

FINANCIAL REVIEW 2021

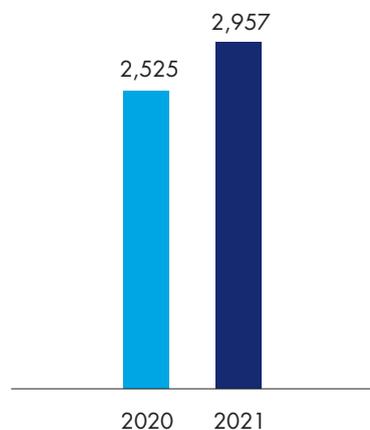
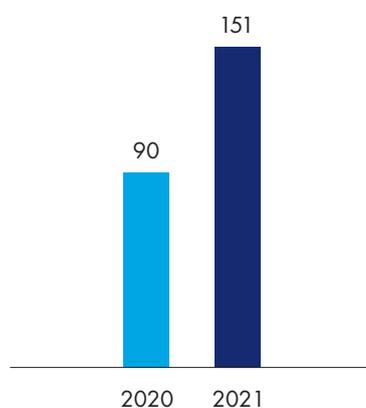
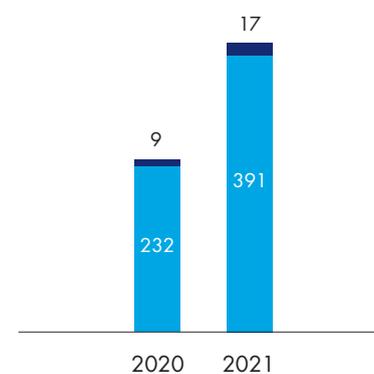


KEY FIGURES

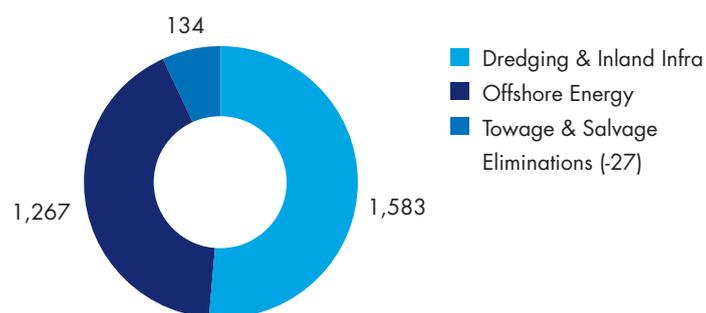
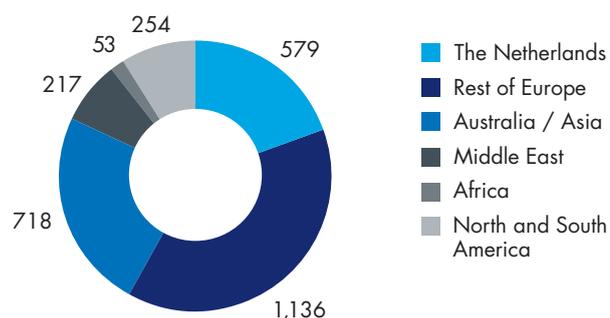
(in EUR million, unless stated otherwise)	2021	2020
Revenue	2,957	2,525
Order book	5,406	5,306
EBITDA	462	404
Net result from joint ventures and associates	39	19*
Depreciation and amortization	264	264
Operating result	199	140
Exceptional items (charges/income)	-	-195
EBIT	199	-56
Net profit (loss)	151	-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)

■ Net capital expenditure ■ Disposals

REVENUE BY SEGMENT (in EUR million)**REVENUE BY GEOGRAPHICAL AREA** (in EUR million)

This document is an excerpt from the 'printed version' of the Boskalis Annual Report 2021 that has been filed in accordance with the European Single Electronic Format (ESEF) and published on 10 March 2022 to be presented for adoption by the General Meeting of Shareholders. A single digital report package in XHTML as well as the 'printed' version of the Annual Report 2021 are available on www.boskalis.com. The external auditor has issued an unqualified auditor's report on the 2021 financial statements.

This document 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 document.

Accounting principles

Royal Boskalis Westminster N.V. prepares its financial reports in accordance with the International Financial Reporting Standards as adopted within the European Union (EU-IFRS). For the principles of financial reporting of Boskalis reference is made to the 2021 financial statements.

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.



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

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.

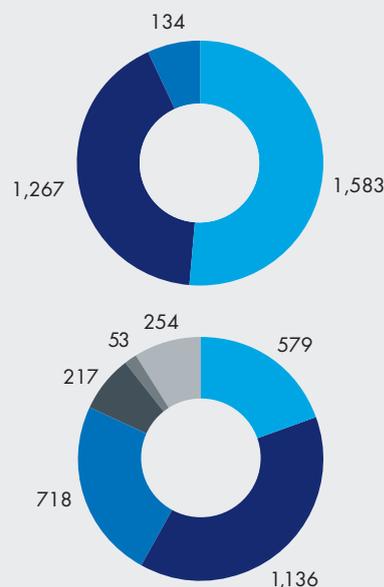
EBITDA increased to EUR 462.3 million (2020: EUR 404.3 million) and the operating result increased to EUR 198.6 million (2020: EUR 139.8 million adjusted for EUR 195.4 million exceptional charges). The result includes our share in the net result of joint ventures and associates, which increased to EUR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

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

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).

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 Marray 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.

<u>TOWAGE & SALVAGE</u>	<u>2021</u>	<u>2020</u>
(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.

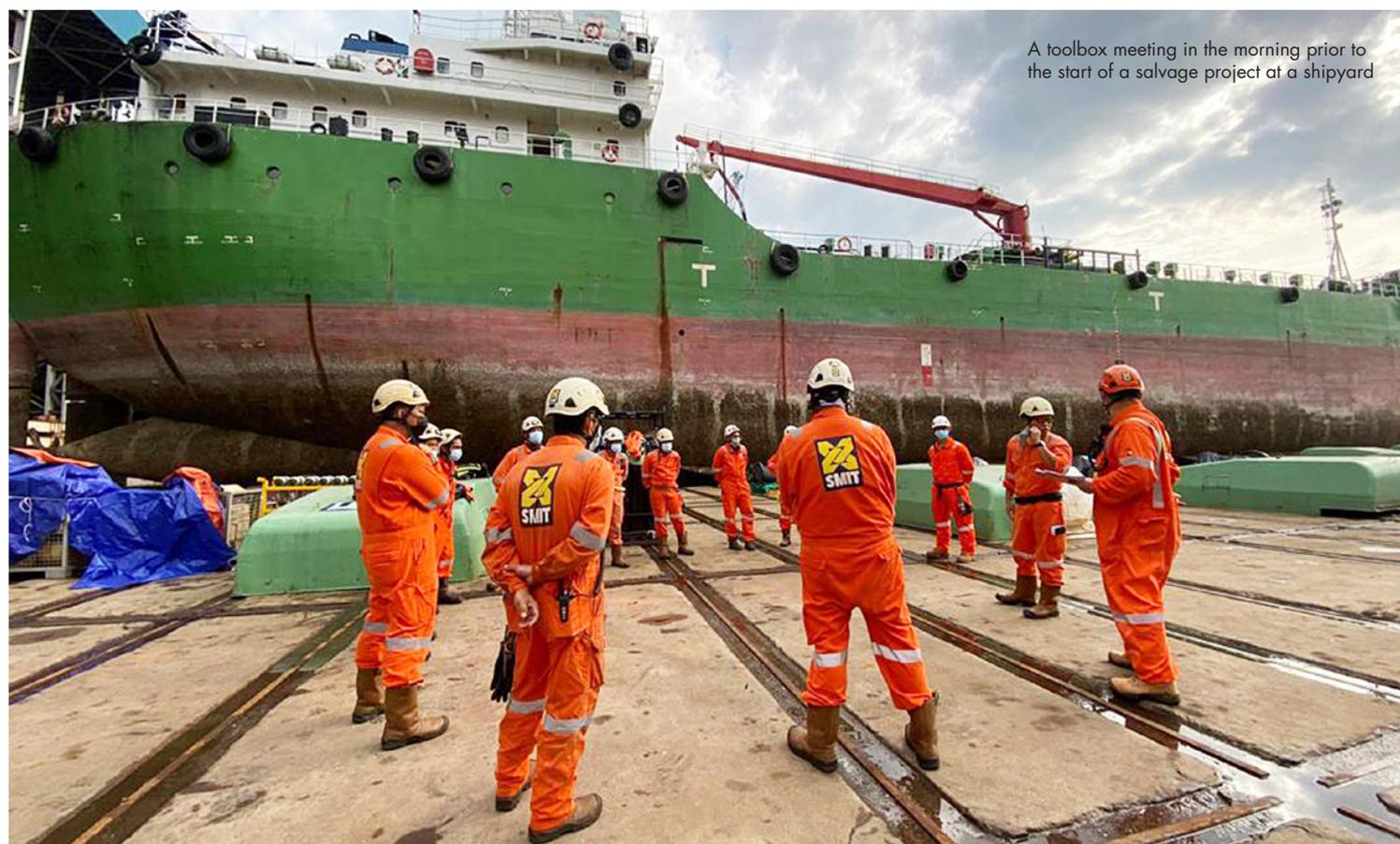
Boskalis must comply with a number of covenants as agreed with the syndicate of banks and the USPP investors. These covenants were comfortably met as at end-2021. The main covenants relate to the net debt : EBITDA ratio, with a limit of 3, and the EBITDA : net interest ratio, with a minimum of 4. At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

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.



SUMMARY FINANCIAL INFORMATION 2021

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
		198,588	- 55,575
RESULTS FROM OPERATING ACTIVITIES (EBIT)			
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
		182,530	- 70,463
PROFIT/LOSS (-) BEFORE TAXATION			
Income tax expenses	[12]	- 34,131	- 26,216
		148,399	- 96,679
NET GROUP PROFIT/LOSS (-)			
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

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

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

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

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

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

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