objects, the capital and shares of the company as well as its governing bodies, the financial year, the annual accounts and loss and profit. The text of the Articles of Association is available on boskalis.com

COMPLIANCE

The 2016 Dutch Corporate Governance Code (the "Code") applies to all Dutch companies listed on the stock exchange and comprises a code of conduct for governance best practice. This Code includes both specific principles and best practice provisions, as well as guidelines for their proper supervision. Boskalis subscribes to the notion that a sound and transparent system of checks and balances is key to maintaining confidence in companies operating on the capital market. Boskalis believes clarity and openness in accountability and supervision are the cornerstones of good management and entrepreneurship. The regulations of the Supervisory Board and its committees as well as the profile of the Supervisory Board are aligned with the principles and best practices of the Code. These regulations and the profile of the Supervisory Board are published on the company's website.

In accordance with the Code, Boskalis publishes an 'Apply or Explain' report that sets out how the principles and best practice provisions are applied at Boskalis. This report is available on the website and copies can also be requested from the company.

Boskalis subscribes to and applies all the principles and best practice provisions contained in the Code, with the exception of best practice 4.3.3. In deviation of this best practice, according to the Articles of Association, the General Meeting of Shareholders may pass a resolution to deprive the binding nature of a nomination for the appointment or a resolution for dismissal of a member of the Board of Management or a member of the Supervisory Board by a majority of at least two/thirds of the votes cast representing more than one-half of the company's issued share capital. The deviation of this best practice provision is justified in view of the long-term value creation. Maintaining continuity at both the Board of Management and the Supervisory Board is essential for delivering such long-term value. The company is protecting its stakeholders against a sudden change in management and supervision by maintaining the qualified majority and voting quorum requirement, which is in accordance with Dutch law.

In applying the principles and best practices of the Code Boskalis pays among others attention to the topics 'long-term value creation', 'culture' and 'diversity'.

Long-term value creation

Boskalis focuses on its long-term value creation and the continuity of the company through its purpose and mission. The purpose of Boskalis is to create and protect prosperity and advance the energy transition. The mission is that the company strives to be the leading dredging and marine contracting experts, creating new horizons for all its stakeholders. This view of the Board of Management on long-term value creation is embedded within the strategy and the business plan. This Corporate Business Plan is formulated by the Board of Management on a thorough review of Boskalis' markets and business lines. The Supervisory Board is fully engaged in the formulation of the strategy and the Corporate Business Plan and oversees its implementation.

In the development of the strategy and the Corporate Business Plan attention is paid to the implementation and its feasibility, the underpinning business models and assumptions, the opportunities and risks for the company, its operational and financial goals and their impact on the position of Boskalis on future relevant markets, the interests of the stakeholders, as well as environmental, governance and social matters and business ethics.

For a detailed description of Boskalis' view on long-term value creation and its sustainable growth strategy for the realization thereof, as well as the business plan, please refer to pages 10 to 16 of this annual report.

Culture

At Boskalis our purpose is to create and protect prosperity and advance the energy transition. We seek to foster a culture in which our employees identify strongly with our purpose and embrace the core values of the business. A strong culture builds cohesion and enables our people to develop and achieve mutual goals, thereby contributing to the long term success of the company.
We are committed to promoting an inclusive culture aligned with our core values of safety, teamwork, professionalism, entrepreneurship and responsibleness. To support such a working environment, we rely on the leadership and tone set by senior management as well as regular engagement with our staff. This is further bolstered by aligning our performance review framework around our core values. Through periodic employee engagement surveys, we monitor aspects of our culture and the extent to which they align with our values and purpose. For further information please refer to pages 42 to 47 of the Sustainability Report.

Boskalis places a strong emphasis on integrity and business ethics, an area where we are further increasing our engagement with staff through a new e-learning program around our Responsible Business Principles and Code of Conduct. As a project-based organization, with a global footprint, we rely on the highest ethical standards and levels of trust among individuals and teams working in complex operating environments. The Supervisory Board has been involved in the formulation of the Responsible Business Principles and the Boskalis Code of Conduct and discusses its implementation and effectiveness with the Board of Management on a regular basis. Further information on the Boskalis Code of Conduct, its underlying policies and the core values are to be found on pages 58 to 60 of this annual report.

Our NINA safety program instils an acute awareness across our workforce of people's own responsibility regarding safety matters and provides a set of behavioral tools to assess and manage risks. NINA and its targeted training programs support a culture of responsibleness and proactivity that goes far beyond safety. This is mirrored in our approach to talent development in which we offer employees a range of tools and resources to grow their skills and develop their careers. Please refer for more information on Boskalis' safety culture to pages 38 to 41 of the Sustainability Report. The safety program has the continuous attention of the Board of Management and its effectiveness is a standard topic of discussion within the meetings of the Supervisory Board.

The culture within the company, the values, the Boskalis Code of Conduct and the work and safety culture programs are also standard topics on the agenda of the meetings with the Works Council. Members of the Supervisory Board are regular attendees at these meetings.

In the opinion of the Board of Management and the Supervisory Board the culture within Boskalis supports its purpose and mission to create long-term value for all stakeholders and delivers good results in compliance and effectiveness.

Diversity

Boskalis relies on a team of dedicated, experienced professionals to achieve its ambitions. That is why Boskalis is committed to creating a diverse and inclusive workplace that challenges and inspires the employees to build their careers and achieve their potential within Boskalis. Boskalis is an international employer that attracts and selects the best talent from around the world to maintain its position as a frontrunner in the industry. The importance of diversity is reflected within the Boskalis Code of Conduct and the underlying Human Rights and Labor Policy.

Boskalis does not accept discrimination in the workplace and has a strong practice throughout the organization of equal opportunities for all regardless of race, color, nationality, ethnic background, age, religion, political opinion, gender, pregnancy, sexual orientation, marital status, disability, trade union membership or any other characteristics protected by applicable law. The employee population, partly due to the nature of its business activities is predominantly male, especially in the core processes on the fleet and in the projects. To create a more balanced representation of gender on the work floor, Boskalis aims to attract, retain and promote women for and throughout the organization. Boskalis ensures that its job descriptions are gender-neutral. The recruitment process is based on an Objective Assessment Model, setting profiles based on competencies without prior knowledge about the applicant to prevent unconscious bias on gender, age or ethnicity. Internal and external recruiters are specifically tasked to identify and submit capable female candidates. In the management development and trainee programs special attention is paid to eligible female candidates.

In line with the Boskalis Code of Conduct and the underlying Human Rights and Labor Policy, the Supervisory Board has drawn up a diversity policy and plan for the composition of the Board of Management, the Supervisory Board and the senior management explaining the company's broad view on diversity, whereby the principle of the best person for the job is leading. This Diversity Policy has recently been adapted to take into account the new Act to improve gender diversity in the boards of Dutch companies and to include a plan on the incorporation of more diversity within the Board of Management, the Supervisory Board and the senior management. The Diversity Policy is also available on boskalis.com

As described in the Diversity Policy, the composition and size of the Board of Management are based on the profile and strategy of the company. The expertise, experience and various competencies of the members of the Board of Management should contribute to this profile and strategy. The goal for the composition of the Board of Management is to aim as much as possible for a diverse composition, whereby for every appointment the principle of the best person for the job is leading. The employee population of Boskalis, partly due to the nature of the business activities, is predominantly male, especially in the core processes on the fleet and in the projects. The current Board of Management with four male members can be seen as a reflection of that employee population. In the year under review no changes occurred in the composition of the Board of Management. The Supervisory Board has decided to aim to improve the gender diversity of the Board of Management with the appointment of at least one female member to the Board of Management in or before 2025.

Ultimo 2021, 14% of the senior management team of Boskalis is female. Boskalis has decided to adopt a target to improve gender diversity of its the senior management; with this target the percentage of female leaders will be increased to 20% in or before 2025.

The composition and size of the Supervisory Board are also based on the company's profile and strategy. As stated in the profile of the Supervisory Board and the Diversity Policy, the expertise, experience and various competencies of members of the Supervisory Board should contribute to proper supervision of the company's management and general performance. The goal for the composition of the Supervisory Board is to aim as much as possible for a diverse composition, where possible taking into account the statutory requirements and the requirements related to education and experience contained in the Diversity Policy and the Code. Per ultimo 2021 this resulted in four members of the Supervisory Board being male and two members being female. In view of the objective of achieving a balanced representation on the Supervisory Board, emphasis is placed on diversity when drafting the profile for new members of the Supervisory Board. In the year under review no changes occurred in the composition of the Supervisory Board. The current composition of the Supervisory Board is in line with the Act to improve gender diversity in the boards of Dutch companies. The Supervisory Board will continue to adhere to the requirements of the Act to improve gender diversity in the boards of Dutch companies in its future selection- and appointment procedures for the Supervisory Board.

The Corporate Governance Declaration can be found on the website.


Boskalis
Boskalis

OUTLOOK

Boskalis is in good shape as a company with its well-filled order book and strong financial position. The market looks favorable for the medium term as well as for the short term, although the consequences of the recent geopolitical events in Eastern Europe are still difficult to assess.

In Dredging & Inland Infra, the order book for the coming year is well filled. With the projects in hand, the fleet utilization is expected to increase. In 2022, amongst others, projects in the Philippines, Singapore, Denmark and the Netherlands will make a significant revenue contribution.

In Offshore Energy, the portfolio is also well filled for the coming years. In contracting, the Bokalift 2, once completed, will start work on the Changfang & Xidao offshore wind project in Taiwan. At Cables, the Ostwind 2 project will be the largest project in 2022. At Marine Transport & Services, a large number of transports are in the pipeline, partly due to delayed 2021 cargoes, but also due to an improving market. In Survey, in addition to the traditional markets, the strongly emerging offshore wind market is expected to contribute further. Finally, the now integrated activities of Rever Offshore at Subsea Services are expected to make another positive contribution to the annual result. The consequences of geopolitical events for the energy markets are of specific relevance for Offshore Energy.

At Towage & Salvage, the Singaporean towage activities are considered as assets held for sale and therefore no longer contribute to the segment result. A stable year is expected for the terminals activities of Smit Lamnalco. The annual result of Salvage will strongly depend on the inherently unpredictable flow of projects and settlement results on previously executed projects.

In view of the project-based nature of a significant part of our business, it is difficult at this early stage in the year to make a concrete quantitative statement about the annual result for 2022. However, the well-filled order book does provide a solid basis for expressing the expectation that the EBITDA for 2022 will equal that of 2021.

For 2022, capital expenditures of approximately EUR 450 million are expected, excluding possible acquisitions. This amount is in line with the expected investment level for the next three years. The largest investments for the coming year concern the completion of the Bokalift 2 crane vessel, the construction of a fallpipe vessel, the lengthening of two large trailing suction hopper dredgers and the start of the construction of a new jumbo trailing suction hopper dredger.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Board of Management of Royal Boskalis Westminster N.V. hereby declares, in accordance with article 5:25c of the Dutch Financial Supervision Act, that to the best of its knowledge:

1) the financial statements, which have been prepared in accordance with the applicable standards for preparing financial statements and as included on pages 77 to 141 of the Annual Report, provide a true and fair view of the assets, liabilities and financial position as at 31 December 2021 as well as the profit or loss of Royal Boskalis Westminster N.V. and all the business undertakings included in the consolidation;
2) the Report of the Board of Management provides a true and fair view of the condition, the business performance during the financial year 2021 of Royal Boskalis Westminster N.V. and the companies associated with it whose details are included in the financial statements, as at the balance sheet date of 31 December 2021;
3) the Report of the Board of Management provides a description of the material risks faced by the company.

Papendrecht / Sliedrecht, 9 March 2022

Board of Management

dr. P.A.M. Berdowski, chairman
T.L. Baartmans
B.H. Heijermans
C. van Noort, CFO


H170
STERN
KREEFT

BOSKALIS FINANCIAL STATEMENTS 2021

TABLE OF CONTENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(Consolidated Income Statement)

(in thousands of EUR)		**2021**	2020
OPERATING INCOME			
Revenue	[6]	**2,956,778**	2,524,911
Other income	[7]	**9,280**	16,995
		2,966,058	2,541,906
OPERATING EXPENSES			
Raw materials, consumables, services and subcontracted work	[8]	**- 2,020,746**	- 1,695,439
Personnel expenses	[9]	**- 510,158**	- 471,942
Depreciation and amortization	[15/16/27.1]	**- 263,670**	- 264,487
Impairment charges	[10]	**-**	- 157,475
Other expenses	[7]	**- 12,040**	- 261
		- 2,806,614	- 2,589,604
Share in result of joint ventures and associates	[17]	**39,144**	- 7,877
RESULTS FROM OPERATING ACTIVITIES (EBIT)		**198,588**	- 55,575
FINANCE INCOME AND EXPENSES			
Finance income	[11]	**438**	369
Interest and other finance expenses	[11/27.2]	**- 16,496**	- 15,257
		- 16,058	- 14,888
PROFIT/LOSS (-) BEFORE TAXATION		**182,530**	- 70,463
Income tax expenses	[12]	**- 34,131**	- 26,216
NET GROUP PROFIT/LOSS (-)		**148,399**	- 96,679
NET GROUP PROFIT/LOSS (-) ATTRIBUTABLE TO:			
Shareholders		**150,846**	- 96,523
Non-controlling interests		**- 2,447**	- 156
		148,399	- 96,679
Weighted average number of shares	[23.4]	**129,591,935**	130,954,242
Earnings per share (basic and diluted)	[23.4]	**EUR 1.16**	EUR - 0.74

The notes on pages 87 to 135 are an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

(Consolidated Statement of Recognized and Unrecognized Income and Expenses)

(in thousands of EUR)	*Note*	**2021**	2020
Net Group profit/loss (-)		**148,399**	- 96,679
ITEMS THAT WILL NOT BE SUBSEQUENTLY RECLASSIFIED TO THE STATEMENT OF PROFIT OR LOSS			
Actuarial gains and losses on defined benefit pension plans	*[25.1]*	**2,369**	- 3,005
Income tax on unrecognized income and expenses not to be reclassified to statement of profit or loss (-)	*[14]*	**- 742**	1,330
Total unrecognized income and expenses for the period that will not be reclassified to statement of profit or loss (-), net of income tax		**1,627**	- 1,675
ITEMS THAT ARE OR MAY BE SUBSEQUENTLY RECLASSIFIED TO THE STATEMENT OF PROFIT OR LOSS			
Currency translation differences from joint ventures and associates, after tax	*[17]*	**- 1,001**	- 1,276
Currency translation differences on foreign operations		**50,472**	- 64,625
Movement in fair value of cash flow hedges	*[29.2]*	**4,480**	- 7,091
Change in fair value of cash flow hedges from joint ventures and associates, after taxation	*[29.2]*	**3,530**	- 3,762
Income tax on unrecognized income and expenses that are or may be reclassified subsequently to statement of profit or loss	*[14]*	**- 497**	70
Total unrecognized income and expenses for the period which are or may be reclassified to statement of profit or loss (-)		**56,984**	- 76,684
UNRECOGNIZED INCOME AND EXPENSES FOR THE REPORTING PERIOD, AFTER INCOME TAX		**58,611**	- 78,359
TOTAL RECOGNIZED AND UNRECOGNIZED INCOME AND EXPENSES FOR THE REPORTING PERIOD		**207,010**	- 175,038
ATTRIBUTABLE TO:			
Shareholders		**209,408**	- 174,800
Non-controlling interests		**- 2,398**	- 238
TOTAL RECOGNIZED AND UNRECOGNIZED INCOME AND EXPENSES FOR THE REPORTING PERIOD		**207,010**	- 175,038

The notes on pages 87 to 135 are an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Consolidated Balance Sheet)

ASSETS

(in thousands of EUR)	Note	31 DECEMBER 2021	2020
NON-CURRENT ASSETS			
Intangible assets	[15]	**176,597**	172,773
Property, plant and equipment	[16]	**2,609,043**	2,361,642
Right-of-use assets	[27]	**140,285**	115,005
Joint ventures and associates	[17]	**206,350**	208,466
Non-current financial assets	[18]	**2,705**	2,922
Derivatives	[29.2]	**-**	518
Deferred income tax assets	[14]	**13,868**	12,380
		3,148,848	2,873,706
CURRENT ASSETS			
Inventories	[19]	**110,560**	91,130
Unbilled revenue	[20]	**269,685**	206,670
Trade and other receivables	[21]	**635,805**	509,930
Derivatives	[29.2]	**7,508**	6,618
Income tax receivable	[13]	**21,959**	15,190
Cash and cash equivalents	[22]	**762,924**	824,547
Assets held for sale	[5]	**55,518**	-
		1,863,959	1,654,085
TOTAL ASSETS		**5,012,807**	4,527,791

The notes on pages 87 to 135 are an integral part of these Consolidated Financial Statements.

EQUITY AND LIABILITIES

(in thousands of EUR)	Note	31 DECEMBER 2021	2020
GROUP EQUITY			
Issued capital	*[23.1]*	**1,303**	1,303
Share premium reserve	*[23.2]*	**637,019**	637,019
Other reserves	*[23.5]*	**297,398**	300,097
Retained earnings	*[23.4]*	**1,468,307**	1,344,796
SHAREHOLDERS' EQUITY		**2,404,027**	2,283,215
NON-CONTROLLING INTERESTS		**585**	2,983
TOTAL GROUP EQUITY		**2,404,612**	2,286,198
LIABILITIES			
NON-CURRENT LIABILITIES			
Interest-bearing borrowings	*[24]*	**388,864**	363,831
Employee benefits	*[25]*	**47,058**	50,191
Deferred income tax liabilities	*[14]*	**3,495**	2,690
Provisions	*[26]*	**62,351**	38,986
Lease liabilities	*[27]*	**114,710**	92,522
Derivatives	*[29.2]*	**47**	661
		616,525	548,881
CURRENT LIABILITIES			
Deferred revenue	*[20]*	**451,712**	357,510
Interest-bearing borrowings	*[24]*	**10,190**	12,596
Bank overdrafts	*[22]*	**13,400**	9,555
Income tax payable	*[13]*	**139,308**	146,043
Trade and other payables	*[28]*	**1,290,733**	1,101,265
Provisions	*[26]*	**46,889**	28,185
Lease liabilities	*[27]*	**33,094**	28,426
Derivatives	*[29.2]*	**6,344**	9,132
		1,991,670	1,692,712
TOTAL LIABILITIES		**2,608,195**	2,241,593
TOTAL GROUP EQUITY AND LIABILITIES		**5,012,807**	4,527,791

The notes on pages 87 to 135 are an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of EUR)	Note	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Group profit / loss (-)		**148,399**	- 96,679
Depreciation, amortization and impairment charges	[10/15/16/ 27.1]	**263,670**	421,962
Cash flow		**412,069**	325,283
Adjustments for:			
Finance income and expenses	[11]	**16,058**	14,888
Income tax expenses	[12]	**34,131**	26,216
Results from disposals and divestments	[7]	**- 5,240**	- 8,546
Movement in provisions and employee benefits		**40,335**	- 27,121
Movement in inventories		**- 21,787**	11,356
Movement in trade and other receivables		**- 141,143**	178,164
Movement in trade and other payables		**137,475**	77,638
Movement unbilled and deferred revenue		**27,404**	107,918
Share in result of joint ventures and associates, including share in impairment charges	[17]	**- 39,144**	7,877
Gain on acquisitions	[5]	**-**	- 7,569
Cash generated from operating activities		**460,158**	706,104
Dividends received	[17]	**2,233**	20,446
Interest received	[11]	**438**	369
Interest paid		**- 12,268**	- 11,970
Income tax paid		**- 43,273**	- 16,893
Net cash from operating activities		**407,288**	698,056
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment, excluding capitalized borrowing costs	[16]	**- 370,693**	- 225,624
Proceeds from disposals of property, plant and equipment		**21,833**	17,355
Investment in business combinations, net of cash acquired	[5]	**-**	- 43,183
Repayment of loans or share premium by joint ventures and / or associates	[17]	**63**	1,192
Net cash used from / (in) investing activities		**- 348,797**	- 250,260
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from interest-bearing borrowings	[24]	**15,020**	508,411
Repayment of interest-bearing borrowings	[24]	**- 12,932**	- 453,648
Transaction costs paid related to new finance agreement	[24]	**-**	- 5,435
Purchase of own shares	[23.1]	**- 27,711**	- 29,403
Payment of lease liabilities	[27.2]	**- 33,045**	- 27,977
Dividend paid to shareholders	[23.3]	**- 64,819**	-
Net cash used from / (in) financing activities		**- 123,487**	- 8,052
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**- 64,996**	439,744
Net cash and cash equivalents (including bank overdrafts) as at 1 January	[22]	**814,992**	369,799
Net increase / (decrease) in cash and cash equivalents (including bank overdrafts)		**- 64,996**	439,744
Currency translation differences		**- 472**	5,449
MOVEMENT IN NET CASH AND CASH EQUIVALENTS		**- 65,468**	445,193
NET CASH AND CASH EQUIVALENTS (INCLUDING BANK OVERDRAFTS) AS AT 31 DECEMBER	[22]	**749,524**	814,992

The notes on pages 87 to 135 are an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in thousands of EUR)	ISSUED CAPITAL	SHARE PREMIUM	OTHER RESERVES	RETAINED EARNINGS	TOTAL	NON-CONTROLLING INTERESTS	TOTAL GROUP EQUITY
Note	*[23.1]*	*[23.2]*	*[23.5]*	*[23.6]*			
Balance as at 1 January 2021	**1,303**	**637,019**	**300,097**	**1,344,796**	**2,283,215**	**2,983**	**2,286,198**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD							
Net Group profit/loss (-)				**150,846**	**150,846**	**- 2,447**	**148,399**
Other comprehensive income for the period							
Defined benefit plan actuarial gains/losses (-), after income tax			**1,627**	**-**	**1,627**	**-**	**1,627**
Foreign currency translation differences for foreign operations, after income tax			**50,423**	**-**	**50,423**	**49**	**50,472**
Effective cash flow hedges, after income taxation			**3,983**	**-**	**3,983**	**-**	**3,983**
Change in fair value of cash flow hedges from joint ventures and associates, after taxation			**3,530**	**-**	**3,530**	**-**	**3,530**
Currency translation differences from joint ventures and associates, after tax			**- 1,001**	**-**	**- 1,001**	**-**	**- 1,001**
Total other comprehensive income for the period			**58,562**	**-**	**58,562**	**49**	**58,611**
Total comprehensive income for the period			**58,562**	**150,846**	**209,408**	**- 2,398**	**207,010**
OTHER RESERVES							
Changes in other reserves			**- 61,261**	**61,261**	**-**	**-**	**-**
Transactions with shareholders, recognized directly in equity							
Purchase own ordinary shares	**-**	**-**	**-**	**- 23,777**	**- 23,777**	**-**	**- 23,777**
Distributions to shareholders							
Cash dividend	**-**	**-**	**-**	**- 64,819**	**- 64,819**	**-**	**- 64,819**
Balance as at 31 December 2021	**1,303**	**637,019**	**297,398**	**1,468,307**	**2,404,027**	**585**	**2,404,612**

The notes on pages 87 to 135 are an integral part of these Consolidated Financial Statements.

(in thousands of EUR)	ISSUED CAPITAL	SHARE PREMIUM	OTHER RESERVES	RETAINED EARNINGS	TOTAL	NON-CONTROLLING INTERESTS	TOTAL GROUP EQUITY
Note	*[23.1]*	*[23.2]*	*[23.5]*	*[23.6]*			
Balance as at 1 January 2020	**1,354**	**636,968**	**404,117**	**1,448,913**	**2,491,352**	**3,350**	**2,494,702**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD							
Net Group profit/loss (-)				- 96,523	- 96,523	- 156	- 96,679
Other comprehensive income for the period							
Defined benefit plan actuarial gains/losses (-), after income tax			- 1,675	-	- 1,675	-	- 1,675
Foreign currency translation differences for foreign operations, after income tax			- 64,370	-	- 64,370	- 82	- 64,452
Effective cash flow hedges, after income taxation			- 7,194	-	- 7,194	-	- 7,194
Change in fair value of cash flow hedges from joint ventures and associates, after taxation			- 3,762	-	- 3,762	-	- 3,762
Currency translation differences from joint ventures and associates, after tax			- 1,276	-	- 1,276	-	- 1,276
Total other comprehensive income for the period			- 78,277	-	- 78,277	- 82	- 78,359
Total comprehensive income for the period			- 78,277	- 96,523	- 174,800	- 238	- 175,038
OTHER RESERVES							
Changes in other reserves			- 25,743	25,743	-	-	-
Transactions with shareholders, recognized directly in equity							
Purchase own ordinary shares	-	-	-	- 33,337	- 33,337	-	- 33,337
Cancellation of issued own ordinary shares	- 51	51	-	-	-	-	-
Movements in interests in subsidiaries							
Transactions with minority interests	-	-	-	-	-	- 129	- 129
Balance as at 31 December 2020	**1,303**	**637,019**	**300,097**	**1,344,796**	**2,283,215**	**2,983**	**2,286,198**

The notes on pages 87 to 135 are an integral part of these Consolidated Financial Statements.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

Royal Boskalis Westminster N.V. is a leading global services provider operating in the dredging, dry and maritime infrastructure and maritime services sectors. Royal Boskalis Westminster N.V. (the 'Company') has its registered office in Sliedrecht, the Netherlands, and its head office is located at Rosmolenweg 20, 3356 LK in Papendrecht, the Netherlands. The Company is registered at the Chamber of Commerce under number 23008599 and is a publicly listed company on the Euronext Amsterdam.

The consolidated financial statements of Royal Boskalis Westminster N.V. for 2021 include the Company and group companies (hereinafter referred to jointly as the 'Group' and individually as the 'Group companies') and the interests of the Group in associates and entities over which it has joint control. The consolidated financial statements were prepared by the Board of Management and were signed on 9 March 2022. The financial statements for 2021 will be submitted for approval to the Annual General Meeting of Shareholders on 12 May 2022.

2. COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

2.1 COMPLIANCE STATEMENT

The consolidated financial statements and the accompanying explanatory notes have been prepared in accordance with International Financial Reporting Standards, as adopted by the European Union (EU-IFRS), and with Part 9 of Book 2 of the Dutch Civil Code.

2.2 UNCHANGED STANDARDS

The accounting principles applied to the valuation of assets and liabilities and the determination of results are the same as the valuation principles applied to consolidated financial statements in prior years. There are no new standards, amendment to standards or interpretations with an important consequence for the Group adopted in the consolidated financial statements.

2.3 NEW INTERPRETATIONS ADOPTED

In July 2021 the European Union endorsed the amended IAS 16 'Property, Plant and Equipment' and IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' amongst minor changes in other standards. These changes will be applied as from the consolidated financial statements 2022.

Based on the current insight the IAS 16 and minor changes in other standards do not have a material effect on the Company's financial statements 2022 and succeeding years. The IAS 37 change will affect a limited number of contracts of the service activities within the Offshore Energy division of which the allocation, over accounting periods, of the (positive) contribution to the results of the Group will be changed. The application of these changes is expected not to have a material impact on the future results of the Group; as per 1 January 2022 the shareholders' equity will be EUR 5 million lower.

2.4 NEW INTERPRETATIONS NOT YET ADOPTED

IAS 1 'Presentation of Financial Statements', IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and IAS 12 'Income Taxes' were amended. These changes need to be applied in 2023 at the latest. The Company is analyzing the impact of these changes. These amendments and application dates have yet to be endorsed by the European Union.

3. PRINCIPLES OF FINANCIAL REPORTING

The principles of financial reporting subsequently disclosed are applied consistently for all periods included in these consolidated financial statements. The principles of financial reporting have been applied consistently by the Group companies.

3.1 FORMAT AND VALUATION

The consolidated financial statements are presented in euros (EUR), the Group's presentation currency. The consolidated financial statements are based upon historical cost to the extent that IFRS does not prescribe another accounting method for specific items. For comparison purposes a limited number of comparative figures that are disclosed in the notes have been adjusted. Preparing financial statements means that estimates and assumptions made by management partially determine the amounts recognized under assets, liabilities, revenue and costs. The estimates and assumptions are mainly related to the measurement of intangible assets (including goodwill), property, plant and equipment, joint ventures and associates, expected results on the completion of projects, pension liabilities, taxation, provisions and financial instruments. Judgements made by management within the application of IFRS which have a material effect on the financial statements are the qualifications of investments as Group companies, joint operations, joint ventures or associates. Details are incorporated in the explanatory notes to these items. Other than the elements already explained in the explanatory notes to the financial statements, no critical valuation judgements relating to the application of the principles need further explanation. The estimates made and the related assumptions are based on management's experience and understanding and the development of external factors that can be considered reasonable under the given circumstances. Estimates and assumptions are subject to alterations as a result of changes in facts and insights and may have different outcomes in different reporting periods. Any differences are recognized in the Statement of Financial

Position, or the Statement of Profit or Loss, or the Statement of Other Comprehensive Income, depending on the nature of the item. Actual results may deviate from results reported previously on the basis of estimates and assumptions. Unless stated otherwise, all amounts in the notes to these financial statements are stated in thousands of euros.

3.2 CONSOLIDATION

The Group consolidates companies over which control is exercised when the Group is exposed or has the right to variable returns from its involvement with the investee and has the ability to affect such returns. Subsidiaries are included in the consolidation for 100%, taking into account any minority interests. For joint operations the Group accounts for its specific rights and obligations. Joint ventures and associates are accounted for using the equity method.

3.2.1 SUBSIDIARIES

Subsidiaries are included in the consolidation for 100% on the basis of existing control, taking into account any minority interests. The figures of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Control exists if the Group has:
- the ability to direct relevant activities through its voting power;
- the right to variable returns from its involvement with the investee; and
- the ability to use its power to affect such returns.

In assessing whether the Group has acquired control, and whether such control exists in the sense that it has power over the investee, the Group takes into consideration voting rights, or similar rights in an entity, potential voting rights that are currently exercisable, and all other relevant facts and circumstances.

If and when the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and any components of equity related to the subsidiary. Any resulting gain or loss is recognized in the statement of profit or loss. If the Group retains any stake in the former subsidiary, then such interest is measured at fair value at the date that control is lost.

3.2.2 JOINT OPERATIONS

If the Group has joint control over and is entitled to the rights to the assets and is liable for the liabilities of the partnership, the partnership is classified as a joint operation. Such joint control has been laid down in a contract and strategic decisions on financial and operational policy are taken by unanimous agreement. Joint operations mainly relate to project driven construction consortiums.

Joint operations are included in the consolidated financial statements on a pro rata basis in accordance with the participation interest of the Group in the joint operation, also referred to as proportionate consolidation.

3.2.3 JOINT VENTURES AND ASSOCIATES

The Group divides strategic investments into joint ventures and associates based on the type and degree of influence.

Joint ventures are those entities over which the Group has joint control. Such joint control is laid down in a contract and strategic decisions on financial and operational policy are taken by unanimous agreement. The Group is only entitled to the net assets of the joint ventures.

Shareholdings other than subsidiaries and joint ventures, where there is significant influence on the financial and operating policy, are recognized under associates. Significant influence is presumed to exist when the Group holds 20 percent or more of the voting power of another entity.

The consolidated financial statements include the Group's share in the result of associates, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date it ceases to exist (see note 3.9).

If the ownership in a joint venture or associates is reduced, but joint control or significant influence is retained, dilution gains and losses arising from joint ventures and associates are recognized in the statement of profit or loss and only a proportionate share of the amount previously recognized in the statement of other comprehensive income is recycled to the consolidated statement of profit or loss, where appropriate.

If the Group loses significant influence over or joint control of an investment, it derecognizes the carrying amount of that investment (including any goodwill included in the carrying amount) and recognizes any resulting gain or loss, including the recycling of amounts previously recognized in the statement of other comprehensive income, from this event in the consolidated statement of profit or loss. Any investment retained is recognized at fair value.

3.2.4 ELIMINATION OF TRANSACTION UPON CONSOLIDATION

Intragroup receivables and payables, as well as intragroup transactions, finance income and expenses and unrealized results within the Group are eliminated in the preparation of the consolidated financial statements. The Group recognizes its share in the results on transactions that transfer assets and liabilities between the Company and its investments or between its investments, to the extent these are considered realized as transactions with third parties and its joint venture partners, using proportionate elimination.

3.2.5 BUSINESS COMBINATIONS AND ACQUISITIONS OF NON-CONTROLLING INTERESTS

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as:
- the fair value of the consideration transferred; plus
- the recognized amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree (refer also to note 3.9); less
- the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

If the excess is negative (gain on acquisition), the Group reassesses the correctness and completeness of the identified assets acquired and liabilities assumed, and the appropriateness of underlying assumptions and measurement approaches applied for valuation purposes. After such reassessment, the determined gain on a bargain purchase is immediately recognized in the statement of profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are recognized in the statement of profit or loss. Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

A newly acquired non-controlling interest is valued at either the fair value or the proportionate share of the fair value of the acquired asset and liabilities, determined per transaction.

Accounting for acquisitions of non-controlling interests

Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognized as a result of such transactions.

3.3 FOREIGN CURRENCIES

The assets and liabilities of foreign Group companies and joint operations that are denominated in functional currencies other than the euro are translated at the exchange rates as at the end of the reporting period. The statement of profit or loss items of the foreign Group companies and joint operations concerned have been translated at average exchange rates. Resulting currency translation differences are added or charged directly to the currency translation reserve in group equity. Exchange rate differences as a result of operational transactions are included in the Consolidated Statement of Profit or Loss for the reporting period.

At the end of each reporting period monetary items denominated in foreign currencies are translated at the rates prevailing at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortized cost in foreign currency translated at the exchange rate at the end of the year. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign currency differences on non-current receivables, loans and other borrowings are recognized as finance income and expenses with the exception of differences resulting from financial instruments assigned to a hedged position (see section 3.4.3).

Joint ventures and associates with a functional currency other than the presentation currency of the Group are translated according to the aforementioned method, taking into account that assets and liabilities of these interests are not consolidated.

3.4 FINANCIAL INSTRUMENTS

3.4.1 CLASSIFICATION OF FINANCIAL INSTRUMENTS

The classification of financial assets is based on the nature and purpose of the financial asset in relation to the Groups' business activities. Financial assets, amongst other trade receivables, that arise from the Groups' business operations are held to receive the contractual cash flows. These assets are measured at amortized costs less any allowance for impairment of financial instruments. Except for derivatives, financial liabilities are measured at amortized cost. Derivatives are measured at fair value with measurement changes through profit or loss, with the exception of hedges (derivatives assigned to a hedged position) for which fair value changes are included in the cash flow hedge reserve. The Group uses derivatives to mitigate risks and assigns them to hedged positions.

3.4.2 DERIVATIVES AND CASH FLOW HEDGING

It is the policy of the Group to use cash flow hedges to cover all operational currency risks, which mainly relate to future cash flows from contracts which are denominated in currencies other than the relevant functional currency, if it is highly probable that such cash flows will be realized. Fuel price risks and interest rate risks relating to future cash flows can be hedged from time to time using specific derivatives.

Hedge accounting is applied to the majority of cash flow hedges as follows. On initial designation of the hedge the Group documents the relationship between the hedging instrument(s) and hedged item(s), including amongst other the risk management objectives, hedge strategy and the methods that will be used to assess the effectiveness of the hedge. The Group makes an assessment, both at the inception of the hedge relationship and on an ongoing basis, of the economic relationship between the hedging instruments and the underlying risk. For a cash flow hedge of a forecast transaction, the transaction should be deemed highly probable to occur and present an exposure to cash flow variations that could ultimately affect reported net income.

The application of hedge accounting means that movements in the market value of cash flow hedges not yet settled – including results realized on the 'rolling forward' of existing hedges as a result of differences between the duration of the hedges concerned and the underlying cash flows – will be directly added or charged to the hedging reserve in group equity, taking into account the applicable taxation. If a cash flow hedge expires, is closed or settled, or if the hedge relationship with the underlying cash flows can no longer be considered effective, the accumulated result will continue to be recognized in group equity as long as the underlying cash flow is still expected to take place. If and when the underlying cash flow actually takes place, the accumulated result is included directly in the Statement of Profit or Loss. Movements in the market value of cash flow hedges to which no hedge accounting is applied (ineffective cash flow hedges and the ineffective portion of effective cash flow hedges) are included in the Statement of Profit or Loss for the reporting period. Results from settled cash flow hedges and movements in the market value of ineffective cash flow hedges insofar these relate to non-current receivables, loans and other borrowings are recognized as finance income and finance expenses and otherwise in the related items within operating result. The purchase or sale of financial instruments is generally recorded at transaction rate. Derivatives are stated at fair value; attributable transaction costs are recognized in the Statement of Profit or Loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value and changes therein are accounted for as described.

3.4.3 NET INVESTMENT HEDGING

Foreign currency differences on loans and other borrowings that are assigned to net investment hedging of Group companies that have a functional currency other than the euro are treated similarly to cash flow hedges. These translation differences are recognized in other comprehensive income and are accumulated in the currency translation reserve. A possible ineffective portion is included in the profit or loss. When the relevant Group company is disposed or sold the accompanying portion in the accumulated Currency Translation Reserve is reclassified to profit or loss.

3.5 USEFUL LIFE OF NON-CURRENT ASSETS

The useful life of an non-current asset is an estimation of the length of time the asset can reasonable be used to generate income and be of benefit of the company and that life depends on the asset’s age, frequency of use, business environment and repair policy. Additional factors that are considered when estimating an asset’s useful life include amongst other (anticipated) changes to technological, laws, economic, climate and the impact of the COVID-19 pandemic.

3.6 IMPAIRMENT

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If an indication of impairment exists, then the recoverable amount of the asset is estimated. Goodwill and intangible assets with an indefinite useful life are tested annually for impairment.

The recoverable amount of an asset or cash-generating unit (or group of units) is the higher of its value in use and its fair value less cost of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects the current market assessments, the time value of money and the risks specific to the asset or the cash-generating unit.

An impairment charge is recognized when the carrying amount of an asset or the cash generating unit to which it belongs exceeds its recoverable amount.

Impairment charges are recognized in the statement of profit or loss. Impairment charges recognized in respect of a cash generating unit are allocated first to reduce the carrying amount of any goodwill allocated to that cash-generating unit and, if applicable, subsequently to reduce the carrying amounts of the other assets of that cash-generating unit on a pro rata basis.

An impairment charge on goodwill is not reversed. For other assets an impairment charge 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 charge had been recognized.

For unbilled revenue and financial assets measured at amortized cost the Group recognizes a loss allowance based on the expected loss on unbilled revenue and on receivables. The Group assesses unbilled revenue, the aging of the receivables and specific information to establish a provision matrix that is adjusted if necessary for specific forward-looking information about the receivables and the economic environment. The Group applies the simplified method to determine its loss allowance for current trade receivables and unbilled revenue.

In the event that objective evidence for impairment of a joint venture or an associate exists, the Group determines the recoverable amount. An impairment charge is measured by comparing the recoverable amount of the investment with the carrying amount. An impairment charge is recognized in the Statement of Profit or Loss and is reversed if there has been a favorable change in the estimates used to determine the recoverable amount.

3.7 INTANGIBLE ASSETS

Goodwill arises upon acquiring Group companies and joint operations and is calculated as the difference between the acquisition price and the fair value of the assets acquired and liabilities assumed, according to the accounting principles of the Company. Goodwill is allocated to the relevant cash-generating unit. These cash-generating units represent the lowest level within the Group at which goodwill is monitored for internal management purposes and not exceeding the level of the Group’s operational segments. Goodwill and other intangible assets are presented net of accumulated amortization and accumulated impairment charges.

Goodwill and intangible assets with an indefinite useful life are not amortized, but are tested for impairment every year or in case of an indication of impairment (see note 3.6). In respect of joint ventures and associates, the carrying amount of goodwill is included in the carrying amount of the investment.

Other intangible assets acquired in a business combination are capitalized only when it is probable that future economic benefits embodied in an asset, will flow to the Group and the cost of the asset can be reliably measured. Other intangible assets with a finite useful life are stated at cost less accumulated amortization and accumulated impairment charges.

Amortization of other intangible assets takes place over the remaining useful life. Amortization of the remaining trademarks that were valued at acquisition takes place based on a useful life of 10 years. Methods for determining amortization and useful life are reassessed at the end of each financial year and amended if necessary.

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is expensed as incurred.

3.8 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation calculated from the date of commissioning and accumulated impairment charges. The cost price is based on the purchase price and/or the internally generated cost based on directly attributable expenses. The depreciation, taking into account an assumed residual value, is calculated over the estimated remaining useful lives assigned to the various categories of assets. Modifications and capacity enhancing investments are also capitalized at cost and amortized over the remaining life of the asset. Property, plant and equipment under construction are included in the Statement of Financial Position on the basis of instalments paid, including interest during construction. In the event that property, plant and equipment consists of components with different useful lives, such components are accounted for as separate items.

Buildings are depreciated over periods ranging from 10 to 30 years. The depreciation periods for components of the majority of the floating and other construction materials range from 5 to 30 years. Furniture and other fixed assets are depreciated over a period between 3 and 10 years. Land is not depreciated. The wear of dredging equipment is highly dependent on unpredictable project-specific combinations of soil conditions, material to be processed, maritime circumstances, and the intensity of the deployment of the equipment. As a result of these erratic and time-independent patterns, the maintenance and repair expenses to keep the assets in their operational condition are charged to the Statement of Profit or Loss.

Methods for determining depreciation, useful life and residual value are reassessed at the end of each financial year and amended if necessary.

3.9 JOINT VENTURES AND ASSOCIATES

Joint ventures and associates are initially recognized at cost including the goodwill determined at acquisition date. Subsequently joint ventures and associates are accounted for using the equity method, adjusted for differences with the accounting principles of the Group, less any accumulated impairment charges. If the Group's share of losses exceeds the carrying amount of the joint venture or associate, the carrying amount is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture or associate. Joint ventures and associates also include the amounts invested by the Group in joint ventures and associates by means of interest-bearing loans.

3.10 NON-CURRENT FINANCIAL ASSETS

Non-current financial assets mainly comprise (other) non-current receivables which are carried at amortized cost. Accumulated impairment charges are deducted from the carrying amount.

3.11 FINANCIAL INSTRUMENTS AVAILABLE FOR SALE

Financial instruments available for sale, as regulated by IFRS 9 Financial Instruments, include equity investments (certificates on shares) and are recognized initially at fair value increased with transaction costs. After first recognition, financial instruments available for sale are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income. At derecognition or reclassification to associates, any cumulative unrealized result is recycled to and recognized in the statement of profit or loss. In case of impairment, the cumulative loss is reclassified from the other comprehensive income to the statement of profit or loss.

3.12 INVENTORIES

Inventories, which mainly consist of fuel, auxiliary materials and spare parts, are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of disposal.

3.13 UNBILLED AND DEFERRED REVENUE

Unbilled revenue (an asset) or Deferred revenue (a liability) concerns the balance of revenue recognized on contracts (see note 3.23) less progress billings and advance payments. Whether this balance results in an asset or a liability is assessed at the individual contract level.

3.14 TRADE AND OTHER RECEIVABLES

Trade and other receivables are stated initially at fair value and subsequently at amortized cost less credit losses. Amortized cost is determined using the original effective interest rate. Trade and other receivables include prepayments (at historical cost), amongst other cost that are made to fulfil a contract for a customer. Such costs are capitalized and amortized over the lifetime of the contract.

3.15 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash and bank balances, deposits with terms of no more than three months or that qualify as highly liquid investments that are readily convertible and which are subject to insignificant risks of change in value. The explanatory notes disclose the extent to which cash and cash equivalents are not freely available as a result of transfer restrictions, joint control or other legal restrictions. Bank overdrafts are included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

3.16 SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects. Transaction costs directly attributable to share buy backs are recognized as a deduction from equity, net of any tax effects.

3.17 INTEREST-BEARING BORROWINGS

Interest-bearing borrowings are liabilities mainly to financial institutions. At initial recognition, interest-bearing borrowings are stated at fair value less transaction costs. Subsequently, interest-bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in the statement of profit or loss over the period of the borrowings using the original effective interest rate.

3.18 EMPLOYEE BENEFITS

Defined contribution pension plans

A defined contribution pension plan is a post-employment benefit scheme under which the Group pays fixed contributions into a separate pension fund or an insurance company. The Group has no legal or constructive obligation to pay further amounts if the pension fund or insurance company has insufficient funds to pay employee benefits in connection with services rendered by the employee in the current period or prior periods. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense as part of the personnel expenses in the statement of profit or loss when they are owed. Prepaid contributions are recognized as an asset. Contributions to a defined contribution pension plan payable more than 12 months after the period during which the employee rendered the services, are discounted.

Defined benefit pension plans

A defined benefit pension plan is every post-employment benefit plan other than a defined contribution plan. For each separate defined benefit pension plan, the net asset or liability is determined as the balance of the discounted value of the future payments to employees and former employees, less the fair value of plan assets. The calculations are done by qualified actuaries using the projected unit credit method. The discount rate equals the yield on high-quality corporate bonds as at the date of the statement of financial position, with the period to maturity of the bonds approximating the duration of the liability. If the calculation results in a positive balance for the group, the asset is included up to an amount equal to any unrecognized past service pension costs and the discounted value of economic benefits in the form of possible future refunds or lower future pension premiums from the fund. In calculating the discounted value of economic benefits, the lowest possible financing obligations are taken into account as applicable to the individual plans in force within the Group. An economic benefit is receivable by the Group if it can be realized within the period to maturity of the plan or upon settlement of the scheme's obligations. Actuarial gains and losses, including any movements in limits on net pension assets, are recognized in the unrecognized results within the statement of other comprehensive income. If plan benefits are changed or if a plan is amended, past service costs or a resulting curtailment profit or loss is recognized directly in the statement of profit or loss. The Group recognizes profit or losses on the settlement of defined benefit plans at the time of settlement.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed when the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee, and the obligation can be estimated reliably.

Other long-term employee benefits

Other long-term employee benefits mainly consist of jubilee benefits. The calculation of these liabilities is executed according to the 'projected unit credit' method, using the actuarial assumptions for the predominant defined benefit plan.

Remuneration plans

Members of the Board of Management and some senior employees participate in a bonus plan that is based on the development of the share price, whereby the bonus is distributed in cash. The fair value of the amount payable over the year is recognized as personnel expenses in the statement of profit or loss, with a corresponding increase in liabilities. The liability is remeasured each reporting date and at settlement date. Any changes in the fair value of the liability are recognized as personnel expenses in the statement of profit or loss.

Expenses regarding the remuneration of the Board of Management include the amounts paid, payable and accrued for annual salaries and remuneration, pension plans, short-term and long-term variable remunerations and other reimbursements. The short-term and long-term variable remuneration expenses of the Board of Management, include the charge that relates to the short-term variable part for targets for the reporting year and the charge for the long-term variable part for targets that, until the actual payment is determined by the Remuneration Committee, are based on the assumption that the performance of the Board of Management is on target. This charge also includes any changes to the amounts accrued in previous years.

3.19 PROVISIONS

Provisions are determined on the basis of estimates of future outflows of economic benefits relating to operational activities for legal or constructive obligations of an uncertain size or with an uncertain settlement date that arise from past events and for which a reliable estimate can be made. Provisions are discounted insofar as the difference between the discounted value and nominal value is material. If applicable, provisions relate, amongst other things, to reorganizations, warranties, onerous contracts, soil contamination, legal proceedings and received claims.

Provisions for reorganization costs are recognized when the Group has a detailed formal plan for the restructuring and has announced its main features to those affected by it at the date of the Statement of Financial Position or when the execution of the plan has commenced.

Provisions for warranties are recognized based on the best estimate of the expected cash outflows or cost of repair to settle contractually agreed warranties during the defect notification period for completed projects. The carrying amount of these provisions is estimated based on common industry practice and the Group's experience with warranty claims for relevant projects.

A provision for onerous contracts, including contracts with customers, is recognized when the expected benefits to be derived by the Group from a contract are lower than the remaining unavoidable cost of meeting its obligations under the contract.

In accordance with the Group's policy and applicable legal requirements, a provision for site restoration in respect of contaminated land, and the related expenses, is recognized if the land is contaminated.

3.20 LEASES

For any new contracts the Group enters into as a lessee, the Group considers whether a contract is, or contains a lease. A lease is a contract that conveys the right to use an asset (the underlying asset) for a period of time in exchange for a consideration. At commencement date of the lease, the Group recognizes a right-of-use asset and a lease liability on the balance sheet.

Right-of-use assets
The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group revaluates the right-of-use asset for remeasurements of the lease liability.

Real estate is depreciated over periods ranging from 1 to 36 years, vessels over periods ranging from 1 to 5 years and other right-of-use assets over periods ranging from 1 to 5 years.

Lease liability
At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or an incremental borrowing rate as determined by the Group.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

Short-term lease and lease with a low value of the underlying asset
The payments of short-term leases (duration is equal to or less than 12 months) and leases of low-value underlying assets (equal to or less than USD 5.000) are expensed in profit or loss on a straight-line basis over the lease term. Instead of recognizing a right-of-use asset and lease liability.

3.21 TRADE AND OTHER PAYABLES

Trade and other payables are recognized initially at fair value and subsequently at (amortized) cost. If the difference between the discounted and nominal value is not material, trade and other payables are stated at cost.

3.22 ASSETS HELD FOR SALE

Assets are classified as held for sale (disposal group) when it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Liabilities related to the assets held for sale are separately recognized as liabilities held for sale. Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortized or depreciated. For a joint venture or associate held for sale, the use of the equity method is discontinued.

3.23 REVENUE

The Group has contracting activities in all three of its operational segments. Almost all activities are based on contracts with customers. These activities include construction projects and the execution of service-related contracts. The duration of the construction projects varies from approximately one month to several years. Service-related contracts also vary in duration, mostly from several days to more than a year, in the latter case due to a combination of multiple transports in a single contract. Contracts are agreements under which the Group and the customer have mutually enforceable rights and obligations. A combination of contracts rarely occurs but contract modifications, such as those related to additional work, are common. Additional work included in the recognition of revenue is based on mutually agreed contract modifications. In most cases such modifications or extended services are not distinct and therefore form part of a single performance obligation that is partially completed at the time of the contract modification. Most often the contracts contain only one performance obligation. Performance obligations are the asset to be constructed for the customer or the service that is to be rendered. Revenue recognized is based on contract considerations, including fixed prices and variable prices as well as indexation of raw materials and other costs, possible claims, incentives or liquidated damages. If there is a right to variable remuneration, such as incentive agreements, this is taken into account to the extent that it is highly unlikely that it will be reversed at a later date. Revenue is recognized over time when the customer simultaneously receives and consumes the benefits provided through the Group's performance or when the Group creates or enhances an asset that the customer controls.

Revenue from the contracting of projects in the Dredging & Inland Infra and Offshore Energy operational segments, excluding marine transport and other offshore related services, is recognized based on the progress of the project, mainly using the 'cost-to-cost' method. This method, as applied, adequately reflects the extent of the work performed for heterogeneous services for different projects in the period and includes the considerable use of equipment inherent to the Group's activities. The 'cost-to-cost' formula, using (actual) costs as the numerator and estimated total costs as the denominator, includes project costs consisting of payroll costs, materials, costs of subcontracted work, costs of local representatives, rental charges and maintenance costs for the equipment used and other project costs. The Group makes significant estimates and judgements for the projects that depend on the nature of specific project circumstances.

Revenue from the contracting of salvage projects (part of the operational segment Towage & Salvage) is recognized based on the progress of the project. For salvage projects completed at the date of the Statement of Financial Position but for which the proceeds are not finally determined between parties, revenue is recognized at expected proceeds, insofar it is highly unlikely that these will be reversed at a later date.

Revenue also includes revenue from services rendered to third parties during the reporting period. Such services include marine transport and other services of Offshore Energy. These services are charged to the customers at day rates or other rates and revenue is recognized/allocated, to a large extent, based on the number of sailing days of the vessel. The output measure relating to total sailing days is considered to be appropriate as sailing days are homogeneous.

In the event that the period between payment and the service provided, or the other way around, is less than one year, the Group does not adjust the contract consideration for finance components.

3.24 OTHER INCOME AND OTHER EXPENSES
Other income and Other expenses mainly consist of book results from disposals and divestments. If a business combination results in a gain on acquisition, this gain is also recognized in Other income.

3.25 RAW MATERIALS, CONSUMABLES, SERVICES AND CONTRACTED WORK
Raw materials, consumables, services and contracted work consist of the costs recognized for work performed during the reporting period, excluding personnel expenses, amortization, depreciation and impairments. This item also includes equipment utilization costs, costs of short-term, low value or variable (if applicable) lease expenses, general overhead costs, external costs for research and development where not capitalized, currency translation differences, fair value changes of derivatives related to hedging foreign currency cash flows of projects, and other results/late results.

3.26 PERSONNEL EXPENSES
Personnel expenses consist of wages and salaries for own personnel and the related social security charges and pension costs, including paid and accrued contributions for defined contribution pension plans and movements in assets and liabilities from defined benefit plans including curtailments and settlements, insofar as applicable, and excluding actuarial gains and losses and the limitations on net pension plan assets added or charged directly to group equity.

3.27 FINANCE INCOME AND EXPENSES
Finance income comprises interest received and receivable from third parties, currency gains on financing and compensating results of negative changes in the fair value of financial instruments used to hedge interest or currency results on the financing concerned (hedged item), for which the results of the hedged item are included in the finance income. Interest income is recognized in the statement of profit or loss as it accrues, using the effective interest rate method.

Finance expenses include interest paid and payable to third parties which are reported using the effective interest method, expenses resulting from early repayments, arrangement fees, currency losses on financing and results of positive changes in fair value of financial instruments used to hedge interest or currency results on the financing concerned (hedged item), for which the results of the hedged item are included in the finance expenses. The interest component of lease payments is recognized in the statement of profit or loss using the effective interest rate method.

Borrowing costs not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in the statement of profit or loss.

3.28 SHARE IN RESULT OF JOINT VENTURES AND ASSOCIATES
Share in result of joint ventures and associates comprises the share in the results after taxation of these investments (see note 3.2.3). It includes interest income resulting from capital invested in joint ventures and associates by means of interest-bearing loans.

3.29 TAXATION, DEFERRED INCOME TAX ASSETS AND LIABILITIES
Taxation is calculated on the basis of the result before taxation for the reporting period, taking into account the applicable tax provisions and tax rates, and also includes adjustments on taxation from prior reporting periods and movements in deferred taxes recognized in the reporting period. Taxation is included in the statement of profit or loss unless it relates to items recognized directly in equity, in which case taxation is included in equity. Income tax expenses also include the corporate income tax levied on deemed profit determined by revenue (withholding tax); these income taxes will be reduced if the redistribution facility is applied. Temporary differences are accounted for in deferred tax assets and/or deferred tax liabilities. Deferred tax assets are only recognized to the extent that it is probable that taxable profit will be available for realization in the foreseeable future. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax assets and liabilities are offset if there is

a legally enforceable right to do so, and if they relate to income taxes levied by the same tax authority on the same taxable entity or on different tax entities, but provided there is an intention to settle the tax liabilities and assets on a net basis or the tax assets and liabilities will be realized simultaneously. Deferred income tax assets and liabilities are recognized at nominal value. Additional (income) taxes that arise from the distribution of dividend are recognized at the same time that the liability to pay the related dividend is recognized.

Boskalis is exposed to tax risks which could result in double taxation, additional tax payments, penalties and interest payments. The source of these risks could originate from local tax rules and regulations as well as international and EU regulatory frameworks. These include transfer pricing risks on internal cross-border deliveries of services, tax risks related to acquisitions and divestments, tax risks related to permanent establishments, tax risks relating to tax losses, interest and tax credits carried forward and potential changes in tax law that could result in higher tax expenses and payments. With regard to these tax risks a liability is recognized if, as a result of a past event, Boskalis has an obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.30 EARNINGS PER SHARE

The Group discloses earnings per ordinary share as well as diluted earnings per ordinary share. Earnings per ordinary share are calculated based on the result attributable to the Group's shareholders divided by the calculated weighted average number of issued ordinary shares during the reporting period, taking into account any shares that have been issued or repurchased during the reporting period. In calculating the diluted earnings per share the result attributable to the Group's shareholders and the weighted average number of issued ordinary shares are adjusted for all potentially diluting effects on ordinary shares.

3.31 DIVIDEND

Dividends are recognized as a liability in the period in which they are declared.

3.32 DETERMINATION OF FAIR VALUE

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair value is determined for measurement and/or disclosure purposes based on the following methods:

Intangible assets
The fair value of other intangible assets recorded as a result of a business combination is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

Joint ventures and associates
Where relevant, the fair value of joint ventures and associates is determined or disclosed based on quoted prices or business valuations.

Property, plant and equipment
The fair value of property, plant and equipment recognized as a result of a business combination is based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction, after proper marketing wherein each party acted knowledgeably, prudently and without compulsion.

Trade and other receivables
The fair value of trade and other receivables, other than due from customers, is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

Share-based payment transactions
The fair value is determined based on quoted prices.

Derivatives
The fair value of derivatives is based on the estimated amount to be paid or received for a settlement of the contract as at the reporting date taking into account the actual interest rate and the credit rating of the counterparty. The fair value is based on broker quotes tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

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

Fair value hierarchy
Assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy as follows:

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

3.33 CONSOLIDATED STATEMENT OF CASH FLOWS

The consolidated statement of cash flows is drawn up using the indirect method. Cash is defined as cash and cash equivalents including bank overdrafts as presented in the explanatory notes to the cash and cash equivalents. Cash flows are presented separately in the statement of cash flows as cash flows from operating activities, investing activities and financing activities. The cash flows in the statement of cash flows also included the cash flows, if any, related to disposal groups.

4. SEGMENT REPORTING

The Group recognizes three operational segments which comprise the divisions of the Group as described below. These divisions offer different products and services and are managed separately because they require different strategies. Each of the divisions reports on a quarterly basis, by means of internal management reporting to the Board of Management.

The following is a brief summary of the activities of the operational segments:

- Dredging & Inland Infra

Traditionally, dredging is the core activity of the Group. It involves all activities required to remove silt, sand and other layers from the seabed and river bed and in some cases using it elsewhere where possible, for example for coastal protection or land reclamation. The services provided also include the construction and maintenance of ports and waterways, and coastal defense and riverbank protection, as well as associated specialist services such as underwater rock fragmentation. In addition, the Group is active in the extraction of raw materials using dredging techniques and dry earthmoving. In the Netherlands, the Group also operates as a contractor of dry infrastructure projects. This involves the design, preparation (by means of dry earthmoving) and execution of large-scale civil infra works, such as the construction of roads and railroads, bridges, dams, viaducts and tunnels. These activities include performing specialist works such as soil improvement and land remediation.

- Offshore Energy

With the offshore contracting capabilities and services the Group supports activities of the international energy sector, including oil and gas companies and providers of renewable energy such as wind power. The Group is involved in the engineering, construction, maintenance and decommissioning of oil and LNG-import/export facilities, offshore platforms, pipelines and cables and offshore wind farms. In performing these activities the Group applies its expertise in the areas of heavy transport, lift and installation work, as well as diving and ROV services complemented with dredging, offshore pipeline installation, rock installation, offshore cable installation, marine activities and survey activities. The Group obtained control over Horizon in January 2020, from which time Horizon has been consolidated in this segment. Also, the Group acquired Rever Offshore's activities (Rever) in December 2020, from which time Rever has been part of this segment.

- Towage & Salvage

In ports and terminal locations around the world towage and terminal services are provided to ocean-going vessels through the joint ventures Keppel Smit Towage and Smit Lamnalco. Keppel Smit Towage offers assistance to incoming and outgoing vessels in various ports in the Asia-Pacific region. Boskalis and its joint venture partner Keppel have signed an agreement relating to the sale of Keppel Smit Towage and Maju Maritime and as from the fourth quarter of 2021 the interest in this partnership is classified as held for sale (see note 5.1). A full range of terminal services for the operation and management of onshore and offshore terminals is offered through Smit Lamnalco. These services include assistance with the berthing and unberthing of tankers at oil and LNG terminals as well as additional support services. With a combined fleet of over 200 vessels assistance is provided to, amongst others, oil and chemical tankers, LNG carriers, container ships, reefers, ro-ro vessels and mixed cargo ships around the world. SMIT Salvage provides marine salvage-related services and assistance to vessels in distress and is able to act at anytime and anywhere in the world. It is able to do so by operating out of four locations which are strategically situated in relation to the main international shipping routes: Houston, Cape Town, Rotterdam and Singapore. The removal of shipwrecks or damaged offshore platforms almost always takes place at locations where the wreck forms an obstruction to traffic or presents an environmental hazard.

- Segments

The operational segments are monitored based on the segment result (operating result) and EBITDA. The segment result and EBITDA are used to measure the performance of operational segments, both between segments and compared to other companies in the same industry. Inter-operational segment services, if any, take place on an arm's length basis. In the reporting period there were no material inter-operational segment services. For contracts executed in a joint operation of two segments, the segments only report their own share in revenue and the results recognized, resulting in no material related party transactions between segments that need to be eliminated. EBITDA is defined as being the segment result before depreciation, amortization impairment and other exceptional charges.

OPERATIONAL SEGMENTS

2021	DREDGING & INLAND INFRA	OFFSHORE ENERGY	TOWAGE & SALVAGE	HOLDING & ELIMINATIONS	GROUP
Revenue	**1,583,347**	**1,266,887**	**133,673**	**- 27,129**	**2,956,778**
EBITDA	**211,096**	**222,916**	**64,884**	**- 36,638**	**462,258**
Share in result of joint ventures and associates	**2,159**	**7,578**	**29,338**	**69**	**39,144**
Operating result (EBIT)	**83,384**	**100,686**	**60,701**	**- 46,183**	**198,588**
Non-allocated finance income and expenses					**- 16,058**
Non-allocated income tax expenses					**- 34,131**
Net Group profit / loss (-)					**148,399**
Carrying amount of joint ventures and associates	**13,712**	**32,441**	**159,903**	**294**	**206,350**
Investments in property, plant and equipment	**84,993**	**319,075**	**919**	**2,655**	**407,642**
Additions to right-of-use assets	**20,972**	**35,074**	**78**	**2,078**	**58,202**
Depreciation on property, plant and equipment and right-of-use assets	**127,711**	**121,827**	**3,233**	**9,542**	**262,313**
Amortization of intangible assets	**-**	**407**	**950**	**-**	**1,357**

2020	DREDGING & INLAND INFRA	OFFSHORE ENERGY	TOWAGE & SALVAGE	HOLDING & ELIMINATIONS	GROUP
Revenue	1,315,676	1,064,948	174,632	- 30,345	2,524,911
EBITDA	177,295	193,484	50,110	- 16,582	404,307
Share in result of joint ventures and associates	2,574	4,270	12,079	-	18,923
Operating result	53,203	66,293	45,595	- 25,271	139,820
Exceptional charges				- 195,395	- 195,395
EBIT					- 55,575
Non-allocated finance income and expenses					- 14,888
Non-allocated income tax expenses					- 26,216
Net Group profit / loss (-)					- 96,679
Carrying amount of joint ventures and associates	13,550	24,353	170,477	86	208,466
Investments in property, plant and equipment	111,385	119,006	1,388	8,845	240,624
Additions to right-of-use assets	16,059	5,137	37	2,928	24,161
Depreciation on property, plant and equipment and right-of-use assets	124,092	124,638	3,565	8,689	260,984
Amortization of intangible assets	-	2,553	950	-	3,503
Impairment charges on property, plant and equipment	19,697	33,154	-	-	52,851
Impairment charges on right-of-use assets	-	2,843	-	-	2,843
Impairment charges on intangible assets	-	5,582	-	-	5,582
Impairment charges on joint ventures and associates	-	39,665	56,534	-	96,199
Impairment charges within joint ventures	-	-	26,800	-	26,800

Exceptional items in 2020

Exceptional charges in the comparative figures 2020 of EUR 195.4 million include impairment charges (EUR 184.3 million, including impairment charges within joint ventures of EUR 26.8 million; see note 10), additions to provisions (EUR 17.3 million, including restructuring expenses of EUR 10.1 million) and a gain on acquisition regarding Rever Offshore (EUR 6.2 million; see note 5.2).

Reconciliation with IFRS
As required by IFRS, the information as presented above reconciles to the internal management information of the Board of Management. In measuring the financial performance of operational segments certain line items relating to exceptional items were presented differently in the internal management information than in these EU-IFRS Consolidated Financial Statements.

In the comparative figures 2020 in the EU-IFRS Consolidated Statement of Profit or Loss the Result from operating activities (EBIT) shows a loss of EUR 55.6 million, including impairment charges of EUR 157.5 million (see note 10). The impairment charges within joint ventures amounting to EUR 26.8 million in 2020 were presented as a result in joint ventures in EU-IFRS-financial statements, the provisions provided for EUR 17.3 million were recorded for EUR 7.2 million under Raw materials, consumables, services and subcontracted work and for EUR 10.1 million under Personnel expenses, the gain on acquisition of Rever Offshore amounted to EUR 6.2 million s recorded under the other income. In the table above these items are presented in the comparative figures as part of the exceptional charges.

EBITDA in the table above equals EBIT before depreciation, amortization, impairment and other exceptional charges. Group EBITDA as stated in the management information amounts to EUR 462.3 million (2020: EUR 404.3 million).

5. BUSINESS COMBINATIONS AND OTHER SIGNIFICANT TRANSACTIONS

5.1 SALE OF INTEREST IN PARTNERSHIP KEPPEL SMIT TOWAGE PTE LTD AND MAJU MARITIME PTE LTD
In November 2021 the Group and its joint venture partner Keppel have signed an agreement relating to the sale and purchase of their partnership relating to the harbour towage activities in Singapore and Malaysia to Rimorchiatori Mediterranei S.p.A. The agreement is subject to approval from the regulatory agencies in Singapore. In the fourth quarter of 2021 the interest in the partnership, previously reported under joint ventures and associates, is classified as assets held for sale. The assets held for sale, within the operational segment Towage & Salvage, are valued at the book value of EUR 56 million. Boskalis expects to receive approximately EUR 80 million in cash for its interest. As from classifying the partnership as assets held for sale, no further share in the results of the partnership will be recognized by the Group. As at 31 December 2021 the cumulative unrecognized comprehensive income and expenses relating to the assets held for sale amounts to a net income of EUR 16 million and consist of positive currency translation differences. The disposal of our interest in the partnership is, when effected, expected to result in a positive book result which will also include the net income resulting from the recycling to the income statement of the above mentioned currency translation differences.

5.2 BUSINESS COMBINATIONS IN PRIOR YEAR
On 23 December 2020 the Group obtained control of Rever Offshore's subsea activities (Rever) by acquiring 100% of the shares of four entities for an amount of EUR 22.5 million in cash. The acquisition resulted in a gain on acquisition of EUR 6.2 million.

On 27 January 2020 the Group obtained control of Horizon Group (Horizon) by acquiring the remaining 37.5% of the shares (2019: 62.5%) for an amount of EUR 45.4 million in cash. The revaluation to fair value of the existing stake in Horizon resulted in a gain of EUR 1.4 million in 2020. In the period between the acquisition and year-end 2020, the activities of Horizon have contributed EUR 75.8 million to revenue and EUR 11.8 million profit to the Group net result.

6. REVENUE

Revenue by region can be specified as follows:

	REVENUE 2021	2020
The Netherlands	**578,547**	581,256
Rest of Europe	**1,136,495**	893,183
Australia / Asia	**718,275**	456,828
Middle East	**217,050**	244,113
Africa	**52,722**	97,397
North and South America	**253,689**	252,134
	2,956,778	2,524,911

A region is determined as the location at which projects are realized and services are provided. For sea transport the region refers to the port of arrival (or nearest point of arrival) of the transport or the project location for offshore installation. A large part of the Group's revenue is generated on projects for a variety of clients in various countries and geographical areas. Because of the often-incidental nature and spread of the contracts none of these clients qualifies structurally as a material client in relation to the total revenue of the Group.

Revenue by activity can be specified as follows:

	REVENUE 2021	2020
Contracting activities	**2,303,978**	1,982,019
Service activities	**652,800**	542,892
	2,956,778	2,524,911

Revenue from contracting activities mainly comprises net revenue from the operational segments of Dredging & Inland Infra and Offshore Energy (excluding marine transport and other offshore services), and salvage projects. For most of the contracting activities the most common type of contract is based on a fixed/lump sum price. In these cases, the contractor's price must take into account virtually all the operational risks as well as the costs and other risks associated with the procurement of materials and subcontractor services. In most cases it is not possible to charge clients for any unforeseen costs and the Group acts as contractor and principal of the engagement.

Revenue from services rendered is primarily realized in the Offshore Energy (marine transport and other services) operational segment and in the joint ventures within the Towage & Salvage operational segment. The services are usually charged at day rates.

The value of the order book equals the contract revenue of projects yet to be completed and services yet to be rendered at balance sheet date and amounts to EUR 5.4 billion (2020: EUR 5.3 billion).

Contracts are not included in the order book until agreement has been reached with the client. The Group estimates that 44% of the order book will be executed next year (31 December 2020: 38%). Actual execution depends on several factors, such as weather, soil, technical conditions, cooperation with subcontractors, the availability of cargo and other factors.

7. OTHER INCOME AND OTHER EXPENSES

In 2021 other income includes book profits on the disposal of property, plant and equipment for EUR 9.3 million (2020: EUR 8.8 million). In 2020 other income includes also a gain of EUR 1.4 million as a result from the revaluation to fair value of the existing stake in Horizon (note 5.1) and a gain on acquisition regarding the business combination Rever Offshore of EUR 6.2 million (note 5.2). Further, other income included government support relating COVID-19 for an amount of EUR 0.6 million in 2020.

Other expenses relate to book losses on the disposal of equipment, amounting to EUR 4.0 million (2020: EUR 0.3 million) and divestments in previous years amounting to EUR 8.0 million (2020: nil).

8. RAW MATERIALS, CONSUMABLES, SERVICES AND SUBCONTRACTED WORK

As part of this line item costs related to short term leased equipment and low value leases are reported for an amount of EUR 2.3 million (2020: EUR 0.6 million).

9. PERSONNEL EXPENSES

	2021	2020
Wages and salaries	**- 423,303**	- 387,034
Social security expenses	**- 40,329**	- 43,189
Pension expenses for defined benefit pension plans	**- 759**	- 728
Pension expenses for defined contribution pension plans	**- 45,767**	- 40,991
	- 510,158	- 471,942

A number of senior managers participate in a long-term incentive plan based upon the development of the share price, which is settled on a cash basis. The fair value of the related liability for the year is included as part of the personnel expenses in the statement of profit or loss. The related charge for 2021 amounts to EUR 4.0 million (2020: EUR 1.5 million) and the corresponding liability is EUR 6.5 million (2020: EUR 4.0 million). For the remuneration of the Board of Management and the Supervisory Board refer to note 31.2.

In 2021 expenses for restructuring were incurred for an amount of EUR 1.8 million which are reported under Personnel expenses (2020: EUR 10.1 million).

10. IMPAIRMENT CHARGES

In 2020 the following non-cash impairment charges were recognized:

	2020
IMPAIRMENT CHARGES BY ASSET CATEGORY	
Intangible assets	5,582
Property, plant and equipment	52,851
Right-of-use assets	2,843
Investments in joint ventures and associates	96,199
Impairment charges according to the Consolidated Statement of Profit or Loss	157,475
Impairment charges accounted for within share in result of joint ventures and associates	26,800
Total impairment charges	184,275
IMPAIRMENT CHARGES BY OPERATIONAL SEGMENT	
Dredging	19,697
Offshore Energy	81,244
Towage & Salvage	83,334
Total impairment charges	184,275

In 2021 no material impairment losses were recognized.

11. FINANCE INCOME AND EXPENSES

	2021	2020
Interest income on short-term bank deposits	**438**	369
Finance income	**438**	369
Interest expenses	**- 12,598**	- 11,822
Accretion of interest of lease liabilities	**- 2,068**	- 1,783
Other expenses	**- 1,830**	- 1,652
Finance expenses	**- 16,496**	- 15,257
Net finance expenses recognized in consolidated statement of profit or loss	**- 16,058**	- 14,888

Amortization relating to interest-bearing borrowings amounts to EUR 0.9 million (2020: EUR 0.5 million) and commitment fees paid to EUR 0.7 million (2020: EUR 0.9 million). There are no fair value adjustments for interest-bearing borrowings (with regard to hedging instruments) in 2021 and 2020.

12. INCOME TAX EXPENSES

The tax charge amounts to EUR 34.1 million (2020: EUR 26.2 million) which can be specified as follows:

	2021	2020
CURRENT INCOME TAX EXPENSES		
Current year	**- 47,361**	- 35,396
Adjustment in respect of current income tax regarding prior financial years	**15,007**	15,111
Reclassification of deferred income taxes regarding prior financial years	**- 3,537**	332
	- 35,891	- 19,953
DEFERRED INCOME TAX EXPENSES		
Origination and reversal of temporary differences	**- 4,806**	5,619
Effect of changes in tax rates on deferred income taxes	**266**	1,272
Reclassification of deferred income taxes regarding prior financial years	**3,537**	- 332
Movement of recognized tax losses carried forward	**2,763**	- 12,822
	1,760	- 6,263
TAXATION IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS	**- 34,131**	- 26,216

The operational activities of the Group are subject to various tax regimes with tax rates ranging from 0% to 42% (2020: 0% to 42%). These different tax rates, non-deductible expenses, treatment of tax losses, special taxation regimes, adjustments in respect of prior years and results not subject to taxation, result in an effective tax rate in the reporting period of 18.7% (2020: - 37.2%), as disclosed in the consolidated statement of profit or loss.

The effective income tax rate in 2020 was impacted by exceptional items. This analysis can be summarized as follows:

	2021			2020		
	Profit / loss (-)	**Income tax expense (-) /benefit**	**Income tax rate**	**Profit / loss (-)**	**Income tax expense (-) /benefit**	**Income tax rate**
Profit/Loss (-) before taxation	**182,530**	**- 34,131**	**18.7%**	- 70,463	- 26,216	- 37.2%
Exceptional items (see Note 4)	**-**	**-**	**0.0%**	195,395	- 8,438	4.3%
Profit/Loss (-) before taxation, adjusted	**182,530**	**- 34,131**	**18.7%**	124,932	- 34,654	27.7%

The reconciliation between the Dutch nominal income tax rate and the effective income tax rate, based on the adjusted Profit/Loss (-) before taxation as stated above of EUR 182.5 million (2020: EUR 124.9 million), is as follows:

	2021		2020	
	Income tax amount	**Income tax rate**	Income tax amount	Income tax rate
Effect on tax (rate):				
Nominal tax rate in the Netherlands	**- 45,633**	**25.0%**	- 31,233	25.0%
Tonnage tax and other special tax regimes	**10,663**	**- 7.2%**	- 12,530	10.0%
Different statutory tax rates for other jurisdictions	**7,767**	**- 5.2%**	7,079	- 5.7%
Unrecognized income tax losses	**- 15,675**	**10.5%**	- 15,325	12.3%
Prior year adjustments	**475**	**- 0.3%**	15,443	- 12.4%
Tax exempted share in result of joint ventures and associates (excluding impairments)	**8,272**	**- 4.1%**	3,673	- 2.9%
Other	**-**	**0.0%**	- 1,761	1.4%
Adjusted effective tax (rate)	**- 34,131**	**18.7%**	- 34,654	27.7%

The effective income tax rate adjusted for exceptional items was 18.7% (2020: 27.7%).

As can be derived from the tables above, other than in 2020 the effective tax rate in 2021 was not influenced by impairment charges and other exceptional items. The tax burden results from the distribution of the result over a mix of countries and entities and is lower than the nominal income tax rate in the

Netherlands (25%) because in a number of countries in which we currently operate a relatively low tax rate applies and countries where a tax asset has been recognized on negative results.

As a percentage of the profit before tax of EUR 182.5 million (2020: loss before tax of EUR - 70.5 million) the relationship between the applicable tax rate in the Netherlands (25%) and the effective tax rate as can be derived from the income statement (2021: 18.7%; 2020: - 37.2%) can be summarized as follows:

	2021		2020	
	Income tax amount	**Income tax rate**	Income tax amount	Income tax rate
Effect on tax (rate):				
Nominal tax rate in the Netherlands	**- 45,633**	**25.0%**	17,616	25.0%
Tonnage tax and other special tax regimes	**10,663**	**- 7.2%**	- 12,530	- 17.8%
Different statutory tax rates for other jurisdictions	**7,767**	**- 5.2%**	7,079	10.0%
Unrecognized income tax losses	**- 15,675**	**10.5%**	- 15,325	- 21.7%
Prior year adjustments	**475**	**- 0.3%**	15,443	21.9%
Tax exempted share in result of joint ventures and associates (excluding impairments)	**8,272**	**- 4.1%**	3,673	5.2%
Exceptional items (mainly impairments resp. tax exempted share in result of joint ventures)	**-**	**0.0%**	- 40,411	- 57.3%
Other	**-**	**0.0%**	- 1,761	- 2.5%
Effective tax (rate)	**- 34,131**	**18.7%**	- 26,216	- 37.2%

13. INCOME TAX RECEIVABLE AND PAYABLE

The current income tax receivables and income tax payables relate to the tax positions of the respective Group companies and consist of financial years yet to be settled less withholding taxes and tax refunds.

14. DEFERRED INCOME TAX ASSETS AND LIABILITIES

	BALANCE AS AT 1 JANUARY 2021		**MOVEMENT IN TEMPORARY DIFFERENCES DURING THE YEAR**				**BALANCE AS AT 31 DECEMBER 2021**	
	Asset	**Liability**	**Charged (-)/ added to net profit**	**Charged to equity**	**In / (out) consolidation and business combinations**	**Currency translation differences**	**Asset**	**Liability**
Intangible assets	**-**	**- 1,805**	**214**	**-**	**-**	**- 8**	**-**	**- 1,599**
Property, plant and equipment	**3,848**	**- 6,458**	**256**	**-**	**-**	**26**	**4,615**	**- 6,943**
Unbilled revenue and deferred revenue	**4,189**	**-**	**- 1,829**	**-**	**-**	**- 7**	**2,352**	**-**
Trade and other receivables	**185**	**-**	**-**	**-**	**-**	**-**	**185**	**-**
Hedging reserve	**316**	**-**	**-**	**- 497**	**-**	**-**	**-**	**- 181**
Actuarial gains / losses (-) on defined benefit pension plans	**7,305**	**-**	**298**	**- 742**	**-**	**- 5**	**6,856**	**-**
Employee benefits	**4,570**	**- 872**	**50**	**-**	**-**	**-**	**4,591**	**- 843**
Provisions	**985**	**- 681**	**- 506**	**-**	**-**	**- 2**	**303**	**- 507**
Trade and other payables	**250**	**- 166**	**- 3**	**-**	**-**	**140**	**252**	**- 31**
Other assets and liabilities	**283**	**- 942**	**4**	**-**	**-**	**9**	**305**	**- 951**
Leases	**301**	**- 466**	**556**	**-**	**-**	**- 4**	**387**	**-**
Foreign branch results	**-**	**- 1,337**	**- 43**	**-**	**-**	**-**	**-**	**- 1,380**
Income tax losses carried forward	**185**	**-**	**2,763**	**-**	**-**	**14**	**2,962**	**-**
	22,417	**- 12,727**	**1,760**	**- 1,239**	**-**	**163**	**22,808**	**- 12,435**
Offsetting of deferred income tax assets and liabilities	**- 10,037**	**10,037**					**- 8,940**	**8,940**
Net in the Consolidated Statement of Financial Position	**12,380**	**- 2,690**					**13,868**	**- 3,495**

	BALANCE AS AT 1 JANUARY 2020		MOVEMENT IN TEMPORARY DIFFERENCES DURING THE YEAR				BALANCE AS AT 31 DECEMBER 2020	
	Asset	Liability	Charged (-) /added to net profit	Charged to equity	In / (out) consolidation and business combinations	Currency translation differences	Asset	Liability
Intangible assets	206	- 1,852	39	-	-	- 198	-	- 1,805
Property, plant and equipment	152	- 6,590	2,840	-	1,007	- 19	3,848	- 6,458
Unbilled revenue and deferred revenue	-	-	4,190	-	-	- 1	4,189	-
Trade and other receivables	57	-	128	-	-	-	185	-
Hedging reserve	400	-	- 29	- 103	-	48	316	-
Actuarial gains / losses (-) on defined benefit pension plans	6,608	-	- 700	1,330	-	67	7,305	-
Employee benefits	3,974	- 864	647	-	-	- 59	4,570	- 872
Provisions	25	-	268	-	-	11	985	- 681
Interest-bearing borrowings	249	-	- 249	-	-	-	-	-
Trade and other payables	428	- 99	- 254	-	-	9	250	- 166
Other assets and liabilities	253	- 556	- 612	-	-	256	283	- 942
Leases	105	- 8	192	-	- 453	- 1	301	- 466
Foreign branch results	-	- 1,436	99	-	-	-	-	- 1,337
Income tax losses carried forward	12,838	-	- 12,822	173	-	- 4	185	-
	25,295	- 11,405	- 6,263	1,400	554	109	22,417	- 12,727
Offsetting of deferred income tax assets and liabilities	- 9,955	9,955					- 10,037	10,037
Net in the Consolidated Statement of Financial Position	15,340	- 1,450					12,380	- 2,690

Deferred income tax assets are not recognized as long as it is not probable that economic benefits can be expected in future periods. Deferred income tax assets and liabilities within fiscal unities are offset in the statement of financial position.

The following movements in deferred income tax assets and liabilities, including applicable income tax rate changes, together with the items they relate to, are recognized in the statement of other comprehensive income:

	2021			2020		
	BEFORE INCOME TAX	**INCOME TAX (EXPENSE) BENEFIT**	**NET OF INCOME TAX**	BEFORE INCOME TAX	INCOME TAX (EXPENSE) BENEFIT	NET OF INCOME TAX
Foreign currency translation differences for foreign operations, including net-investment hedges	**49,496**	**-**	**49,496**	- 65,901	173	- 65,728
Fair value of cash flow hedges	**8,010**	**- 497**	**7,513**	- 10,853	- 103	- 10,956
Actuarial gains / losses (-) and asset limitation on defined benefit pension plans	**1,953**	**- 742**	**1,211**	- 3,005	1,330	- 1,675
	59,459	**- 1,239**	**58,220**	- 79,759	1,400	- 78,359

UNRECOGNIZED DEFERRED INCOME TAX ASSETS

Income tax losses carried forward and/or timing differences of Group companies for which no deferred income tax asset is recognized amounted to EUR 187.2 million (2020: EUR 216.0 million). These deferred income tax assets are not recognized in the statement of financial position as long as recovery through taxable profit or deductible temporary differences before expiration is not probable. As the mix of countries in which projects are executed changes over time, uncertainty arises regarding the possibilities to compensate income tax losses with future taxable income.

	2021	
	INCOME TAX LOSSES CARRIED FORWARD	**DEDUCTIBLE TEMPORARY DIFFERENCES**
No later than 1 year	**3,750**	**-**
Later than 1 year and no later than 5 years	**25,754**	**-**
Later than 5 years	**154,573**	**3,147**
	184,077	**3,147**

	2020	
	INCOME TAX LOSSES CARRIED FORWARD	**DEDUCTIBLE TEMPORARY DIFFERENCES**
No later than 1 year	141	-
Later than 1 year and no later than 5 years	8,730	-
Later than 5 years	196,588	10,584
	205,459	10,584

The movement in 2021 relates to a large extent to the recognition, following legal structuring, of deferred income tax assets that were previously not recognized following legal restructuring realized.

15. INTANGIBLE ASSETS

	GOODWILL	OTHER	TOTAL
Balance as at 1 January 2021	**163,160**	**9,613**	**172,773**
Movements			
Amortization	**-**	**- 1,357**	**- 1,357**
Currency translation differences and other movements	**5,019**	**162**	**5,181**
	5,019	**- 1,195**	**3,824**
Balance as at 31 December 2021	**168,179**	**8,418**	**176,597**

	GOODWILL	OTHER	TOTAL
Balance as at 1 January 2020	97,077	19,306	116,383
Movements			
Acquired through business combinations	73,069	-	73,069
Amortization	-	- 3,503	- 3,503
Impairment charges (see note 10)	-	- 5,582	- 5,582
Currency translation differences and other movements	- 6,986	- 608	- 7,594
	66,083	- 9,693	56,390
Balance as at 31 December 2020	163,160	9,613	172,773

Currency translation differences mainly relate to goodwill and other intangible assets resulting from acquisitions, which are denominated in USD.

15.1 GOODWILL

For the purpose of impairment testing, goodwill is allocated to the cash-generating units (CGU) which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes. This does not exceed the level of Group's operating segments reported in note 4 on Segment reporting.

Goodwill is allocated to the following cash-generating units:

CASH-GENERATING UNIT	OPERATIONAL SEGMENT	2021	2020
Survey	Offshore Energy	**71,102**	66,083
Inland Infra	Dredging & Inland Infra	**46,607**	46,607
Salvage	Towage & Salvage	**36,875**	36,875
Dredging	Dredging & Inland Infra	**13,595**	13,595
Total		**168,179**	163,160

When conducting impairment tests on goodwill, the recoverable amounts are determined based on value in use calculations. Value in use is determined by discounting the expected future cash flows from the continuing operations of the CGU.

Management projects cash flows based on past trends and estimates of future developments and investment plans. Therefor these projections also factor in market conditions, cost developments, order book in hand, expected win rates of contracts, expected vessel utilization and useful life. Key assumptions in the calculation of value in use are the growth rate applied in the calculation of the terminal value and the discount rate used. Cash flows for the CGUs beyond five years are extrapolated using an estimated long-term growth rate of 1.0% (2020: 1.0%). The applicable growth rate does not exceed the long-term average growth rate which may be expected for the activities. The pre-tax discount rate used in the calculations per CGU are: Survey 9.9% (2020: 9.9%), Inland Infra 9.2% (2020: 9.2%), Salvage 6.8% (2020: 6.8%) and Dredging 8.4% (2020: 8.3%) and is determined per CGU by means of an iterative calculation using the post-tax discount rates (determined by an external valuator), projected post-tax cash flows and expected tax rate.

The Group has analyzed sensitivity to a reasonable possible change in the discounted expected future cash flows of the carrying amount, including goodwill, of the CGU ('headroom'). The recoverable amounts for Inland Infra, Salvage, Dredging and Survey exceed the carrying amounts of the CGUs with significant headroom.

15.2 OTHER INTANGIBLE ASSETS

Other intangible assets, which are identified and recognized at fair value in business combinations, consist of tradenames and favorable contracts.

16. PROPERTY, PLANT AND EQUIPMENT

	LAND AND BUILDINGS	FLOATING AND OTHER CONSTRUCTION EQUIPMENT	OTHER FIXED ASSETS	PROPERTY, PLANT AND EQUIPMENT UNDER CONSTRUCTION	TOTAL
Balance as at 1 January 2021					
Cost	**145,106**	**4,608,971**	**57,091**	**149,165**	**4,960,333**
Accumulated depreciation and impairment charges	**- 48,442**	**- 2,500,460**	**- 45,966**	**- 3,823**	**- 2,598,691**
Carrying amount	**96,664**	**2,108,511**	**11,125**	**145,342**	**2,361,642**
Movements					
Investments	**177**	**160,608**	**1,759**	**245,098**	**407,642**
Put into operation	**39,892**	**34,252**	**-**	**- 74,144**	**-**
Depreciation	**- 5,934**	**- 219,671**	**- 2,761**	**-**	**- 228,366**
Disposals	**- 2,069**	**- 13,929**	**- 595**	**-**	**- 16,593**
Other movements	**59**	**822**	**781**	**37,615**	**39,277**
Currency translation differences	**745**	**43,996**	**320**	**380**	**45,441**
	32,870	**6,078**	**- 496**	**208,949**	**247,401**
Balance as at 31 December 2021					
Cost	**184,083**	**4,807,720**	**57,902**	**358,114**	**5,407,819**
Accumulated depreciation and impairment charges	**- 54,549**	**- 2,693,131**	**- 47,273**	**- 3,823**	**- 2,798,776**
Carrying amount	**129,534**	**2,114,589**	**10,629**	**354,291**	**2,609,043**

	LAND AND BUILDINGS	FLOATING AND OTHER CONSTRUCTION EQUIPMENT	OTHER FIXED ASSETS	PROPERTY, PLANT AND EQUIPMENT UNDER CONSTRUCTION	TOTAL
Balance as at 1 January 2020					
Cost	143,792	4,405,127	50,806	241,145	4,840,870
Accumulated depreciation and impairment charges	- 44,606	- 2,345,352	- 40,988	- 3,823	- 2,434,769
Carrying amount	99,186	2,059,775	9,818	237,322	2,406,101
Movements					
Investments	899	48,173	3,690	187,862	240,624
Acquired through business combinations	-	58,707	1,590	-	60,297
Put into operation	3,792	271,524	2,758	- 278,074	-
Impairment charges	-	- 52,851	-	-	- 52,851
Depreciation	- 4,630	- 221,224	- 6,461	-	- 232,315
Disposals	- 1,757	- 6,797	- 254	-	- 8,808
Other movements	-	- 176	246	196	266
Currency translation differences	- 826	- 48,620	- 262	- 1,964	- 51,672
	- 2,522	48,736	1,307	- 91,980	- 44,459
Balance as at 31 December 2020					
Cost	145,106	4,608,971	57,091	149,165	4,960,333
Accumulated depreciation and impairment charges	- 48,442	- 2,500,460	- 45,966	- 3,823	- 2,598,691
Carrying amount	96,664	2,108,511	11,125	145,342	2,361,642

The Group reviews the (expected) utilization and operational results of the main units of the fleet and the useful life of the assets to determine potential impairments and adjustments on an annual basis. In 2021 this review resulted in no adjustments.

As disclosed in the table above and in note 10 'impairment charges', in 2020 an impairment charge of EUR 52.9 million was recorded, relating to vessels and other construction equipment. These assets have been valued at the highest of the value in use and the fair value less cost to sell (based on external valuations or scrap value). Of the total impairment EUR 49.1 million relates to impairments to fair value less cost to sell and EUR 3.8 million relates to impairment to value in use. If cash flows used in the value-in-use calculations would have been lower or discount rate would have higher, the Group would not have recognized an additional impairment. In 2021 and 2020 the capitalized financing costs of investments recognized amounted to zero.

In line with the characteristics of the Group's activities, property, plant and equipment can be deployed on a worldwide scale. As a consequence, segmentation of property, plant and equipment into geographical areas would not provide any additional relevant information.

17. JOINT VENTURES AND ASSOCIATES

The Group participates in a number of joint ventures and associates. The activities and risks of these joint ventures and associates are similar to the activities of the Group. A number of projects, or related activities, within the Dredging & Inland Infra operational segment are placed in privately held companies. The Offshore Energy operational segment mainly includes the investment in Asian Lift Pte Ltd. Within the Towage & Salvage operational segment, harbor towage services take place through Keppel Smit Towage Pte Ltd and Maju Maritime Pte Ltd in Singapore. These two harbor towage service joint ventures are reclassified as held for sale as per year-end (see note 5.1). In addition, the Group participates in Lamnalco Marine (worldwide terminal services) and Ocean Marine Egypt S.A.E. (terminal services). These joint ventures and associates are in principle financed on a non-recourse basis.

The table below shows the movements in the interests in joint ventures and associates:

	2021		
	JOINT VENTURES	**ASSOCIATES**	**TOTAL**
Balance as at 1 January 2021	**200,939**	**7,527**	**208,466**
Classification as held for sale of Keppel Smit Towage Pte Ltd	**- 22,743**	**-**	**- 22,743**
Classification as held for sale of Maju Maritime Pte Ltd	**- 32,775**	**-**	**- 32,775**
Share in result of joint ventures and associates	**37,699**	**1,445**	**39,144**
Share in other comprehensive income of joint ventures and associates	**- 1,001**	**-**	**- 1,001**
Repayment share capital / share premium	**- 54**	**- 9**	**- 63**
Dividends received	**- 1,459**	**- 774**	**- 2,233**
Currency translation differences and other movements	**17,431**	**124**	**17,555**
	- 2,902	**786**	**- 2,116**
Balance as at 31 December 2021	**198,037**	**8,313**	**206,350**

	2020		
	JOINT VENTURES	**ASSOCIATES**	**TOTAL**
Balance as at 1 January 2020	419,599	8,456	428,055
Impairment charges	- 96,199	-	- 96,199
Revaluation of existing stake in Horizon prior to business combination	1,391	-	1,391
Decrease due to extending share in Horizon resulting in control	- 75,299	-	- 75,299
Share in result of joint ventures and associates	- 9,277	1,400	- 7,877
Share in other comprehensive income of joint ventures and associates	- 5,038	-	- 5,038
Repayment share capital / share premium	- 1,192	-	- 1,192
Dividends received	- 18,246	- 2,200	- 20,446
Currency translation differences and other movements	- 14,800	- 129	- 14,929
	- 218,660	- 929	- 219,589
Balance as at 31 December 2020	200,939	7,527	208,466

In 2020 the Group incurred a non-cash impairment charge of EUR 96.2 million relating to two joint ventures due to deteriorated market conditions that are not expected to materially improve in the foreseeable future. Next to these impairment charges the share in the result of joint ventures and associates in 2020 included an amount of EUR 26.8 million for our stake in the impairment on certain vessels as accounted for by a joint venture (see note 10).

The main joint ventures of the Group are:

		Interest in joint ventures	
ENTITY	**COUNTRY OF INCORPORATION**	**2021**	2020
Lamnalco Marine	Cyprus	**50%**	50%
Ocean Marine Egypt S.A.E.	Egypt	**50%**	50%
Asian Lift Pte. Ltd.	Singapore	**50%**	50%
Keppel Smit Towage Pte Ltd *	Singapore	**49%**	49%
Maju Maritime Pte Ltd *	Singapore	**49%**	49%
Deeprock C.V.	The Netherlands	**49%**	49%

* Classified as held for sale as per year-end 2021(see note 5.1).

The main associates of the Group are:

		Interest in associates	
COMPANY	**COUNTRY OF INCORPORATION**	**2021**	2020
Asfalt Productie Rotterdam Rijnmond (APRR) B.V.	The Netherlands	**25%**	25%
Asfalt Productie Tiel (APT) B.V.	The Netherlands	**33%**	33%

The voting rights in associates are equal to the ownership interests.

As at 31 December 2021, the Group participated in the above-mentioned joint ventures and associates. Joint control is established in joint ventures by contract and the Group only has rights to the net assets. Significant influence is established in associates by voting rights and/or by contract, also in those cases where the other (investment) partner has control. None of these joint ventures or associates is individually material based on their share in the financial figures of the Group and their risk profile. The nature of, and changes in, the risks associated with interest in joint ventures and/or and associates is primarily linked to its activities for which a distinction is made in the disclosure. As at 31 December 2021, approximately 78% (2020: 79%) of the Group's interest in joint ventures and associates relates to harbor towage services and terminal services of the Towage & Salvage operational segment. The summarized figures on a 100% basis of the towage/terminal activities can be presented as follows (including the Keppel Smit Towage partnership):

	2021	2020
Towage joint ventures and associates		
Revenue	**282**	310
EBITDA	**132**	113
EBIT excluding impairment charges	**80**	51
EBIT including impairment charges	**80**	-
Net debt	**182**	217

Other joint ventures and associates relate to the Dredging & Inland Infra and Offshore Energy Segments and to Holding & Eliminations.

The future cash flows for the Group are legally and contractually limited to the receipt of dividends, with the exception of certain companies, as listed above, for which capped guarantees or capital contributions are agreed (see note 30). As a result of statutory provisions, the Group, as joint venture partner or minority shareholder, cannot independently decide to distribute dividends. Also, the financial position should be sufficient to enable the distribution of dividends to shareholders. There are no contractual provisions that restrict the distribution of the net result as a dividend, with the exception of covenants in loan agreements and the priority of loan repayment over dividend at some of the joint ventures and associates. Legal reserves are formed by the Group for its share in the net result of joint ventures and associates.

The table below shows the share of the Group in total assets and revenues of its joint ventures and associates (excluding assets held for sale) that are individually not material to the Group.

	2021			2020		
	JOINT VENTURES	**ASSOCIATES**	**TOTAL**	JOINT VENTURES	ASSOCIATES	TOTAL
Total assets	**466,118**	**1,330**	**467,448**	549,247	1,351	550,598
Revenue	**194,983**	**166**	**195,149**	191,365	96	191,461

18. NON-CURRENT FINANCIAL ASSETS

18.1 OTHER NON-CURRENT RECEIVABLES

	2021	2020
Balance as at 1 January	**2,922**	9,214
Loan granted (to joint venture)	**113**	220
Repaid loan (by joint venture)	**- 300**	-
Decrease due to first time in consolidation	**-**	- 6,628
Currency translation differences and other movements	**- 30**	116
Balance as at 31 December	**2,705**	2,922

Other non-current receivables generally comprise loans to joint ventures and associates, and long-term advance payments to suppliers.

19. INVENTORIES

	2021	2020
Fuel and materials	**35,352**	25,040
Spare parts and other inventories	**75,208**	66,090
	110,560	91,130

During 2021 no material addition to the provision for obsolete inventory has been recognized (2020: EUR 7.2 million).

20. UNBILLED AND DEFERRED REVENUE

Unbilled and deferred Group revenue relates to the contracting and execution of construction projects and to services. The recognition of revenue, timing of billings and cash collections result in unbilled receivables, accounts receivable and deferred revenue. In the contracting business amounts are billed as work progress in accordance with contractual terms, either at periodic intervals or upon achievement of contractual milestones. 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 based on deposits or invoices in advance of revenue recognition, deferred revenue is recognized (as a liability). In the services business amounts are billed based on contractually agreed schedules and/or milestones. As revenue is recognized/allocated to a large extent on the basis of sailing days, unbilled revenue or deferred revenue is recognized for the difference between revenues recognized and invoices issued.

	2021	2020
Unbilled revenue	**269,685**	206,670
Deferred revenue	**- 451,712**	- 357,510
	- 182,027	- 150,840

Unbilled and deferred revenue of the Group is influenced by the mix of projects and services that are executed at a certain point of time. Inherent to the Group's activities, the nature and amount of unbilled and deferred revenue depends on the specifics of the projects, due to the variety clients and to the ever-changing client base, contracts with different payment conditions, milestones and other details of contracts executed within a wide spectrum of economic environments. Furthermore, different payments terms are agreed in the contracts with customers and usually depend on the jurisdiction in which the services are performed.

In 2021 approximately 96% of the unbilled amount of EUR 206,670 thousand at 31 December 2020 was invoiced to customers by the Group (2020: 97% of the unbilled amount of EUR 279,981 thousand as at 31 December 2019). During 2021 unbilled revenue was not impacted by business combinations (during 2020: not materially). The amount of deferred revenue at 31 December 2020 relates to a large extent to revenue recognized in 2021.

Contract revenue recognized, unbilled revenue and deferred revenue are subject to judgements and estimates. Especially judgements and estimates on the progress of execution of the projects are the basis for allocating total (project) revenue to cumulative (project) revenues recognized in the Consolidated Statement of Profit or Loss and to future (project) revenues. This allocation of project revenue is based upon judgements and estimates of total (project) revenues, including variable considerations, disputed claims with customers, contract modifications, and expected total costs of the projects. Different estimates would have resulted in different, either higher or lower, revenues, and related costs, for the year. Revenue, and related costs, recognized in the Consolidated Statement of Profit or Loss is not expected to be materially impacted by such judgements and estimates. Looking with hindsight at the judgements and estimates made regarding revenue recognized, no material amount of the revenues recognized in 2020 should have been accounted for as revenue in 2021, of the revenues recognized in 2019 no material amount should have been accounted for as revenue in 2020.

21. TRADE AND OTHER RECEIVABLES

	2021	2020
Trade receivables	**371,534**	276,502
Amounts due from joint ventures and associates	**6,879**	5,269
Other receivables and prepayments	**257,392**	228,159
	635,805	509,930

Other receivables and prepayments include prepaid and/or pre-charged expenses by subcontractors and suppliers. Also, amounts are included that results from the proportionate consolidation of the project driven construction consortiums.

22. CASH AND CASH EQUIVALENTS

	2021	2020
Bank balances and cash	**580,450**	601,797
Short-term bank deposits	**182,474**	222,750
Cash and cash equivalents	**762,924**	824,547
Bank overdrafts	**- 13,400**	- 9,555
Net cash and cash equivalents in the consolidated statement of cash flows	**749,524**	814,992

Cash and cash equivalents include EUR 86.5 million (2020: EUR 79.5 million) held by project-driven construction consortiums (joint operations). The Group held EUR 3.5 million (2020: EUR 3.9 million) subject to local regulations limiting the transfer of these funds. The other cash and cash equivalents are at the free disposal of the Group.

23. GROUP EQUITY

23.1 ISSUED CAPITAL

The authorized share capital of EUR 4.8 million (2020: EUR 4.8 million) is divided into 240,000,000 (2020: 240,000,000) ordinary shares with a par value of EUR 0.01 (2020: EUR 0.01) each and 80,000,000 (2020: 80,000,000) cumulative protective preference shares with a par value of EUR 0.03 (2020: EUR 0.03) each.

Movements of the ordinary shares issued were as follows:

(in number of ordinary shares)	**2021**	2020
Issued and fully paid shares entitled to dividend as at 1 January	**130,220,260**	131,726,637
Repurchased shares	**- 895,362**	- 1,506,377
Issued and fully paid shares entitled to dividend as at 31 December	**129,324,898**	130,220,260
Treasury stock	**952,934**	57,572
Issued and fully paid shares as at 31 December	**130,277,832**	130,277,832

Repurchased shares

On 15 March 2019 the Group announced a share buyback program of EUR 100 million, to reduce the capital outstanding. The program commenced on 18 March 2019 and was completed on 15 September 2021 including a temporary suspension in 2020 due to COVID-19 related uncertainties during that period. The repurchased shares in this program can be summarized as follows:

	2021	**2020**	**2019**	**TOTAL**
Number of ordinary shares	895,362	1,506,377	2,341,189	4,742,928
Amount (in thousands of EUR)	23,777	29,403	46,820	100,000
Dividend tax (in thousands of EUR)	-	3,934	58	3,992

Treasury stock

The movements of the ordinary shares issued held in treasury were as follows:

(in number of ordinary shares)	**2021**	2020
Treasury stock as at 1 January	**57,572**	3,651,701
Repurchased shares	**895,362**	1,506,377
Cancelled shares	**-**	- 5,100,506
Treasury stock as at 31 December	**952,934**	57,572

On 17 December 2020 the Group has reduced its issued share capital by cancelling 5,100,506 ordinary shares held in treasury. On 11 February 2022 the Group has further reduced its issued share capital by cancelling the remaining 952,934 ordinary shares held in treasury.

23.2 SHARE PREMIUM RESERVE

The share premium reserve consists of additional paid-in capital exceeding the par value of the outstanding shares. The share premium is distributable free of tax.

23.3 DIVIDEND

Royal Boskalis Westminster N.V. distributed a cash dividend to the shareholders of EUR 0.50 per ordinary share amounting to EUR 64.8 million. In 2020 no dividend was distributed to shareholders.

23.4 EARNINGS PER SHARE

The earnings per share are determined based on the calculation below:

(in thousands of EUR)	**2021**	2020
Earnings per share		
Net group profit/loss (-) attributable to shareholders in thousands of EUR	**150,846**	- 96,523
Weighted average number of shares	**129,591,935**	130,954,242
Earnings per share (basic and diluted)	**EUR 1.16**	EUR - 0.74

The weighted average number of ordinary shares for the financial year is calculated as follows:

(in number of shares)	**2021**	2020
Issued and fully paid shares at 1 January	**130,220,260**	131,726,637
Weighted effect of repurchased own ordinary shares	**- 628,325**	- 772,395
Weighted average number of ordinary shares for the financial year	**129,591,935**	130,954,242

23.5 OTHER RESERVES

Movements in other reserves:

	Legal reserves					
	HEDGING RESERVE	**REVALUATION RESERVE**	**CURRENCY TRANSLATION RESERVE**	**OTHER LEGAL RESERVES**	**OTHER RESERVES**	**TOTAL OTHER RESERVES**
Note	*[23.5.1]*	*[23.5.2]*	*[23.5.3]*	*[23.5.4]*	*[23.5.5]*	
Balance as at 1 January 2021	**- 11,477**	**81,995**	**147,520**	**104,217**	**- 22,158**	**300,097**
Defined benefit plan actuarial gains/losses (-) and asset limitation, after income tax	**-**	**-**	**-**	**-**	**1,627**	**1,627**
Foreign currency translation differences for foreign operations, after income tax	**-**	**-**	**50,423**	**-**	**-**	**50,423**
Currency translation differences from joint ventures and associates, after tax	**-**	**-**	**- 1,001**	**-**	**-**	**- 1,001**
Effective cash flow hedges, after income taxation	**3,983**	**-**	**-**	**-**	**-**	**3,983**
Change in fair value of cash flow hedges from joint ventures and associates, after taxation	**3,530**	**-**	**-**	**-**	**-**	**3,530**
Realization through depreciation of underlying asset	**-**	**- 720**	**-**	**-**	**-**	**- 720**
Reclassification of revaluations realized	**-**	**- 78,460**	**-**	**-**	**-**	**- 78,460**
Movement in legal reserve	**-**	**-**	**-**	**17,919**	**-**	**17,919**
Total movements	**7,513**	**- 79,180**	**49,422**	**17,919**	**1,627**	**- 2,699**
Balance as at 31 December 2021	**- 3,964**	**2,815**	**196,942**	**122,136**	**- 20,531**	**297,398**

	Legal reserves					
	HEDGING RESERVE	**REVALUATION RESERVE**	**CURRENCY TRANSLATION RESERVE**	**OTHER LEGAL RESERVES**	**OTHER RESERVES**	**TOTAL OTHER RESERVES**
Note	*[23.5.1]*	*[23.5.2]*	*[23.5.3]*	*[23.5.4]*	*[23.5.5]*	
Balance as at 1 January 2020	- 521	80,604	213,166	131,351	- 20,483	404,117
Defined benefit plan actuarial gains/losses (-) and asset limitation, after income tax	-	-	-	-	- 1,675	- 1,675
Foreign currency translation differences for foreign operations, after income tax	-	-	- 64,370	-	-	- 64,370
Currency translation differences from joint ventures and associates, after tax	-	-	- 1,276	-	-	- 1,276
Effective cash flow hedges, after income taxation	- 7,194	-	-	-	-	- 7,194
Change in fair value of cash flow hedges from joint ventures and associates, after taxation	- 3,762	-	-	-	-	- 3,762
Reclassification of revaluation related to gains on business combinations and gains on joint ventures	-	1,391	-	-	-	1,391
Movement in legal reserve	-	-	-	- 27,134	-	- 27,134
Total movements	- 10,956	1,391	- 65,646	- 27,134	- 1,675	- 104,020
Balance as at 31 December 2020	- 11,477	81,995	147,520	104,217	- 22,158	300,097

Under Dutch law the legal reserves are not available for dividend distribution to shareholders.

23.5.1 HEDGING RESERVE (LEGAL RESERVE)
The hedging reserve comprises the fair value of effective cash flow hedges, not yet realized at the balance sheet date, net of taxation, including results realized on the 'rolling forward' of existing hedges as a result of differences between the duration of the hedges concerned and the underlying cash flows. An amount of EUR nil million (2020: nil) is included in the hedging reserve relating to discontinued hedges. This will be recognized in the income statement when the future cash flows, that were designated as hedged items, occur. Details about the movements in the hedging reserve are disclosed in note 29.2.

23.5.2 REVALUATION RESERVE (LEGAL RESERVE)
Revaluations are included in the statement of profit or loss in the year recognized and maintained as a separate reserve until derecognized. The revaluation reserve will be realized as a result of disposal, depreciation or impairment. When derecognized, amounts are transferred from the revaluation reserve to retained earnings.

The revaluation reserve mainly relates to profit with respect to the revaluation of existing non-controlling interests prior to the recognition of business combinations and book results on contributions in newly formed strategic partnerships, after deducting the amount of revaluations realized following disposals and, as from 2021 also, depreciation accounted for and impairments recognized. As a result, the amount reclassified from the revaluation reserve to the retained earnings includes prior years' amounts of EUR 79.2 million.

23.5.3 CURRENCY TRANSLATION RESERVE (LEGAL RESERVE)
The currency translation reserve comprises all accumulated currency translation differences arising from net investments in foreign operations which are denominated in functional currencies other than the presentation currency used by the Group, including related intragroup financing. These currency translation differences are accumulated as from the IFRS transition date (1 January 2004) and are taken to the Statement of Profit or Loss at disposal or termination of these foreign operations. At the acquisition date of activities (business combinations) with a functional currency other than the euro, the translation reserve of these activities is started at zero.

The cumulative changes of foreign currency instruments used to hedge net investments in foreign operations are included under currency translation reserve for a negative amount of EUR 39 million as per 31 December 2021 (31 December 2020: negative amount of EUR 19 million).

23.5.4 OTHER LEGAL RESERVES
A legal reserve is formed to account for differences between the cost price and the equity value of joint ventures and associates where the Group cannot independently decide on the distribution of dividends, unless such differences are already included in the legal reserve for accumulated currency translation differences on foreign operations.

23.5.5 OTHER RESERVES
Other reserves mainly comprise actuarial movements related to the limitation on net plan assets of defined benefit pension plans and the actuarial gains and losses originating from the difference between the realized and the expected movement in defined benefit obligations and the return on plan assets.

23.6 RETAINED EARNINGS
Retained earnings consist of additions and distributions based on profit appropriations, effects of changes in accounting principles, losses and movements in the legal reserve. The balance is at the disposal of shareholders. Retained earnings also comprises the unappropriated profit or loss for the current year. A proposal for profit or loss appropriation is disclosed in note 6 of the Company financial statements.

24. INTEREST-BEARING BORROWINGS

	US PRIVATE PLACEMENT	REVOLVING MULTI-CURRENCY CREDIT FACILITY	EXPORT CREDIT FACILITY	OTHER INTEREST-BEARING BORROWINGS	TOTAL 2021	TOTAL 2020
Current	-	-	**9,782**	**2,814**	**12,596**	50,255
Non-current	**265,330**	-	**92,664**	**5,837**	**363,831**	293,803
Balance as at 1 January	**265,330**	-	**102,446**	**8,651**	**376,427**	344,058
Movement						
Assumed in business combinations	-	-	-	-	-	11,871
Decrease due to first time in consolidation	-	-	-	-	-	- 6,628
Proceeds	-	-	**15,020**	-	**15,020**	508,411
Repayment	-	-	**- 10,094**	**- 2,838**	**- 12,932**	- 453,648
Currency translation differences	**20,169**	-	-	**- 58**	**20,111**	- 24,089
Other movements	**116**	-	**312**	-	**428**	- 3,548
Total movements	**20,285**	-	**5,238**	**- 2,896**	**22,627**	32,369
Balance as at 31 December	**285,615**	-	**107,684**	**5,755**	**399,054**	376,427
Current	-	-	**9,782**	**408**	**10,190**	12,596
Non-current	**285,615**	-	**97,902**	**5,347**	**388,864**	363,831
Balance as at 31 December	**285,615**	-	**107,684**	**5,755**	**399,054**	376,427

The US private placement relate to one placement with a nominal value of USD 325 million, which was placed in July 2013. The principal will be repaid after the original duration of ten years. The annual interest rate is 3.66%.

In April 2020 the Group entered into a revolving credit facility (RCF) providing the Group EUR 500 million with a variable interest rate. The facility has an original duration of 5 years with two options which each extend the duration by one year. After the execution of the first option in February 2021, the RCF is committed until April 2026.

In October 2020 the Group entered into an export credit facility (ECF). The tenor of the facility is twelve years and includes a linear redemption. The annual interest rate is 1.1%.

The Group agreed to comply with a number of customary covenants with the US private placement holders and the providers of the RCF and ECF. Twice a year Boskalis provides a compliance certificate to these lenders, reporting on the covenants for the twelve-month period ending on 30 June and 31 December, respectively. The main financial covenants are a net debt / EBITDA ratio not exceeding 3 and an EBITDA / net interest ratio of at least 4. These covenants are calculated in accordance with definitions agreed with the lenders. In the event that the Group does not meet any of these covenants, the loans may be due immediately. These covenants were met at 31 December 2021. The net debt / EBITDA ratio was - 0.8 (2020: - 1.3) and the EBITDA / net interest ratio was 31 (2020: 25).

Interest rates, remaining terms and currencies of the interest-bearing borrowings are disclosed in the explanatory notes to the financial instruments in the interest rate risk paragraph (see note 29.1.3). As at 31 December 2021 the weighted average interest rate for the non-current portion of the interest bearing loans was 3.05% (2020: 3.18%). The non-current portion of interest-bearing borrowings due after more than five years amounted to EUR 57.2 million (2020: EUR 53.5 million).

25. EMPLOYEE BENEFITS

The liabilities associated with employee benefits consist of liabilities related to pensions plans, both via defined benefit as well as defined contribution plans. Other long-term employee benefits include jubilee benefits. The employee benefits amounted to a total of:

		31 DECEMBER	
	Note	**2021**	2020
Defined benefit pension plans	*[25.1]*	**40,306**	43,093
Other liabilities on account of employee benefits		**6,752**	7,098
Liabilities associated with employee benefits		**47,058**	50,191

Refer to note 9 for the contribution to defined contribution plans.

25.1 DEFINED BENEFIT PENSION PLANS

						CHARGED TO CONSOLIDATED STATEMENT OF	
	DEFINED BENEFIT OBLIGATION	FAIR VALUE PLAN ASSETS	SURPLUS/ DEFICIT (-)	UNFUNDED PENSION LIABILITIES	TOTAL	PROFIT OR LOSS	OTHER COMPREHENSIVE INCOME
Balance as at 1 January 2021	**117,463**	**79,256**	**- 38,207**	**- 4,886**	**- 43,093**		
Current service expenses	**369**	**-**	**- 369**	**- 59**	**- 428**	**428**	
Interest expenses on obligation	**831**	**-**	**- 831**	**- 37**	**- 868**	**868**	
Net-contributions from the Group	**-**	**1,570**	**1,570**	**-**	**1,570**		
Return on plan assets	**-**	**537**	**537**	**-**	**537**	**- 537**	
Net actuarial results	**- 7,974**	**- 5,994**	**1,980**	**- 7**	**1,973**		**- 1,973**
Benefits paid	**- 1,166**	**- 1,166**	**-**	**326**	**326**		
Foreign currency exchange rate differences and other changes	**410**	**87**	**- 323**	**-**	**- 323**		**- 394**
Total movement	**- 7,530**	**- 4,966**	**2,564**	**223**	**2,787**	**759**	**- 2,367**
Balance as at 31 December 2021	**109,933**	**74,290**	**- 35,643**	**- 4,663**	**- 40,306**		
Total result defined benefit pension plans					**- 1,608**	**759**	**- 2,367**

	DEFINED BENEFIT OBLIGATION	FAIR VALUE PLAN ASSETS	SURPLUS/ DEFICIT (-)	UNFUNDED PENSION LIABILITIES	TOTAL	CHARGED TO CONSOLIDATED STATEMENT OF PROFIT OR LOSS	CHARGED TO CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
Balance as at 1 January 2020	109,071	74,601	- 34,470	- 4,785	- 39,255		
Current service expenses	366	-	- 366	- 72	- 438	438	
Interest expenses on obligation	1,240	-	- 1,240	- 42	- 1,282	1,282	
Net-contributions from the Group	-	- 359	- 359	-	- 359		
Return on plan assets	-	992	992	-	992	- 992	
Net actuarial results	8,340	5,346	- 2,994	- 279	- 3,273		3,273
Benefits paid	- 958	- 958	-	292	292		
Foreign currency exchange rate differences and other changes	- 596	- 366	230	-	230		
Total movement	8,392	4,655	- 3,737	- 101	- 3,838	728	3,273
Balance as at 31 December 2020	117,463	79,256	- 38,207	- 4,886	- 43,093		
Limitation on net plan assets as at 1 January					- 268		
Movement in limitation net plan assets					268		- 268
Limitation on net plan assets as at 31 December					-		
Balance as at 31 December 2020 after limits on net plan assets					- 43,093		
Total result defined benefit pension plans					3,733	728	3,005

Closed defined benefit scheme
The balance of the net defined benefit pension plans mainly relates to a closed insured pension plan in the Netherlands, for which future cash inflows consist of the Group'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 Group'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.

Other pension plans relate to, individually not material, multi-employer pension plans arranged with insurance companies in Belgium and the United States, as well as to minor unfunded defined benefit plans for two Group companies in Germany. The pension plans are in compliance with local laws and/or regulations applicable in the aforementioned countries. The Group has no direct and/or significant involvement in the governance of these pension plans. The pension plans are characterized by defined benefit rights over the participant's years of service, which are mainly based on average wages and include retirement and survivor's pension. These pensions are indexed, for the main part with a limit being set to the available contributions and the return on plan assets, respectively. The pension liabilities and pension assets are placed with and managed by the insurance companies. The risk for the Group relating to these pensions is therefore limited. The future cash flows for the other arrangements are limited to the actuarially calculated annual premiums based on the cost of purchasing future pension rights. In other funded defined benefit plans there is no enforceable statutory or regulatory direct obligation to cover any deficits to fulfil future actuarial obligations. The contributions are subject to the customary, actuarial assumptions, expected returns and agreed contribution ceiling.

The plan assets primarily consist of qualified insurance policies which can be categorized as other investments quoted in active markets. As at 31 December 2021 and 31 December 2020 the plan assets did not, directly, comprise any of the Group's own financial instruments or any assets used by Group companies.

Pension funds periodically perform asset liability management studies to assess the matching of investment assets with the amount and duration of pension liabilities. Based on the outcome of these studies the nature, mix and duration of assets are regularly adjusted. The average duration of the obligations of the pension plans is about 27 years (2020: 28 years).

In 2022 the Group expects to contribute premiums of EUR 1.6 million (2021: EUR 0.8 million) to funded defined benefit plans and premiums of EUR 0.3 million (2020: EUR 0.3 million) to unfunded defined benefit plans. The principal actuarial assumptions used for the calculations were:

	2021	2020
Discount rate	**0.95%**	0.65%
Expected future salary increases	**1.00%**	1.00%
Expected future inflation	**1.70%**	1.70%
Expected future pension increases for active participants	**1.00%**	1.00%
Expected future pension increases for inactive participants	**1.00%**	1.00%

Sensitivity to changes in the applied assumptions can be summarized as follows:

Assumptions as at 31 December 2021	Increase of 0.25%	Decrease of 0.25%
Effect on defined benefit obligation		
Change in discount rate	- 6,117	6,675
Change in pension indexation for active participants	23	- 23
Change in pension indexation for inactive participants	6,880	- 6,325

Assumptions as at 31 December 2020	Increase of 0.25%	Decrease of 0.25%
Effect on defined benefit obligation		
Change in discount rate	- 7,499	8,196
Change in expected future salary increases	27	- 27
Change in pension indexation for active participants	2,007	- 2,117
Change in pension indexation for inactive participants	6,006	- 5,577

Historical information:

	2021	2020	2019	2018	2017
Defined benefit obligation	**- 109,933**	- 117,463	- 109,071	- 178,923	- 159,058
Fair value of plan assets	**74,290**	79,256	74,601	150,683	150,564
Surplus / deficit (-)	**- 35,643**	- 38,207	- 34,470	- 28,240	- 8,494
Unfunded pension liabilities	**- 4,663**	- 4,886	- 4,785	- 4,555	- 4,827
Total surplus / deficit (-)	**- 40,306**	**- 43,093**	**- 39,255**	**- 32,795**	**- 13,321**

The reduction of defined benefit obligations and the fair value of plan assets in 2019 mainly relates to the settlement of the UK defined benefit plan in 2019.

25.2 DEFINED CONTRIBUTION PENSION PLANS

In the Netherlands Boskalis has arranged a pension plan for a large part of its Dutch staff with the Pensioenfonds Grafische Bedrijven (PGB), while other employees in the Netherlands participate in the pension plans of five Dutch multi-employer pension funds or in one of the Dutch insured pension plans. In the Netherlands the tasks and responsibilities of employer, employee and pension provider in relation to pensions are set out in the Dutch Pension Act. The Pension Act stipulates the requirements and conditions that pension plans must comply with, including the requirement of integrating the plan into either a recognized pension fund or with a recognized pension insurance company and also that rights granted must be immediately funded by the employer. The law also sets requirements for the amounts of equity that pension providers should maintain. Compliance with the law is supervised by the Dutch Central Bank (DNB) and the Dutch Financial Markets Authority (AFM). In addition, the Group has a number of foreign pension plans.

Defined contribution pension plan Pensioenfonds Grafische Bedrijven

The Group has arranged its pension plan, which is qualified as a defined contribution plan, for the majority of its Dutch staff with Pensioenfonds Grafische Bedrijven, a multi-employer fund. The annual premium contribution by the Group is determined by PGB, based on the actuarial cost of purchasing pension rights on an annual basis. The Group has no obligation to cover any plan deficits, nor are there any specific separate plan assets dedicated to the Group in this pension plan that are managed by PGB. After payment of the annual premium, the Group has no obligation to pay for additional contributions or higher future premiums in the event of a shortfall at PGB, nor if the plan or the fund is terminated.

Furthermore, the Group has no entitlement to any surplus in the PGB pension fund. Future cash flows are limited to the payment of future premiums for purchasing (new) rights for the years to come. The premium is influenced by the usual, underlying actuarial assumptions, expected returns and agreed contribution ceiling. Besides Boskalis, multiple other companies have also arranged their pension plans with PGB. The Group has no direct involvement in the governance of PGB. PGB does not hold specific, segregated pension assets dedicated to the Group. The share of the Boskalis pension plans in total liabilities and assets at PGB is limited.

Dutch multi-employer pension funds
Some of the Dutch staff participate in one of five industry-wide multi-employer pension funds, all within the framework of the Dutch Pension Act. The Group has no direct involvement in the governance of the multi-employer pension funds. Employers' Associations, of which the Group is a member, designate some of the board members and/or supervisors of the multi-employer pension funds. In addition, the boards also include representatives of employees and retirees, possibly supplemented by one or more independent persons. The pension includes retirement and survivor's pension. These pension funds have indicated they are not able to provide sufficient information for a calculation in accordance with IFRS because there is no reliable and consistent basis to which to attribute the pension obligations, plan assets, and the absolute and relative share of the Group in the fund and to which to allocate income and expenses to the individual member companies of these pension funds. As a result, these defined benefit plans are recognized in these financial statements as a defined contribution plan in accordance with IFRS. In all cases relating to industry-wide multi-employer pension funds, the Group has no obligation whatsoever to pay additional contributions in the case of a deficit in the respective fund, other than paying the annual premium. Nor does the Group have a right to any surpluses in the funds. The premium covers the actuarially determined cost of purchasing the yearly rights for participants. The premium on the basis of the actuarial cost of purchasing rights in years is influenced by customary underlying actuarial assumptions, expected returns and often agreed ceilings.

In 2022 the Group expects to contribute an amount of EUR 46 million (2021: EUR 44 million) to premiums for defined contributions plans. This concerns contributions to defined contribution pension plans and pension plans arranged with multi-employer pension funds, which are accounted for as defined contribution pension plans in these financial statements, in accordance with IFRS.

26. PROVISIONS

	ONEROUS CONTRACTS	**WARRANTIES**	**RESTRUCTURING**	**OTHER**	**TOTAL 2021**	TOTAL 2020
Balance as at 1 January	**21,299**	**21,984**	**11,598**	**12,290**	**67,171**	95,605
Provisions made during the year	**11,719**	**42,115**	**1,800**	**1,223**	**56,857**	17,406
Provisions used during the year	**- 5,158**	**- 4**	**- 5,858**	**-**	**- 11,020**	- 39,560
Provisions reversed during the year	**-**	**- 3,897**	**-**	**- 468**	**- 4,365**	- 5,762
Exchange rate differences and other movements	**260**	**-**	**186**	**151**	**597**	- 518
Balance as at 31 December	**28,120**	**60,198**	**7,726**	**13,196**	**109,240**	67,171
Current	**3,562**	**33,856**	**3,156**	**6,315**	**46,889**	28,185
Non-current	**24,558**	**26,342**	**4,570**	**6,881**	**62,351**	38,986
Balance as at 31 December	**28,120**	**60,198**	**7,726**	**13,196**	**109,240**	67,171

The provision for onerous contracts includes provisions for unfavorable contracts with customers, mainly of the segment Offshore Energy.

The restructuring provision is mainly a result of a centralization of activities.

The (addition to) the warranty provision relates to multiple projects.

Other provisions mainly relate to various claims made against the Group or threatening to be made including potential sanctions, from legal, regulatory and governmental proceedings or uncertain repayment liabilities. The Group disputes these claims and proceedings and has made an assessment of the amount of cash outflows that can be reasonably estimated. As litigation is inherently unpredictable, the possible outcome is uncertain and the amount may differ from the provisions listed above.

27. LEASES

The Group has lease contracts for real estate, vessels and other fixed assets. The lease period for these contracts varies from 1 to 35 years, in certain cases, with extension options. The Right-of-use assets and Lease liabilities as disclosed below, do not include short term and low value leases. In general, as usual with leases, the Group's obligations under its leases are secured by the lessor's title to or legal ownership of the leased assets.

27.1 RIGHT-OF-USE ASSETS

	LAND AND BUILDINGS	FLOATING AND OTHER CONTRUCTION EQUIPMENT	OTHER FIXED ASSETS	TOTAL
Balance as at 1 January 2021	**64,392**	**31,103**	**19,510**	**115,005**
Movements				
Additions	**18,469**	**33,920**	**5,813**	**58,202**
Depreciation	**- 9,948**	**- 15,421**	**- 8,578**	**- 33,947**
Currency translation differences and other movements	**625**	**446**	**- 46**	**1,025**
	9,146	**18,945**	**- 2,811**	**25,280**
Balance as at 31 December 2021	**73,538**	**50,048**	**16,699**	**140,285**

	LAND AND BUILDINGS	FLOATING AND OTHER CONTRUCTION EQUIPMENT	OTHER FIXED ASSETS	TOTAL
Balance as at 1 January 2020	64,424	17,793	21,661	103,878
Movements				
Additions	5,413	12,215	6,533	24,161
Acquired through business combinations	6,425	10,762	1,031	18,218
Depreciation	- 8,914	- 9,645	- 10,110	- 28,669
Impairment charges	- 2,843	-	-	- 2,843
Currency translation differences and other movements	- 113	- 22	395	260
	- 32	13,310	- 2,151	11,127
Balance as at 31 December 2020	64,392	31,103	19,510	115,005

27.2 LEASE LIABILITIES

	2021	2020
Balance as at 1 January	**120,948**	108,313
Movements		
Additions	**58,202**	24,161
Assumed in business combinations	**-**	18,218
Accretion of interest	**2,068**	1,783
Payments	**- 33,045**	- 27,977
Currency translation differences and other movements	**- 369**	- 3,550
	26,856	12,635
Balance as at 31 December	**147,804**	120,948
Current	**33,094**	28,426
Non-current	**114,710**	92,522
Balance as at 31 December	**147,804**	120,948

Additions to Right-of-Use assets and Lease liabilities as disclosed in the tables above include the effects of changes to the (assumed) execution of renewal and extension options of EUR 15 million (2020: EUR 6 million), mainly relating to floating and other construction equipment. The total cash out flows for leases are EUR 35.4 million in 2021 (2020: EUR 28.6 million) including the payments relating to short term and low value lease leases (reference is made to note 8). Interest rates, remaining terms and currencies of the lease liabilities are disclosed in the explanatory notes to the financial instruments in the interest rate risk paragraph (see note 29.1.3).

28. TRADE AND OTHER PAYABLES

	31 DECEMBER	
	2021	2020
Trade payables	**273,425**	228,502
Taxes and social security payables	**65,165**	21,869
Amounts due to joint ventures and associates	**34,851**	21,670
Other creditors and accruals	**917,292**	829,224
	1,290,733	1,101,265

The trade and other payables are generally not interest-bearing.

The main component of Other creditors and accruals relates to services provided by subcontractors and suppliers working on projects which have not yet invoiced. Similar, accrued amounts are included in this line item for not yet invoiced services provided by ship-yards. Also, amounts are included that results from the proportionate consolidation of the project driven construction consortiums.

29. FINANCIAL INSTRUMENTS

GENERAL

Pursuant to the financial policy pursued by the Board of Management, the Group and its Group companies use several financial instruments in the ordinary course of business. The policy with respect to financial instruments is disclosed in more detail in the Corporate Governance section in the Annual Report. The Group's financial instruments are cash and cash equivalents, trade and other receivables, interest-bearing loans and bank overdrafts, trade and other payables and derivatives. The Group enters into derivatives transactions, mainly foreign currency forward contracts, foreign currency options and to a limited extent interest rate swaps, solely to hedge against the related risks. The Group's policy is not to trade in derivatives.

29.1 FINANCIAL RISK MANAGEMENT

The Group has exposure to the following risks from its use of financial instruments:
- credit risk;
- liquidity risk;
- market risk, consisting of: currency risk, interest rate risk and price risk.

29.1.1 CREDIT RISK

The Group has a strict acceptance and hedging policy in place for credit risks resulting from payment and political risks. Credit risks are usually covered by bank guarantees, insurance, advance payments, etc., except where the risk pertains to creditworthy, first class debtors. Credit risk procedures and the geographical and other diversification of the operations of the Group reduce the risk with regard to credit concentration.

Exposure to credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Group's unbilled revenue, trade and other receivables. The Group's exposure to credit risk is mainly determined by the characteristics and location of each individual customer.

A large part of the Group's contracting activities within the Dredging & Inland Infra and Offshore Energy operational segments is directly or indirectly performed on behalf of state-controlled authorities, wind power companies and oil and gas producers (or contractors thereof) in various countries and geographical areas. Salvage receivables (part of Towage & Salvage) are mainly outstanding with shipping companies and their Protection & Indemnity Associations (or 'P&I clubs'). The creditworthiness of new customers is individually analyzed before payment and delivery terms and conditions are offered. The same applies for contracting activities with clients the Group has done business with previously, even if business has been done for many years. The Group's review may include external credit ratings, if available, and bank references. Customers that fail to meet the Group's creditworthiness criteria may only transact with the Group on the basis of adequate credit insurance, prepayment or a bank guarantee. In general there is a healthy diversification of receivables from different customers in several countries in which the Group performs its activities. Ongoing credit assessments are performed on the financial condition of accounts receivable. The credit history of the

Group over recent years indicates that credit losses are insignificant compared to the level of activity. Therefore, management is of the opinion that credit risk is adequately controlled by the currently applicable procedures.

The payment behavior of the Group's customers remains unchanged in 2021 and 2020. COVID-19 has not impacted the Group's expected credit loss and allowances for doubtful accounts materially.

The maximum credit risk as at the balance sheet date, without taking into account the aforementioned financial risk coverage policy and instruments, consists of the carrying amounts of the financial assets as stated below.

	31 DECEMBER	
	2021	2020
Other non-current receivables	**2,705**	2,922
Trade receivables	**371,534**	276,502
Unbilled revenue	**269,685**	206,670
Amounts due from joint ventures and associates	**6,879**	5,269
Other receivables and prepayments	**257,392**	228,159
Derivatives	**7,508**	7,136
Income tax receivable	**21,959**	15,190
Cash and cash equivalents	**762,924**	824,547
	1,700,586	1,566,395

The maximum credit risk on trade receivables by operational segment was as follows as at the reporting date:

	31 DECEMBER	
	2021	2020
Dredging & Inland Infra	**146,006**	137,650
Offshore Energy	**223,262**	137,101
Towage & Salvage	**1,659**	1,046
Holding & Eliminations	**607**	705
	371,534	276,502

Loss allowances related to the expected credit loss (ECL) on unbilled revenue and trade receivables have been determined to be 0.2% (2020: 0.1%). For unbilled revenue, the ECL is incorporated in the valuation of (unbilled) revenue. The aging of trade receivables as at 31 December was as follows:

	2021			2020		
	Gross	**Credit loss**	**Credit loss in %**	**Gross**	**Credit loss**	**Credit loss in %**
Not past due	**272,876**	**- 456**	**0.2%**	210,502	- 178	0.1%
Past due 0 - 90 days	**70,144**	**- 1,257**	**1.8%**	30,592	- 374	1.2%
Past due 90 - 180 days	**7,501**	**- 1,858**	**24.8%**	26,703	- 323	1.2%
Past due 180 - 360 days	**5,691**	**- 2,251**	**39.6%**	7,020	- 1,094	15.6%
More than 360 days	**29,047**	**- 7,903**	**27.2%**	11,887	- 8,233	69.3%
	385,259	**- 13,725**		286,704	- 10,202	
Credit loss / Impairment	**- 13,725**			- 10,202		
Trade receivables at book value	**371,534**			276,502		

Loss allowances related to the expected credit loss (ECL) are based on the characteristics of the customers, the aging of the receivables, the performance of the Group credit risk management policy and any convincing forward-looking information. Aging and local payment practices and the legal terms applicable for payments in the respective jurisdiction are relevant to the Group's policy on writing off receivables.

The movement in the loss allowances in respect of trade receivables during the year was as follows:

	2021	2020
Balance as at 1 January	**10,202**	16,464
Provisions made during the year	**8,009**	9,732
Provisions used during the year	**- 36**	- 8,429
Provisions released during the year	**- 9,238**	- 6,032
Currency exchange rate differences	**4,788**	- 1,533
	3,523	- 6,262
Balance as at 31 December	**13,725**	10,202

Concentration of credit risk of customers
As at the reporting date there was no concentration of credit risk with any customers.

Credit risk cash and cash equivalents
The Group had cash and cash equivalents of EUR 763 million at 31 December 2021 (2020: EUR 825 million), representing its maximum credit risk exposure on these assets. The cash and cash equivalents are held with bank and financial institution counterparties with investment grade credit ratings.

29.1.2 LIQUIDITY RISK
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group's approach to managing liquidity is aimed at ensuring that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. Liquidity projections including available credit facilities are incorporated in the regular management information reviewed by the Board of Management. The focus of the liquidity review is on the net financing capacity, being free cash (see note 22) plus available credit facilities in relation to financial liabilities (see note 24). The total of free cash and available credit facilities at year-end amounted to EUR 1.1 billion (2020: EUR 1.2 billion). Furthermore, based on the Group's financial ratios it can be concluded that the Group has significant debt capacity available under an (implied) investment grade credit profile.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

As at 31 December 2021	Book value	Contractual cash flows	One year or less	1 - 5 years	More than 5 years
US private placements	**285,615**	**301,624**	**10,453**	**291,171**	**-**
Export credit facility	**107,684**	**114,006**	**11,223**	**43,782**	**59,001**
Other interest-bearing borrowings	**5,755**	**6,470**	**761**	**5,709**	**-**
Bank overdrafts	**13,400**	**13,400**	**13,400**	**-**	**-**
Lease liabilities	**147,804**	**160,083**	**33,959**	**74,142**	**51,982**
Trade and other payables	**1,290,733**	**1,290,733**	**1,290,733**	**-**	**-**
Income tax payable	**139,308**	**139,308**	**139,308**	**-**	**-**
Derivatives	**6,391**	**6,391**	**6,344**	**47**	**-**
	1,996,690	**2,032,015**	**1,506,181**	**414,851**	**110,983**

As at 31 December 2020	Book value	Contractual cash flows	One year or less	1 - 5 years	More than 5 years
US private placements	265,330	290,231	9,722	280,509	-
Revolving multi-currency credit facility	102,446	111,953	11,206	43,712	57,035
Other interest-bearing borrowings	8,651	9,964	3,497	6,467	-
Bank overdrafts	9,555	9,597	9,597	-	-
Lease liabilities	120,948	128,689	30,256	56,890	41,543
Trade and other payables	1,101,265	1,101,265	1,101,265	-	-
Income tax payable	146,043	146,043	146,043	-	-
Derivatives	9,793	9,793	9,132	661	-
	1,764,031	1,807,535	1,320,718	388,239	98,578

29.1.3 MARKET RISK

Market risk concerns the risk that Group income or the value of investments in financial instruments is adversely affected by changes in market prices, such as currency exchange rates, interest rates and fuel prices. The objective of managing market risks is to keep the market risk position within acceptable boundaries while achieving the best possible return.

Currency risk

The presentation currency of the Group is the euro. A number of Group companies (the most important of which being Dockwise, Gardline and Horizon) and substantial joint ventures and associates (Smit Lamnalco and Asian Lift) have other functional currencies than the euro. The main other currency is the US dollar (the functional currency of Dockwise and Smit Lamnalco) and to a lesser extent the Pound Sterling and Singapore dollar. The revenue and expenses of these companies are largely or entirely based on their functional currency, other than the euro. In 2021 Group companies, joint ventures and associates with a functional currency other than the euro contributed approximately 28% (2020: 27%) to Group revenue, 43% (2020: - 38%) to the operating result and 34% (2020: 26%) to EBITDA.

The Board of Management has defined a policy to control foreign currency risk based on the hedging by Group companies of material transactions in foreign currencies other than the functional currency. The policy is that these Group companies hedge any material currency risks resulting from operational transactions in currencies other than their functional currency. This is mainly relevant for Group companies involved in dredging or offshore energy projects. The functional currency of a large part of the activities of Group companies is the euro. The expenses of these companies are mainly presented in euros and to a lesser extent in the local currency of the country in which the activities are undertaken. The Group contracts projects mainly in euro, US dollar, Pound Sterling and other currencies pegged to the US dollar.

The Group only uses derivative financial instruments to hedge underlying business transactions, mainly future cash flows from contracted projects. In most cases forward currency contracts are used to hedge (foreign) currency cash flows other than the functional currency. Also, cash / bank overdraft balances are sometimes used to hedge currency exposures from future cash flows. The same currency and quantity are designated to the hedge, resulting in a one-on-one relationship and in principle in a hedge ratio of one. The Group tests the economic relationship of the hedges periodically.

Exposure to currency risk

The Group's currency risk management policy was maintained in 2021 and resulted in a non-material sensitivity of the Group to currency transaction risk.

The following significant exchange rates applied during the year under review:

	Average rate		Spot rate as at 31 December	
Euro	**2021**	2020	**2021**	2020
US Dollar	**1.183**	1.146	**1.137**	1.224
Pound Sterling	**0.861**	0.885	**0.840**	0.895
Singapore Dollar	**1.587**	1.574	**1.533**	1.617

Currency translation risk
Currency translation risk arises mainly from the net asset position of net investments in foreign operations. Investments are viewed from a long-term perspective. Currency risks associated with such net investments in foreign operations are not hedged by means of derivatives based on the assumption that currency fluctuations and interest rate and inflation developments balance out in the long run. Items in the statement of profit or loss of these subsidiaries are translated at average exchange rates. Currency translation differences are charged or credited directly to equity.

At the reporting date the net investments in foreign operations were as follows:

	31 DECEMBER	
Euro	**2021**	2020
US dollar	**593,585**	547,311
Pound Sterling	**297,610**	121,823
Singapore dollar	**77,373**	28,004
	968,568	697,138

The Group has mitigated its currency translation risk by formally designating its US Private Placement loan (see note 24), amounting to USD 325 million (EUR 286 million as at 31 December 2021), for its remaining duration, as a hedge for some of its USD net investments in foreign operations. Consequently, the currency profit of EUR 20 million on this loan is accounted for in Currency translation differences on foreign operations (see note 23.6.3), partly offsetting the currency result on the translation of Group investments.

For the 2021 financial year, profit before tax, excluding the effect of non-effective cash flow hedges would have been EUR 4.2 million lower (2020: EUR 1.1 million lower) if the corresponding functional currency had strengthened by 5% in comparison to the euro, with all other variables, in particular interest rates remaining constant. This would have been mainly as a result of currency exchange effects on translation of the result of the above-mentioned net investments in foreign operations denominated in US dollars. The total impact on the currency translation reserve would have been around EUR 46 million positive (2020: approximately EUR 37 million positive). A 5% weakening of the corresponding functional currency against the euro at year-end would have had the same but opposite effect, assuming that all other variables had remained constant.

Currency transaction risk, excluding interest-bearing financing
The currency transaction risk resulting from future operational transactions in currencies other than the group companies functional currency can be summarized as follows:

Euro	**2021**	2020
Expected cash flows in US dollars	**- 19,124**	117,252
Expected cash flows in Pounds Sterling	**23,170**	16,664
Expected cash flows in Singapore dollars	**53,132**	24,052
Expected cash flows in Swedish kroners	**6,603**	10,792
Expected cash flows in Euros	**3,355**	- 13,428
Expected cash flows in other currencies	**3,333**	10,664
Expected cash flows	**70,469**	165,996
Cash flow hedges	**- 69,064**	- 152,706
Net position	**1,405**	13,290

Sensitivity analysis
Due to the fact that expected future cash flows in foreign currencies are hedged, the sensitivity of financial instruments, excluding interest-bearing financing, to foreign currency risk is limited for the Group. The Group is mainly funded by interest-bearing borrowings denominated in US dollars (see note 24 'Interest-bearing borrowings'). The US Private Placements expressed in US dollars are used to partly hedge the net investments in Dockwise and Fairmount, including the intercompany financing provided. Therefore and due in part to hedge accounting, the sensitivity in the profit or loss account is limited for financing in currencies other than the euro.

Interest rate risk

The Group has mainly fixed interest rate liabilities and a revolving multi-currency facility with a variable interest rate. With a view to managing interest rate risks, the policy is that interest rates for loans payable are in principle primarily fixed for the entire maturity period. This is achieved by contracting loans that carry a fixed interest rate and/or by using derivatives such as interest rate swaps.

The interest rates and maturity profiles of interest-bearing loans, lease liabilities, deposits and cash and cash equivalents are stated below.

As at 31 December 2021	Interest rate	One year or less	1 - 5 years	Over 5 years	Total
Cash and cash equivalents	**- 0.26%**	**580,450**	**-**	**-**	**580,450**
Short-term deposits	**- 0.35%**	**182,474**	**-**	**-**	**182,474**
US Private Placements (USD)	**3.66%**	**-**	**- 285,615**	**-**	**- 285,615**
Export Credit Facility (EUR)	**1.10%**	**- 10,094**	**- 40,376**	**- 57,214**	**- 107,684**
Other interest-bearing borrowings (EUR)	**6.23%**	**- 402**	**- 5,353**	**-**	**- 5,755**
Lease liabilities	**1.64%**	**- 31,748**	**- 69,048**	**- 47,004**	**- 147,800**
Bank overdrafts	**1.18%**	**- 13,400**	**-**	**-**	**- 13,400**
		707,280	**- 400,392**	**- 104,218**	**202,670**

As at 31 December 2020	Interest rate	One year or less	1 - 5 years	Over 5 years	Total
Cash and cash equivalents	- 0.25%	601,797	-	-	601,797
Short-term deposits	- 0.38%	222,750	-	-	222,750
US Private Placements (USD)	3.66%	-	- 265,330	-	- 265,330
Export Credit Facility (EUR)	1.10%	- 9,782	- 39,128	- 53,536	- 102,446
Other interest-bearing borrowings (EUR)	8.37%	- 2,814	- 5,837	-	- 8,651
Lease liabilities	1.57%	- 30,084	- 56,477	- 34,387	- 120,948
Bank overdrafts	0.44%	- 9,555	-	-	- 9,555
		772,312	- 366,772	- 87,923	317,617

The US Private Placements, the Export Credit Facility and some of the cash and cash equivalents, short-term deposits and other interest-bearing borrowings have fixed interest rates.

Sensitivity analysis

In managing interest rate risks the Group aims to reduce the impact of short-term fluctuations on Group earnings. In the long term, however, permanent changes in interest rates have an impact on profit.

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	2021	2020
FIXED RATE INSTRUMENTS (INCLUDING LEASES)		
Financial assets	**184,474**	222,750
Financial liabilities	**- 546,858**	- 497,375
	- 362,384	- 274,625
VARIABLE RATE INSTRUMENTS		
Financial assets	**580,450**	601,797
Financial liabilities	**- 13,400**	- 9,555
	567,050	592,242

A drop of 100 basis points, insofar as possible, in interest rates at 31 December 2021 would have had no material impact on the Group's profit before income tax (2020: no material impact), with all other variables, in particular currency exchange rates, remaining constant. A rise of 100 basis points in interest rates at 31 December 2021 would also have had no material impact on the Group's profit before income tax (2020: no material impact), with all other variables, in particular currency exchange rates, remaining constant.

Price risks
Risks related to price developments on the purchasing side which are usually borne by the Group, for example developments in wages, costs of materials, sub-contracting costs and fuel, are also taken into account when preparing cost price calculations and tenders. Price index clauses are included in contracts wherever possible, especially on projects that extend over a long period of time.

The Board of Management has established a fuel price risk management policy stipulating, amongst other things, approved fuel price risk management instruments based on items such as the amount of fuel costs and the execution period of projects in excess of thresholds. In the event of changes to a project timeline, the Group evaluates the situation to ensure compliance with its risk management objectives and assesses whether a rollover of its position or an adjustment to the hedge is applicable. At year-end 2021 outstanding derivates hedged the price risk of approximately 20,384 tons of gasoil (2020: 26,499 tons).

29.2 ON-BALANCE FINANCIAL INSTRUMENTS AND FAIR VALUE
Financial instruments accounted for under assets and liabilities are financial fixed assets, cash and cash equivalents, receivables, and current and non-current liabilities. Derivatives are mainly future cash flows hedged by forward contracts to which hedge accounting is applied.

The fair value of forward exchange contracts is based on their listed market price (unadjusted market prices in active markets for identical assets and liabilities) or discounted cash flows based on relevant conditions and durations of the contracts and including public interest rates for comparable instruments as at the balance sheet date, taking into account the credit risk of the counterparty. The fair value of other financial instruments is based on quoted prices or the actual interest rate as at the balance sheet date, taking into account terms and maturity. The fair value of non-interest-bearing financial instruments with a maturity of twelve months or less is deemed to be equal to their book value.

The fair value of the majority of the financial instruments does not differ materially from the book value, with the exception of a number of loans and other payables with a fixed rate. The fair value of these instruments is disclosed below.

The carrying amount, fair value and the related hierarchy of derivatives and interest-bearing borrowings with fixed interest rates are:

	As at 31 December 2021			As at 31 December 2020		
	CARRYING AMOUNT	**FAIR VALUE**	**HIERARCHY**	CARRYING AMOUNT	FAIR VALUE	HIERARCHY
Assets						
Non-current derivatives	**-**	**-**	**2**	518	518	2
Current derivatives	**7,508**	**7,508**	**2**	6,618	6,618	2
Liabilities						
Non-current derivatives	**- 47**	**- 47**	**2**	- 661	- 661	2
Current derivatives	**- 6,344**	**- 6,344**	**2**	- 9,132	- 9,132	2
Interest-bearing borrowings with fixed interest rates	**- 399,054**	**- 411,693**	**3**	- 376,427	- 395,844	3

Derivatives relate to foreign currency forward contracts used to hedge expected foreign currency cash inflows, with the exception of EUR 0.2 million (2020: EUR 0.3 million) of the current assets and EUR 1.3 million (2020: EUR 2.5 million) of the current liabilities that relate to expected cash outflows for fuel costs.

An amount of EUR 285.6 million (2020: EUR 265.3 million) of the carrying amount of the interest-bearing borrowings with fixed interest rates are designated to net investment hedges.

Derivatives

The composition of notional amounts of the outstanding derivatives (that are allocated in a hedge accounting relation) at year-end is presented below.

2021	**WITHIN ONE YEAR**	**AFTER ONE YEAR**	**TOTAL**
USD forward selling (in US dollar)	**- 198,973**	**- 8,546**	**- 207,519**
USD forward buying (in US dollar)	**154,643**	**24,103**	**178,746**
Forward selling of other currencies (average contract rates in EUR)	**151,751**	**3,556**	**155,307**
Forward buying of other currencies (average contract rates in EUR)	**- 85,492**	**- 13,942**	**- 99,434**
Fuel hedges (in MT)	**11,144**	**9,240**	**20,384**

2020	WITHIN ONE YEAR	AFTER ONE YEAR	TOTAL
USD forward selling (in US dollar)	- 244,486	- 39,100	- 283,586
USD forward buying (in US dollar)	143,004	17,789	160,793
Forward selling of other currencies (average contract rates in EUR)	- 95,901	-	- 95,901
Forward buying of other currencies (average contract rates in EUR)	43,671	11,681	55,352
Fuel hedges (in MT)	16,201	10,298	26,499

The average rate of the USD forward contracts as per 31 December 2021 is USD 1.126 (31 December 2020: USD 1.209).

The Board of Management has established a currency risk management policy stipulating, amongst other things, approved currency risk management instruments, based on items such as the amount of expected foreign currency cash flows and the period of these cash flows related to Group currency risk thresholds. In the event of changes to a project timeline and related foreign currency cash flows, the Group evaluates the circumstances to ensure compliance with its risk management objectives and assesses whether a rollover of its position or an adjustment to the hedge is applicable.

The economic relationship between the hedged risk and the assigned derivative is determined by their critical terms. In general the Group uses the same underlying volume and currency of the hedged risk for the derivative, which results in a 1:1 hedge ratio. Limited ineffectiveness occurs in these hedge relationships due to changes in the timing of the hedged transactions. The remaining time to maturity of these derivatives is directly linked to the remaining time to duration of the related underlying contracts in the order book.

Cash flows from forward currency buying and selling can be rolled forward at the settlement date if they differ from the underlying cash flows.

The results on cash flow hedges recognized in Group equity are as follows:

	2021	2020
Hedging reserve as at 1 January	**- 11,477**	- 521
Movement in fair value of cash flow hedges recognized in Group equity	**4,165**	- 9,888
Recycled to the Consolidated Statement of Profit or Loss (raw materials, consumables, services and subcontracted work)	**315**	2,797
Total directly recognized in Group Equity (Consolidated Statement of Other Comprehensive Income, in the item Movement in fair value of cash flows hedges)	**4,480**	- 7,091
Taxation	**- 497**	- 103
Directly charged to hedging reserve (net of taxes)	**3,983**	- 7,194
Change in fair value of cash flow hedges from joint ventures and associates, after taxation	**3,530**	- 3,762
	3,530	- 3,762
Hedging reserve as at 31 December	**- 3,964**	- 11,477

Any spot elements of the hedges that are separated from the forward element and basic spread elements are included separately in the hedging reserve. At 31 December 2021 the cost of hedging was EUR 0 million (2020: EUR 2 million positive). During 2021, an increase of EUR 1 million transcends a release of EUR 0 million (2020: a decrease of EUR 5 million and a release of EUR 2 million respectively).

The results on non-effective cash flow hedges are presented within the costs of raw materials, consumables, services and subcontracted work and amount to EUR 0.2 million positive in 2021 (2020: EUR 0.2 million positive).

The changes in fair values used to assess the effectiveness of the hedge relationships are as follows:

	Derivatives		Hedged risk	
	2021	2020	**2021**	2020
USD	**- 1,822**	4,910	**1,749**	- 7,980
Other, including fuel hedges	**3,628**	- 4,149	**- 3,483**	1,485

Netting of financial instruments

The Group does not net financial instruments in its statement of financial position.

29.3 CAPITAL MANAGEMENT

The Board of Management's policy is to maintain a strong capital base to maintain customer, investor, creditor and market confidence and to support the future development of the business. The Board of Management monitors the return on equity, which the Group defines as net operating income divided by total shareholders' equity, excluding minority interests. The Board of Management also monitors the level of dividend to be paid to holders of ordinary shares. For the dividend policy, see the Shareholders Information in the Annual Report.

There were no changes in the Group's approach to capital management during the year. Neither the Group nor any Group companies are subject to externally imposed capital requirements.

The Group's solvency calculated as the ratio of total liabilities (EUR 2,608 million, 2020: EUR 2,242 million) to Group equity (EUR 2,405 million; 2020: EUR 2,286 million) amounted to 1.08 (2020: 0.98) at the reporting date.

29.4 OTHER FINANCIAL INSTRUMENTS

By decision of the General Meeting of Shareholders held on 9 May 2001 the foundation Stichting Continuïteit KBW (the 'Foundation') was granted the right to acquire cumulative protective preference shares in Royal Boskalis Westminster N.V. for an amount equal to the nominal amount of the ordinary shares outstanding at the time of issue of the shares concerned, minus the nominal value of one ordinary share. This right qualifies as a derivative financial liability and is subject to the following important conditions. The cumulative protective preference shares shall only be issued to the Foundation against payment of at least one fourth of the nominal sum. Additional payments on cumulative protective preference shares shall only take place after Royal Boskalis Westminster N.V. will have called these payments. After the issue of cumulative protective preference shares to the Foundation, Royal Boskalis Westminster N.V. is obliged, if the Foundation so requires, to reverse the issue by buyback or by cancellation with repayment, at the discretion of Foundation. The dividend regarding the cumulative protective preference shares, if issued, is equal to the average of the Euribor interest, calculated for loans with a term of one year – pro rata the number of days to which such percentage applied – during the financial year for which the distribution is made, plus a maximum of four percentage points. The lastly mentioned increase shall be determined by the Board of Management, subject to the approval of the Supervisory Board. The interest and credit risk is limited. The fair value of the option right is zero. The option of issuing such cumulative protective preference shares was not exercised during the period under review.

30. COMMITMENTS AND CONTINGENT LIABILITIES

Short term and low value lease obligations
At 31 December 2021 the Group has short term and low value lease obligations for EUR 1,049 thousand (2020: EUR 1,007 thousand), EUR 727 thousand (2020: EUR 561 thousand) is payable within one year or less and EUR 322 thousand (2020: EUR 446 thousand) is payable between one and five years.

Guarantees
The guarantee commitments as at 31 December 2021 amounted to EUR 847 million (2020: EUR 786 million) and can be specified as follows:

	2021	2020
Guarantees provided with respect to:		
Joint ventures	**6,885**	47,900
Contracts and joint operations	**838,815**	736,800
Lease obligations and other financial obligations	**1,300**	1,400
	847,000	786,100

The above-mentioned guarantees outstanding as at 31 December 2021 refer to guarantees and counter guarantees provided to financial institutions for approximately EUR 846 million (2020: approximately EUR 785 million). At year-end 2021, 23 key Group companies were jointly and severally liable in respect of credit facilities and guarantees provided to several Group companies. In respect of these facilities, it has been agreed to limit the provision of further securities on existing property, plant and equipment.

Group companies are jointly and severally liable for the non-consolidated part of the liabilities of their joint operations amounting to EUR 201 million (2020: EUR 197 million). Group companies are also jointly and severally liable for performance obligations for contracts with third parties in project-driven construction consortiums. In addition, certain recourse obligations exist in respect of project financiers and guarantees of deployment relating to equipment. Where deemed necessary, provisions have been made.

In principle the Group does not provide parent company guarantees to its subsidiaries, other than for commercial reasons. Group companies have filed declarations of joint and several liability for a number of subsidiaries with the Chamber of Commerce.

Capital commitments
As at 31 December 2021 capital expenditure and acquisition commitments amounted to EUR 87 million (year-end 2020: EUR 112 million).

Other
Several legal proceedings and investigations, including regulatory and other governmental, are regularly instituted against (entities of) Royal Boskalis Westminster N.V. Tax positions are, inherently to operating internationally and across borders, in certain cases uncertain. Accruals respective provisions were made where deemed necessary if a reliable estimate of the future cash outflows could be made. Dutch companies form part of a fiscal unity. The companies are therefore liable for the tax obligations of the fiscal unity as a whole.

31. RELATED PARTIES

31.1 IDENTITY OF RELATED PARTIES

The identified related parties of the Group are its Group companies, joint ventures, associates (see note 17), shareholders with significant influence, pension funds that are classified as funded defined benefit pension plans in accordance with IAS 19 and the members of the Supervisory Board and Board of Management. There were no significant changes to the companies and people related to the Group.

GROUP COMPANIES

The following are the most relevant active Group companies, presented in accordance with the operational segment (division) where the respective entity primarily performs and reports on its activities.

COMPANY	CITY	COUNTRY	2021	2020
DREDGING & INLAND INFRA				
Boskalis Dredging & Inland Infra Holding B.V.	Papendrecht	The Netherlands	**100%**	100%
Boskalis Environmental B.V.	Papendrecht	The Netherlands	**100%**	100%
Boskalis International B.V.	Papendrecht	The Netherlands	**100%**	100%
Boskalis Nederland B.V.	Papendrecht	The Netherlands	**100%**	100%
Boskalis Nederland Infra B.V.	Papendrecht	The Netherlands	**100%**	100%
Boskalis Transport B.V.	Capelle aan den IJssel	The Netherlands	**100%**	100%
Boskalis Westminster International B.V.	Papendrecht	The Netherlands	**100%**	100%
Boskalis Westminster Shipping B.V.	Papendrecht	The Netherlands	**100%**	100%
BW Marine B.V.	Papendrecht	The Netherlands	**100%**	100%
BW Soco B.V.	Papendrecht	The Netherlands	**100%**	100%
Cofra B.V.	Amsterdam	The Netherlands	**100%**	100%
Hydronamic B.V.	Papendrecht	The Netherlands	**100%**	100%
J. van Vliet B.V.	Amsterdam	The Netherlands	**100%**	100%
HDC Wasserbau Nord GmbH	Hamburg	Germany	**100%**	100%
Heinrich Hirdes EOD Services GmbH	Hamburg	Germany	**100%**	100%
Heinrich Hirdes GmbH	Hamburg	Germany	**100%**	100%
Heinrich Hirdes Kampfmittelräumung GmbH	Hamburg	Germany	**100%**	100%
Boskalis Marine Contracting Limited	Fareham	United Kingdom	**100%**	100%
Boskalis Westminster Limited	Fareham	United Kingdom	**100%**	100%
Cofra Limited	Fareham	United Kingdom	**100%**	100%
Rock Fall Company Limited	Fareham	United Kingdom	**100%**	100%
Westminster Gravels Limited	Fareham	United Kingdom	**100%**	100%
Boskalis Denmark ApS	Copenhagen	Denmark	**100%**	100%
Irish Dredging Company Limited	Cork	Ireland	**100%**	100%
Atlantique Dragage SARL	Saint Germain en Laye	France	**100%**	100%
Sociedad Española de Dragados S.A.	Madrid	Spain	**100%**	100%
Boskalis Italia S.r.l. Unipersonale	Rome	Italy	**100%**	100%
Terramare Oy	Espoo	Finland	**100%**	100%
Boskalis Sweden AB	Tollered	Sweden	**100%**	100%
Boskalis Polska Sp. Zo.o	Szczecin	Poland	**100%**	100%
Boskalis S.R.L.	Constanta	Romania	**100%**	100%
Limited Liability Company "Boskalis"	St. Petersburg	Russian Federation	**100%**	100%
Boskalis Dredging & Inland Infra Holding Limited	Limassol	Cyprus	**100%**	100%
Boskalis Westminster Contracting Limited	Limassol	Cyprus	**100%**	100%
BW Marine (Cyprus) Limited	Limassol	Cyprus	**100%**	100%
Boskalis Maroc s.a.r.l.	Tangier	Morocco	**100%**	100%
Boskalis do Brasil Dragagem e Serviços Maritímos Ltda	Rio de Janeiro	Brazil	**100%**	100%
Stuyvesant Environmental Contracting, LLC	Wilmington	United States of America	**100%**	100%
Stuyvesant Projects Realization, Inc.	Wilmington	United States of America	**100%**	100%
Boskalis Canada Dredging & Marine Services Ltd	Vancouver	Canada	**100%**	100%
Boskalis Marine Contracting and Offshore Services S.A. de C.V.	Mexico City	Mexico	**100%**	100%
Dragamex S.A. de CV	Mexico City	Mexico	**100%**	100%
Boskalis Panama S.A.	Panama City	Panama	**100%**	100%
Boskalis Guyana Inc.	Georgetown	Guyana	**100%**	100%
Boskalis International Uruguay S.A.	Colonia del Sacramento	Uruguay	**100%**	100%
Dravensa C.A.	Caracas	Venezuela	**100%**	100%
Boskalis East Africa Limited	Nairobi	Nigeria	**100%**	100%
Nigerian Westminster Dredging and Marine Limited	Lagos	Nigeria	**60%**	60%
Boskalis Westminster Contracting FZE	Lekki	Nigeria	**100%**	100%
BKI Gabon S.A.	Libreville	Gabon	**100%**	100%
Boskalis International Maldives Private Limited	Male	Maldives	**100%**	100%

COMPANY	CITY	COUNTRY	2021	2020
Boskalis Mozambique Limitada	Maputo	Mozambique	**100%**	100%
Boskalis Westminster Oman LLC *	Muscat	Oman	**49%**	49%
Boskalis Westminster Al Rushaid Co Ltd. *	Al Khobar	Saudi Arabia	**49%**	49%
Boskalis Australia Pty Ltd	Perth	Australia	**100%**	100%
Boskalis International (S) Pte Ltd	Singapore	Singapore	**100%**	100%
P.T. Boskalis International Indonesia	Jakarta	Indonesia	**100%**	100%
Boskalis Smit India LLP	Mumbai	India	**100%**	100%
Boskalis Philippines Inc.	Pasay City	Philippines	**100%**	100%
OFFSHORE ENERGY				
Black Marlin B.V.	Papendrecht	The Netherlands	**100%**	100%
Blue Marlin B.V.	Papendrecht	The Netherlands	**100%**	100%
Bokalift 1 B.V.	Papendrecht	The Netherlands	**100%**	100%
Boskalis Holding I (dollar) B.V.	Papendrecht	The Netherlands	**100%**	100%
Boskalis Holding II (dollar) B.V.	Papendrecht	The Netherlands	**100%**	100%
Boskalis Offshore Contracting B.V.	Papendrecht	The Netherlands	**100%**	100%
Boskalis Offshore Fleet Management B.V.	Papendrecht	The Netherlands	**100%**	100%
Boskalis Offshore Heavy Marine Transport B.V.	Papendrecht	The Netherlands	**100%**	100%
Boskalis Offshore Holding B.V.	Papendrecht	The Netherlands	**100%**	100%
Boskalis Offshore International B.V.	Papendrecht	The Netherlands	**100%**	100%
Boskalis Offshore International Holding B.V.	Papendrecht	The Netherlands	**100%**	100%
Boskalis Offshore Long Distance Towage B.V.	Papendrecht	The Netherlands	**100%**	100%
Boskalis Offshore Marine Contracting B.V.	Papendrecht	The Netherlands	**100%**	100%
Boskalis Offshore Marine Services B.V.	Papendrecht	The Netherlands	**100%**	100%
Boskalis Offshore Shipping B.V.	Papendrecht	The Netherlands	**100%**	100%
Boskalis Offshore Subsea Contracting B.V.	Papendrecht	The Netherlands	**100%**	100%
Boskalis Offshore Subsea Services (Europe) B.V.	Papendrecht	The Netherlands	**100%**	100%
Boskalis Subsea Cables B.V.	Papendrecht	The Netherlands	**100%**	100%
BW Marine (NL) B.V.	Papendrecht	The Netherlands	**100%**	100%
Dockwise Vanguard B.V.	Papendrecht	The Netherlands	**100%**	100%
Fairmount Alpine B.V.	Papendrecht	The Netherlands	**100%**	100%
Fairmount Expedition B.V.	Papendrecht	The Netherlands	**100%**	100%
Fairmount Glacier B.V.	Papendrecht	The Netherlands	**100%**	100%
Fairmount Sherpa B.V.	Papendrecht	The Netherlands	**100%**	100%
Fairmount Summit B.V.	Papendrecht	The Netherlands	**100%**	100%
Fairstar Finesse B.V.	Papendrecht	The Netherlands	**100%**	100%
Fairstar Fjell B.V.	Papendrecht	The Netherlands	**100%**	100%
Fairstar Forte B.V.	Papendrecht	The Netherlands	**100%**	100%
Fairstar Heavy Transport N.V.	Papendrecht	The Netherlands	**100%**	100%
Offshore Equipment B.V.	Papendrecht	The Netherlands	**100%**	100%
Stemat Beheer B.V.	Papendrecht	The Netherlands	**100%**	100%
Stemat Holding B.V.	Papendrecht	The Netherlands	**100%**	100%
Stemat Support Services B.V.	Papendrecht	The Netherlands	**100%**	100%
Target B.V.	Papendrecht	The Netherlands	**100%**	100%
Triumph B.V.	Papendrecht	The Netherlands	**100%**	100%
Trustee B.V.	Papendrecht	The Netherlands	**100%**	100%
VBMS Holding B.V.	Papendrecht	The Netherlands	**100%**	100%
White Marlin B.V.	Papendrecht	The Netherlands	**100%**	100%
Boskalis Offshore Belgium N.V.	Antwerp	Belgium	**100%**	100%
Boskalis Offshore Transport Services N.V.	Antwerp	Belgium	**100%**	100%
Dredging & Contracting Belgium N.V.	Overijse	Belgium	**100%**	100%
Boskalis Offshore GmbH	Wilhelmshaven	Germany	**100%**	100%
Boskalis Offshore International GmbH	Wilhelmshaven	Germany	**100%**	100%
Boskalis Offshore Subops GmbH	Wilhelmshaven	Germany	**-**	100%
Boskalis Subsea GmbH	Wilhelmshaven	Germany	**100%**	100%
Boskalis Offshore Limited	Fareham	United Kingdom	**100%**	100%
Boskalis Subsea Limited	Fareham	United Kingdom	**100%**	100%
Boskalis Subsea North Star Limited	Fareham	United Kingdom	**100%**	100%
Boskalis Subsea Services Limited	Fareham	United Kingdom	**100%**	100%
Gardline Limited	Great Yarmouth	United Kingdom	**100%**	100%
Gardline Shipping Limited	Great Yarmouth	United Kingdom	**100%**	100%
Boskalis Subsea Cables ApS	Copenhagen	Denmark	**100%**	100%
Boskalis Offshore AS	Stavanger	Norway	**100%**	100%
Boskalis Offshore Subsea Contracting Azerbaijan LLC	Baku	Azerbaijan	**100%**	100%
Boskalis Offshore Contracting LLC	Wilmington	United States of America	**100%**	100%
Boskalis Offshore Contracting El Salvador S.A. de C.V.	San Salvador	El Salvador	**100%**	100%
Boskalis Offshore Subsea Services (Middle East) L.L.C.*	Dubai	United Arab Emirates	**49%**	49%
Horizon Survey Company (FZE)	Sharjah	United Arab Emirates	**100%**	100%

COMPANY	CITY	COUNTRY	2021	2020
Boskalis Offshore Singapore Pte. Ltd.	Singapore	Singapore	**100%**	100%
Smit Holding Singapore Pte. Ltd.	Singapore	Singapore	**100%**	100%
Smit Shipping Singapore Pte. Ltd.	Singapore	Singapore	**100%**	100%
Smit Singapore Pte. Ltd.	Singapore	Singapore	**100%**	100%
Boskalis HwaChi Offshore Wind Taiwan Co., Ltd *	Taipei City	Taiwan	**49%**	49%
TOWAGE & SALVAGE				
SMIT Salvage B.V.	Papendrecht	The Netherlands	**100%**	100%
Smit Salvage Pte. Ltd.	Singapore	Singapore	**100%**	100%
Smit Marine South Africa (Pty) Ltd.	Cape Town	South Africa	**100%**	100%
Smit Salvage Americas, LLC	Houston	United States	**100%**	100%
HOLDING & ELIMINATIONS				
Baggermaatschappij Boskalis B.V.	Papendrecht	The Netherlands	**100%**	100%
Boskalis Finance B.V.	Papendrecht	The Netherlands	**100%**	100%
Boskalis Holding B.V.	Papendrecht	The Netherlands	**100%**	100%
Boskalis Westminster Dredging B.V.	Papendrecht	The Netherlands	**100%**	100%
Smit Internationale Beheer B.V.	Papendrecht	The Netherlands	**100%**	100%
Smit Internationale N.V.	Papendrecht	The Netherlands	**100%**	100%
Smit International Overseas B.V.	Papendrecht	The Netherlands	**100%**	100%
Smit Nederland B.V.	Papendrecht	The Netherlands	**100%**	100%
Smit Vessel Management Services B.V.	Papendrecht	The Netherlands	**100%**	100%
Boskalis Germany Holding GmbH	Hamburg	Germany	**100%**	100%
UAB "Boskalis Baltic"	Klaipeda	Lithuania	**100%**	100%
B.K.W. Dredging and Contracting Limited	Nicosia	Cyprus	**100%**	100%
Boskalis Westminster Dredging Limited	Limassol	Cyprus	**100%**	100%

* The Group holds a legal interest of 50% or less in these entities, but has the majority of voting power. As a consequence, the Group consolidates these subsidiaries in accordance with the principles of financial reporting set out in paragraph 3.

OTHER RELATED PARTIES

Joint ventures and associates

The main active joint ventures and associates are mentioned in note 17.

Pension plans classified as funded defined benefit pension plans

See note 25.1 for information on pension plans that are classified as funded defined benefit pension plans in accordance with IAS 19. There were no changes and further material transactions with these pension funds as disclosed in this note.

Members of the Board of Management and members of the Supervisory Board

The only key management officers qualifying as related parties are the members of the Board of Management and the members of the Supervisory Board.

31.2 RELATED PARTY TRANSACTIONS

Joint ventures and associates

Transactions with joint ventures and associates as part of regular business take place under normal business conditions at arm's length. In 2021 these transactions regarding sales and purchases amounted to EUR 4.3 million and EUR 46.5 million, respectively (2020: EUR 2.8 million and EUR 36.9 million, respectively). Amounts receivable from and amounts payable to joint ventures and associates were EUR 6.9 million and EUR 34.9 million, respectively (2020: EUR 5.3 million and EUR 21.7 million, respectively).

Transactions with members of the Board of Management and members of the Supervisory Board
The charges as accounted for in the Consolidated Statement of Profit or Loss resulting from the remuneration of current and former members of the Board of Management and members of Supervisory Board of the Company in 2021 and 2020 were as follows:

	Annual salaries and remuneration	Employer's pension contributions	Short-term variable remuneration	Long-term variable remuneration	Other reimburse-ments	Total	2020
Members of the Board of Management							
Dr. P.A.M. Berdowski	**896**	**312**	**595**	**1,107**	**25**	**2,935**	2,231
T.L. Baartmans	**648**	**223**	**387**	**580**	**27**	**1,865**	1,475
B.H. Heijermans	**501**	**140**	**300**	**449**	**19**	**1,409**	1,075
C. van Noort	**501**	**124**	**300**	**412**	**25**	**1,362**	1,050
	2,546	**799**	**1,582**	**2,548**	**96**	**7,571**	5,831
Members of the Supervisory Board							
J. van der Veer	**71**				**2**	**73**	73
I. Haaijer (up to 30 June 2020)	**-**				**-**	**-**	26
H.J. Hazewinkel (up to 30 June 2020)	**-**				**-**	**-**	32
R.V.M. Jones - Bos (from 30 June 2020)	**50**				**2**	**52**	26
J.P. de Kreij	**55**				**2**	**57**	56
D.A. Sperling	**56**				**2**	**58**	56
J.A. Tammenoms Bakker	**52**				**2**	**54**	53
J. N. van Wiechen	**56**				**2**	**58**	58
	340				**12**	**352**	380
Total 2021	**2,886**	**799**	**1,582**	**2,548**	**108**	**7,923**	
Total 2020	2,913	748	1,357	1,092	101		6,211

Employer's pension contributions
Employer's pension contributions include the pension compensation for salaries exceeding EUR 110 thousand, as well as the pension premiums paid (EUR 112 thousand per person).

Long-term variable remuneration
The members of the Board of Management participate in long-term (three-year) incentive plans, which are based partly on the development of the share price of the ordinary shares of Boskalis and partly on the realization of certain objectives, which are defined by the Supervisory Board and are in line with the strategic agenda and the objectives of Boskalis. The charges for the long-term variable incentive plans are, until the actual payment is determined by the Remuneration Committee, based on the assumption that the performance of the Board of Management is on target.

The total value of the long-term variable remuneration payable to the members of the Board of Management is recalculated on each reporting date and on the settlement date and the remeasurement is recognized through a change of provision in the balance sheet and as personnel expenses in the Statement of profit or loss. In the reporting period the charge for the long-term variable remuneration (EUR 2,548 thousand; 2020: EUR 1,092 thousand) includes a charge relating to the remeasurements of the provision as per 1 January for EUR 0.7 million (2020: benefit EUR 0.1 million).

Short-term variable remuneration
The short-term variable remuneration expenses relates to targets for the reporting year.

Balance sheet position
As at 31 December 2021 the Group recognized the accruals corresponding to the long-term and short-term variable remuneration plans as a liability in the balance sheet item Trade and other payables of EUR 5.9 million (2020: EUR 3.7 million), of which EUR 4.3 million (2020: EUR 2.3 million) relates to the long-term incentive plans.

31.3 JOINT OPERATIONS

The Group has activities in the Dredging & Inland Infra and Offshore Energy operational segments through joint operations which are not related parties as defined in IFRS. Legally these joint operations comprise project-driven construction consortiums. In joint operations joint control is established by contract and the Group has rights to the assets and is liable for the debts of the operations. An amount of EUR 499 million of Group revenue was realized through joint operations (2020: EUR 476 million). The balance sheet of the Group holds current assets of EUR 293 million (2020: EUR 260 million), including cash and cash equivalents (refer to note 22) and an amount of EUR 226 million (2020: EUR 218 million) of current liabilities that was included on a pro-rata basis in accordance with the Group's interest in these joint operations. Temporary and other surpluses and shortages in the financing of a joint operation are withdrawn or financed by the partners in the joint operation. At year-end 2021, Group companies owed joint operations an amount of EUR 225.7 million (2020: EUR 207.1 million) and held EUR 82.2 million (2020: EUR 78.5 million) in receivables from joint operations. Similar to contracts of Group companies, guarantees are also provided for contracts of joint operations by the Group or one of its Group companies. The guarantee commitments regarding joint operations are disclosed in note 30 as part of the guarantee commitments relating to contracts and joint ventures. Group companies are jointly and severally liable for the non-consolidated part of the liabilities of their joint operations which are disclosed in note 29. The guarantees provided are predominantly backed up by comparable receivables from the clients of the joint operations, reducing the Group's exposure.

The table below shows the legal share in the major joint operations (project driven construction consortiums) in which the Group is/or was involved:

COMPANY	COUNTRY	2021	2020
DREDGING & INLAND INFRA			
Boskalis Van Oord Pluit City JV V.O.F.	The Netherlands	**50%**	50%
Combinatie ABS aan Zee V.O.F.	The Netherlands	**50%**	50%
Combinatie BaggerIJ	The Netherlands	**50%**	50%
Combinatie BokAt	The Netherlands	**50%**	50%
Combinatie IJburg	The Netherlands	**80%**	80%
Combinatie Isala Delta	The Netherlands	**50%**	50%
Combinatie Maasbaggeren	The Netherlands	**50%**	-
Combinatie Regenboog V.O.F.	The Netherlands	**38%**	38%
Combinatie Van Hattum en Blankevoort - Boskalis	The Netherlands	**50%**	50%
MSB Grind & Zand V.O.F	The Netherlands	**33%**	33%
Projectorganisatie Uitbreiding Maasvlakte (PUMA)	The Netherlands	**50%**	50%
SAAone EPCM Bouwcombinatie V.O.F.	The Netherlands	**30%**	30%
Unie van Marken V.O.F.	The Netherlands	**70%**	70%
ZSNH Combinatie Van Oord/Boskalis V.O.F.	The Netherlands	**50%**	50%
TM Rinkoniën Royersluis	Belgium	**21%**	-
TM Rinkoniën Oosterweelknoop	Belgium	**20%**	-
Fehmarn Belt Contractors I/S	Denmark	**50%**	50%
NMDC-Boskalis-Van Oord-Jan de Nul Consortium for Suez Canal Project	Egypt	**25%**	25%
BSI – JDN Joint - Venture	India	**51%**	51%
Ras Laffan Port Extension	Qatar	**50%**	50%
Boskalis / Penta-Ocean Joint Venture	Singapore	**51%**	51%
Penta-Ocean / Hyundai / Boskalis JV	Singapore	**30%**	30%
Bahia Blanca	Argentina	**50%**	50%
Consorcio Boskalis-Dredging International	Uruguay	**50%**	50%
OFFSHORE ENERGY			
Boskalis Offshore AS - Deme Offshore NL B.V. V.O.F.	The Netherlands	**50%**	50%
JV North Sea Link	The Netherlands	**50%**	50%
Thames JV	The Netherlands	**50%**	50%
VBNK Borssele V.O.F.	The Netherlands	**50%**	50%
Vulcan & Viking JV	The Netherlands	**50%**	50%

COMPANY STATEMENT OF PROFIT OR LOSS

(in thousands of EUR)	Note	2021	2020
OPERATING INCOME			
Other operating income	[8]	**8,553**	6,507
		8,553	6,507
OPERATING EXPENSES			
Other operating expenses	[8]	**- 8,553**	- 6,507
		- 8,553	- 6,507
PROFIT/LOSS (-) BEFORE TAXATION		**-**	-
Result of group company	[3]	**150,846**	- 96,523
NET PROFIT/LOSS (-)		**150,846**	- 96,523

COMPANY STATEMENT OF FINANCIAL POSITION

(BEFORE PROFIT APPROPRIATION)

		31 DECEMBER	
(in thousands of EUR)	Note	2021	2020
ASSETS			
Non-current assets			
Investments in group companies	[3]	**2,403,727**	2,261,498
		2,403,727	2,261,498
Current assets			
Amounts due from group companies		**300**	21,717
		300	21,717
Total assets		**2,404,027**	2,283,215
EQUITY AND LIABILITIES			
Shareholders' equity			
Issued capital	[4]	**1,303**	1,303
Share premium	[4]	**637,019**	637,019
Other legal reserves	[5]	**122,136**	104,217
Hedging reserve	[5]	**- 3,964**	- 11,477
Revaluation reserve	[5]	**2,815**	81,995
Currency translation reserve	[5]	**196,942**	147,520
Other reserves	[5]	**- 20,531**	- 22,158
Retained earnings		**1,317,461**	1,441,319
Profit/loss (-) for the year	[6]	**150,846**	- 96,523
		2,404,027	2,283,215
Total equity and liabilities		**2,404,027**	2,283,215

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(in thousands of EUR)	Note	Balance as at 1 January 2021	Repurchase own ordinary shares	Cash dividend	Cancellation own ordinary shares	Movement retained earnings	Other movements	Total recognized income and expenses	Balance as at 31 December 2021
Issued capital	[4]	**1,303**			**-**				**1,303**
Share premium	[4]	**637,019**			**-**				**637,019**
		638,322			**-**				**638,322**
Other legal reserves	[5]	**104,217**					**17,919**	**-**	**122,136**
Hedging reserve	[5]	**- 11,477**					**-**	**7,513**	**- 3,964**
Revaluation reserve	[5]	**81,995**					**- 79,180**	**-**	**2,815**
Currency translation reserve	[5]	**147,520**					**-**	**49,422**	**196,942**
Other reserves	[5]	**- 22,158**					**-**	**1,627**	**- 20,531**
Retained earnings		**1,441,319**	**- 23,777**			**- 161,342**	**61,261**	**-**	**1,317,461**
		1,741,416	**- 23,777**			**- 161,342**	**-**	**58,562**	**1,614,859**
Profit/loss (-) appropriation 2020		**- 96,523**		**- 64,819**	**-**	**161,342**		**-**	**-**
Net profit/loss (-) 2021		**-**		**-**	**-**	**-**		**150,846**	**150,846**
Profit/loss (-) for the year	[6]	**- 96,523**		**- 64,819**	**-**	**161,342**		**150,846**	**150,846**
Shareholders' equity		**2,283,215**	**- 23,777**	**- 64,819**	**-**	**-**	**-**	**209,408**	**2,404,027**

(in thousands of EUR)	Note	Balance as at 1 January 2020	Repurchase own ordinary shares	Cash dividend	Cancellation own ordinary shares	Movement retained earnings	Other movements	Total recognized income and expenses	Balance as at 31 December 2020
Issued capital	[4]	1,354			- 51				1,303
Share premium	[4]	636,968			51				637,019
		638,322			-				638,322
Other legal reserves	[5]	131,351					- 27,134	-	104,217
Hedging reserve	[5]	- 521					-	- 10,956	- 11,477
Revaluation reserve	[5]	80,604					1,391	-	81,995
Currency translation reserve	[5]	213,166					-	- 65,646	147,520
Other reserves	[5]	- 20,483					-	- 1,675	- 22,158
Retained earnings		1,374,026	- 33,337			74,887	25,743	-	1,441,319
		1,778,143	- 33,337			74,887	-	- 78,277	1,741,416
Profit/loss (-) appropriation 2019		74,887		-	-	- 74,887		-	-
Net profit/loss (-) 2020		-		-	-	-		- 96,523	- 96,523
Profit/loss (-) for the year	[6]	74,887		-	-	- 74,887		- 96,523	- 96,523
Shareholders' equity		2,491,352	- 33,337	-	-	-	-	- 174,800	2,283,215

EXPLANATORY NOTES TO THE COMPANY FINANCIAL STATEMENTS

1. GENERAL

The company financial statements of Royal Boskalis Westminster N.V. (the 'Company') are included in the Consolidated Financial Statements 2021 of Royal Boskalis Westminster N.V.

2. PRINCIPLES OF FINANCIAL REPORTING

2.1 ACCOUNTING POLICIES

The company financial statements have been drawn up using the reporting standards applied for preparing the consolidated financial statements, in accordance with Section 362(8), Part 9 of Book 2 of the Dutch Civil Code except for the investment in its subsidiary. Based on Section 362(1), Part 9 of Book 2 of the Dutch Civil Code, the consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union. These accounting principles are disclosed in note 3 of the consolidated financial statements, unless stated otherwise below.

2.2 FORMAT

Unless stated otherwise, all amounts in these explanatory notes are stated in thousands of euros. The company statement of financial position is drawn up before profit appropriation.

2.3 INVESTMENTS IN GROUP COMPANIES

Investments in Group companies are accounted for using the accounting policies for assets, liabilities, provisions and profit or loss, as described in the principles of financial reporting and applied in the consolidated financial statements of Royal Boskalis Westminster N.V.

2.4 AMOUNTS DUE FROM GROUP COMPANIES

Amounts due from Group companies are stated initially at fair value and subsequently at amortized cost, using the effective interest rate, less impairments.

2.5 AMOUNTS DUE TO GROUP COMPANIES

Amounts due to Group companies are recognized initially at fair value and subsequently at amortized cost, using the effective interest rate.

2.6 RESULT OF GROUP COMPANY

Result of Group company consists of the share of the Company in the result after taxation of its Group company. Results on transactions, where the transfer of assets and liabilities between the Company and its participating interests, and mutually between participating interests themselves, are not incorporated as far as they can be deemed to be unrealized.

3. INVESTMENTS IN GROUP COMPANIES

Investments in Group companies solely consist of the 100% investment in Boskalis Westminster Dredging B.V., Papendrecht. The table below shows the movements in this investment:

	2021	2020
Balance as at 1 January	**2,261,498**	2,484,865
Dividend received	**- 67,179**	- 48,567
Profit/loss (-) for the year	**150,846**	- 96,523
Movements directly recognized in equity of group company	**58,562**	- 78,277
Balance as at 31 December	**2,403,727**	2,261,498

See notes 17 and 31.1 of the Consolidated Financial Statements 2021 for an overview of the most important directly and indirectly held Group companies.

4. ISSUED CAPITAL AND OPTIONAL DIVIDEND

The authorized share capital of EUR 4.8 million (2020: EUR 4.8 million) is divided into 240,000,000 (2020: 240,000,000) ordinary shares with a par value of EUR 0.01 (2020: EUR 0.01) each and 80,000,000 (2020: 80,000,000) cumulative protective preference shares with a par value of EUR 0.03 (2020: EUR 0.03) each.

In 2021 a dividend of EUR 0,50 per share was distributed relating to the 2020 financial year for a total amount of EUR 64.8 million. Dividend to all shareholders was in cash. As a result, no new ordinary shares were issued related to distributed dividend. A total of 895,362 shares were repurchased through the share buyback program (2020: 1,506,377).

(in number of ordinary shares)	**2021**	2020
Issued and fully paid shares entitled to dividend as at 1 January	**130,220,260**	131,726,637
Repurchased shares	**- 895,362**	- 1,506,377
Issued and fully paid shares entitled to dividend as at 31 December	**129,324,898**	130,220,260
Treasury stock	**952,934**	57,572
Issued and fully paid shares as at 31 December	**130,277,832**	130,277,832

The issued capital as at 31 December 2021 consists of 130,277,832 ordinary shares with a par value of EUR 0.01 each (2020: EUR 0.01) for a total amount of EUR 1.3 million (2020: EUR 1.3 million). Share premium comprises additional paid-in capital exceeding the par value of outstanding shares. Share premium is distributable free of tax. For the movements relating the repurchase share program, treasury stock and dividend see note 23 of the consolidated financial statements. The Stichting Continuïteit KBW received an option right to acquire cumulative protective preference shares in Royal Boskalis Westminster N.V. This option has not been exercised yet.

5. OTHER RESERVES

With regard to the difference between the cost price and equity value of joint ventures and associates recognized in accordance with the equity method, a legally required reserve is recognized due to a lack of control over the distribution of profits, only to the extent that these differences are not included in the accumulated currency translation differences on foreign operations. The legal reserve for non-distributed profits of group and/or joint ventures and associates amounted to EUR 122.1 million at the end of 2021 (2020: EUR 104.2 million). The legal reserve for joint ventures and associates is determined on an individual basis.

The other reserves recognized in the company balance sheet are disclosed in the notes to the consolidated financial statements (note 23.6).

6. PROFIT OR LOSS FOR THE YEAR

An amount of EUR 86.2 million will be added to the retained earnings. The proposal to the Annual General Meeting will be to appropriate the remainder, EUR 64.6 million for a dividend payment to the shareholders of EUR 0.50 per ordinary share. The proposed dividend will be made payable in cash.

7. FINANCIAL INSTRUMENTS

General

Pursuant to its use of financial instruments, the Group is exposed to credit risk, liquidity risk and market risk. The notes to the consolidated financial statements provide information on the Group's exposure to each of these risks, its objectives, principles and procedures for managing and measuring these risks, as well as group capital management. These risks, objectives, principles and procedures for managing and measuring these risks as well as capital management apply mutatis mutandis to the company financial statements of Royal Boskalis Westminster N.V.

Fair value

The fair value of the majority of the financial instruments presented in the balance sheet, including receivables, securities, cash and cash equivalents and current liabilities are close to their carrying value.

8. OPERATING INCOME AND EXPENSES

Other operating expenses comprise the remuneration of the members of the Board of Management and members of the Supervisory Board for a total amount of EUR 7.9 million (2020: EUR 6.2 million) (see note 31.2) as well as other third-party expenses of EUR 0.6 million (2020: EUR 0.3 million). Other operating expenses are borne by Group companies and these are reported as Other operating income.

9. REMUNERATION OF THE MEMBERS OF THE BOARD OF MANAGEMENT AND MEMBERS OF THE SUPERVISORY BOARD

The remuneration of members of the Board of Management and members of the Supervisory Board is disclosed in the consolidated financial statements under Related party transactions (note 31.2).

10. AUDITOR REMUNERATION

Ernst & Young Accountants LLP and its entire network charged the following fees to the Company and its subsidiaries:

		2021			2020	
	Ernst & Young Accountants LLP	**Other EY network**	**Total**	Ernst & Young Accountants LLP	Other EY network	Total
Audit of the financial statements	**2,222**	**399**	**2,621**	2,412	377	2,789
Other audit engagements	**67**	**86**	**153**	69	4	73
Tax advisory services	**-**	**151**	**151**	-	166	166
Other non-audit services	**-**	**-**	**-**	-	-	-
	2,289	**636**	**2,925**	2,481	547	3,028

In addition to the statutory audit of the financial statements, Ernst & Young Accountants LLP provided the following services:
- Audits of financial statements of group entities;
- Services in accordance with ISA 800 'Audits of financial statements prepared in accordance with special purpose framework';
- Services in accordance with ISA 2400 'Engagements to review historical financial statements';
- Services in accordance with ISA 3000 'Assurance engagements other than audits or reviews of historical financial information';
- Services in accordance with ISA 4400 'Engagements to perform agreed upon procedures'.

11. COMMITMENTS AND CONTINGENT LIABILITIES

Royal Boskalis Westminster N.V. heads a fiscal unity. The Company is therefore liable for the tax obligations of the fiscal unity as a whole.

The Company has arrangements with third parties, amongst which banks and pension funds. These arrangements are on behalf of Group companies. Because the risks and rewards are with these Group companies, the costs are charged to these companies and the liabilities are recognized by these companies. The Company is jointly and severally liable for the fulfillment of obligations.

Certain recourse obligations exist in respect of project financing. Where necessary, provisions are deemed to have been made.

Some legal proceedings and investigations are ongoing with respect to entities of Royal Boskalis Westminster N.V. Where necessary, provisions are deemed to have been made.

Papendrecht / Sliedrecht, 9 March 2022

Supervisory Board
J. van der Veer, chairman
J.P. de Kreij, deputy chairman
Ms. R.V.M. Jones-Bos
D.A. Sperling
Ms. J.A. Tammenoms Bakker
J.N. van Wiechen

Board of Management
dr. P.A.M. Berdowski, chairman
T.L. Baartmans
B.H. Heijermans
C. van Noort, CFO

PROVISIONS IN THE ARTICLES OF ASSOCIATION RELATING TO PROFIT APPROPRIATION

ARTICLE 27.

1. If possible, from the profits gained in any financial year shall first be paid on the cumulative protective preference shares the percentage, defined below, of the amount that was required to be paid on those shares at the start of the financial year to which the distribution pertains. The percentage meant above is equal to the average of the Euribor interest, calculated for loans with a term of one year – pro rata the number of days to which such percentage applied – during the financial year for which the distribution is made, plus a maximum of four percentage points; the lastly mentioned increase shall be determined by the board of directors, subject to the approval of the supervisory board. If, in the financial year for which the abovementioned distribution is made, the amount that was required to be paid on the cumulative protective preference shares has been decreased or – as a result of a resolution to require additional payments – raised, the distribution will be decreased or – if possible – increased, respectively, by an amount that is equal to the aforementioned percentage of the amount of the decrease or increase, respectively, calculated from the time of the decrease or the time the additional payment became obligatory, respectively. If, in the course of any financial year, cumulative protective preference shares have been issued, the dividend on those cumulative protective preference shares will be decreased pro rata until the day of issue, counting part of a month as a whole month.
2. If and to the extent the profits are not sufficient to allow for the distribution referred to in paragraph 1 in full, any shortfall shall be paid out of the reserves with due observance of the provision of the law.
3. In case in any financial year the profits referred to in paragraph 1 are not sufficient to allow for the distributions referred to in this article, and no distributions or only partial distributions are made from the reserves as referred to in paragraph 2, as a result of which the shortfall is not or not fully paid out, the conditions in this paragraph above and in the following paragraphs will only apply after the shortfall will have been settled. After application of paragraphs 1, 2 and 3, no further distributions shall be made on the cumulative protective preference shares.
4. The board of directors shall decide, subject to the approval of the supervisory board, which part of the profits remaining will be reserved. What remains of the profits after reserving as referred to in the preceding sentence, shall be at the disposal of the general meeting of shareholders and, when distributed, shall be paid to the holders of ordinary shares pro rata the number of ordinary shares they hold.

ARTICLE 28.

1. Dividends will be paid out thirty days after adoption of the relevant resolution or as soon as the board of directors decides.
2. Dividends which remain unclaimed for five years from the day they become due and payable, shall accrue to the company.
3. In case the board of directors, subject to the approval of the supervisory board, adopts a resolution to that effect, interim dividends shall be paid out, with due observance of the preference of the cumulative protective preference shares and the provisions of Section 2:105 of the Dutch Civil Code.
4. The general meeting of shareholders may resolve to pay out dividends in the form of shares in the company or depository receipts for those shares, in full or in part, provided that it does so pursuant to a proposal of the board of directors.
5. The company can only make distributions to the shareholders insofar as its equity capital exceeds the amount of the issued capital, plus the reserves that must be maintained by law or in accordance with the articles of association.
6. A shortfall may only be paid from a statutory reserve to the extent permitted by law.

PROPOSED PROFIT APPROPRIATION

An amount of EUR 86.2 million will be added to the retained earnings. The proposal to the Annual General Meeting will be to appropriate the remainder, EUR 64.6 million, for a dividend payment to the shareholders of EUR 0.50 per ordinary share.

The proposed dividend will be made payable in cash.

INDEPENDENT AUDITOR'S REPORT

To: the Shareholders and the Supervisory Board of Royal Boskalis Westminster N.V.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS 2021 INCLUDED IN THE ANNUAL REPORT

OUR OPINION

We have audited the financial statements 2021 of Royal Boskalis Westminster N.V., based in Sliedrecht, The Netherlands. The financial statements comprise the consolidated and company financial statements.

In our opinion:
- the accompanying consolidated financial statements give a true and fair view of the financial position of Royal Boskalis Westminster N.V. as at 31 December 2021, and of its result and its cash flows for 2021 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code;
- the accompanying company financial statements give a true and fair view of the financial position of Royal Boskalis Westminster N.V. as at 31 December 2021, and of its result for 2021 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:
- the consolidated statement of financial position as at 31 December 2021;
- the following statements for 2021: the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity;
- the notes comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:
- the company statement of financial position as at 31 December 2021;
- the company statement of profit or loss for 2021;
- the notes comprising a summary of the accounting policies and other explanatory information.

BASIS FOR OUR OPINION

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

We are independent of Royal Boskalis Westminster N.V. in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the "Wet toezicht accountantsorganisaties" (Wta, Audit firms supervision act), the "Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten" (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the "Verordening gedrags- en beroepsregels accountants" (VGBA, Dutch Code of Ethics).

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

INFORMATION IN SUPPORT OF OUR OPINION

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

Our understanding of the business
Royal Boskalis Westminster N.V. is a global services provider operating in the dredging, dry and maritime infrastructure and maritime services sectors. The group activities are organized in three operating segments and we tailored our group audit approach accordingly.

We start by determining materiality and identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error in order to design audit procedures responsive to those risks and to 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.

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Supervisory Board that misstatements in excess of EUR 1.07 million, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

MATERIALITY	EUR 21.4 million (2020: EUR 19.5 million)
BENCHMARK APPLIED	0.75% of revenue
EXPLANATION	Based on our professional judgment we consider an activity based measure as the most appropriate basis to determine materiality. Given the current market conditions we consider revenue a stable and appropriate measure to determine materiality. We applied a percentage of 0.75% of revenue, which is the mid-end of an acceptable range and in line with prior year.

SCOPE OF THE GROUP AUDIT

Royal Boskalis Westminster N.V. is at the head of a group of entities. The financial information of this group is included in the consolidated financial statements.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

Our group audit mainly focused on significant group entities and joint ventures in terms of size and/or significant risks, within the operating segments Dredging & Inland Infra, Offshore Energy and Towage & Salvage. We have performed most of the audit procedures at those segments ourselves. For the audit work in Singapore, Finland, Denmark and a joint venture in the Netherlands we used EY network firms. We have used the work of non-EY firms when auditing group entities, especially in the Middle East and the UK, which represented approximately 14% of the revenue. Also some joint ventures were audited by non-EY firms. We interacted with all component teams, where appropriate, during various stages of the audit and were responsible for the scope and direction of the audit process. We had (virtual) meetings with the component auditors and local management on the audit findings and financial reporting.

Because of the continuing (international) travel restrictions and social distancing due to the COVID-19 pandemic, we needed to restrict or have been unable to visit foreign management and component auditors on site to discuss, review and evaluate, amongst others, relevant parts of the component auditor's audit documentation and to discuss significant matters arising from that evaluation. This limits our observation and increases the risk of missing certain signals. In order to compensate for the the limitations due to the lack of face-to-face meetings and direct observation, we performed alternative procedures to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. In these circumstances we predominantly used communication technology and written information exchange. Our additional procedures consisted, amongst others, of virtual site visits, remote review of audit documentation files of component auditors and the use of publicly available information to obtain supportive audit information. We performed substantive procedures, such as test of details and inspection of supporting documentation relating to the progress of projects in order to obtain sufficient and appropriate audit evidence.

In total these procedures represent approximately 80% of the group's revenue. For the other group entities we performed review procedures or other audit procedures to respond to any risks of material misstatements in the financial statements. We performed audit procedures on certain accounting areas at group level, such as impairment tests of goodwill, the valuation of the floating and other construction equipment, accounting for asset held for sale companies and other areas such as uncertain tax positions.

By performing the procedures mentioned above at components of the group, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion about the consolidated financial statements.

Teaming, use of specialists

We ensured that the audit teams both at group and at component levels included the appropriate skills and competences which are needed for the audit of Royal Boskalis Westminster N.V. We included specialists in the areas of IT audit, forensics, treasury, income tax and have made use of our own experts in the areas of valuation of goodwill and actuaries.

Our focus on climate-related risks and the energy transition

Climate-related risks will be high on the public agenda in the next years and onwards. The disclosure requirements for non-financial information are on the rise, such as the phased introduction of the EU Taxonomy as of 2021. Boskalis' operations are in the field of the energy transition and climate change adaptive measures and its assets have a role in these developments. In the "Strategy", "Sustainability" and "Risk Management" sections of the management board report, Boskalis reflects on climate-related risk and opportunities, and the possible effects of the energy transition.

As part of our audit of the financial statements, we evaluated the extent to which climate-related risks and the possible effects of the energy transition are taken into account in estimates and significant assumptions applied by Boskalis. Furthermore, we read the management board report and considered whether there is any material inconsistency between the non-financial information in the "Strategy", "Sustainability" and "Risk Management" sections of the financial statements.

Our audit procedures to address the assessed climate-related risks and the possible effects of the energy transition did not result in a key audit matter.

OUR FOCUS ON FRAUD AND NON-COMPLIANCE WITH LAWS AND REGULATIONS

Our responsibility

Although we are not responsible for preventing fraud or non-compliance and we cannot be expected to detect non-compliance with all laws and regulations, it is our responsibility to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error.

Our audit response related to fraud risks

We identify and assess the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the entity and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control and how the Supervisory Board exercises oversight, as well as the outcomes.

We refer to section 'Risk Management' of the management board report for management's risk assessment and the Report of the Supervisory Board in which the Supervisory Board reflects on this risk assessment.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as the code of conduct, whistleblower procedures and incident registration. We evaluated the design and the implementation of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption in close co-operation with our forensic specialists. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

We identified the following fraud risks and performed specific procedures to address these risks:

Presumed risks of fraud in revenue recognition, whether or not caused by management override of controls.

- When identifying and assessing fraud risks, we presume that there are risks of fraud in revenue recognition. We evaluated that the recognition of contract revenue, the valuation of unbilled and deferred revenue, and the use of estimates therein, in particular give rise to such risks.
- We describe the audit procedures responsive to the presumed risk of fraud in revenue recognition in the description of our audit approach for the key audit matter "Recognition of contract revenue and valuation of unbilled and deferred revenue".

The risks of fraud in the uncertain tax positions, whether or not caused by management override of controls.

- In identifying and assessing fraud risks, we considered the risk of fraud in the uncertain tax positions. We evaluated that operating in a range of jurisdictions subject to different tax regimes, and cross-border operations that can result in estimation differences or disputes with national tax authorities, in particular give rise to these risks.
- We refer to the key audit matter "Recognition and valuation of uncertain tax positions" that further describes this fraud risk and our audit approach.

We considered available information and made enquiries of relevant executives, directors and the Supervisory Board.

The fraud risks we identified, enquiries and other available information did not lead to specific indications for fraud or suspected fraud potentially materially impacting the view of the financial statements.

Our audit response related to risks of non-compliance with laws and regulations

We assessed factors related to the risks of non-compliance with laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general industry experience, through discussions with the management board, reading minutes, inspection of internal audit and compliance reports and performing substantive tests of details of classes of transactions, account balances or disclosures.
In our audit we have tailored this risk to acquisition of projects and local representatives' fees. In the description of our audit approach and key observations for the key audit matter "Recognition of contract revenue and valuation of unbilled and deferred revenue", we describe the audit procedures responsive to this risk.

Where applicable, we also inspected lawyers' letters and correspondence with regulatory authorities and remained alert to any indication of (suspected) non-compliance throughout the audit. Finally we obtained written representations that all known instances of non-compliance with laws and regulations have been disclosed to us.

Our audit response related to going concern

Management has assessed the company's ability to continue as a going concern and to continue its operations for at least the next 12 months. We discussed and evaluated the specific assessment with management exercising professional judgment and maintaining professional skepticism.

We considered whether management's going concern assessment, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

Based on our procedures performed, we did not identify serious doubts on the entity's ability to continue as a going concern for the next 12 months.

Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.

OUR 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. We have communicated the key audit matters to the Supervisory Board. The key audit matters are not a comprehensive reflection of all matters discussed.

The key audit matter "Valuation floating and other construction equipment and joint ventures", is not considered as key audit matter for this year, since impairments did not have to be recognized this year, given circumstances for the relevant assets. The key audit matter "Accounting for business combinations" is not considered a key audit matter for this year, since there were no new acquisitions this year, nor was there a material impact of changes in circumstances on the valuation of prior year's acquisitions.

RISK	OUR AUDIT APPROACH	KEY OBSERVATIONS
RECOGNITION OF CONTRACT REVENUE AND VALUATION OF UNBILLED AND DEFERRED REVENUE (SEE NOTE 3.13, 3.23, 6, 20 AND 26)		
The contracting industry is characterised by contract risk with significant judgments involved in the assessment of contract financial performance. Due to the ongoing COVID-restrictions, conditions remain challenging and cause pressure on project margins. Revenue and positive margin from contracting activities are recognised based on the stage of completion of individual contracts. Negative margins are recognized immediately when they are foreseen. The status of contracts is updated on a regular basis. In doing so, management is required to exercise significant judgment in their assessment of 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. The potential final contract outcomes can cover a wide range. 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. We also considered the risk of non-compliance with relevant law and regulations related to the acquisition of projects. We therefore identified correct and complete recognition of contract revenue and (negative) margin as significant to our audit.	Our audit procedures on contract revenue included an assessment of the company's project control, substantive audit procedures and testing of management's positions against underlying documentation. In the planning and execution of our audit we considered the impact of challenging market conditions on project results, both for ongoing projects and projects in the orderbook. We tested the adequacy and support for cost-to-complete estimates and also tested management's estimate of potential losses in projects in the orderbook for adequacy and completeness. We herewith 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 management's assumptions at the project and group management level. We discussed, also during online site visits, a range of financial and other risks, disputes and related estimation uncertainties with management and project staff, assessing whether these have been adequately addressed in the financial statements.	We assessed that the Company's revenue recognition accounting policies were appropriately applied and disclosed in accordance with the revenue recognition accounting standard (IFRS 15). We verified that contract revenues, including claims and variation orders, meet the recognition criteria and are accurately and completely valued. Where applicable, losses were completely and accurately accounted for. Furthermore, we have assessed that management assumptions and estimates are within an acceptable range and that the disclosure notes are in accordance with EU-IFRS. As part of our audit procedures with respect to compliance with laws and regulations related to acquisition of projects and local representatives' fees, we assessed the adequacy of the Company's policies and that these are adhered to.
RECOGNITION AND VALUATION OF UNCERTAIN TAX POSITIONS (SEE NOTES 3.29 AND 12, 13, 14)		
Boskalis operates in a range of jurisdictions subject to different tax regimes. The cross-border operations may result in estimation differences or disputes with national tax authorities. If management considers it probable that such disputes will lead to an outflow of resources, accruals have been formed accordingly. Based on the above, we identified correct and complete recognition of accruals for uncertain tax positions and adequate disclosure of uncertain tax positions as significant to our audit.	We tested the acceptability of the accruals formed in this estimation process. In doing so, we used tax specialists in reviewing the assumptions underlying the estimates and discussing them with management in the light of (local) tax rules & regulations and revisions to the transfer pricing policy. In connection with this, we also devoted attention to the substantiation of the estimated probability of the positions taken and details provided thereon by management and we assessed the historical accuracy of management's assumptions.	We assessed that the Company's accounting policies were appropriately applied. Furthermore, we have assessed that management assumptions and estimates are within an acceptable range. We further assessed that the disclosure notes relating to uncertain tax positions are appropriate.

REPORT ON OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The annual report contains other information in addition to the financial statements and our auditor's report thereon. The other information also includes:

- the Report of the Board of Management and the Report of the Supervisory Board (including the remuneration report);
- the Chairman's Statement, Boskalis at a Glance and Other Information.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 for the management board report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code and as required by Sections 2:135b and 2:145 sub section 2 of the Dutch Civil Code for the remuneration report.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 and Section 2:135b sub-Section 7 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the management board report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information required by Part 9 of Book 2 of the Dutch Civil Code. Management and the Supervisory Board are responsible for ensuring that the remuneration report is drawn up and published in accordance with Sections 2:135b and 2:145 sub section 2 of the Dutch Civil Code.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS AND ESEF

ENGAGEMENT

We were engaged by the Annual General Meeting as auditor of Royal Boskalis Westminster N.V. on 13 May 2014, as of the audit for the year 2014 and have operated as statutory auditor ever since that date.

NO PROHIBITED NON-AUDIT SERVICES

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

EUROPEAN SINGLE ELECTRONIC REPORTING FORMAT

Royal Boskalis Westminster N.V. has prepared the annual report in the European single electronic reporting format (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 the XHTML format, including the partially marked-up consolidated financial statements, as included in the reporting package by Royal Boskalis Westminster N.V., complies in all material respects with the RTS on ESEF.

Management is responsible for preparing the annual report, including the financial statements, in accordance with the RTS on ESEF, whereby management 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 procedures, taking into account Alert 43 of the NBA (the Netherlands Institute of Chartered Accountants), included amongst others:

- Obtaining an understanding of Royal Boskalis Westminster N.V. financial reporting process, including the preparation of the reporting package
- 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 has 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

DESCRIPTION OF RESPONSIBILITIES REGARDING THE FINANCIAL STATEMENTS

RESPONSIBILITIES OF MANAGEMENT AND THE SUPERVISORY BOARD FOR THE FINANCIAL STATEMENTS

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

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

The Supervisory Board is responsible for overseeing the company's financial reporting process.

OUR RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. The "Information in support of our opinion" section above includes an informative summary of our responsibilities and the work performed as the basis for our opinion.

Our audit further included among others:
- performing audit procedures responsive to the risks identified, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures;
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication

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 findings in internal control that we identify during our audit.
In this respect we also submit an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

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

From the matters communicated with the Supervisory Board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. 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, not communicating the matter is in the public interest.

Rotterdam, 9 March 2022

Ernst & Young Accountants LLP

J. Hetebrij

OTHER INFORMATION

Construction of the 138-hectare artificial island Strandeiland in the IJmeer lake near Amsterdam, the Netherlands

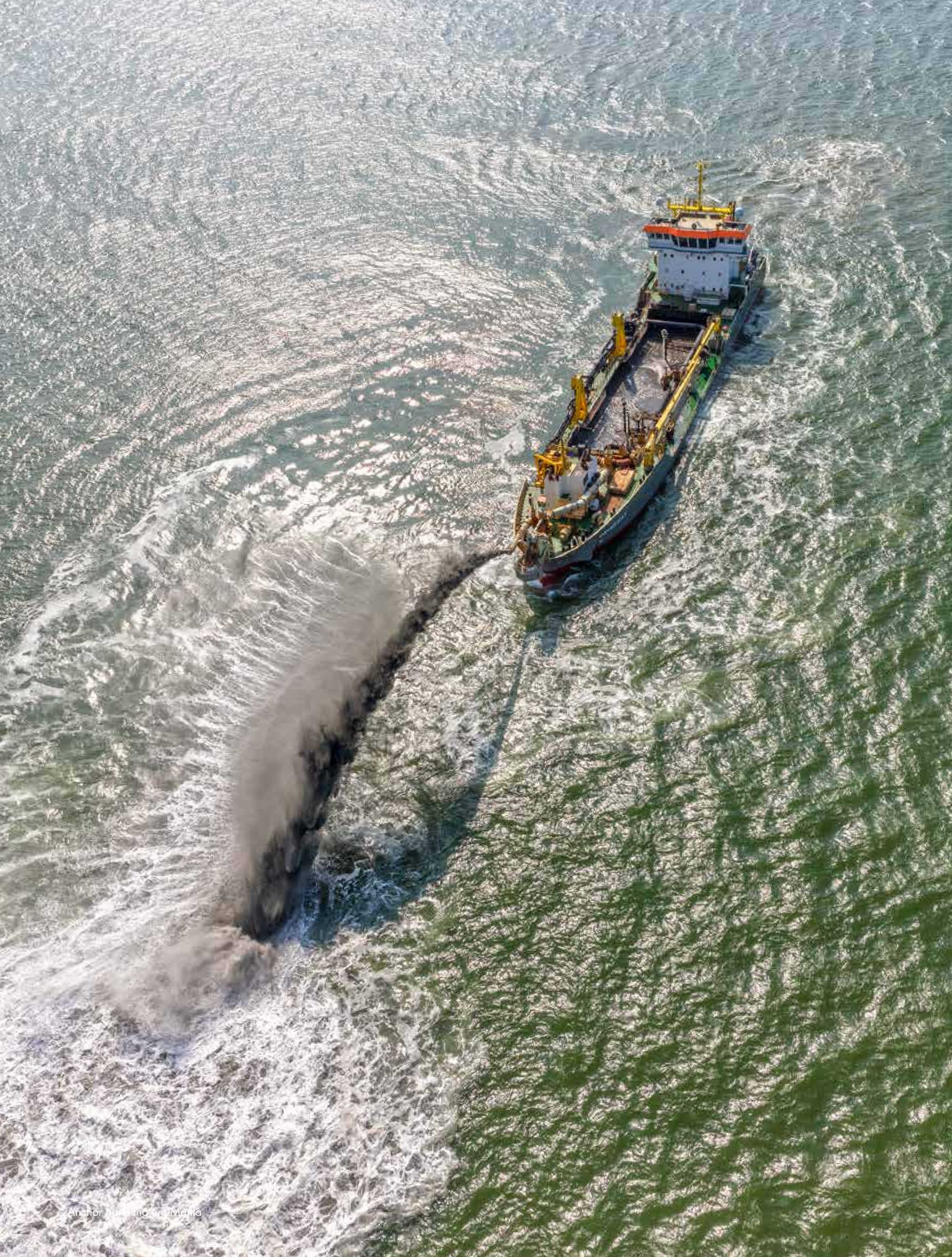
HISTORIC OVERVIEW (1) (14)

(in EUR million, unless stated otherwise)		2021	2020	2019 (16)	2018 (15)	2017 (15)	2016	2015
Revenue		**2,957**	2,525	2,645	2,570	2,343	2,596	3,240
Order book		**5,406**	5,306	4,722	4,292	3,495	2,924	2,490
EBITDA	(3)	**462.3**	404.3	375.8	353.6	436.6	660.5	884.7
Depreciation and amortization		**263.7**	264.5	265.1	234.6	251.6	277.2	278.6
Operating result	(12)	**198.6**	139.8	28.5	119.0	185.0	384.6	577.3
Exceptional items (charges/gains)		**-**	-195.4	82.3	-519.5	0.0	-842.6	-14.5
EBIT	(2)	**198.6**	-55.6	110.7	-400.5	185.0	-458.1	562.8
Net profit		**150.8**	90.4*	74.9	82.8*	150.5	276.4*	440.2
Net group profit/loss		**148.4**	-96.7	74.9	-433.7	150.4	-561.8	443.5
Cash flow		**412.1**	354.6*	340.0	319.5*	402.0	464.0	765.4
Shareholders' equity		**2,404**	2,283	2,491	2,544	3,023	3,121	3,714
Average number of outstanding shares (x 1,000)	(4)	**129,592**	130,954	133,248	132,492	131,097	128,205	124,182
Number of outstanding shares (x 1,000)	(5)	**130,278**	130,278	131,727	134,068	130,677	130,077	125,627
Personnel (headcount)	(13)	**7,872**	7,484	7,133	7,078	6,410	6,960	8,268
Ratios (in percentages)								
EBIT as % of the revenue		**6.7**	5.5*	4.2	4.6*	7.9	14.8*	17.4
Return on capital employed	(6)	**5.8**	3.9*	2.9	2.9*	4.8	9.1*	10.8
Return on equity	(7)	**6.4**	3.8*	3.0	3.0*	4.9	8.1*	12.8
Solvency	(8)	**48.0**	50.5	54.3	56.1	62.6	56.1	56.3
Figures per share (in EUR)								
Profit	(5) (9)	**1.16**	0.69*	0.56	0.63*	1.15	2.16*	3.54
Cash flow	(5)	**3.18**	2.71*	2.55	2.41*	3.07	3.62*	6.16
Dividend		**0.50**	0.50	-	0.50	1.00	1.00	1.60
Share price range (in EUR)								
Low		**22.16**	14.14	16.48	20.10	27.08	27.89	35.70
High		**29.46**	23.50	25.42	32.58	35.51	37.60	49.21

* Excluding exceptional charges

(1) Figures taken from the respective financial statements.
(2) EBIT as reported in the consolidated statement of profit or loss.
(3) EBIT before depreciation, amortization, impairment and other exceptional charges.
(4) Weighted average number of outstanding shares less the number of shares owned by the company.
(5) Number of outstanding ordinary shares less the number of shares owned by the company as at 31 December.
(6) Net profit + interest expenses regarding long term loans (non-current interest bearing borrowings, excluding lease liabilities) as % of the average capital employed (2016 average capital includes adjustment for debt to be repaid early).
(7) Net profit as % of the average shareholders' equity.
(8) Group equity as % of balance sheet total (non-current assets + current assets).
(9) The dilution effect was practically nil up to and including the financial year 2021.
(10) Adjusted for changes in the IFRS standards (IAS19R).
(11) As of 1 January 2014 Boskalis applies IFRS11 which impacts the way joint ventures and associated companies are recognized. The full year 2013 comparative figures have been adjusted accordingly.
(12) EBIT - exceptional items.
(13) Employees employed by majority owned entities including employees Anglo Eastern.
(14) On 21 May 2007 a share split on a three-for-one basis was effected. For comparative purposes the data regarding the number of shares and figures per share of all the periods preceding the share split have been recalculated.
(15) As of 1 January 2018 Boskalis applies IFRS15. The full year 2017 comparative figures have been adjusted accordingly.
(16) As of 1 January 2019 Boskalis applies IFRS16. The full year 2018 comparative figures have not been adjusted accordingly.

2014 (11)	2013 (11)	2012 (10)	2011	2010	2009	2008	2007	2006	2005	2004
3,167	3,144	3,081	2,801	2,674	2,175	2,094	1,869	1,354	1,156	1,020
3,286	3,323	4,106	3,489	3,248	2,875	3,354	3,562	2,543	2,427	1,244
945.9	757.2	567.1	590.5	621.5	444.9	454.6	348.1	236.8	162.5	136.5
261.9	254.4	227.2	230.0	210.9	147.0	110.2	102.5	86.6	80.2	89.0
684.0	502.8	339.9	360.5	410.6	297.9	344.3				
-31.6	-39.4	-4.1	-6.4	-8.7	-48.6	-5.2				
652.3	463.4	335.8	354.1	401.9	249.3	339.1	245.5	150.3	82.3	47.5
490.3	365.7	249.0	254.3	310.5	227.9	249.1	204.4	116.6	62.7	33.9
492.2	365.3	252.0	261.0	312.9	229.2	250.1	207.1	117.0	63.3	34.1
785.7	659.1	483.3	497.4	532.5	424.8	365.6	309.6	203.6	143.5	123.1
3,152	2,525	1,898	1,733	1,565	1,296	860.1	768.1	618.6	542.9	467.9
121,606	118,445	105,644	102,391	99,962	88,372	85,799	85,799	85,799	85,254	83,307
122,309	120,265	107,284	103,472	100,974	98,651	85,799	85,799	85,799	85,800	84,522
8,446	8,459	15,653	13,935	13,832	10,514	10,201	8,577	8,151	7,029	7,033
20.6	14.7	10.9	12.6	15.0	11.5	16.2	13.1	11.1	7.1	4.7
13.8	13.0	11.1	12.1	18.1	20.2	29.1	27.7	19.1	12.0	7.0
17.3	16.5	13.8	15.4	21.7	21.1	30.6	29.5	20.1	12.4	7.2
53.4	47.6	39.2	37.4	37.1	46.5	34.0	35.3	39.4	41.3	38.1
4.03	3.09	2.36	2.48	3.11	2.58	2.90	2.38	1.36	0.74	0.41
6.46	5.56	4.58	4.86	5.33	4.81	4.26	3.61	2.37	1.68	1.48
1.60	1.24	1.24	1.24	1.24	1.19	1.19	1.19	0.68	0.37	0.25
33.71	26.92	23.26	20.67	23.16	13.25	15.30	21.06	14.67	8.58	6.02
47.18	38.58	34.50	38.46	36.58	28.45	42.45	46.25	25.48	18.75	8.33



Anchor handling tug Manta

STICHTING CONTINUÏTEIT KBW

REPORT

By decision of the General Meeting of Shareholders held on 9 May 2001 the foundation Stichting Continuïteit KBW was granted the right to acquire cumulative protective preference shares in Royal Boskalis Westminster N.V. for a nominal amount equal to the nominal amount of ordinary shares outstanding at the time of issue of the shares concerned, minus the nominal value of one ordinary share. The option of issuing such cumulative protective preference shares was not exercised during the period under review.

The Board of Stichting Continuïteit KBW consists of three members:

J.H.M. Hommen, chairman
J.S.T. Tiemstra
P.N. Wakkie

The articles of association of the Stichting Continuïteit KBW are to be found at www.boskalis.com/corporategovernance.

DECLARATION OF INDEPENDENCE

The Board of Stichting Continuïteit KBW and the Board of Management of Royal Boskalis Westminster N.V. hereby declare that, in their opinion, Stichting Continuïteit KBW is an independent legal entity, separate from Royal Boskalis Westminster N.V., as defined in Section 5:71, first paragraph, under c, of the Dutch Financial Supervision Act.

Papendrecht / Sliedrecht, 9 March 2022
Royal Boskalis Westminster N.V.
Board of Management

Oisterwijk, 9 March 2022
Stichting Continuïteit KBW
The Board

SUPERVISION, BOARD AND MANAGEMENT

MEMBERS OF THE SUPERVISORY BOARD

MR. J. VAN DER VEER (1947), CHAIRMAN

- date of first appointment 12 May 2015, current term ends AGM 2023
- former CEO of Royal Dutch Shell plc
- vice-chairman of the Board of Directors of Equinor ASA
- member of the Board of Stichting Preferente Aandelen Philips
- chairman of Het Concertgebouw Fonds

MR. J.P. DE KREIJ (1959), DEPUTY CHAIRMAN

- date of first appointment 9 May 2018, current term ends AGM 2022
- former deputy chairman of the Executive Board and former Chief Financial Officer of Royal Vopak N.V.
- member of the Supervisory Boards of TomTom N.V. and Wolters Kluwer N.V.
- member of the Global Advisory Board of Metyis
- member of the Board of Stichting Preferente Aandelen Philips
- chairman of the Board of VEUO (Dutch Association of and for stock listed companies in the Netherlands)
- non-executive director Oranjefonds

MR. D.A. SPERLING (1955)

- date of first appointment 8 May 2019, current term ends AGM 2023
- former chairman of the Board of TBI Holdings B.V.
- member of the Supervisory Boards of Royal HaskoningDHV Groep B.V., GMB Holding B.V. and M.J. de Nijs en Zonen Holding B.V.
- member of the Supervisory Council of the Stichting Albert Schweitzer Ziekenhuis
- member of the Board of Stichting TBI
- chairman of the Supervisory Board of Stadsherstel Historisch Rotterdam N.V.

MS. J.A. TAMMENOMS BAKKER (1953)

- date of first appointment 8 May 2019, current term ends AGM 2023
- former advisor of the Dutch Council for the Environment and Infrastructure
- former Director-General of the Dutch Ministry of Transport and Water Management
- member of the Supervisory Boards of Groupe Wendel and TomTom N.V.
- member of the committee Nationaal Groeifonds
- member of the Advisory Council of the Association Transparency International Nederland
- member of the Board of VEUO (Dutch Association of and for stock listed companies in the Netherlands)

MR. J.N. VAN WIECHEN (1972)

- date of first appointment 12 May 2011, current term ends AGM 2023
- member of the Executive Board of HAL Holding N.V. and director HAL Investments B.V.
- chairman of the Supervisory Board of Mondhoekie B.V. (Coolblue)
- member of the Supervisory Boards of Atlas Services Group Holding B.V. and SBM Offshore N.V

MS. R.V.M. JONES-BOS (1952)

- date of first appointment 30 June 2020, current term ends AGM 2024
- former Dutch ambassador to Russia, former Secretary-General of the Ministry of Foreign Affairs, former Dutch ambassador to the United States of America
- chairman of the Board of Stichting Hermitage aan de Amstel
- member of the board of Stichting Investico
- Special Envoy Medical Isotopes for the Ministry of Health, Welfare and Sport
- advisor geopolitical affairs of the Rijk Zwaan Group

All the members of the Supervisory Board have the Dutch nationality.

Company secretary: Ms. F.E. Buijs (1969)

MEMBERS OF THE BOARD OF MANAGEMENT

From left to right: C. van Noort, P.A.M. Berdowski, B.H. Heijermans, T.L. Baartmans

DR. P.A.M. BERDOWSKI (1957), CHAIRMAN

- chairman of the Board of Management since 2006, current term ends AGM 2023
- member of the Board of Management since 1997
- member of the Supervisory Board of Amega Groep B.V.

MR T.L. BAARTMANS (1960)

- member of the Board of Management since 2007, current term ends AGM 2023
- chairman of the Executive Board of the Netherlands Association of International Contractors (NABU)
- member of the board of the International Association of Dredging Companies (IADC)
- member of the Supervisory Committee of the Stichting Prosea marine education

MR B.H. HEIJERMANS (1966)

- member of the Board of Management since 2018, current term ends AGM 2022

MR C. VAN NOORT (1975), CHIEF FINANCIAL OFFICER

- member of the Board of Management since 2019, current term ends AGM 2023

All the members of the Board of Management have the Dutch nationality.

Company secretary: Ms. F.E. Buijs (1969)

GROUP MANAGEMENT

dr. P.A.M. Berdowski	chairman Board of Management
T.L. Baartmans	member Board of Management
B.H. Heijermans	member Board of Management
C. van Noort	member Board of Management, Chief Financial Officer
P. van der Knaap	group director
J.M.L Dieteren	group director

CORPORATE SUPPORT

Corporate Legal & Compliance officer	F.E. Buijs
Treasury	F.A.J. Rousseau
IR & Corporate Communications	M.L.D. Schuttevâer
Group Controlling	E.C.P. Verstraete
Fiscal Affairs	J. Jager
Insurance	J.W. Bodewes
Corporate Development	C.A. Visser

CENTRAL BUSINESS SUPPORT

Personnel & Organization	J. den Hartog
ICT	M.J. Krijger
SHE-Q	P. van der Knaap (a.i.)
Research & Development	dr. A.C. Steenbrink
Central Fleet Support	P.E. van Eerten
Procurement & Logistics	J.E. Rijnsdorp

DREDGING & INLAND INFRA

Area Europe
J.P.P.S. Mooij
Area Middle
M. Siebinga
Area Middle East
P.G.R. Devinck
Area East
S.G.M. van Bemmelen
Area West
P. Klip
The Netherlands
P. van der Linde

Design, Tendering & Engineering
J.S.M. van Thiel de Vries
Fleet Management
J.T. van Leeuwen
Personnel & Organization
L. Wijngaard

OFFSHORE ENERGY

Seabed Intervention
W.B. Vogelaar
Offshore Heavy Lifting
M.R.J. van Bergen
Heavy Marine Transport
W.Q. Nelemans
Marine Services
S.R.L. van Hulle
Subsea Services
S.I. Cameron
Subsea Cables
R.P. Rijper
Survey
C.A. Vermeijden

Finance
J.J.J. Mulder
Fleet Management
E.B. van Dodeweerd
Personnel & Organization
M.C. Verhage

TOWAGE & SALVAGE

Towage
T.R. Bennema
Salvage
R.L.C. Janssen

WORKS COUNCIL

L. Wubben (chair), M.A. Koerts (vice-chair), R. Wisse (secretary), P. Baars, J. Bak, D. van Beek, B.D. den Biggelaar, B.J. Boekel, K.W. Buijs, A. Koster, W. van Ooijen, E.B.L. Overgaag, L.R.J. van Raamsdonk, J. van Reijendam, C. de Rooij, R. Roos, S. de Ruijter, A. Verhaar, A. Zwart


Boskalis

DISCLOSURES REQUIRED BY THE DECREE ARTICLE 10 OF THE EU DIRECTIVE ON TAKEOVER BIDS

Under the Decree article 10 of the EU Directive on takeover bids, companies whose securities are admitted to trading on a regulated market must disclose information in their annual reports on among others their capital structure and the existence of any shareholders with special rights. Furthermore, the Code requires Boskalis to give an overview of all existing and potential antitakeover measures indicating the circumstances whereunder and by whom these measures may likely be used. In accordance with these requirements, Boskalis hereby makes the following disclosures:

a. For information on the capital structure of the company, the capital and the existence of various types of shares, please refer to page 111 of the notes to the consolidated financial statements in this annual report. For information on the rights attached to these shares, please refer to the company's Articles of Association which can be found on the company website. To summarize, the rights attached to ordinary shares comprise pre-emptive subscription rights upon the issue of ordinary shares, the entitlement to attend the General Meeting of Shareholders, and to speak and vote at that meeting, whereby one ordinary share represents one vote, and the right to distribution of such amount of the company's profit as remains after allocation to reserves. As at December 31, 2021, the issued capital consisted exclusively of ordinary shares (partly registered and partly bearer shares (aandelen aan toonder)). These are only issued against payment in full.

b. The company has imposed no limitations on the transfer of ordinary shares. The Articles of Association have stipulated a blocking procedure for protective preference shares. The company is not aware of any shares having been exchanged for depositary receipts.

c. For information on equity stakes in the company to which a notification requirement applies (pursuant to Sections 5:34, 5:35 and 5:43 of the Financial Supervision Act), please refer to the section 'Shareholder information' on page 19 of this annual report. Under the heading 'Major shareholders' you can find a list of shareholders who are known to the company to have holdings of 3% or more at the stated date.

d. There are no special control rights or other rights associated with shares in the company.

e. The company does not operate a scheme granting employees rights to acquire or obtain shares in the capital of the company or any of its subsidiaries.

f. No restrictions apply to voting rights associated with the company's shares, nor are there any deadlines for exercising voting rights.

g. No agreements with shareholders exist which may result in restrictions on the transfer of shares or limitation of voting rights.

h. The thresholds for shareholders to exercise the right of inquiry (het enquêterecht) are based on article 2:346 sub clause 1 under c of the Dutch Civil Code, regardless of the current nominal share capital of the company.

i. The rules governing the appointment and dismissal of members of the Board of Management and the Supervisory Board and amendment of the Articles of Association are stated in the company's Articles of Association. Members of the Board of Management and Supervisory Board are appointed and dismissed by the General Meeting of Shareholders on binding nomination of the Supervisory Board. The General Meeting of Shareholders may pass a resolution to deprive the binding nature of the nomination for the appointment or dismissal of any member of the Board of Management or the Supervisory Board by at least a majority of two/thirds of the votes cast, representing more than one-half of the company's issued share capital. An amendment of the company's Articles of Association requires a decision by the General Meeting of Shareholders in response to a proposal made by the Board of Management with the approval of the Supervisory Board.

j. The general powers of the Board of Management are set out in the Articles of Association of the company. The powers of the Board of Management in respect of the issuance of shares in the company are set out in article 4 of the company's Articles of Association. To summarize, the General Meeting of Shareholders – or the Board of Management if so authorized by the General Meeting of Shareholders – takes the decision, subject to prior approval by the Supervisory Board, to issue shares, whereby the issue price and other conditions relating to the issue are determined by the General Meeting – or the Board of Management if so authorized by the General Meeting of Shareholders. In the event the Board of Management is authorized to take decisions with respect to the issue of shares, the number of shares that may be issued as well as the term of the authorization must also be determined. Procedures governing the acquisition and disposal by the company of shares in its own capital are set out in article 7 of the Articles of Association. To summarize, the Board of Management may decide, subject to authorization by the

General Meeting of Shareholders and prior approval by the Supervisory Board, for the company to buy back fully paid-up shares up to a statutory maximum of 50% of issued capital. Decisions regarding the disposal of shares acquired by the company are taken by the Board of Management, subject to prior approval by the Supervisory Board.

k. With the exception of the option agreement with Stichting Continuiteit KBW concerning the placement of cumulative protective preference shares as set out in section 28.4 of the financial statements, the company is not a party to any significant agreements which take effect or are altered or terminated upon a change of control of the company as a result of a public offer within the meaning of Section 5:70 of the Financial Supervision Act. The General Meeting of Shareholders of May 9, 2001 decided to grant Stichting Continuiteit KBW the right to acquire cumulative protective preference shares as a preventive measure against an unsolicited offer for the shares of the company. These shares may be issued in the event that (significant) influence is obtained or is threatened to be obtained by (legal) persons, who, without the involvement of the Board of Management, intend to acquire control over the company, without safeguards being in place for the independence and continuity of the company and its enterprise and without ensuring the interests of employees, other shareholders and other stakeholders of the company and its enterprise.

l. The company has not entered into any agreements with either members of the Board of Management or employees, which provide for a pay-out on termination of their employment as a result of a public offer within the meaning of Section 5:70 of the Financial Supervision Act.

Earthmoving activities in Denmark in connection with the construction of the Fehmarnbelt tunnel

GLOSSARY

Acquired orders Contract value of acquired assignments.

Average capital employed Shareholders' equity + long term loans (non-current interest bearing borrowings).

Backhoe dredger A large hydraulic excavating machine positioned on the end of a pontoon. The pontoon is held firmly in place using spuds. Backhoes can dredge in a range of soil types with extreme precision.

Bunker fuel Type of fuel used by oceangoing and other vessels. Bunkering refers to the act or process of supplying a ship with this type of fuel.

Cash flow Group net profit + depreciation + amortization + impairment losses.

Cost leadership Achieving lowest cost price.

CO_2 Emissions Carbon dioxide released into the environment.

Cutter suction dredger (CSD) A vessel that dredges while being held into place using spuds and anchors. This technique combines powerful cutting with suction dredging. Cutter suction dredgers are mainly used where the sea- and riverbed is hard and compact. The dredged material is sometimes loaded into hoppers but is generally pumped to land through a pressure pipeline.

Decommission To dismantle and/or remove an object.

EBIT Earnings before interest and tax.

EBITDA EBIT before depreciation, amortization, impairment and other exceptional charges.

Enterprise value Market capitalization plus net debt.

EPC contract EPC stands for Engineering, Procurement, Construction and is a type of contracting agreement in the construction industry. The contractor is responsible for carrying out the detailed engineering design of the project, procure all the equipment and materials required, and then construct to deliver a functioning facility or asset to the client.

ESG Environmental, Social and Governance.

EU-IFRS IFRS stands for International Financial Reporting Standards. EU-IFRS are financial reporting rules drawn up and issued by the IASB (International Accounting Standards Board) and adopted within the European Union. Since 2005 all publicly listed companies within the European Union have been obliged to comply with these standards in their external financial accounting/reporting.

Fallpipe vessel Vessel that moves over the area to be covered, while dumping rock through a fallpipe. The vessel is kept in place by a dynamic positioning system in which the propellers and rudders are controlled by an automatic system. The end of the pipe is located just a few meters above the level of the surface to be covered. The fallpipe is controlled using a precise positioning system. The fallpipe vessel Seahorse can also be equipped with an A-frame on the aftship and a grab controlled by an ROV (Remotely Operated Vehicle). This makes it possible to dredge down to depths of 1,000 meters.

Float-over installation Installation of a topside (for an offshore oil or gas platform production unit) on a subsea structure such as a jacket. A semi-submersible heavy transport vessel is used to convey the topside to the site and position it precisely in relation to the subsea structure piles. The ship is then partially submerged, allowing the support points of the topside to be lowered precisely onto the jacket connectors.

Floating sheerleg crane Floating cranes for heavy lifting.

FPSO Floating Production Storage and Offloading unit. Floating production, storage and transshipment systems that often operate a long way offshore. The systems separate the incoming liquids into oil, gas and water and temporarily store the crude oil. Tankers are used to transport the oil.

Futures A future (derivative) is a so-called forward contract; an agreement between traders to purchase or sell certain financial products on a specified future date at a previously agreed fixed price.

Global Reporting Initiative International organization that develops global standards for sustainability reporting.

Hazardous substances Liquid or solid substances which present a health hazard and/or are damaging to the environment.

Home market Boskalis distinguishes itself from its competitors in the Dredging segment by the use of a home market strategy. The home market organizations have local marketing profiles, as well as their own fleets and infrastructures. They can rely on the support of the financial and technical resources of the global Boskalis organization. Home markets provide a stable flow of assignments and opportunities to generate additional margins through associated activities.

Hopper/hopper dredger *See trailing suction hopper dredger.*

HTV A (semi-submersible) heavy transport vessel. At 275 meters long and 70 meters wide the BOKA Vanguard is the biggest semi-submersible heavy transport vessel in the world and is capable of conveying objects weighing up to 110,000 tons.

International projects market Market that focuses primarily on larger capital expenditure projects for new buildings and/or extensions. In addition, there are projects that regularly involve cooperation with third parties. This makes it possible to provide clients with optimal services and to share risks.

LNG Liquefied Natural Gas.

LTI Lost Time Injury. Expresses the number of workplace accidents serious enough to result in absence from work.

LTIF Lost Time Injury Frequency. Expresses the number of workplace accidents serious enough to result in absence from work, per 200,000 hours worked.

Market capitalization Total number of outstanding ordinary shares minus the number of shares owned by the company as at 31 December x share price at year-end.

Net debt/Net cash The sum of non-current and current interest bearing borrowings and bank overdrafts minus cash and cash equivalents.

Net financial position *See Net debt/Net cash*

Net Group profit Net profit + net profit attributable to non-controlling interests.

Net operating profit Net profit adjusted for exceptional items.

NINA No Injuries, No Accidents. To achieve an incident and accident-free working environment Boskalis applies the NINA safety program. NINA sets out Boskalis' vision on safety and describes the safety conduct the company expects from its staff and subcontractors. The program makes people aware of their own responsibility and encourages them to take action in situations which are unsafe.

Operating result EBIT minus exceptional items.

Order book Contract revenue as yet uncompleted.

Return on capital employed Net profit + interest expenses regarding long term loans (non-current interest bearing borrowings) as % of the average capital employed.

Return on equity Net profit as % of the average shareholders' equity.

Roll-on/roll-off vessel (ro-ro) Vessels designed to carry wheeled cargo such as automobiles, trucks, semi-trailer trucks, trailers or railroad cars that are driven on and off the ship on their own wheels.

Rock fragmentation under water Drilling and blasting hard materials such as rock and granite, often to deepen ports and clear navigational channels.

ROV Remotely Operated Vehicle. An unmanned robotic subsea vehicle that is remotely controlled (often from a ship or platform).

SHE-Q Safety, Health, Environment & Quality.

Solvency Group equity as % of balance sheet total (non-current assets + current assets).

Sustainable Development Goals (SDGs) Set of seventeen goals with specific targets. Formulated by the United Nations through a deliberate process involving its 193 Member States, as well as global civil society, the goals define the global sustainable development priorities and aspirations for 2030.

Topside The upper section of an offshore oil production platform.

Trailing suction hopper dredger (TSHD) A self-propelled unit that loads its well or hopper using centrifugal pumps and pipes that trail over the bed as the ship sails. Trailing suction hopper dredgers can operate independently of other equipment and can transport material over long distances. The dredged material is dumped through flaps or bottom doors, by rainbowing, or pumped onto land using a pipeline.

TRIR Total Recordable Injury Rate. Number of LTIs, restricted work cases and medical treatment cases per 200,000 hours worked.


Boskalis


FREEWAY

EQUIPMENT

DREDGERS

Trailing suction hopper dredgers	**18**
Capacity > 6,000 m³	8
Capacity ≤ 6,000 m³	10
Cutter suction dredgers	**8**
Capacity > 12,000 kW	4
Capacity ≤ 12,000 kW	4
Backhoes	**16**
Bucket capacity from 1.4 to 33 m³	
Floating grab cranes	**7**
Grab capacity from 1.2 to 9.2 m³	
Other dredging equipment	**19**
water injection dredger, barge unloading dredgers, suction dredgers, stone placing vessels, spray pontoons, booster stations	

OFFSHORE VESSELS

Heavy transport vessels (semi-submersible)	**11**
Capacity up to 110,000 tons	
Heavy lift vessels	**3**
Capacity from 500 to 3,000 tons	
Fallpipe vessels	**3**
Capacity from 17,000 to 24,000 tons	
Diving support vessels	**6**
Air and saturation diving support, ROV services	
Multipurpose/Cable-laying vessels	**4**
Floating sheerlegs cranes	**5**
Capacity from 400 to 5,000 tons	
Survey vessels	**15**

OCEANGOING TUGS AND ANCHOR HANDLING TUGS

Oceangoing tugs and offshore construction vessels	**9**
From 205 to 403 ton bollard pull	
Anchor handling tugs and offshore support vessels	**14**
From 70 to 205 ton bollard pull	

BARGES AND PONTOONS

Hopper barges	**56**
Capacity from 50 to 3,800 m³	
Oceangoing flat top barges (semi-submersible)	**3**
Capacity 21,000 tons	
Oceangoing flat top barges/pontoons	**33**
Capacity from 1,000 to 14,000 tons	
Inland barges	**31**
Capacity from 100 to 2,000 tons	

VESSELS TOWAGE JOINT VENTURES — 207

LAUNCHES, WORK/SUPPLY VESSELS — 84

VARIOUS/OTHER FLOATING EQUIPMENT — 73

The numbers listed above include the vessels under construction and vessels and floating equipment of the (non-controlled) associated companies.
In addition to the equipment shown here, the group also owns a range of auxiliary equipment such as floating pipelines, winches, pumps, draglines, hydraulic excavators, wheel loaders, dumpers, bulldozers, mobile cranes, crawler drill rigs, sand pillers, filling installations for shore protection, mattresses, fixed land pipelines and a wide variety of salvage equipment, such as fire-fighting, diving and anti-pollution equipment.


TAKLIFT 4

COLOPHON

Compiled and coordinated by
Royal Boskalis Westminster N.V.
Corporate Communications Department
Group Controlling Department

www.boskalis.com

FSC
www.fsc.org
MIX
Paper from responsible sources
FSC® C007225

carbon neutral
natureOffice.com | NL-077-991763
print production

Royal Boskalis Westminster N.V.
Rosmolenweg 20
PO Box 43
3350 AA Papendrecht
The Netherlands

royal@boskalis.com
T +31 78 6969000

www.boskalis.com