

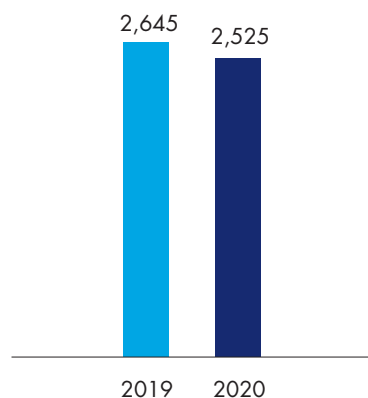
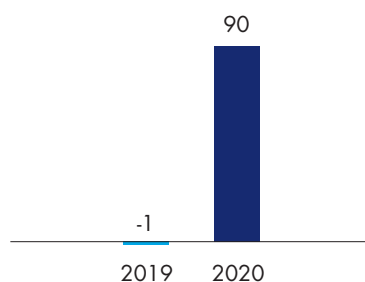
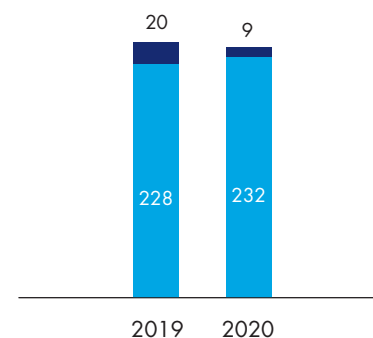
FINANCIAL REVIEW 2020



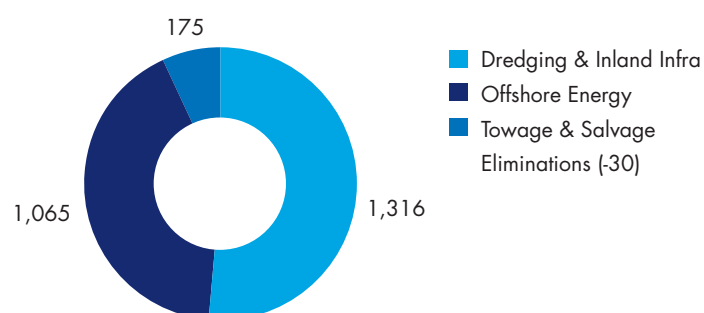
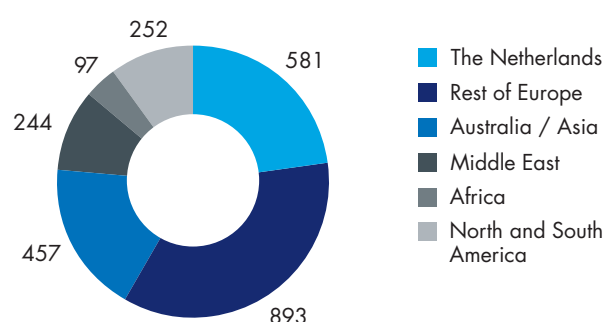
KEY FIGURES

(in EUR million, unless stated otherwise)	2020	2019
Revenue	2,525	2,645
Order book	5,306	4,722
EBITDA	404	376
Net result from joint ventures and associates	19*	26
Depreciation and amortization	264	265
Operating result	140	28
Exceptional items (charges/income)	-195	82
EBIT	-56	111
Net operating profit	90	-1
Net profit (loss)	-97	75
Net group profit (loss)	-97	75
Cash flow	355*	340
Shareholders' equity	2,283	2,491
RATIOS (IN PERCENTAGES)		
EBIT as % of revenue	5.5*	4.2
Return on capital employed	3.9*	2.9
Return on equity	3.8*	3.0
Solvency	50.5	54.3
FIGURES PER SHARE (IN EUR)		
Profit	0.69*	0.56
Dividend (proposal)	0.50	-
Cash flow	2.48*	2.55
NON-FINANCIAL INDICATORS		
Employees including associated companies	9,913	9,604
Employees in Boskalis majority owned entities	6,137	5,812
Ratio women/men within Boskalis' majority owned entities	14/86	14/86
Number of nationalities within Boskalis' majority owned entities	84	79
Lost Time Injuries (LTI)	9	6
Lost Time Injury Frequency (LTIF)	0.05	0.03
Total Recordable Injury Rate (TRIR)	0.32	0.37
Strategic suppliers: percentage spend covered by Supplier Code of Conduct	85	81
CO ₂ emissions scope 1+2 (MT ('000))	973	1,110
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 2020 that has been filed in accordance with the European Single Electronic Format (ESEF) and published on 4 March 2021 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 2020 are available on www.boskalis.com. The external auditor has issued an unqualified auditor's report on the 2020 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 2020 financial statements.

FINANCIAL PERFORMANCE

Royal Boskalis Westminster N.V. has exceeded expectations in what has proven to be a very turbulent and challenging 2020 with an EBITDA of EUR 404 million. Net operating profit amounted to EUR 90 million. Furthermore, despite COVID-19 restrictions, many new projects were acquired resulting in a record high order book of EUR 5.3 billion. Tightened financial management further strengthened the balance sheet and improved the net cash position to EUR 439 million.

Nevertheless, the COVID-19 pandemic has had far-reaching consequences for Boskalis. The prolonged disruptions for international air travel and stringent quarantine measures affected projects outside Europe, particularly in the Dredging division. In the Offshore Energy division mainly the services activities suffered from the unexpected sharp fall in the oil price, resulting in a drop in demand in parts of the offshore market.

In light of the COVID-19 pandemic and the sharp drop in the oil price, Boskalis once again undertook a critical review of the valuation of vessels and balance sheet assets across the board. This resulted in a virtually exclusively non-cash exceptional charge of EUR 195 million of which three quarters had already been recorded in the first half of the year. This charge consist mainly of an impairment on goodwill and vessels in two joint ventures as well as of a limited number of own assets and an impairment on brand names.

Compared to last year, revenue decreased by 4.5% to EUR 2.525 billion (2019: EUR 2.645 billion). Adjusted for (de) consolidation and currency effects, revenue was 6.9% lower. EBITDA totaled EUR 404 million and the Operating result amounted to EUR 140 million, both excluding exceptional charges. In 2019, EBITDA amounted to EUR 376 million and the Operating result to EUR 28 million.

In 2020, a net operating profit of EUR 90 million was realized. Including exceptional charges, a net loss of EUR 97 million remains (2019: net profit EUR 75 million). In both 2020 and 2019, the result was affected by a number of exceptional items. In 2020, this concerned the previously mentioned almost entirely non-cash charge of EUR 195 million, which is largely recognized at group level. In 2019, this concerned book gains of EUR 82 million from various sales transactions.

In the Dredging & Inland Infra segment, revenue decreased by 13% at a lower profit margin. This development is largely attributable to COVID-19. The pandemic caused delays in some major projects and, in addition, global travel restrictions and quarantine measures led to operational inefficiencies. The largest revenue contribution came from projects in Southeast Asia, the Indian subcontinent, the Middle East, Canada and the Dutch market.

Revenue from Offshore Energy increased by more than 4%. Contracting revenue was virtually stable with a busy year at Seabed Intervention. In Services, the consolidation of the survey activities of Horizon as of early 2020 resulted in a net increase in the revenue. Over the past year, Services was impacted most by the strong decline in the oil price. The divisional operating result improved significantly, with good project results at Seabed Intervention and Subsea Cables, a positive contribution from Marine Transport Services and the consolidation of Horizon.

In the Towage & Salvage segment, Salvage had an excellent year with substantially higher revenues and good results on projects in the Indian and Atlantic Ocean and in the Arctic near Spitsbergen. The contribution from the Towage joint ventures was lower but this was more than offset by Salvage's good result.



The BOKA Vanguard transporting a fish farm measuring 385 by 60 meters, making it the largest cargo ever transported by ship

The customary holding and non-allocated group costs were reduced thanks to a wide range of cost-cutting measures taken in response to the COVID-19 outbreak.

The financial position of Boskalis remains strong and improved further in the second half of the year. At year-end Boskalis was net debt free with a cash position of EUR 439 million, compared to a net cash position of EUR 26 million at the start of 2020. Solvency remains high at 50.5% and Boskalis comfortably meets its financial covenants.

The order book increased by over 12% to a record EUR 5.306 billion (year-end 2019: EUR 4.722 billion). In the fourth quarter Boskalis successfully acquired the Dredging project for the new airport in Manila. With an estimated value of EUR 1.5 billion, this concerns the largest project ever taken on by Boskalis.

OPERATIONAL AND FINANCIAL DEVELOPMENTS

2020 has been an exceptional year in many ways. From the beginning of the COVID-19 pandemic, maximum precautions were taken to ensure the health, safety and wellbeing of our employees. At the same time, all necessary steps were taken to safeguard the continuity of the business. These steps were aimed at minimizing operational and capital expenditures, maximizing cash flows and to preserve the strong balance sheet.

As a consequence of the global impact of the COVID-19 pandemic and strong decline in the oil price, a critical review of the business including assets and activities was conducted. This review has resulted in EUR 195 million of exceptional charges (EUR 187 million post tax). These charges are virtually all non-cash of which EUR 184 million are impairments largely related to two joint ventures, a limited number of vessels and intangible assets (brand recognition).

For comparison purposes the Net result of joint ventures is adjusted for these exceptional items. Operating Result is defined

as EBIT before exceptional items and Net operating profit is defined as Net profit before exceptional items.

REVENUE

Over the past year, revenue declined by 4.5% to EUR 2.525 billion (2019: EUR 2.645 billion). Adjusted for consolidation, deconsolidation and currency effects, the decrease amounted to 6.9%.

Dredging & Inland Infra revenue declined by 13.3% primarily due to COVID-19-related operational disruptions. The largest revenue contribution came from projects in Singapore, the Indian subcontinent, the Middle East, Canada and the Netherlands.

Within Offshore Energy, contracting revenues were virtually stable with an underlying growth for Seabed Intervention. The revenue contribution from the services activities increased as a consequence of the acquisition and consolidation of the survey activities of Horizon Geosciences (Horizon) early 2020. The overall divisional revenue increased by 4.4%.

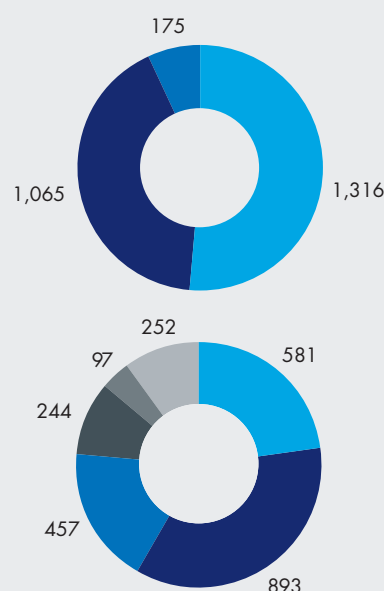
Within the Towage & Salvage division, Salvage had an extremely busy year with a handful of mid- to large-sized projects and a range of smaller emergency response contracts resulting in a 32.2% revenue increase.

RESULT

Considering the extraordinary circumstances caused by the COVID-19 pandemic and strong decline in the oil price, the 2020 result was good. The second half year result was virtually stable compared to the first half year. EBITDA increased to EUR 404 million (2019: EUR 376 million). The 2019 result included a book profit of EUR 82 million related mainly to the sale of two towage joint ventures that was more than offset by onerous contract provisions related to a limited number of offshore projects.

REVENUE BY SEGMENT	2020	2019
(in EUR million)		
Dredging & Inland Infra	1,315.7	1,517.7
Offshore Energy	1,064.9	1,020.4
Towage & Salvage	174.6	132.1
Eliminations	-30.3	-25.6
Total	2,524.9	2,644.6

REVENUE BY GEOGRAPHICAL AREA	2020	2019
(in EUR million)		
The Netherlands	581.3	619.3
Rest of Europe	893.2	919.4
Australia / Asia	456.8	433.5
Middle East	244.1	357.5
Africa	97.4	88.3
North and South America	252.1	226.6
Total	2,524.9	2,644.6



The operating result, defined as EBIT adjusted for exceptional items, increased to EUR 140 million (2019: EUR 28 million). EBIT amounted to minus EUR 56 million (2019: EUR 111 million). The result includes our share in the net result of joint ventures and associates of EUR 19 million (2019: EUR 26 million). This decline is largely attributed to Horizon which in 2019 was an associated company and is consolidated as per the beginning of 2020.

The divisional operating result of Dredging & Inland Infra amounted to EUR 53 million (2019: EUR 108 million). The lower result is a consequence of COVID-related productivity inefficiencies and the associated lower activity level as well as very competitive market circumstances.

Within Offshore Energy, the operating result amounted to EUR 66 million (2019: minus EUR 71 million). The strong increase was driven by a combination of factors. Within the services cluster this resulted from an improvement within marine transport services and the consolidation of Horizon. Within the contracting cluster, the wind activities contributed to the improved result together with a strong year from seabed intervention in addition to claim settlements on a limited number of offshore wind projects.

The Towage & Salvage operating result increased to EUR 46 million (2019: EUR 38 million). A decline within the Towage activities was more than offset by the strong performance at Salvage.

Non-allocated group income and expenses amounted to negative EUR 25 million and relate primarily to the non-allocated head-office costs (2019: negative EUR 46 million). The decline in the expenses reflects the COVID-19 cost savings measures taken.

OPERATING RESULT BY SEGMENT	2020	2019
(in EUR million)		
Dredging & Inland Infra	53.2	107.6
Offshore Energy	66.3	-70.9
Towage & Salvage	45.6	37.9
Non-allocated group (costs) result	-25.3	-46.1
Operating Result	139.8	28.5
Exceptional items	-195.4	82.3
EBIT	-55.6	110.7

NET PROFIT

The pre-tax loss amounted to EUR 70 million, resulting in a net loss attributable to shareholders of EUR 97 million (2019: profit of EUR 95 million and EUR 75 million, respectively). Adjusted for the exceptional charges, the 2020 net profit amounted to EUR 90 million.

ORDER BOOK

In 2020, Boskalis acquired, on balance, EUR 3,405 million worth of new contracts. At the end of the year the order book, excluding our share in the order books of joint ventures and associates,

stood at a record high level of EUR 5,306 million (end-2019: EUR 4,722 million).

ORDER BOOK	2020	2019
(in EUR million)		
Dredging & Inland Infra	4,075.7	3,192.4
Offshore Energy	1,226.8	1,524.2
Towage & Salvage	3.8	5.4
Total	5,306.3	4,722.0

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. Construction of roads and railroads, bridges, aqueducts, viaducts and tunnels including earthmoving, soil improvement and remediation – mainly in the Netherlands.

DREDGING & INLAND INFRA	2020	2019
(in EUR million)		
Revenue	1,315.7	1,517.7
EBITDA	177.3	241.6
Net result from JVs and associates	2.6	3.3
Operating result	53.2	107.6
Order book at year-end	4,075.7	3,192.4

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

REVENUE

Revenue from the Dredging & Inland Infra segment amounted to EUR 1,316 million (2019: EUR 1,518 million).

REVENUE BY REGION	2020	2019
(in EUR million)		
The Netherlands	456.3	485.2
Rest of Europe	302.2	231.1
Rest of the world	557.2	801.4
Total	1,315.7	1,517.7

The Netherlands

Revenue in the Netherlands totaled EUR 456 million in 2020. 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 N69 and N3 and miscellaneous riverbank and dike reinforcement projects.

Rest of Europe

Revenue in the rest of Europe amounted to EUR 302 million consisting of numerous mainly port-related capital and maintenance projects throughout the home markets (United Kingdom, Germany, Sweden and Finland). Furthermore, early works commenced on the Fehmarnbelt tunnel project thereby

contributing to the revenue growth. Early November, a German federal court ruled in favor of the construction of the Fehmarnbelt tunnel clearing the way for Boskalis to proceed in 2021 with the construction of the tunnel between Denmark and Germany.

Rest of the world

Projects outside of Europe were most impacted by COVID-19 resulting in a revenue decline to EUR 557 million. COVID measures have had a significant impact on the productivity and efficiency of the international projects. Travel restrictions and the huge variety of quarantine measures have resulted in significant logistical challenges to move people and supplies to and from projects and vessels. Furthermore, a selective lockdown in Singapore had a negative impact on the Pulau Tekong polder development project in the second and third quarter.

The largest revenue contribution came from a limited number of projects in Southeast Asia, the Middle East and the Indian subcontinent as well as from the LNG Canada project.

FLEET DEVELOPMENTS

The hopper fleet was well utilized in the second half of the year resulting in an annual utilization rate of 35 weeks (2019: 32 weeks). The cutter fleet had an effective annual utilization rate of 17 weeks (2019: 26 weeks) reflecting a very quiet second half year. The Krios mega cutter was delivered at the end of the year

providing Boskalis with two new state-of-the-art mega cutters. As a consequence, Boskalis has decided to retire two old cutters resulting in an impairment to scrap value.

SEGMENT RESULT

Dredging & Inland Infra achieved an EBITDA of EUR 177 million, with an operating result of EUR 53 million (2019: EUR 242 million and EUR 108 million, respectively).

The lower margin is the combined effect of the COVID-19 pandemic resulting in substantial operational inefficiencies and the challenging market conditions in the dredging market. The Dutch Inland Infra activities made a strong contribution to the result.

ORDER BOOK

The year-end order book increased to a record level of EUR 4,076 million (End 2019: EUR 3,192 million). On balance, projects with a total value of EUR 2,519 million were acquired in the course of 2020.

There was a substantial increase in the orderbook in the Netherlands. The most noteworthy additions were the dike reinforcement projects IJsseldijk Zwolle-Olst and Krachtige IJsseldijken Krimpenerwaard, maintenance dredging in the port of Rotterdam, the construction of a new inland harbor in Spijk, a



Dredging activities by the cutter suction dredger Edax in Kitimat, Canada

follow-up project for the construction of a second artificial island in the IJmeer lake in Amsterdam and major maintenance of the N3 highway.

Elsewhere in Europe, numerous port-related projects were acquired including capital dredging works in Finland and the United Kingdom.

Outside of Europe, Boskalis was awarded a EUR 1.5 billion dredging contract for the land development for the new Manila International Airport – Bulacan. This multiyear project is the largest single project ever acquired by Boskalis and provides substantial utilization for the hopper fleet in the coming three years. Following a critical review of the order book, it was decided to remove a EUR 320 million land reclamation project from the backlog due to substantial uncertainties.

Early January, Boskalis was awarded part of the Oosterweel link project in Antwerp, Belgium. Boskalis with its consortium partners will construct the Oosterweel junction and the replacement of the Royers lock as part of the overall project objective to close the ring road around the city of Antwerp. The contract carries a value of approximately EUR 150 million for Boskalis and is not included in the 2020 year-end order book.

ORDER BOOK BY MARKET	2020	2019
(in EUR million)		
The Netherlands	833.9	577.2
Rest of Europe	619.5	658.4
Rest of the world	2,622.3	1,956.8
Total	4,075.7	3,192.4

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 oil and LNG import/export facilities.

OFFSHORE ENERGY	2020	2019
(in EUR million)		
Revenue	1,064.9	1,020.4
EBITDA	193.5	47.4
Net result from JVs and associates	4.3	6.0
Operating result	66.3	-70.9
Order book at year-end	1,226.8	1,524.2

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 1,065 million (2019: EUR 1,020 million) of which 41% was related to offshore wind and contracting accounted for approximately 56% of divisional revenue. The divisional revenue increase was fully attributable to the consolidation of Horizon following the acquisition of the remaining shares early 2020. The services part of the division was in particular effected by COVID-19 and the strong decline of the oil price leading to the delay or postponement of projects and subsequent dependence on spot markets.



The heavy transport vessel Mighty Servant 1 ready for departure after loading modules for a manufacturing facility

Offshore Services includes Marine Transport & Services, Subsea Services and Marine Survey. Services revenue increased by 9% with the largest increase within Marine Survey.

At Marine Transport & Services, there was a slight revenue increase. Most of the type I and IIa high-end vessels were active and the type O vessel BOKA Vanguard had a busy start and end of the year with the transportation of a fish farm from China to Norway and the transportation of the Mad Dog 2 Floating Production Unit from Korea to the Gulf of Mexico. Other significant projects included the successful topside float-over of the Bokor platform offshore Sarawak, Malaysia and the transport and installation of floating turbines for the Kincardine floating wind farm off the coast of Aberdeen, Scotland.

At Subsea Services, the impact of the COVID-19 pandemic and the low oil price impacted the full year performance. Compared to 2019, a lower vessel utilization resulted in a lower revenue due to a continuing very competitive North Sea market. Just before the end of the year, Boskalis acquired all the shares of Rever Offshore's subsea services business. Rever has historically operated in the North Sea out of Aberdeen (United Kingdom) and holds a strong track record. Through this transaction, Boskalis adds two diving support vessels of which one is fully owned (Rever Polaris) and a second chartered (Rever Topaz). Boskalis' existing subsea activities will be integrated with Rever thereby strengthening the current position in the subsea services market in Northwest Europe, Africa and the Middle East. On the important North Sea subsea market, Boskalis is now a solid top three player opening up ample opportunities for operational efficiencies and synergies.

Marine Survey, comprising the activities of Gardline and Horizon, showed a mixed picture in 2020. At Gardline, following a slow winter season, the strong decline in the oil price impacted revenue levels in the first half year whilst a strong flow of offshore wind assignments resulted in a strong second half year. Horizon had a strong full year. In 2020, approximately two thirds of the marine survey revenue was related to renewables projects, including developments on the East Coast of the US.

Offshore Contracting includes Seabed Intervention, Heavy Lifting (including wind foundations) and Subsea Cables. The combined contracting revenue level was fractionally lower compared to 2019.

At Seabed Intervention, several pipeline-related projects made a strong revenue contribution, including the gas pipeline from Jutland to Funen in the Lillebaelt of Denmark. Work on the scour protection for the Yunlin offshore windfarm in Taiwan commenced and good progress was made on the installation of a pipeline connection and the hook-up of a Floating Storage and Regasification Unit in El Salvador.

At Heavy Lifting, a combination of decommissioning projects and offshore wind foundation projects were completed, in addition to preparatory works for the Changfang & Xidao project that will commence in 2021.

Subsea Cables had a busy year with the largest revenue contribution coming from the offshore wind projects Ostwind 2, Moray East, Hornsea 2, Triton Knoll and Borssele Beta.

FLEET DEVELOPMENTS

For the year the (weighted) utilization rate of the heavy marine transport fleet was 66% (2019: 66%). The captive assets (cable-laying vessels, fallpipe vessels and crane vessel) had a reasonable year with a utilization rate of 66% (2019: 74%).

In 2020, progress was made on the conversion and construction of the Bokalift 2 crane vessel at the Drydocks World shipyard in Dubai. The Forte heavy marine transport vessel was also modified in 2020 and fitted out with a DP2 system, which was later utilized on the Bokor float-over project. The conversion of an offshore supply vessel into a state-of-the-art geophysical survey vessel for Gardline is ongoing and is expected to enter service ahead of the 2021 season. Finally, through the Rever acquisition, two large diving support vessels have been added to the fleet of subsea services.

SEGMENT RESULT

EBITDA from the Offshore Energy segment amounted to EUR 193 million, with an operating result of EUR 66 million (2019: EUR 47 million and a loss of EUR 71 million, respectively). The 2019 result was impacted by operational and contractual issues on a limited number of projects resulting in onerous contract provisions.

The 2020 operating result from the services cluster increased compared to the same period last year. The increase reflected a higher contribution from Marine Transport & Services in addition to the consolidation of Horizon. Overall, Marine Survey made a strong contribution however all of the services activities were impacted by COVID-19, the low oil price and project delays.

The contracting cluster made a strong positive contribution. This result included a particularly strong year at seabed intervention, the good performance on offshore cable projects in addition to claim settlements on a limited number of projects.

The segment result includes our share in the net result of joint ventures and associates of EUR 4 million.

ORDER BOOK

At the end of 2020, the order book stood at EUR 1,227 million (end-2019: EUR 1,524 million) of which 57% is related to offshore wind.

Seabed Intervention acquired a number of projects including the seabed preparation and scour protection scope for the Fécamp offshore wind farm in Normandy. Boskalis will design and install the seabed rock foundation for 71 gravity based structures and will carry out the scour protection and ballasting of the structures following the installation.

In the second half of the year, Boskalis acquired the transport and installation scope for Kincardine, the world's largest floating windfarm located fifteen kilometers off the coast of Aberdeen. The farm consists of five turbines with a capacity of 9.5 megawatts each that will be anchored at a depth of sixty to eighty meters. In addition to numerous other smaller contracts and variation orders

Boskalis also acquired the installation scope of bridge sections for the world's longest suspension bridge, the Çanakkale 1915 bridge in Turkey.

On balance, EUR 744 million of new work was acquired during the year.

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 oil and gas terminals and associated maritime and management services.

Salvage: providing assistance to vessels in distress, wreck removal, environmental care services and consultancy.

TOWAGE & SALVAGE	2020	2019
(in EUR million)		
Revenue	174.6	132.1
EBITDA	50.1	41.6
Net result from JVs and associates	12.1	16.5
Operating result	45.6	37.9
Order book at year-end	3.8	5.4

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.

REVENUE

Revenue from the Towage & Salvage segment amounted to EUR 175 million (2019: EUR 132 million).

Salvage had an exceptionally good year with an important contribution from projects in Brazil, the Indian Ocean and the Arctic, in addition to numerous smaller emergency response contracts.

All harbor 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 50 million, with an operating result of EUR 46 million (2019: EUR 42 million and EUR 38 million, respectively).

The strong Salvage result includes the contribution from current projects and to a limited extent financial settlements from projects that were executed in previous years. The segment result includes our share in the net result of joint ventures and associates with terminal services (Smit Lamnalco) and harbor towage (Keppel Smit Towage). The contribution from these joint ventures, adjusted for impairment charges, was EUR 12 million (2019: EUR 16 million).

ORDER BOOK

The order book, excluding our share in the order book of joint ventures and associates, was EUR 4 million (2019: EUR 5 million). The order book relates solely to the Salvage business unit.

The value of the order book of the joint ventures is not included in the consolidated financials. As per the end of 2020, the 100% value of the order book of the joint ventures amounted to EUR 1,081 million, which is fully attributable to terminal services contracts of Smit Lamnalco (end-2019: EUR 1,425 million).

HOLDING AND ELIMINATIONS

Non-allocated head office activities.

HOLDING AND ELIMINATIONS	2020	2019
(in EUR million)		
Revenue	-30.3	-25.6
EBITDA	-16.6	45.3
Net result from JVs and associates	-	-0.1
Operating result	-25.3	-46.1

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.

Following the COVID-19 outbreak, numerous measures were taken to preserve the financial strength of the company. In addition to various cash flow oriented measures, several cost saving initiatives were also taken. Some of these savings are reflected in the results of the divisions, however reductions in the non-allocated head-office expenses contributed to the improved result.

The 2020 EBITDA and operating result were minus EUR 17 million and minus EUR 25 million, respectively (2019: EUR 45 million and minus EUR 46 million). The 2019 EBITDA included a book profit of EUR 82 million as a result of sale transactions.

OTHER FINANCIAL INFORMATION

DEPRECIATION, AMORTIZATION AND IMPAIRMENT CHARGES

Depreciation and amortization charges amounted to EUR 264 million (2019: EUR 265 million), excluding impairments and the reversal of impairments.

The COVID-19 outbreak and subsequent macro developments led to a critical review of the business including market expectations as well as an assessment of the fleet composition. This review resulted in impairment charges of EUR 184 million in 2020. The largest part of these non-cash charges, EUR 123 million, relates to the goodwill and assets embedded in the joint ventures Smit Lamnalco and Asian Lift. The remaining impairment charges largely relate to a limited number of old vessels that are going to

be scrapped or sold, impairments on specialized and nearshore subsea cable-laying assets and the impairment of brand recognition within the Offshore Energy division.

In 2019, there was an impairment reversal of EUR 40 million as a result of sale transactions.

INCOME FROM JOINT VENTURES AND ASSOCIATES

Our share in the net result from joint ventures and associates adjusted for impairment charges was EUR 19 million (2019: EUR 26 million). 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). With the exception of Keppel Smit Towage, the underlying performance of the joint ventures was better than in 2019. The 2019 result included Horizon which is consolidated as per the beginning of 2020.

TAX

The tax expense was EUR 26 million (2019: EUR 20 million) with an effective tax rate of -37.2%. Excluding the adjustment on the exceptional items the effective tax rate is 27.7%. The effective tax rate is highly dependent on the mix of countries and entities in which projects are executed. As the mix of countries in which projects are executed changes over time, uncertainty may arise regarding the possibilities to compensate income tax losses with future taxable income.

CAPITAL EXPENDITURE AND BALANCE SHEET

Shortly after the outbreak of the COVID-19 pandemic, Boskalis announced it would further sharpen its strong focus on cash management. Various steps were taken aimed at limiting non-project-related expenditure, optimizing working capital and preserving the financially strong position. The intended capital expenditure program for 2020 was substantially reduced, the dividend pay-out for the financial year 2019 was cancelled and the share buyback program was temporarily suspended. The combined effect of these measures had a positive cash flow impact of more than EUR 250 million in 2020.

In 2020, a total amount of EUR 241 million was invested in property, plant and equipment (2019: EUR 248 million), of which EUR 34 million was related to dry dockings. Disposals were made totaling EUR 9 million. In addition to these investments in property, plant and equipment EUR 24 million was invested in right-of-use assets in 2020 (2019: EUR 44 million).

Within Dredging, the largest investment was related to construction installment payments for the cutter suction dredger Krios. The largest investment within the Offshore Energy division was for the Bokalift 2 crane vessel and the new geophysical survey vessel.

In addition to these investments in property, plant and equipment, Boskalis acquired the remaining 37.5% stake in Horizon Geosciences for a consideration of EUR 45 million in January 2020 as well as the shares in Rever Offshore for a consideration of EUR 23 million late December.



Salvage of the front section of the grounded bulk carrier MV Wakashio in Mauritius

Capital expenditure and acquisition commitments at the end of the year amounted to EUR 112 million (end-2019: EUR 162 million), which is mainly related to the Bokalift 2.

As part of the share buyback program, Boskalis used EUR 33 million cash to repurchase shares.

The cash flow amounted to EUR 355 million (2019: EUR 340 million).

The working capital position at year-end was EUR 813 million negative (year-end 2019: EUR 417 million negative). Including the effects of IFRS 16, the working capital position at year-end amounted to EUR 841 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 2021.

The interest-bearing debt totaled EUR 386 million at year-end. The cash position at the end of the year was EUR 825 million resulting in a positive net financial position with a net cash amount of EUR 439 million. The lease liabilities of EUR 121 million as a result of IFRS 16 lease accounting is not included in the net financial position. At the end of 2019, the debt position was EUR 374 million with a cash position of EUR 400 million resulting in a positive net financial position with a net cash amount of EUR 26 million. The solvency ratio as per year-end was 50.5% (year-end 2019: 54.3%).

The interest-bearing debt relates largely to a long-term US Private Placement (USPP) of USD 325 million (EUR 277 million as at 31 December 2020) with a maturity date in 2023. In October, Boskalis financed the construction cost for its mega suction cutter dredger Krios through an innovative Export Credit Agency covered loan. The size of this facility is EUR 121 million of which EUR 106 million was drawn in 2020. 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 was recently extended and now 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 1.2 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-2020. 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 2020, the net debt : EBITDA ratio stood at -1.3 and the EBITDA : net interest ratio at 25.

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 share buyback program as per 3 April 2020. The program was restarted on 21 August and as per 3 March 2021, 83% of the program has been completed.

ACQUISITION REMAINING SHARES HORIZON

Early 2020, Boskalis acquired the remaining 37.5% stake in the Horizon Group. In 2019, Boskalis already acquired 62.5% of the shares. Through this transaction, Boskalis has expanded its position in the marine geophysical and geotechnical survey market. Horizon will continue to focus on its traditionally strong market position in the Middle East and Northwest Europe with opportunities to expand into the emerging offshore wind market in the Far East making it highly complementary to the position already held by Boskalis through Gardline in Northwest Europe and on the East Coast of the United States. The remaining 37.5% stake in Horizon was acquired for a consideration of EUR 45 million.

ACQUISITION ARDENT AMERICAS

Early April, Boskalis announced the acquisition of maritime emergency response specialist Ardent Americas LLC (Ardent Americas) through its joint venture Donjon-Smit. Ardent Americas is a leading player under the Oil Pollution Act of 1990 (OPA90) for the provision of marine emergency response services in the United States (US). Through this acquisition Boskalis further strengthens its existing position in the US maritime salvage market. Boskalis already provides OPA90 services in the US through its subsidiary SMIT Salvage and its joint venture Donjon-Smit.

ACQUISITION REVER OFFSHORE

Late December, Boskalis acquired all the shares of Rever Offshore's subsea services business. Through this acquisition, Boskalis strengthens its current position in the subsea services market in Northwest Europe, Africa and the Middle East and its capabilities to serve both the traditional oil & gas market and the rapidly expanding offshore wind market. On the important North Sea subsea market, Boskalis is now a solid top three player opening up ample opportunities for operational efficiencies and synergies. Rever was acquired for a consideration of EUR 23 million.

OUTLOOK

Boskalis is in good shape as a company with its very well-filled order book and strong financial starting position. Nevertheless, the further course of the COVID-19 pandemic and the start-up of several large projects will be key factors in 2021.

At Dredging & Inland Infra, we expect a stable picture until the summer with all COVID-19 related restrictions and based on the projects in hand. Thereafter, the volume of work and vessel utilization is expected to increase, in part due to the start-up of the large project in the Philippines, in addition to large ongoing projects in Singapore, Denmark and the Netherlands.

At Offshore Energy, the portfolio provides a good basis for 2021. Prospects in Contracting are good with a number of large projects for Seabed Intervention and the start-up of the Changfang & Xidao offshore wind project in Taiwan. The outlook at Marine Transport Services is also positive despite COVID-19 as a number of delayed cargoes from 2020 will contribute to the 2021 utilization. In Survey, in addition to the traditional markets, the strong emerging offshore wind market is expected to contribute to a good year. Finally, Subsea Services will be focusing on the integration of the recently acquired Rever Offshore.

At Towage & Salvage, the remaining joint ventures (Smit Lamnalco and Keppel Smit Towage) are expected to have a stable year. The Salvage result will, as always, 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 activities and the uncertainties related to COVID-19, it is difficult at this early stage of the year to make a specific quantitative statement about the projected annual result for 2021. The well-filled order book however offers a solid basis to match the EBITDA level of 2020.

Capital expenditures in 2021 are expected to be in excess of EUR 300 million, excluding possible acquisitions. This is in line with the multi-year investment program presented early 2020, albeit that certain 2020 investments have been deferred into 2021 and 2022. The largest investment for the coming year is the conversion of the Bokalift 2 crane vessel, which is almost fully booked for 2022.



Diving support vessel BOKA Atlantis
enroute to its next subsea project

SUMMARY FINANCIAL INFORMATION 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(in thousands of EUR)	Note	2020	2019
OPERATING INCOME			
Revenue	[6]	2,524,911	2,644,600
Reversal of impairments evidenced by a sale transaction	[10]	-	40,146
Other income	[5/7]	16,995	55,239
		2,541,906	2,739,985
OPERATING EXPENSES			
Raw materials, consumables, services and subcontracted work	[8]	- 1,695,439	- 1,927,999
Personnel expenses	[9]	- 471,942	- 461,270
Depreciation and amortization	[15/16/27.1]	- 264,487	- 265,115
Impairment charges	[10]	- 157,475	-
Other expenses	[7]	- 261	- 470
		- 2,589,604	- 2,654,854
Share in result of joint ventures and associates	[17]	- 7,877	25,590
RESULTS FROM OPERATING ACTIVITIES (EBIT)		- 55,575	110,721
FINANCE INCOME AND EXPENSES			
Finance income	[11]	369	995
Interest and other finance expenses	[11/27.2]	- 15,257	- 16,676
		- 14,888	- 15,681
PROFIT/LOSS (-) BEFORE TAXATION		- 70,463	95,040
Income tax expenses	[12]	- 26,216	- 20,141
NET GROUP PROFIT/LOSS (-)		- 96,679	74,899
NET GROUP PROFIT/LOSS (-) ATTRIBUTABLE TO:			
Shareholders		- 96,523	74,887
Non-controlling interests		- 156	12
		- 96,679	74,899
Weighted average number of shares	[23.5]	130,954,242	133,248,096
Earnings per share (basic and diluted)	[23.5]	EUR -0.74	EUR 0.56

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

(Consolidated Statement of Recognized and Unrecognized Income and Expenses)

(in thousands of EUR)	Note	2020	2019
Net Group profit/loss (-)		- 96,679	74,899
ITEMS THAT WILL NOT BE SUBSEQUENTLY RECLASSIFIED TO THE STATEMENT OF PROFIT OR LOSS			
Actuarial gains and losses and asset limitation on defined benefit pension plans	[25.1]	- 3,005	- 7,822
Income tax on unrecognized income and expenses not to be reclassified to statement of profit or loss (-)	[14]	1,330	1,852
Total unrecognized income and expenses for the period that will not be reclassified to statement of profit or loss (-), net of income tax		- 1,675	- 5,970
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		- 1,276	1,326
Currency translation differences on foreign operations		- 64,625	21,102
Reclassification of foreign currency differences to statement of profit or loss	[5.3]	-	- 42,252
Reclassification of hedge reserve to statement of profit or loss	[17]	-	18,955
Movement in fair value of cash flow hedges	[29.2]	- 7,091	3,748
Income tax on unrecognized income and expenses that are or may be reclassified subsequently to statement of profit or loss	[14]	70	604
Change in fair value of cash flow hedges from joint ventures and associates, after tax	[29.2]	- 3,762	- 11,501
Total unrecognized income and expenses for the period which are or may be reclassified to statement of profit or loss (-)		- 76,684	- 8,018
UNRECOGNIZED INCOME AND EXPENSES FOR THE REPORTING PERIOD, AFTER INCOME TAX		- 78,359	- 13,988
TOTAL RECOGNIZED AND UNRECOGNIZED INCOME AND EXPENSES FOR THE REPORTING PERIOD		- 175,038	60,911
ATTRIBUTABLE TO:			
Shareholders		- 174,800	60,845
Non-controlling interests		- 238	66
TOTAL RECOGNIZED AND UNRECOGNIZED INCOME AND EXPENSES FOR THE REPORTING PERIOD		- 175,038	60,911

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Consolidated Balance Sheet)

ASSETS

		31 DECEMBER	
(in thousands of EUR)	Note	2020	2019
NON-CURRENT ASSETS			
Intangible assets	[15]	172,773	116,383
Property, plant and equipment	[16]	2,361,642	2,406,101
Right-of-use assets	[27]	115,005	103,877
Joint ventures and associates	[17]	208,466	428,055
Non-current financial assets	[18]	2,922	9,214
Derivatives	[29.2]	518	6,015
Deferred income tax assets	[14]	12,380	15,340
		2,873,706	3,084,985
CURRENT ASSETS			
Inventories	[19]	91,130	103,238
Unbilled revenue	[20]	206,670	279,981
Trade and other receivables	[21]	509,930	702,212
Derivatives	[29]	6,618	3,275
Income tax receivable	[13]	15,190	23,502
Cash and cash equivalents	[22]	824,547	399,574
		1,654,085	1,511,782
TOTAL ASSETS		4,527,791	4,596,767

EQUITY AND LIABILITIES

		31 DECEMBER	
(in thousands of EUR)	Note	2020	2019
GROUP EQUITY			
Issued capital	[23]	1,303	1,354
Share premium reserve	[23]	637,019	636,968
Other reserves	[23]	300,097	404,117
Retained earnings	[23]	1,344,796	1,448,913
SHAREHOLDERS' EQUITY		2,283,215	2,491,352
NON-CONTROLLING INTERESTS		2,983	3,350
TOTAL GROUP EQUITY	[23]	2,286,198	2,494,702
LIABILITIES			
NON-CURRENT LIABILITIES			
Interest-bearing borrowings	[24]	363,831	293,803
Employee benefits	[25]	50,191	46,575
Deferred income tax liabilities	[14]	2,690	1,450
Provisions	[26]	38,986	35,293
Lease liabilities	[27]	92,522	84,028
Derivatives	[29.2]	661	6,986
		548,881	468,135
CURRENT LIABILITIES			
Deferred revenue	[20]	357,510	315,756
Interest-bearing borrowings	[24]	12,596	50,255
Bank overdrafts	[22]	9,555	29,775
Income tax payable	[13]	146,043	146,094
Trade and other payables	[28]	1,101,265	1,001,869
Provisions	[26]	28,185	60,312
Lease liabilities	[27]	28,426	24,285
Derivatives	[29.2]	9,132	5,584
		1,692,712	1,633,930
TOTAL LIABILITIES		2,241,593	2,102,065
TOTAL GROUP EQUITY AND LIABILITIES		4,527,791	4,596,767

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of EUR)	Note	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Group profit / loss (-)		- 96,679	74,899
	[10/15/16/27.1]		
Depreciation, amortization and impairment charges		421,962	265,115
Cash flow		325,283	340,014
Adjustments for:			
Finance income and expenses	[11]	14,888	15,681
Income tax expenses	[12]	26,216	20,141
Results from disposals	[7]	- 8,546	- 6,756
Reversal of impairments evidenced by a sale transaction	[10]	-	- 40,146
Results from divestments and acquisitions		-	- 48,013
Movement in provisions and employee benefits		- 27,121	33,683
Movement in inventories		11,356	- 3,477
Movement in trade and other receivables		178,164	- 31,368
Movement in trade and other payables		77,638	- 31,667
Movement unbilled and deferred revenue		107,918	144,336
Share in result of joint ventures and associates, including share in impairment charges	[17]	7,877	- 25,590
Gain on acquisitions	[5]	- 7,569	-
Cash generated from operating activities		706,104	366,838
Dividends received	[17]	20,446	10,191
Interest received	[11]	369	995
Interest paid		- 11,970	- 12,625
Income tax paid		- 16,893	- 37,293
Net cash from operating activities		698,056	328,106
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment, excluding capitalized borrowing costs	[16]	- 225,624	- 247,590
Proceeds from disposals of property, plant and equipment		17,355	26,704
Investment in business combinations, net of cash acquired	[5]	- 43,183	- 23,250
Investment in and issued loans to joint ventures and / or associates	[17/18]	-	- 75,409
Disposal of (a part of) group companies, net of cash disposed, and joint ventures	[5]	-	291,464
Repayment of loans or share premium by joint ventures and / or associates	[17/18]	1,192	280
Net cash used from / (in) investing activities		- 250,260	- 27,801
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from interest-bearing borrowings	[24]	508,411	-
Repayment of interest-bearing borrowings	[24]	- 453,648	- 100,245
Transaction costs paid related to new finance agreement	[24]	- 5,435	-
Purchase of own shares	[23]	- 29,403	- 46,820
Payment of lease liabilities	[27.2]	- 27,977	- 23,818
Dividend paid to shareholders	[23]	-	- 66,999
Net cash used from / (in) financing activities		- 8,052	- 237,882
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS			
		439,744	62,423
Net cash and cash equivalents as at 1 January	[22]	369,799	307,877
Net increase / (decrease) in cash and cash equivalents		439,744	62,423
Currency translation differences		5,449	- 501
MOVEMENT IN NET CASH AND CASH EQUIVALENTS			
		445,193	61,922
NET CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER	[22]	814,992	369,799

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]	[23.6]	[23.3]			
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 (†) and asset limitation, 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 tax			- 7,194	-	- 7,194	-	- 7,194
Change in fair value of cash flow hedges from joint ventures and associates, after tax			- 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



Platform decommissioning activities
by the crane vessel Bokalift 1

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