

ANNUAL REVIEW 2022

ANNUAL REVIEW 2022



KEY FIGURES

(in EUR million, unless stated otherwise)	2022	2021
Revenue	3,578	2,957
Order book	6,107	5,406
EBITDA	604	462
Net result from joint ventures and associates	19	39
Depreciation and amortization	283	264
Operating result	271	199
Exceptional items (charges/income)	26	-
EBIT	298	199
Net profit	241	151
Net group profit	240	148
Cash flow	544	412
Net financial position incl. IFRS 16 lease liabilities: cash (debt)	237	203
RATIOS (IN PERCENTAGES)		
EBIT as % of revenue	8.3	6.7
EBITDA as % of revenue	16.9	15.6
Solvency	48.6	48.0
NON-FINANCIAL INDICATORS		
Employees including associated companies	11,164	10,250
Employees in Boskalis majority owned entities	7,441	6,254
Ratio women/men within Boskalis' majority owned entities	15/85	14/86
Number of nationalities within Boskalis' majority owned entities	87	85
Lost Time Injuries (LTI)	3	4
Lost Time Injury Frequency (LTIF)	0.01	0.02
Total Recordable Injury Rate (TRIR)	0.30	0.21
Strategic suppliers: percentage spend covered by Supplier Code of Conduct	89	88
CO ₂ emissions scope 1+2 (MT ('000))	1,203	1,078
Please refer to the glossary for definitions of the terms used		

ANNUAL REVIEW 2022

This Annual Review is a standalone document. For a more comprehensive understanding of the company and other developments in 2022, it is recommended to also take note of the Sustainability Report and to also refer to the contents of [boskalis.com](https://www.boskalis.com).

TABLE OF CONTENTS



The four sister vessels Causeway, Freeway, Shoalway and Strandway



4 CHAIR'S STATEMENT

6 BOSKALIS AT A GLANCE

**14 REPORT OF THE
SUPERVISORY BOARD**

**20 REPORT OF THE BOARD
OF MANAGEMENT**

**46 SUMMARY FINANCIAL
INFORMATION 2022**

56 OTHER INFORMATION

CHAIR'S STATEMENT

The year 2022 will go down in Boskalis history as a special year – a year in which our longstanding shareholder HAL made a successful voluntary public offer for all Boskalis shares that in turn resulted in our delisting after 50 years of trading on the Amsterdam stock exchange. We also started 2022 with optimism, founded on a new ambitious Corporate Business Plan that centered around sustainable growth. However, that optimism took a major blow in February when Russia invaded Ukraine. The subsequent conflict has impacted our projects and created uncertainty across the global economy, with rising energy and commodity prices resulting in record inflation. Against this backdrop, it is therefore all the more commendable that we can look back on a very strong operational and financial year. Our revenue increased by 21% to EUR 3.6 billion and our EBITDA increased by 31% to EUR 604 million. Furthermore, thanks to our business strategy, a balance sheet with EUR 237 million net cash and a historically high order book of EUR 6.1 billion at year-end – we are excellently positioned for the years ahead.

During 2022, numerous impressive and impactful projects were either acquired, under execution, or completed, of which a selection is highlighted below.

DREDGING & INLAND INFRA

Through our dredging and inland infra activities, we contribute to the development of innovative infrastructure and create climate adaptive solutions.

Early 2022, we were awarded the contract to protect a part of the eroded coastline of Togo and Benin in West Africa. The coastal protection project is part of the West African Coastal Areas Management program that is supported by the World Bank. The financing and realization of climate adaptive projects in developing countries is set to become an increasingly prominent issue as climate change and coastal erosion pose an increasing threat to coastal communities.

Closer to home, in the Netherlands, the multi-year project to reinforce the Markermeer dikes north of Amsterdam is in full swing. The Markermeer dikes are part of the Zuyder Sea dikes that have, for centuries, protected the hinterland from the former Zuyder Sea, now the Markermeer lake. The dike reinforcement is necessary since nearly 1.2 million people live in the hinterland and more than 30 kilometers of the dikes no longer meet the standards for flood risk management. The project is part of the national flood protection program and is being executed in an innovative alliance contract.



In the year under review, our large dredging vessels were particularly busy on projects in Asia. Progress continues to be made on the multi-year developments in Singapore with the expansion of the Tuas port and creation of the Pulau Tekong polder. Furthermore, early 2022 we started the land development on the outskirts of Manila for the new Manila International Airport. This extremely large project was acquired in 2020 and, before commencing operations, we carried out extensive environmental and social impact assessments and developed management plans to ensure the project meets international standards. Besides taking a proactive role in managing aspects that fall within our direct scope, Boskalis has and continues to support the client on the management of environmental and social matters.

OFFSHORE ENERGY

The market for our offshore energy activities turned out to be very favorable in 2022. The general market outlook within our Corporate Business Plan was already positive, however, while geopolitical pressures and Russian sanctions caused some initial uncertainty, these developments resulted in an increased demand for both oil and natural gas. Meanwhile the drive to decarbonize at a global level through renewables continues unabated.

In 2022, we contributed to the energy transition by executing multiple offshore wind projects in Taiwan, the largest being the Changfang & Xidao development. Both the Bokalift 1 crane vessel and the recently commissioned Bokalift 2 were active in Taiwan with the installation of foundations.

In France, Boskalis together with its consortium partners successfully completed the installation scope of 71 Gravity Based Structures that serve as the turbine foundations for the Fécamp offshore wind farm. In addition to the seabed preparation scope, Boskalis was responsible for the scour protection and ballasting of these concrete foundations.

Both Marine Survey and Subsea Services – businesses that have been acquired by the group in recent years – had a spectacularly strong year. Besides providing services to the traditional energy markets, Marine Survey continues to see strong demand in the offshore wind sector. Subsea Services also extended its partnership with a UK-based independent oil and gas player for the decommissioning and removal of subsea infrastructure, thereby contributing to a cleaner North Sea.

Our heavy marine transport (HMT) business saw utilization rates increase to above 80% with a fully-utilized BOKA Vanguard. HMT is also increasingly involved in renewables projects and preparations are underway for the transportation of XXL monopiles for the United States offshore wind projects that will commence in 2023.

Looking ahead, I am proud to state that our Offshore Energy order book has not only reached an all-time high, but 75% of the work in hand is also related to the renewables market. We were recently awarded the contract for our 100th offshore wind farm project – the construction of a large offshore wind farm off the coast of the United States. This exciting milestone illustrates the leading role we have established in the offshore wind market over the past decade. During that period we have been involved in the realization of almost half of all offshore wind farms worldwide, excluding the Chinese market. With our combination of hydraulic engineering and offshore capabilities, we are making a unique contribution to the global energy transition.

SALVAGE

Following a couple of very busy years for Salvage, 2022 was relatively uneventful. We did, however, dedicate a lot of time and resources to assisting the United Nations (UN) concerning its efforts to avert a potentially huge environmental and humanitarian disaster in the Red Sea. Moored off Yemen's coast, the FSO Safer is an aging supertanker in an advanced state of decay. Together with the UN, Boskalis has developed a plan to safely transfer the oil to a secondary vessel. We are hopeful that the intense efforts by the UN will come to fruition and enable the project to commence in 2023.

CARE FOR OUR PEOPLE

Nothing is more important than the continued safety of our colleagues and subcontractors. With so many projects in the execution phase in 2022, it is therefore very pleasing to see a decline in our Lost Time Injury Frequency to 0.01 per 200,000 hours worked.

During the year we progressed our Human Excellence approach and several initiatives to support our colleagues in their personal development and better understand their needs and aspirations. In June, we invited all Boskalis colleagues worldwide to participate in the Creating Our Horizon employee engagement survey. I was extremely pleased with the level of uptake across the company and the highly positive results were extremely gratifying, particularly given the many challenges of the last few years during the pandemic. It was certainly pleasing to learn that we have made demonstrable progress in a number of key areas that we have focused on over the last three years.

LOOKING AHEAD

I am very positive about the upcoming period. With such a passionate team of people at Boskalis and a record high order book of EUR 6.1 billion – with exciting projects – the future is bright. Based on the projects in hand and even with our ambitious investment program, we expect to maintain our positive cashflow in 2023. If opportunities present themselves in the market, Boskalis intends to expand further through acquisitions, in line with our sustainable growth strategic agenda.

On behalf of the Board of Management, I would like to thank all of our colleagues for their outstanding efforts and commitment over the past year. I am also grateful to all of our clients, partners and our shareholder for their continued support in everything we do.

Peter Berdowski

BOSKALIS AT A GLANCE



Heavy transport vessel Mighty Servant 3
enroute with a cargo



8 COMPANY PROFILE

9 ACTIVITIES

10 STRATEGY

COMPANY PROFILE

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



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

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

Demand for our services is driven by the structural growth and rising prosperity of the global population, which in turn drives growth in global trade and demand for raw materials and energy.

Boskalis positively contributes to climate change mitigation by helping to expand access to renewable power and by facilitating the energy transition by developing infrastructure to deliver affordable and clean energy. Furthermore, we help protect populations and the natural environment from the consequences of climate change, such as rising sea levels and extreme weather conditions through our coastal defense and riverbank protection

activities. Collectively these macro trends drive demand for maritime infrastructure and as such constitute the key drivers of sustainable growth for our activities.

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

Boskalis has 11,164 employees, including associated companies. The safety of our employees and those of our subcontractors is paramount. Boskalis operates its progressive global safety program No Injuries, No Accidents (NINA), which is held in high regard in the industry and by our clients. Our versatile fleet consists of more than 600 vessels and floating equipment, including associated companies. Our head office is based in the Dutch city of Papendrecht.

ACTIVITIES

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

DREDGING & INLAND INFRA

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

OFFSHORE ENERGY

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

SALVAGE & TOWAGE

Boskalis provides services relating to marine salvage and wreck removal. We assist vessels in distress and are able to spring into action at any time and anywhere in the world. We are able to do so by operating out of four locations which are strategically situated along the main international shipping routes: Houston, Cape Town, Rotterdam and Singapore. The removal of shipwrecks or damaged offshore platforms almost always takes place at

locations where the wreck forms an obstruction to traffic or presents an environmental hazard. We have the advanced technology and expertise needed to remove hazardous substances such as heavy fuel oil from wrecks and boast a successful track record in salvaging vessels and platforms under challenging circumstances.

Boskalis' remaining harbor towage services in Asia through its joint venture Keppel Smit Towage were sold in 2022. Following the announcement of the intended sale at the end of 2021, the joint venture was divested in mid-2022. The terminal services joint venture Smit Lamnalco, in which Boskalis holds a 50% stake, has also been subject to a strategic review in 2022 and in anticipation of a divestment is classified as asset held for sale as per 31 December 2022.



STRATEGY

We create and protect prosperity and advance the energy transition.

OUR BUSINESS IN A CHANGING WORLD

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

The mid- to long-term development of these macro trends are all supportive of Boskalis' business model. The structural growth and rising prosperity of the global population that increasingly lives in coastal areas drives demand for raw materials and energy and stimulates global trade. Meanwhile, climate change necessitates massive investments in the energy transition away from fossil fuels towards renewable energy sources. Given the unavoidable climatic changes that are already locked in as a result of current and near-term emissions, the effects of climate change will continue to increase over the coming decades. Adequately addressing these effects – through adaptive measures – will require substantial investments.

Collectively these macro trends will propel the demand for maritime infrastructure and, as such, constitute key drivers of sustainable growth for our business. It is therefore clear that Boskalis' portfolio of activities will remain highly relevant over time, with an abundance of opportunities to contribute to tackling the major societal challenges of our time.

OUR APPROACH

Our focus on sustainable growth lies at the heart of our business strategy. Through the strategy we seek to incorporate sustainability across our activities, a process which is informed by our biennial materiality assessment and our broader management of our environmental and social impact.

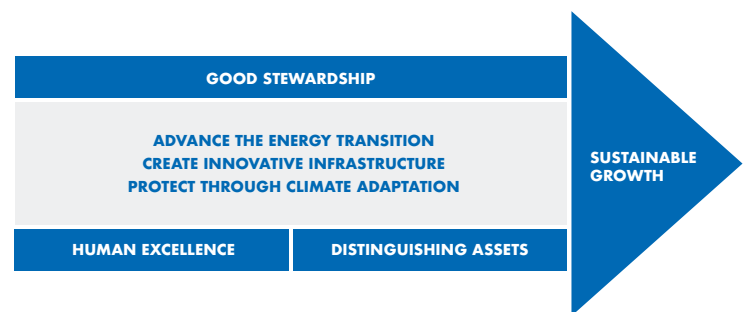
Purpose – We create and protect prosperity and advance the energy transition.

Mission – We strive to be the leading dredging and marine contracting experts, creating new horizons for all our stakeholders.

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

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

A fourth area – our marine salvage business – creates additional benefits through the protection of seas and oceans from pollutants and environmental damage.



Sustainable growth lies at the heart of our strategy

GOOD STEWARDSHIP

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

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

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

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

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



Ground improvement through dynamic compaction

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

- We protect society from the consequences of climate change. We are uniquely positioned to protect populations and the natural environment from rising sea levels and extreme weather conditions through our coastal defense and riverbank protection activities.
- We help mitigate the effects of climate change by advancing the energy transition. The size and share of offshore wind energy has grown substantially within the group and based on the market outlook, the further prospects are positive. Early 2023, Boskalis announced its 100th offshore wind project and over the last decade the company has been involved in the realization of almost half of all such projects outside of China.

Through our activities, we also generate emissions and have committed to becoming climate neutral across our global operations by 2050. As such, we aim to further reduce emissions and drive our competitive advantage through our ability to offer accessible, low-carbon solutions to our clients. The rate at which we move towards our climate target is a function of the opportunities and technology available to different parts of the company. The largest part of our CO₂ footprint is linked to our vessels, an area where we have initiated a range of measures and technologies to drive down fuel consumption and reduce emissions from our fleet. Although the results from these initiatives are already significant, more substantial reductions in emissions are dictated by the readiness and global availability of suitable alternatives to fossil fuels. More information on the progress of our emission reduction program is available in our Sustainability Report.

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

HUMAN EXCELLENCE

Today's employment climate is characterized by challenging economic conditions, growing expectations around local content and continuing shortages in the international labor market – particularly in Europe. Our people are considered our most important asset and a determining factor for our success. Our approach to human capital is therefore a key pillar of our business strategy and crucial to achieving sustainable growth while managing the impact of our activities on our people and the world around us. Through the Human Excellence pillar, we are committed to developing the skills and career ambitions of our people and creating the right conditions for everyone to reach their full potential. To achieve this, we foster effective leadership and ensure that employees are in control of their own personal development, giving them the time and resources to prioritize their performance and progress. By doing so, we put ourselves in a position of strength to meet the sustainability challenges and objectives of our activities and ensure the sustainable growth of our business.

DISTINGUISHING ASSETS

Together with our human capital, Boskalis' strength lies in its ability to deploy proprietary, distinguishing assets. During the current business plan period, we expect to invest EUR 1.25 billion in assets, comprising of a combination of newbuilds, vessel modifications and acquisitions of existing vessels for both the Dredging and Offshore Energy divisions. More specifically, Boskalis intends to invest in two new jumbo trailing suction hopper dredgers that will be capable of operating on future generation fuels such as methanol and will be more energy efficient than comparable, current generation vessels.


Within the Offshore Energy division, Boskalis has built-up a versatile fleet, mainly by acquiring vessels and in certain cases modifying them. An important advantage of acquiring and modifying existing assets is the ability to extend their lifetime – a more sustainable approach compared to a newbuild. During the current business plan period, Boskalis intends to selectively expand its offshore fleet with assets geared to serving the offshore renewables market. In the first half of 2022 we also announced plans to retrofit numerous offshore vessels through Energy Storage Systems, or 'power packs'. The conversions will reduce the vessels' fuel consumption and associated carbon dioxide and nitrogen oxide emissions by an average of up to 20% during DP operations.

IN SUMMARY

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

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



 **Boskalis**

The newly commissioned crane vessel Bokalift 2

REPORT OF THE SUPERVISORY BOARD





Boskalis executed various activities including rock installation with the fallpipe vessel Rockpiper and transportation of the concrete turbine foundations for the Fécamp offshore wind farm off the coast of Normandy, France

REPORT OF THE SUPERVISORY BOARD

The Supervisory Board wishes to thank the employees and the Board of Management of Boskalis for their efforts and commitment as well as the high standards of work they delivered in 2022.

The Supervisory Board is responsible for supervising the Board of Management on the formulation and the implementation of the strategy for the long term. Furthermore, the Supervisory Board is supervising management performance regarding the general affairs of the company and advising the Board of Management. In doing so, the Supervisory Board also focuses on the effectiveness of the company's internal risk management and control systems and the integrity and the quality of the financial reporting. In performing its task, the Supervisory Board is guided by the interests of Boskalis and its business.

The Supervisory Board is supported in its work by three core committees: the Audit Committee, the Nomination & Remuneration Committee and the ESG Committee.

At Boskalis, the Supervisory Board, its committees and the Board of Management work in close collaboration. The Board of Management and the Supervisory Board are jointly responsible for looking after the interests of Boskalis' stakeholders.

The Supervisory Board met next to its plenary meetings on a regular basis in closed sessions, whereby some of those meetings were in the presence of the Chair of the Board of Management.

COMPOSITION OF THE SUPERVISORY BOARD

During the year under review, the Supervisory Board consisted of six members. Mr. Van Wiechen represented HAL Investments B.V. in the Supervisory Board in 2022. The term of appointment of Mr. De Kreij ended in 2022. The Annual General Meeting of Shareholders reappointed him as member of the Supervisory Board on 12 May 2022. No further changes to the composition of the Supervisory Board occurred during the year under review.

COMPOSITION OF THE BOARD OF MANAGEMENT

The Board of Management consisted of four members at the start of the 2022 reporting year. The term of appointment of Mr. Heijermans ended in 2022. The Annual General Meeting of Shareholders reappointed him as member of the Board of Management on 12 May 2022. No further changes to the composition of the Board of Management occurred during the year under review.

ACTIVITIES OF THE SUPERVISORY BOARD

HAL OFFER

In the year under review the Supervisory Board has, next to its regular tasks, been occupied with the voluntary public offer of HAL Holding N.V. (HAL) on all issued and outstanding ordinary shares of the company. The Supervisory Board undertook an intensive and comprehensive process to carefully consider all aspects of the offer in accordance with their fiduciary duties. As part of this process, in the best interests of the Boskalis stakeholders, the Supervisory Board and the Board of Management were able to agree with HAL a set of non-financial covenants, addressing among others the strategy, governance, organization, financing and employees of Boskalis, for a period of 4 years. After a thorough assessment and valuation of the proposed offer with the assistance of financial and legal advisors, an increase in the offer price by HAL and a positive advice of the Works Council, the Supervisory Board and the Board of Management unanimously recommended Boskalis shareholders to accept the offer. The Supervisory Board and the Board of Management concluded that the acquisition of Boskalis by HAL would be in the best interest of Boskalis, would adequately service the interest of all stakeholders and would contribute to the sustainable success of the company.

HAL acquired during the acceptance and the post-acceptance periods a share position in Boskalis of 98.3 percent. In connection with the fact that HAL owned more than 95 percent of the shares of Boskalis, a joint application was made by Boskalis and HAL for the delisting of the company from Euronext Amsterdam, which was effected on 9 November 2022. The articles of association of Boskalis were amended as per that same date.

Furthermore, HAL initiated the statutory buy-out procedure at the Amsterdam Court of Appeal with the request to transfer the ordinary shares held by third parties to HAL. The Court of Appeal has on 7 February 2023 ordered such transfer to HAL to take place against payment of the increased offer price plus interest. The transfer of the remaining shares was completed late February 2023.

GENERAL MATTERS

Permanent items on the agenda of the Supervisory Board are the strategy, the development of the results, the financials, the corporate budget, the dividend, the safety performance, the industry and market developments, relations with stakeholders and the employees. Furthermore, acquisitions and investment and/or



The mega cutter suction dredger Helios

divestment proposals are being discussed. In the year under review the sale of the 49 percent interest in the Keppel Smit Towage joint venture in Singapore has been discussed as well as the divestment of the 50 percent interest in the Smit Lamnalco joint venture.

CORPORATE BUSINESS PLAN

The Corporate Business Plan 2022-2024 was established at the beginning of the year under review. The plan elaborates on the strategy for the long term based on a thorough review of Boskalis' markets and business lines.

In the development of the strategy and the Corporate Business Plan attention is paid to the implementation and its feasibility, the underpinning business models and assumptions, the opportunities and risks for the company, its operational and financial goals and their impact on the position of Boskalis on future relevant markets, the interests of the stakeholders, as well as environmental, governance and social matters and business ethics. The Supervisory Board has been fully engaged in the formulation of the strategy and the Corporate Business Plan 2022-2024 and monitors the implementation thereof.

PROJECTS

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

The Supervisory Board discussed the contracting of large offshore wind projects such as the award of three wind farms off the east coast of the United States and the dredging project for the Europa terminal in Antwerp, Belgium as well as large salvage tenders. The Supervisory Board was also informed on the execution of projects such as the Fehmarnbelt tunnel project between Denmark and Germany, the polder project Pulau Tekong in Singapore, as well as the second campaign for the installation of pin piles and jackets for the Changfang & Xidao windpark in Taiwan. In discussing these projects, the Supervisory Board devoted attention to the various operational, geopolitical, societal, environmental and financial risks, and, where applicable, judged provisions made by the Board of Management.

The Supervisory Board paid a working visit to the offshore windfarm project Fécamp off the French coast of Normandy during the year under review. During this visit the Supervisory Board familiarized itself with the activities of Boskalis in the field of Seabed Intervention and Marine Services as well as the working methods used on the Fécamp project.

FINANCIAL MATTERS

The Supervisory Board with support of the Audit Committee discusses as regular topics the financial statements, the (interim) financial reporting for the financial year, the results relating to large projects, the tender procedures and the project risk environment and the management thereof as well as the operating



activities, the developments in IFRS standards, the developments in the order book, cost control, the share price developments, and the financing and liquidity of the company. Also new proposals for the financing structure of the company were addressed.

In the year under review the Supervisory Board and the Audit Committee discussed with the Board of Management the internal risk management and control systems and assessed the effectiveness of the design and the operation thereof by evaluating the systems with the Board of Management, the internal and external auditor and senior management. Other topics of discussion included the impact of the COVID-19 situation and the invasion of Ukraine by Russia on the financial markets and the company, insurance matters, the company's tax policies, tax position and relevant tax developments, the administrative organization, the provision of adequate information within the company, the relevant legislation and legal proceedings.

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

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

ESG

Attention was also paid to ESG, with a comprehensive discussion by the Supervisory Board of the sustainability report. In the discussion on the updated business plan, the Supervisory Board paid among others attention to the energy transition and the valuable role Boskalis can play in the necessary climate change adaptation. The Board of Management presented to the Supervisory Board the further initiatives to reduce CO₂ emissions of its fleet by researching the application of alternative energy sources. The Supervisory Board also discussed the comprehensive compliance framework with the Boskalis Code of Conduct and its underlying policies as well as the Supplier Code of Conduct. To enhance its role with regard to sustainability the Supervisory Board has decided to establish a specific committee dedicated to ESG.

ORGANIZATION

The Supervisory Board discussed the organizational structure, personnel and the staffing policies, as well as the culture, succession planning and diversity within the company.

In addition, specific attention was paid to the company's policy on safety, health and the environment and the development of the safety results. The Supervisory Board complimented the Board of Management with the stable low lost-time injury frequency of 0.01 per 200,000 hours worked in the year under review.

Furthermore, the Supervisory Board paid attention to the continuing impact of the COVID-19 pandemic on the company and its employees.

In addition, a number of Supervisory Board members met with the Works Council to discuss the impact of the invasion of Ukraine by Russia on the company and its employees, the financial results, the corporate strategy, the conduct and culture of the company, the market developments and personnel matters.

The Supervisory Board had during the year under review three core committees – the Audit Committee, the Remuneration Committee and the Selection and Appointment Committee.

REMUNERATION

The Supervisory Board has determined the remuneration of the individual members of the Board of Management based on the remuneration policy as adopted by the Annual General Meeting of Shareholders on 30 June 2020.

In 2022, the remuneration of the Supervisory Board was applied in accordance with the remuneration policy as adopted by the Annual General Meeting of Shareholders on 12 May 2022.

On 20 February 2023, an Extraordinary General Meeting of Shareholders was held to discuss the proposals to amend the Remuneration Policy of the Board of Management and the Supervisory Board. These policies needed to be adapted to the situation that the listing of the shares of the company on Euronext Amsterdam has been terminated. The Extraordinary General Meeting of Shareholders approved these proposals on 20 February 2023.

The Supervisory Board has an evaluation procedure in place to review the performance of the Supervisory Board on an annual basis.

The Supervisory Board wishes to thank the employees and the Board of Management of Boskalis for their efforts and commitment as well as the high standards of work they delivered in 2022.

Papendrecht / Sliedrecht, 8 March 2023

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

REPORT OF THE BOARD OF MANAGEMENT



The BOKA Vanguard transporting the 70,000-ton FPSO Johan Castberg from Singapore to Norway



22 **FINANCIAL
DEVELOPMENTS**

28 **ORGANIZATIONAL
DEVELOPMENTS**

32 **SUSTAINABILITY**

36 **BUSINESS PRINCIPLES**

40 **RISK PROFILE**

42 **GOVERNANCE**

FINANCIAL DEVELOPMENTS

Royal Boskalis (Boskalis) concluded 2022 with a sharp increase in profitability with a strong increase in revenue. Boskalis' order book also increased to an all-time high level. Compared to last year, revenue increased by 21.0% to EUR 3.58 billion (2021: EUR 2.96 billion). EBITDA increased by 30.7% to EUR 604 million (2021: EUR 462 million) and operating profit increased by 36.6% to EUR 271 million (2021: EUR 199 million). Net profit attributable to shareholders increased by almost 60% to EUR 241 million from EUR 151 million in 2021.

In the Dredging & Inland Infra segment, revenue increased by over 30% and EBITDA by more than 50% compared to last year. The trailing suction hopper dredgers were well utilized and following a number of quiet years, the utilization of the cutter suction dredgers increased sharply. Noteworthy projects include the activities in Manila (Philippines), Tuas Terminal 2 and the Pulau Tekong Polder (both in Singapore), the Fehmarnbelt tunnel (between Denmark and Germany), the access channel to the port of Harwich (United Kingdom) and a large number of projects in the Netherlands.

At Offshore Energy, revenue increased by 14% on a 33% higher EBITDA. As a result of a quiet year at Subsea Cables, revenue and earnings from the contracting business declined. This decline was more than offset by the services cluster, with Marine Transport & Services, Subsea Services and Marine Survey all having a very strong year.

Salvage had a relatively quiet year following a number of very busy years. Late 2022, a substantial wreck removal project was acquired to be executed in 2023 and 2024. Furthermore, Boskalis is assisting the United Nations with a potential salvage project in the Red Sea.

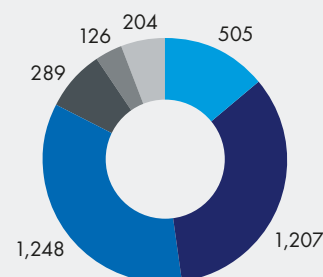
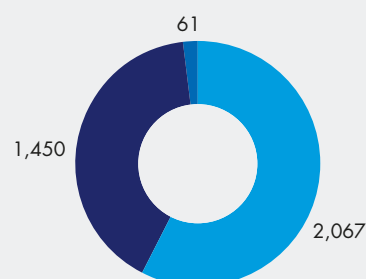
The size of the Towage portfolio has diminished in recent years following the strategic decision to divest these activities. In 2022, the Southeast Asian harbor towage activities – Keppel Smit Towage – were divested. Furthermore, an agreement on the intended sale of the terminal services activities of Smit Lamnalco was reached in early 2023.

With the available bank facilities and cash at hand, Boskalis has an immediately available financing capacity of over EUR 1.1 billion. Solvency remains high at 49% and Boskalis comfortably meets its financial covenants.

The order book increased to EUR 6.11 billion (year-end 2021: EUR 5.41 billion). The increase in the portfolio largely took place at Offshore Energy, partly as a result of acquiring a number of offshore wind projects in the United States. With the projects in the order book, there is a solid basis for 2023 and for the years thereafter.

REVENUE BY SEGMENT	2022	2021
(in EUR million)		
Dredging & Inland Infra	2,067.2	1,583.3
Offshore Energy	1,450.2	1,266.9
Salvage, Towage & Holding	60.8	106.6
Total	3,578.2	2,956.8

REVENUE BY GEOGRAPHICAL AREA	2022	2021
(in EUR million)		
The Netherlands	505.1	578.5
Rest of Europe	1,206.5	1,136.5
Australia / Asia	1,247.8	718.3
Middle East	288.5	217.1
Africa	126.3	52.7
North and South America	204.0	253.7
Total	3,578.2	2,956.8



REVENUE

In 2022, the group revenue increased by 21% to EUR 3.58 billion (2021: EUR 2.96 billion). Adjusted for consolidation, deconsolidation and currency effects, the revenue increased by 19%.

Dredging & Inland Infra had a busy year resulting in a 31% revenue increase. The trailing suction hopper dredgers were well utilized and following a quiet period, there was a strong increase in the utilization of the cutter suction dredgers. Noteworthy projects under execution include the activities in Manila (Philippines), Tuas Terminal 2 and the Pulau Tekong Polder (both in Singapore), the Fehmarnbelt tunnel (between Denmark and Germany), Harwich port access channel (United Kingdom) and a large number of projects in the Netherlands.

The revenue of Offshore Energy increased on balance by 14%. The revenue contribution from the contracting activities declined due to a quiet year at Subsea Cables. This decline was more than offset by the services part of the division with Marine Transport & Services, Subsea Services and Marine Survey all reporting a strong revenue increase in 2022.

Salvage had a relatively quiet year with several smaller and medium-sized emergency response assignments.

RESULT

The strong revenue increase across the two divisions driven by a healthy utilization of the fleet and a good operational performance contributed to a strong increase in earnings. EBITDA increased by 31% to EUR 604.1 million (2021: EUR 462.3 million) and EBIT increased by 50% to EUR 297.6 million (2021: EUR 198.6 million).

The result includes our share in the net result of joint ventures and associates, which amounted to EUR 18.6 million (2021: EUR 39.1 million) and exceptional items relating to a book profit on the sale of our share in the towage joint venture Keppel Smit Towage, partly offset by a number of impairment charges.

The operating result for the Dredging & Inland Infra division increased by 125% to EUR 187.7 million, in line with good project execution and higher vessel utilization (2021: EUR 83.4 million).

Within Offshore Energy, the operating result increased by 55% to EUR 155.8 million, driven by the services part of the division

(2021: EUR 100.7 million). At Marine Transport & Services the large heavy transport vessels were very well utilized however the largest increase came from Subsea Services and Marine Survey with an operationally very strong year.

The remaining cluster of activities consists of Salvage, Towage and non-allocated group income and expenses. On balance, the operating result was substantially lower than in 2021 caused by a number of factors. The contribution from Salvage was low due to a quiet operational year, Keppel Smit Towage was divested in 2022 and non-allocated head-office costs were higher, in part related to the HAL offer.

OPERATING RESULT BY SEGMENT	2022	2021
(in EUR million)		
Dredging & Inland Infra	187.7	83.4
Offshore Energy	155.8	100.7
Salvage, Towage & Holding	- 72.3	14.5
Operating Result	271.2	198.6
Exceptional items	26.4	-
EBIT	297.6	198.6

NET PROFIT

EBIT amounted to EUR 297.6 million (2021: EUR 198.6 million). Net of financing expenses of EUR 15.1 million on balance, the pre-tax profit was EUR 282.5 million. The net profit attributable to shareholders totaled EUR 241.2 million, compared to EUR 150.8 million in 2021.

ORDER BOOK

In 2022, on balance, EUR 4.28 billion worth of new contracts were added to the order book. 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 6.11 billion (end-2021: EUR 5.41 billion).

ORDER BOOK	END-2022	END-2021
(in EUR million)		
Dredging & Inland Infra	3,440.5	3,999.8
Offshore Energy	2,497.1	1,397.6
Salvage, Towage & Holding	169.9	8.8
Total	6,107.5	5,406.2

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	2022	2021
(in EUR million)		
Revenue	2,067.2	1,583.3
EBITDA	318.0	211.1
Net result from JVs and associates	2.0	2.2
Operating result	187.7	83.4
Order book at year-end	3,440.5	3,999,8

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 2.07 billion (2021: EUR 1.58 billion).

Revenue in the Netherlands totaled EUR 479 million in 2022. The largest revenue contribution came from the Markermeerdijken project, the N206 provincial road and the construction of an inland harbor in Spijk.

Revenue in the remaining European home markets (United Kingdom, Germany and the Nordics) amounted to EUR 467 million. The Fehmarnbelt tunnel project between Denmark and Germany and the Harwich port access channel deepening project contributed to the year-on-year increase. Numerous small to medium-sized projects made up the balance including port-related capital and maintenance dredging projects, coastal protection and dredging activities for offshore wind projects.

The Rest of the World revenue increased substantially to EUR 1,121 million with the largest contribution coming from the activities in the bay of Manila. The land development for the new Manila International Airport is progressing with the largest hoppers fully utilized in 2022. Other noteworthy projects that contributed to the revenue included projects in Southeast Asia (mainly Singapore), the Indian subcontinent and Western Africa.

FLEET DEVELOPMENTS

The hopper fleet was well utilized in 2022 resulting in an annual utilization rate of 42 weeks (2021: 37 weeks). In 2022, the jumbo hopper dredgers Prins der Nederlanden and Oranje were sequentially temporarily taken out of service for an extension at a yard in Singapore. Both conversions were completed within the year after which they returned into service with an increased hopper capacity of approximately 22,000 cubic meters.



Replenishment activities by the trailing suction hopper dredger Strandway along the Dutch coast

The cutter fleet utilization increased over the year with a very strong fourth quarter resulting in an effective annual utilization rate of 20 weeks (2021: 10 weeks).

SEGMENT RESULT

Dredging & Inland Infra achieved an EBITDA of EUR 318.0 million, with an operating result of EUR 187.7 million (2021: EUR 211.1 million and EUR 83.4 million, respectively).

The strong increase is a reflection of the higher revenue, an increase in the vessel utilization and good project execution. In line with previous periods, the Dutch Inland Infra activities made a strong contribution to the full year result. The operating result also includes a book profit related to the sale of equipment.

ORDER BOOK

The year-end order book amounted to EUR 3.44 billion (End 2021: EUR 4.00 billion). On balance, projects with a total value of EUR 1.51 billion were added to the order book in 2022. Notable project awards in 2022 included the expansion of the Europa terminal in Antwerp Belgium, the phase two development of Gulhifalhu in the Maldives and a number of sizable variation orders on projects that are already in the backlog in addition to numerous small to medium-sized projects related to coastal protection, offshore wind and port maintenance.

Early 2023, Boskalis was awarded a significant contract for the development of a port on the Red Sea coastline of Saudi Arabia as the first step in the development of a new futuristic city. The dredging scope will be executed with a mega cutter suction dredger and the project is expected to be completed by mid-2025.

OFFSHORE ENERGY

Offshore dredging and rock installation projects, heavy transport, lift and installation work, surveying, diving and ROV services in support of the development, construction, maintenance and dismantling of oil and gas facilities as well as the transportation and installation of offshore wind farms.

OFFSHORE ENERGY	2022	2021
(in EUR million)		
Revenue	1,450.2	1,266.9
EBITDA	297.0	222.9
Net result from JVs and associates	4.4	7.6
Operating result	155.8	100.7
Order book at year-end	2,497.1	1,397.6

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 1.45 billion (2021: EUR 1.27 billion) of which 40% was related to offshore wind.

The revenue level of the services cluster increased substantially reflecting a very strong 2022. All three business units (Marine Transport & Services, Subsea Services and Marine Survey) benefited from strong demand from both the renewables sector and the traditional oil & gas market. Marine Transport & Services enjoyed a high utilization of the large heavy transport vessels including a fully-utilized BOKA Vanguard. Subsea Services continues to show improvements across the board with the diving support vessels well utilized on projects in the North Sea, the Middle East and West Africa. Marine Survey also had a strong year with a mix of renewables and oil & gas projects and good project execution.

Contracting revenue declined compared to last year as a result of a strong decline within Subsea Cables. As previously indicated, 2022 is a relatively quiet year for Subsea Cables with Ostwind 2 being the largest project in progress. Revenue within the other two business units (Seabed Intervention and Heavy Lifting which includes offshore wind foundations) was up compared to 2021. At Seabed Intervention, the most significant projects included the Fécamp offshore wind project in France and scour protection activities for offshore wind foundations in Taiwan. At Heavy Lift, the newly commissioned 4,000 ton Bokalift 2 crane vessel and the Bokalift 1 were active on offshore wind projects in Taiwan with engineering work underway for the US wind projects that will commence in 2023.

FLEET DEVELOPMENTS

The weighted utilization rate of the heavy marine transport fleet increased to 85% whilst the weighted utilization rate for the captive assets (cable-laying vessels, fallpipe vessels and crane vessels) increased to 59%, despite a low utilization of the cable-laying vessels. During 2022, the new crane vessel Bokalift 2 was commissioned and three new and relatively young vessels, the anchor handling tug BOKA Fulmar and construction support vessels BOKA Northern Ocean and BOKA Atlantic have been acquired. Progress was made with the conversion of Boskalis' semi-submersible heavy transport vessel Fjell into a fallpipe vessel named Seapiper.

SEGMENT RESULT

EBITDA from the Offshore Energy segment amounted to EUR 297.0 million, with an operating result of EUR 155.8 million (2021: EUR 222.9 million and EUR 100.7 million, respectively).

The development of the segment result is broadly in line with the revenue development with a decline within the contracting cluster that was more than offset by the substantial increase from the services cluster. The strong performance of Marine Transport & Services, Subsea Services and Marine Survey reflects the strong combined demand from the renewables sector and traditional oil & gas market resulting in improved pricing and higher volumes.

ORDER BOOK

At the end of 2022, the order book stood at EUR 2.50 billion (end-2021: EUR 1.40 billion) of which 75% is related to offshore wind. On balance, EUR 2.55 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 three export cable contracts for offshore wind projects (off the East coast of the United States of America and off the coast of the Netherlands) and a substantial offshore wind foundation installation contract in the United States. The contracts will tie up cable laying vessels, crane vessels and heavy transport vessels over the next two years.

SALVAGE, TOWAGE & HOLDING

Salvage provides assistance to vessels in distress, wreck removal, environmental care services and consultancy whilst Towage provides services to oceangoing vessels, management and maintenance of onshore and offshore terminals and associated maritime and management services.

SALVAGE, TOWAGE & HOLDING	2022	2021
(in EUR million)		
Revenue	60.8	106.6
EBITDA	- 10.9	28.3
Net result from JVs and associates	12.0	29.4
Operating result	- 72.3	14.5
Order book at year-end	169.9	8.8

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

Following the divestment of its harbor towage joint ventures in recent years (Saam Smit Towage and Kotug Smit Towage), Boskalis divested its last substantial harbor towage joint venture Keppel Smit Towage in 2022. The substance of the towage activities has therefore declined, and the operational activities of Towage & Salvage are henceforth combined with Holding & Eliminations constituting mainly non-allocated head office activities.

SEGMENT RESULT

Salvage had a relatively quiet year with several smaller and medium-sized emergency response assignments. The 2021 salvage result was exceptionally strong as it included a substantial financial settlement.

The Towage activities contribute through our share in the net result of joint ventures and associates namely terminal services (Smit Lamnalco). The harbor towage activities of Keppel Smit Towage were divested mid-2022 and in anticipation of this transaction, these activities became assets held for sale as per the end of 2021 and therefore no longer contributed to the 2022 segment result.

The non-allocated head office costs increased in 2022. Besides the usual non-allocated head-office costs, the 2022 costs also included advisory expenses related to the HAL Offer as well as various non-allocated (in many cases non-recurring) expenses. Furthermore, a number of exceptional items are also included in this segment including a book profit realized on the sale of our share in the towage joint venture Keppel Smit Towage which was in part offset by impairment charges.

ORDER BOOK

The order book relates solely to the Salvage business unit. The sharp increase is related to a two year wreck removal contract in Asia acquired late 2022.

The value of the order book of the joint ventures is not included in the consolidated financials. As per the end of 2022, the 100% value of the order book of the joint ventures amounted to EUR 1.10 billion, which is fully attributable to terminal services contracts of Smit Lamnalco (end-2021: EUR 1.22 billion).

OTHER FINANCIAL INFORMATION

INCOME FROM JOINT VENTURES AND ASSOCIATES

Our share in the net result from joint ventures and associates was EUR 18.6 million (2021: EUR 39.1 million). The 2022 result relates mainly to our share in the net results of Smit Lamnalco whilst the 2021 result also included the Singapore partnerships with Keppel (Keppel Smit Towage) before this became an asset held for sale.

CAPITAL EXPENDITURE AND BALANCE SHEET

In 2022, a total amount of EUR 429.0 million was invested in property, plant and equipment of which EUR 62.4 million was related to dry dockings (2021: EUR 407.6 million and EUR 43.0 million respectively). Disposals were made totaling EUR 32.3 million (2021: EUR 16.6 million). In addition to these investments in property, plant and equipment, EUR 27.9 million was added in right-of-use assets (2021: EUR 58.2 million).

Within Dredging the largest investment was related to the extension of the hopper dredgers Prins der Nederlanden and Oranje. The largest investments within the Offshore Energy division were the conversion of the Bokalift 2 crane vessel and the addition of a motion compensated pile gripper frame for wind turbine foundations, the conversion of a former transport vessel into a fallpipe vessel (Seapiper), the acquisition of various construction support vessels as well as survey vessel related investments.

Capital expenditure commitments at the end of the year amounted to EUR 84 million (end-2021: EUR 87 million). These commitments relate to the fallpipe vessel Seapiper and the motion compensated pile gripper frame for the Bokalift 2.

The interest-bearing debt, including lease liabilities, totaled EUR 543 million at year-end and the cash position at the end of the year was EUR 780 million. The resulting net financial position is a net cash position of EUR 237 million, including EUR 141 million of IFRS 16 lease liabilities. At the end of 2021, the debt position, including lease liabilities, was EUR 560 million with a cash position of EUR 763 million resulting in a positive net financial position with a net cash amount of EUR 203 million. The solvency ratio as per year-end was 48.6% (year-end 2021: 48.0%).

The interest-bearing debt relates largely to a long-term US Private Placement (USPP) of USD 297 million (EUR 278 million as at

31 December 2022) with a maturity date mid-2023. In October 2019, Boskalis arranged an Export Credit Agency covered loan and the outstanding amount under this facility is currently EUR 98 million. Boskalis also has a currently undrawn EUR 500 million syndicated bank facility at its disposal which matures in April 2027. 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-2022. 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 2022, the net debt : EBITDA ratio stood at -0.7 and the EBITDA : net interest ratio at 42.

OTHER DEVELOPMENTS

SMIT LAMNALCO

On 9 February 2023, Boskalis and its partner Rezayat Group reached an agreement on the sale of Smit Lamnalco to Boluda Towage. This transaction is subject to the approval from a number of regulatory authorities.



ORGANIZATIONAL DEVELOPMENTS



Diving support vessel BOKA Polaris

HUMAN EXCELLENCE

Our people are considered our most important asset and a determining factor for our success. Our approach to human capital is therefore a key pillar of our business strategy and pivotal to our ability to achieve sustainable growth while managing the impact of our activities on our people and the world around us.

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

In 2022, all Boskalis employees worldwide were invited to participate in the Creating Our Horizon Survey, our periodic employee engagement assessment. The survey was conducted with the support of a specialist consultancy firm and ran for several weeks over the summer. More than 4,000 colleagues took the opportunity to share their feedback. The survey measured employee satisfaction across seven different themes, the three most important being Engagement, Commitment and Alignment. The score on all seven themes improved relative to the previous survey in 2019 and on all themes Boskalis outperforms the peer benchmark. Our Employee Net Promoter Score (eNPS) – how likely staff are to recommend Boskalis as an employer to their friends, family or peers – also increased sharply compared to 2019. More than half of all employees are ambassadors for the organization and our score of 37.7 is almost three times higher than the industry benchmark.

There are five main cornerstones within Human Excellence: Talent Sourcing, Performance & Development, Internal Mobility, Vitality, and Diversity & Inclusion. Particular progress was made through the year on Performance & Development and Internal Mobility as we prioritize the delivery of professional training and engagement opportunities that support continued career development across the organization.

TALENT SOURCING

The race to attract and retain the right talent remained challenging in 2022 as scarcity in the labor market continued to limit our access to the strategic competencies we need for critical roles and to expand our horizons in growth areas. Against this backdrop, and to ensure a supply of sufficient talent to meet our future staffing needs, we have established a new regional talent hub in Abu Dhabi, United Arab Emirates. The hub, which is an extension of our existing presence in Abu Dhabi, will serve to attract and host important talent from the Middle East and Asia regions.

PERFORMANCE & DEVELOPMENT

To tackle the challenges of an increasingly competitive market and ensure our people realize their full potential, we delivered a range of training initiatives at various levels of the organization. Meanwhile we continued to respond to an expressed desire among our own employees for more career development opportunities within Boskalis.

Examples of the structured training and support offered to employees include our Young Talent Program which is designed for those who have joined Boskalis early in their career and are looking to develop specific skillsets and enrich their experience within the company; the Boskalis Leadership Development Program which focuses on skills development at a strategic level among a select group of senior managers; and our Project Management Community which supports managers and directors in our Offshore Energy and Dredging divisions through third-party content delivery and peer-to-peer coaching.

INTERNAL MOBILITY

Our employee engagement survey completed during the summer of 2022 indicated that internal mobility within Boskalis remains a valuable component for retaining talent. During 2022 we have sought to further increase the visibility of career opportunities within Boskalis with more emphasis placed on advertising and discussing roles internally before looking to the external market. The focus is to provide and assess career options for people who are weighing up their next steps at Boskalis. As well as focusing on potential candidates, we also work with hiring managers to adapt their recruitment mindset to one which can identify talent and the required competencies where they exist internally and then develop these through training and mentorship to fit particular roles.

VITALITY

Boskalis recognizes the prevalence of concerns related to mental health and stress within the workplace, particularly in a context where staff may spend prolonged periods on vessels or at project sites. We introduced a number of measures during the pandemic to better support an optimal work-life balance. Over the last year we have sought to undertake a more structured approach to safeguarding mental health and wellbeing. As a first step, we engaged a third party to conduct a validated survey with staff and run focus groups to discuss psycho-social issues and topics of concern within our Dredging activities. Based on the outcomes of this engagement, we are currently working with a specialist health consultant to develop a comprehensive wellbeing program.

DIVERSITY & INCLUSION

Boskalis is committed to creating a diverse and inclusive workplace that inspires its employees to build their careers and achieve their potential within the company. The importance of diversity is reflected within the Boskalis Code of Conduct and underlying Human Rights and Labor Policy and through our Diversity and Inclusion Taskforce. In order to establish a clear baseline and identify priority areas on D&I matters, the topic was the focus of a designated section within the employee engagement survey that was completed during the year. By late-2022 the Taskforce had begun to analyze the findings with a view to setting out its approach and immediate objectives in 2023.

SAFETY AND HEALTH

Safety is our top priority in everything we do. We want to ensure that our colleagues and the people we work with return home safely every day. To help us achieve this goal, more than a decade ago we developed our NINA (No Injuries, No Accidents) safety program. Thanks to the sustained commitment of our employees, subcontractors and management, our safety record has improved significantly over the last 12 years. In 2022 we registered a Total Recordable Injury Rate (TRIR) of 0.30 while our Lost Time Injury Frequency Rate (LTIF) dropped to 0.01.

NINA develops people's awareness with regard to their own responsibility towards safety and stimulates a working environment in which safety responsibilities and potentially hazardous situations are both discussed openly and reported. We ensure that safety remains foremost in people's minds through regular staff engagement activities and training at all levels. This year, we talked to some 4,231 employees about their needs and concerns around safety, a dialogue that showed us again that safety is first and foremost about behavior. For this reason our trainings such as the Expedition and workshops such as DO-IT place an emphasis on behavior and we have implemented tools that help employees to communicate effectively with stakeholders. The focus on behavior helps implementation to be long-lasting and not just rule-driven.

INNOVATION

Boskalis aims to be a market leader in the provision of innovative solutions for our clients. We focus on testing and delivering sustainable ideas that have a positive impact on the environmental and social outcomes of our projects. Our innovation strategy is built on the priorities of our business units and has defined innovation themes that are directly linked to our corporate and sustainability strategies. New R&D initiatives are therefore often initiated from within the business and are related to (new) projects. An overview of 2022 highlights is shown below and additional details are available in the Sustainability Report.

THE 'GO-BARRY' – A SMART MOVING TRAFFIC BARRIER

Following last year's successful pilot project, in 2022 a larger and definitive version of the Go-Barry remote-controlled traffic barrier was built for deployment on a Boskalis road maintenance project which will be executed in 2023 near the town of Maasburg in the Netherlands.

GEMINI PLATFORM

In partnership with Vortech, a scientific software company, Boskalis is testing data assimilation technology that can provide valuable decision-making support on our operations. The approach uses sensor data from a wave buoy to enhance computer model predictions of swell conditions or turbidity.

GROW

Boskalis participates in several joint industry projects within the GROW consortium that initiates research and accelerates innovations in offshore wind. The initial program came to end in November 2022 however GROW has subsequently been extended into a second phase.

PORTXL

Boskalis continues to partner with PortXL, a Dutch organization that identifies innovative start-up companies that can serve the needs of the global maritime industry. We are currently progressing from an initial stage of exploring cooperation with such companies to proving their value when it comes to innovating our business.

MARITIME MASTER PLAN

Boskalis aims to equip two of its vessels – a trailing suction hopper dredger and a newly-converted excavator pontoon – to run on methanol and hydrogen, respectively. The initiative is being supported by funding from the Maritime Master Plan, a Dutch subsidy scheme being applied for from the National Growth Fund.

ZEDHUB: AN INNOVATION HUB TOWARDS ZERO-EMISSION

DREDGING

Together with industry peers, Boskalis is a founding partner of an innovative community of industry players which is targeting zero-emission dredging in the Netherlands by 2030.



SUSTAINABILITY

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

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

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

The majority of our revenue is generated through one of the above outputs and thereby also contributes directly to the realization of the United Nations Sustainable Development Goals (SDGs). At the same time, our aim to create sustainable growth is achieved through a focus on a set of key strategic pillars: Good Stewardship, Human Excellence and our Distinguishing Assets.

OUR ACTIVITIES AND THE UN SUSTAINABLE DEVELOPMENT GOALS

To identify which SDGs are most relevant to our activities, we completed an assessment of where Boskalis has the most to contribute. Five SDGs have been recognized as most applicable to Boskalis, of which one SDG is overarching and four core SDGs can be linked to individual projects. For the purposes of measuring and reporting our contribution to each of these SDGs, we have mapped the relevant proportion of Boskalis' revenue against the four core SDGs. Based on this exercise, around 78% of our business activities in 2022 contributed directly to one of the four SDGs:

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

In addition to these SDGs that are directly linked to our activities, we also contribute to SDG 8 represented by a total Group revenue of EUR 3.6 billion and our total employee base. Boskalis plays an important role in advancing SDG 8 through our contribution to an economy and the creation of jobs directly and indirectly through our projects and the supply chain. According to the International Labour Organization the foundation of contributing to SDG 8 is that the work and jobs created are productive and deliver a fair income, provide safety and security, offer prospects for development, allow freedom of expression and organization as well as equal opportunities and treatment for men and women. We pride ourselves on being a good employer, offering opportunities to develop and grow. We are committed to our human rights and labor principles as a fundamental part of the way we do business. We promote the same principles in our relationships with clients, suppliers and other business partners.

MATERIALITY ASSESSMENT

Our approach to sustainability is informed by a set of material topics that are identified through periodic materiality assessments. The materiality assessment illustrates the relative importance of a shortlist of 18 topics to our business and our stakeholders to ensure that our stewardship continues to focus on those topics which are deemed to be materially significant. During the last update in 2021, we commissioned an independent third party to update our materiality analysis to ensure that our stewardship continues to focus on those topics which our stakeholders deem to be materially significant. Based on the outcome of this approach, the following six topics form the primary focus of the Good Stewardship and Human Excellence pillars of our strategy: Responsible Business Conduct, Safety & Occupational Health, Biodiversity and Ecosystems, Social and Community Impact, Climate Change, and Talent Management and Employee Engagement. Our approach and progress on some of these topics is summarized below.

AFFORDABLE AND CLEAN ENERGY	INDUSTRY, INNOVATION AND INFRASTRUCTURE	CLIMATE ACTION	LIFE BELOW WATER
<p>Facilitating the energy transition by developing infrastructure to deliver affordable and renewable power</p>  <p>We contribute through offshore wind energy projects that help advance the energy transition, (natural) gas projects as part of the transition and all offshore platform decommissioning activities</p> <p>In 2022, these accounted for approximately 21% of Group revenue</p>	<p>Creating resilient infrastructure for trade, transport and society</p>  <p>We contribute through projects and services that are pivotal to the maintenance and/or development of maritime infrastructure such as ports, land reclamation for society and inland infra such as road-related developments</p> <p>In 2022, these accounted for approximately 46% of Group revenue</p>	<p>Developing climate adaptive solutions that protect people and the natural environment from the impacts of climate change</p>  <p>We contribute through projects and services primarily related to adaptive measures against climate change such as protection of land from flooding, sea defenses, development of polders and dike-related activities</p> <p>In 2022, these accounted for approximately 8% of Group revenue</p>	<p>Protecting seas and oceans from pollutants and environmental damage</p>  <p>We contribute through projects and services primarily related to the salvaging of vessels and associated pollution prevention</p> <p>In 2022, these accounted for approximately 3% of Group revenue</p>

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

RESPONSIBLE BUSINESS CONDUCT

Boskalis places a strong emphasis on business ethics and is committed to being a partner that acts with integrity, reliability and responsibility. These are key elements for building trust between Boskalis and its stakeholders. We reinforce these intrinsic values by endorsing the principles of the International Labour Organization and the OECD Guidelines for Multinational Enterprises and by applying our Boskalis Code of Conduct. As a project-based organization, with a global footprint, we rely on the highest ethical standards and levels of trust among individuals and teams working in complex operating environments. We regularly review our policies and codes of conduct to ensure that they keep pace with evolving practice and regulations. Furthermore, we use our leverage wherever we can to encourage responsible business conduct within the supply chain and audit compliance with our Supplier Code of Conduct.

BIODIVERSITY AND ECOSYSTEMS AND MANAGING OUR SOCIAL IMPACT

In line with the OECD Guidelines for Multinational Enterprises and the principles of the International Labour Organization, the protection of biodiversity and the marine environment and managing our impact on local communities are central to our environmental and social risk management policies and procedures. We aim to prevent, reduce or mitigate any negative biodiversity or social impacts related to our operations. During the project preparation phase, as well as throughout its implementation, we plan, adapt and optimize our working methods to align with the sensitivities of the physical environment and communities associated with the local situation. Through our established environmental and social review process, we apply our Environmental and Social Policy (available on our website) as well as the relevant industry and international standards to manage biodiversity and social risks effectively. At the same time, we actively seek opportunities to make a positive contribution to local communities as well as the conservation, restoration and enhancement of natural environments. We do this through the provision of nature-based infrastructure solutions, as well as through applying our expertise to the restoration of ecosystems and marine habitats. Wherever possible we enhance the positive impact we can have on society – for instance, through the creation of jobs and opportunities for trade and skills development – whilst we also seek to mitigate or offset any negative outcomes of our work.

ROAD TO CLIMATE-NEUTRALITY

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

As things stand, those parts of the company that are onshore – our offices and warehouses, lease car fleet and dry earthmoving equipment – offer the greatest potential for near-term emission reductions. At our offices and warehouses in the Netherlands, we are continuing to install solar panels on a large scale. Meanwhile,

supported by the recent expansion of charging infrastructure at our head office, more than 25% of our lease car fleet is now made up of hybrid or electric vehicles.

We continue to lower emissions associated with our Inland Infra dry earthmoving activities. In 2022, all of our dry earthmoving trucks continued to run on a pure biofuel where it was available, resulting in a reduction in CO₂ emissions of nearly 55% across the entire fleet compared to using fossil fuels. During the year we also invested in a range of low-emission equipment in support of our ambitions for all onshore construction projects in the Netherlands to become climate-neutral by 2030. Investments in the onshore fleet include an electric dredger, electric asphalt sets, electric trucks and electric excavators.

The largest part of our CO₂ footprint is linked to our vessels, an area where substantial reductions in emissions are dictated by the availability of suitable alternatives to fossil fuels and the global availability of clean sources of energy. In recent years we have devised and adopted a range of measures and new technologies to drive down fuel consumption and reduce emissions from our fleet. During 2022 we expanded these initiatives in support of further reductions, including through the planned conversion of numerous vessels within our Offshore Energy division through the retrofitting of Energy Storage Systems, or ‘power packs’. The modifications, which we aim to complete by the end of 2024, will reduce the vessels’ fuel consumption and associated carbon dioxide and nitrogen oxide emissions by an average of up to 20% during DP operations.

Other measures to reduce emissions within our fleet include the development of dashboards onboard, as well as remotely, which improve awareness of operational efficiencies among crew members and help them to conserve fuel. During 2022 we extended our dashboard program to our entire fleet of Offshore vessels and also piloted the technology on three trailing suction hopper dredgers. Depending on the vessel and its operating conditions, the implementation of operational and technical efficiencies based on data from the dashboards can lead to a reduction in fuel consumption in excess of 8%. During the year we also began work with engine manufacturers to determine the optimum maintenance schedule for each of our vessels from the point of view of reducing fuel consumption.

To move towards climate neutrality, new ‘clean’ fuels are needed for the international maritime industry. The development of the expertise and technology necessary for the sector to complete its energy transition relies on collaborations with our industry peers, knowledge institutions and other partners and we are therefore participants in several initiatives investigating the viability of alternative fuels – including methanol, ammonia, and hydrogen – as well as testing these fuels with leading maritime engine manufacturers.

Land reclamation activities by the trailing suction hopper dredger Willem van Oranje in the port of Rotterdam, the Netherlands



BUSINESS PRINCIPLES

BOSKALIS CODE OF CONDUCT

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

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

The Boskalis Code of Conduct describes the guiding principles for our business conduct based on our core values, our commitment to our people, our clients, our investors, the environment and communities where we work. It describes our way of working and

behavior and has been designed to help all of us to make the right decisions in our daily work to improve our performance, build up trust with our stakeholders and safeguard our solid reputation.

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

We developed a set of underlying policies to the Boskalis Code of Conduct to elaborate upon certain important business principles. We review the Boskalis Code of Conduct and its underlying policies on a yearly basis to ensure that the content remains comprehensive, relevant and up to date. The last review has taken place at the beginning of 2023.



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

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

SUPPLIER CODE OF CONDUCT

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

Boskalis has a Supplier Code of Conduct, which mirrors our own Code of Conduct. Besides considering quality, delivery reliability

and price, we also select our suppliers based on sustainability criteria. The Supplier Code of Conduct is an integral part of all procurement contracts. By entering into a contract, suppliers commit themselves to the Supplier Code of Conduct. This commitment is also applicable to their own suppliers. In 2022, 89% of our strategic suppliers endorsed the Supplier Code of Conduct, compared to 88% in 2021.

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

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

OUR CORE VALUES – OUR COMPASS

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

SAFETY

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

TEAMWORK

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

PROFESSIONALISM

We strive to achieve the best results for the job without making promises we cannot deliver. With our expertise and

experience in project management, operations and risk management we seek to deliver our projects safely, on time and within budget.

ENTREPRENEURSHIP

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

RESPONSIBLENESS

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

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

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

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

ENVIRONMENTAL AND SOCIAL POLICY

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

HUMAN RIGHTS AND LABOR POLICY

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

SANCTIONS POLICY

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

TAX POLICY

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

SPEAK UP POLICY

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

GRIEVANCE POLICY

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



Dredging activities as part of the Fehmarnbelt tunnel project by the world's largest backhoe dredger Magnor

RISK PROFILE

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

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

Our management control system includes comprehensive periodic reports in which current developments are compared to the (cumulative) budgets and previous forecasts. The Board of Management discusses these reports with the relevant business unit managers in formal quarterly meetings.

We apply a financial control framework that stipulates and documents the control requirements to help mitigate financial (reporting) risks, which is based on the updated COSO internal control framework.

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

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

No matter how much care is taken in setting up internal risk management and control systems, they cannot provide absolute certainty regarding realizing the company's objectives, nor can they preclude material mistakes, losses, fraud, or infringements of legislation and regulations.

Below sets out an overview of the risk categories we distinguish when identifying and assessing the main risks and uncertainties we face in pursuing our business objectives. This overview is not exhaustive, and risks have not been ranked in order of importance. Financial risks are further described in the section (supplemental information) of the financial statements. There may be other types of risks that we currently do not consider to be significant but at a later stage may manifest themselves as such.

ASSETS

Risks in this category pertain to the inability to obtain and maintain an asset base necessary to timely capture opportunities in our selected markets, including challenges in determining and arranging an economically optimal mix of owned and chartered/hired assets.

BUSINESS CONDUCT

Risks in this category include the failure to conduct business in a manner acceptable to relevant stakeholders such as regulators, investors, joint venture partners, NGOs, labour unions, and local communities. A contributing factor to this risk category stems from the fact that Boskalis executes an extensive range of projects in over 90 countries across six continents.

CLIENT REQUIREMENTS

Risks in this category refer to failures to timely react on emerging trends in client requirements and preferences. These include (geo-)politically induced customer requirements such as boycotts of contractors or subcontractors active in certain countries.

COMPETITION

Risks in this category include actions by competitors, or new entrants, that have an adverse impact on the competitive position in our selected markets as well as non-level playing fields arising from Boskalis being a Netherlands-based company.

DISASTERS

Risks in this category include natural or man-made disasters such as extreme weather events, earthquakes, armed conflicts, piracy, epidemics, pandemics and terrorism that could globally affect Boskalis' employees, projects, or assets.

EXTERNAL REPORTING

Risks in this category include a failure to timely meet (statutory) financial or ESG-reporting requirements which could result in fines, operational restrictions, or reputational damage. Here as well, the fact that Boskalis carries out a wide range of projects globally is an important contributing risk factor.

FINANCE AND TREASURY

Risks in this category comprise insufficient access to funding or changes in prices, exchange rates, interest rates, or non-performance of counterparties that have an adverse impact on our financial performance.

HEALTH, SAFETY AND ENVIRONMENTAL

Risks in this category include failure to provide and maintain a safe and healthy working environment for our people and subcontractors as well as to limit the impact of our activities on the environment. Our projects are regularly executed by culturally diverse teams at remote locations and/or under challenging conditions.

HUMAN RESOURCES

Risks in this category relate to deficiencies in sufficiently knowledgeable, skilled, and experienced personnel required to meet our objectives. National and international labour markets are expected to remain tight, specifically for the profiles relevant to Boskalis.

INFORMATION TECHNOLOGY

Risks in this category refer to deficiencies in the software, hardware, and telecommunication systems enabling our operational, managerial, and reporting processes. These include business interruptions and/or additional costs, fines, and liabilities through spoofing, phishing, ransomware or cyberattacks.

INNOVATION

Risks in this category encompass insufficient development of, or access to, innovations having an adverse impact on our ability to achieve our business objectives. The high capital intensity of most of our activities and the longevity of the majority of our assets entails the risk of these assets becoming outmoded as a result of innovation or substitution.

INTERNAL ORGANIZATION

This category includes risks that the design of our internal organization, including the allocation of responsibilities and authorization, does not optimally support our business objectives. A contributing factor here is the increase in remote working which affects our onboarding, internal communication, and collaboration processes and systems.

PROJECT JOINT VENTURES

Risks in this category refer to the negative consequences of poor performance of, or disagreement with, project joint venture partners, including lower SHE-Q or ESG standards sometimes (initially) maintained by joint-venture partners.

LEADERSHIP

This category refers to the risk of shortcomings in the methods by which senior management aligns, motivates, and challenges our people, including the risk of insufficient emphasis on the need and (cultural) conditions for 'speaking up' whenever there are concerns about situations or behaviours that are not representative of our values.

MACRO TRENDS

This category refers to risks that macro trends and their consequences have an adverse impact on our ability to meet our business objectives. The macro trends most relevant to Boskalis are the increase of the global population, development of prosperity, coastal urbanization, world trade, climate change, energy consumption, and energy transition, as well as shifts in economical and geopolitical power.

MERGERS AND ACQUISITIONS

This risk category includes the risk that we do not properly assess the suitability and value of acquisition targets or are not able to reap the anticipated benefits from acquisitions.

PERFORMANCE MANAGEMENT

This risk category refers to deficiencies in our ability to timely monitor, analyze and manage the financial and ESG performance of our operations. Such deficiencies include (implicit) inconsistencies in the approach for identifying, assessing, and reporting on risks and opportunities across our business segments.

PROJECT EXECUTION

Risks in this category concern the inability to efficiently deliver agreed project requirements in terms of scope, quality, time, and budget and include deficiencies in 'contract awareness' within the project delivery team.

PROSPECTING AND TENDERING

This risk category relates to shortcomings in the assessment and approach of the technical, commercial, financial, contractual, fiscal, and other aspects of project tenders, including inaccurate monitoring and controlling of stage-gating in our prospecting and tendering processes.

REGULATORY

Risks in this category refer to - changes in - national and international laws and regulations that have an adverse impact on our ability to meet our business objectives, as well as to rising compliance efforts and costs.

STRATEGIC PLANNING

This risk category refers to inadequacies in our strategic planning process that result in us setting inviable or unrealistic business objectives, including deficiencies in our assessment of the strategic response(s) of our main competitors, clients, and suppliers.

SUBCONTRACTORS AND SUPPLIERS

This risk category refers to the non-performance of subcontractors, suppliers, or other service providers. Risks in this category include failing to monitor compliance of subcontractors/suppliers with our (Supplier) Code of Conduct, as well as with applicable international standards.

GOVERNANCE

Boskalis operates with the Board of Management and the Supervisory Board a two-tier Board model, which means that management and supervision are segregated.

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

The Supervisory Board is responsible for supervising the Board of Management on the formulation and implementation of the strategy for the long-term. Furthermore, the Supervisory Board is responsible for supervising management performance regarding the general affairs of the company and advising the Board of Management. In doing so the Supervisory Board also focuses on the effectiveness of the company's internal risk management and control systems and the integrity and quality of the financial reporting. The Supervisory Board is supported in its work by three core committees: the Audit Committee, the Nomination & Remuneration Committee and the ESG Committee. For a summary of the activities of the Supervisory Board, please refer to pages 16 to 19 of this Annual Review.

At Boskalis there is close collaboration between the Supervisory Board, its committees and the Board of Management. The Board of Management and the Supervisory Board are jointly responsible for looking after the interests of our stakeholders.

The company has a Group Management, consisting of the members of the Board of Management and the Group Directors. The Group Management meets on a regular basis in order for the



Board of Management to obtain a full overview of the activities in the divisions of the company, to align the day-to-day management across the company and to ensure optimal exchange of information between the divisions.

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

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

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

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

In addition, the core values and rules for safety at work are set out in our safety program, No Injuries, No Accidents (NINA). The Board of Management regularly stresses the importance of complying with the Boskalis Code of Conduct and the NINA principles. The Board of Management also provides employees with the opportunity to report any suspected misconduct within Boskalis of a general, financial, operational and employment nature which is not in line with the Boskalis Code of Conduct to a confidential independent counselor, without jeopardizing their legal position in accordance with the Speak Up Policy.



Furthermore, Boskalis offers through the Grievance Policy its external stakeholders the possibility to bring forward their suggestions, ideas and grievances. The Speak Up and Grievance Policies can both be found on the company's website. The Articles of Association of Boskalis set forth aspects of the governing principles regarding the company related to among others, the seat, the objects, the capital and shares of the company as well as its governing bodies, the financial year, the annual accounts and loss and profit.

Boskalis is no longer listed at Euronext Amsterdam as from 9 November 2022. Therefore the Dutch Corporate Governance Code (the "Code") is no longer applicable to the company.

In the governance of Boskalis the topics 'long-term strategy', 'culture' and 'diversity' are important to note.

LONG-TERM STRATEGY

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

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

For a detailed description of Boskalis' long-term and sustainable growth strategy, as well as the latest Corporate Business Plan, please refer to pages 10 to 12 of this Annual Review.

CULTURE

At Boskalis our purpose is to create and protect prosperity and advance the energy transition. We seek to foster a culture in which our employees identify strongly with our purpose and embrace the core values of the business. A strong culture builds cohesion and enables our people to develop and achieve mutual goals, thereby contributing to the long-term success of the company.

We are committed to promoting an inclusive culture aligned with our core values of safety, teamwork, professionalism, entrepreneurship and responsibility. To support such a working environment, we rely on the leadership and tone set by senior management as well as regular engagement with our staff. This is further bolstered by aligning our performance review framework

around our core values. Through periodic employee engagement surveys, we monitor aspects of our culture and the extent to which they align with our values and purpose. For further information please refer to page 37 of the Sustainability Report.

Boskalis places a strong emphasis on integrity and business ethics, an area where we are further increasing our engagement with staff through training and e-learning around our Responsible Business Principles and Code of Conduct. As a project-based organization, with a global footprint, we rely on the highest ethical standards and levels of trust among individuals and teams working in complex operating environments. The Supervisory Board has been involved in the formulation of the Responsible Business Principles and the Boskalis Code of Conduct and discusses its implementation and effectiveness with the Board of Management on a regular basis. Further information on the Boskalis Code of Conduct, its underlying policies and the core values are to be found on pages 34 to 38 of this Annual Review.

Our NINA safety program instills an acute awareness across our workforce of people's own responsibility regarding safety matters and provides a set of behavioral tools to assess and manage risks. NINA and its targeted training programs support a culture of responsibility and proactivity that goes far beyond safety.

This is mirrored in our approach to talent development in which we offer employees a range of tools and resources to grow their skills and develop their careers. Please refer for more information on Boskalis' safety culture to pages 30 to 33 of the Sustainability Report. The safety program has the continuous attention of the Board of Management, and its effectiveness is a standard topic of discussion within the meetings of the Supervisory Board.

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

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

DIVERSITY

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

Boskalis does not accept discrimination in the workplace and has a strong practice throughout the organization of equal opportunities for all regardless of race, color, nationality, ethnic background, age, religion, political opinion, gender, pregnancy,

sexual orientation, marital status, disability, trade union membership or any other characteristics protected by applicable law. The employee population, partly due to the nature of its business activities is predominantly male, especially in the core processes on the fleet and in the projects. To create a more balanced representation of gender on the work floor, Boskalis aims to attract, retain and promote women for and throughout the organization. Boskalis ensures that its job descriptions are gender neutral. The recruitment process is based on an Objective Assessment Model, setting profiles based on competencies without prior knowledge about the applicant to prevent unconscious bias on gender, age or ethnicity. Internal and external recruiters are specifically tasked to identify and submit capable female candidates. In the management development and trainee programs special attention is paid to eligible female candidates.

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

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

Ultimo 2022, 14% of the senior management team of Boskalis is female. Boskalis has decided to adopt a target to improve gender diversity of its the senior management; with this target the percentage of female leaders will be increased to 20% in or before 2025.

The composition and size of the Supervisory Board are also based on the company's profile and strategy. As stated in the profile of the Supervisory Board and the Diversity Policy, the expertise, experience and various competencies of members of the Supervisory Board should contribute to proper supervision of the company's management and general performance. The goal for the composition of the Supervisory Board is to aim as much as possible for a diverse composition, where possible taking into account the statutory requirements and the requirements related to

education and experience contained in the Diversity Policy. Per ultimo 2022 this resulted in four members of the Supervisory Board being male and two members being female. In view of the objective of achieving a balanced representation on the Supervisory Board, emphasis is placed on diversity when drafting the profile for new members of the Supervisory Board. In the year under review no changes occurred in the composition of the Supervisory Board. The current composition of the Supervisory Board is in line with the Act to improve gender diversity in the boards of Dutch companies. The Supervisory Board will continue to adhere to the requirements of the Act to improve gender diversity in the boards of Dutch companies in its future selection- and appointment procedures for the Supervisory Board.

SUMMARY FINANCIAL INFORMATION 2022





SUMMARY FINANCIAL INFORMATION 2022

This Summary Financial Information gives a brief presentation of the 2022 annual accounts and is derived from the Financial Statements 2022. The Annual Report 2022, including the Financial Statements and accompanying explanatory notes, was discussed in the meeting of the Board of Management with the Supervisory Board on 8 March 2023 and was released for publication with the recommendation to the Annual General Meeting of Shareholders to adopt the Financial Statements 2022. The external auditor has given an unqualified opinion to the Financial Statements 2022. The Financial Statements 2022 of Koninklijke Boskalis N.V. (thereafter Royal Boskalis) have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union, and section 362.1, Part 9 of Book 2 of the Netherlands Civil Code.

The Annual Report, accompanied by the auditor's report, the management report and other information are available at the company's offices, where the Report may be consulted, and a copy may be obtained free of charge.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(Consolidated Income Statement)

(in thousands of EUR)	2022	2021
OPERATING INCOME		
Revenue	3,578,159	2,956,778
Reversal of impairments evidenced by a sale transaction	5,814	-
Other income	76,401	9,280
	3,660,374	2,966,058
OPERATING EXPENSES		
Raw materials, consumables, services and subcontracted work	- 2,512,242	- 2,020,746
Personnel expenses	- 560,297	- 510,158
Depreciation and amortization	- 282,885	- 263,670
Impairment charges	- 21,183	-
Other expenses	- 4,725	- 12,040
	- 3,381,332	- 2,806,614
Share in result of joint ventures and associates	18,552	39,144
	297,594	198,588
RESULTS FROM OPERATING ACTIVITIES (EBIT)		
FINANCE INCOME AND EXPENSES		
Finance income	951	438
Interest and other finance expenses	- 16,004	- 16,496
	- 15,053	- 16,058
PROFIT/LOSS (-) BEFORE TAXATION	282,541	182,530
Income tax expenses	- 42,554	- 34,131
NET GROUP PROFIT/LOSS (-)	239,987	148,399
NET GROUP PROFIT/LOSS (-) ATTRIBUTABLE TO:		
Shareholders	241,202	150,846
Non-controlling interests	- 1,215	- 2,447
	239,987	148,399

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Consolidated Balance Sheet)

ASSETS

(in thousands of EUR)	31 DECEMBER	
	2022	2021
NON-CURRENT ASSETS		
Intangible assets	179,942	176,597
Property, plant and equipment	2,764,807	2,609,043
Right-of-use assets	132,953	140,285
Joint ventures and associates	69,495	206,350
Non-current financial assets	3,003	2,705
Deferred income tax assets	7,480	13,868
	3,157,680	3,148,848
CURRENT ASSETS		
Inventories	132,883	110,560
Unbilled revenue	270,484	269,685
Trade and other receivables	758,575	635,805
Derivatives	11,775	7,508
Income tax receivable	43,118	21,959
Cash and cash equivalents	779,752	762,924
Assets held for sale	167,827	55,518
	2,164,414	1,863,959
TOTAL ASSETS	5,322,094	5,012,807

EQUITY AND LIABILITIES

(in thousands of EUR)	31 DECEMBER	
	2022	2021
GROUP EQUITY		
Issued capital	1,293	1,303
Share premium reserve	637,029	637,019
Other reserves	329,196	297,398
Retained earnings	1,621,952	1,468,307
SHAREHOLDERS' EQUITY	2,589,470	2,404,027
NON-CONTROLLING INTERESTS	- 1,347	585
TOTAL GROUP EQUITY	2,588,123	2,404,612
LIABILITIES		
NON-CURRENT LIABILITIES		
Interest-bearing borrowings	93,053	388,864
Employee benefits	54,963	47,058
Deferred income tax liabilities	2,932	3,495
Provisions	58,605	62,351
Lease liabilities	109,460	114,710
Derivatives	-	47
	319,013	616,525
CURRENT LIABILITIES		
Deferred revenue	436,463	451,712
Interest-bearing borrowings	288,422	10,190
Bank overdrafts	19,880	13,400
Income tax payable	161,224	139,308
Trade and other payables	1,327,577	1,290,733
Provisions	143,945	46,889
Lease liabilities	31,948	33,094
Derivatives	5,499	6,344
	2,414,958	1,991,670
TOTAL LIABILITIES	2,733,971	2,608,195
TOTAL GROUP EQUITY AND LIABILITIES	5,322,094	5,012,807

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of EUR)	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Group profit / loss (-)	239,987	148,399
Depreciation, amortization and impairment charges	304,068	263,670
Cash flow	544,055	412,069
Adjustments for:		
Finance income and expenses	15,053	16,058
Income tax expenses	42,554	34,131
Results from disposals and divestments	- 25,790	- 5,240
Reversal impairments evidenced by a sale transaction	- 5,814	-
Results from divestments and acquisitions	- 50,258	-
Movement in provisions and employee benefits	38,053	40,335
Movement in inventories	- 22,837	- 21,787
Movement in trade and other receivables	- 125,598	- 141,143
Movement in trade and other payables	92,484	137,475
Movement unbilled and deferred revenue	27,124	27,404
Share in result of joint ventures and associates, including share in impairment charges	- 18,552	- 39,144
Cash generated from operating activities	510,474	460,158
Dividends received	14,240	2,233
Interest received	951	438
Interest paid	- 14,117	- 12,268
Income tax paid	- 34,876	- 43,273
Net cash from operating activities	476,672	407,288
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment, excluding capitalized borrowing costs	- 480,992	- 370,693
Proceeds from disposals of property, plant and equipment	58,095	21,833
Proceeds from divestments of joint ventures	84,268	-
Repayment of loans or share premium by joint ventures and / or associates	1,013	63
Net cash used from / (in) investing activities	- 337,616	- 348,797
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from interest-bearing borrowings	-	15,020
Repayment of interest-bearing borrowings	- 35,667	- 12,932
Purchase of own shares	-	- 27,711
Payment of lease liabilities	- 32,408	- 33,045
Dividend paid to shareholders	- 64,662	- 64,819
Net cash used from / (in) financing activities	- 132,737	- 123,487
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		
	6,319	- 64,996
Net cash and cash equivalents (including bank overdrafts) as at 1 January	749,524	814,992
Net increase / (decrease) in cash and cash equivalents (including bank overdrafts)	6,319	- 64,996
Currency translation differences	4,029	- 472
MOVEMENT IN NET CASH AND CASH EQUIVALENTS	10,348	- 65,468
NET CASH AND CASH EQUIVALENTS (INCLUDING BANK OVERDRAFTS) AS AT 31 DECEMBER	759,872	749,524

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

The summary financial information is derived from the financial statements 2022, which are prepared in accordance with the International Financial Reporting Standards (IFRS) and interpretations as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of The Netherlands Civil Code. The summary financial information gives the headlines of the financial position of Koninklijke Boskalis N.V. (hereafter: Royal Boskalis) and its consolidated subsidiaries (together referred to as the 'Group') for the year ended 31 December 2022.

For a better understanding of the Group's financial position, Royal Boskalis emphasizes that the summary financial information should be read in conjunction with the unabridged financial statements, from which the summary financial information was derived. An unqualified auditor's report thereon dated 8 March 2023 was issued by KPMG Accountants N.V. The unabridged financial statements 2022 are available from the company or at the Chamber of Commerce in Rotterdam.

During 2022, HAL Investments B.V. ('HAL') has increased its share in the Company to 98.3%. Accordingly, the Company and its group companies (hereinafter referred to jointly as the 'Group' and individually as the 'Group companies') belong to the wider HAL group. The ultimate parent of this group is HAL Trust in Hamilton, Bermuda. HAL Trust's shares are listed on the Amsterdam Stock Exchange (Ticker Symbol: HAL NA).

2. ABBREVIATION

An abbreviation of a selection of the most significant accounting policies is included below. For a full overview of the accounting policies refer to the unabridged financial statements 2022.

3. FORMAT AND VALUATION

The consolidated financial statements are presented in euros (EUR), the Group's presentation currency. The consolidated financial statements are based upon historical cost to the extent that IFRS does not prescribe another accounting method for specific items.

The accounting principles applied to the valuation of assets and liabilities and the determination of results are the same as the valuation principles applied to consolidated financial statements in prior years, except that the Group applied the amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' and IAS 16 'Property, Plant and Equipment' for the first time. Both changes are effective as of

1 January 2022 and do not require a revision of the comparative figures. Both changes have no material impact on the Group; as per 1 January 2022 the provision for onerous contracts and group equity were EUR 5.3 million higher and lower, respectively.

4. CONSOLIDATION

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

5. FOREIGN CURRENCIES

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

6. ESTIMATES

Preparing financial statements means that estimates and assumptions made by management partially determine the amounts recognized under assets, liabilities, revenue and costs. The estimates and assumptions are mainly related to the measurement of intangible assets (including goodwill), property, plant and equipment, joint ventures and associates, expected results on the completion of projects, pension liabilities, taxation, provisions and financial instruments. Judgements made by management within the application of IFRS which have a material effect on the financial statements are the qualifications of investments as Group companies, joint operations, joint ventures or associates.

7. DERIVATIVES AND CASH FLOW HEDGING

It is the policy of the Group to use cash flow hedges to cover all operational currency risks, which mainly relate to future cash flows from contracts which are denominated in

currencies other than the relevant functional currency, if it is highly probable that such cash flows will be realized. Fuel price risks and interest rate risks relating to future cash flows can be hedged from time to time using specific derivatives. Derivatives are stated at fair value.

8. IMPAIRMENT

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If an indication of impairment exists, then the recoverable amount of the asset is estimated. Goodwill and intangible assets with an indefinite useful life are tested annually for impairment. The recoverable amount of an asset or cash-generating unit (or group of units) is the higher of its value in use and its fair value less cost of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects the current market assessments, the time value of money and the risks specific to the asset or the cash-generating unit. An impairment charge is recognized when the carrying amount of an asset or the cash generating unit to which it belongs exceeds its recoverable amount. Impairment charges are recognized in the statement of profit or loss.

9. PROPERTY, PLANT AND EQUIPMENT

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

10. PROVISIONS

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

11. REVENUES, UNBILLED AND DEFERRED REVENUE

Almost all of the Group activities are based on contracts with customers. These activities include construction projects and the execution of service-related contracts. The duration of the construction projects varies from approximately one month to several years. Service-related contracts also vary in duration, mostly from several days to more than a year, in the latter case due to a combination of multiple transports in a single contract.

Revenue from the contracting of projects in the Dredging & Inland Infra and Offshore Energy operational segments, excluding marine transport and other offshore related services, is recognized based on the progress of the project, mainly using the 'cost-to-cost' method. The Group makes significant estimates and judgements for the projects that depend on the nature of specific project circumstances. Revenue from the contracting of salvage projects is recognized based on the progress of the project. For salvage projects completed at the date of the Statement of Financial Position but for which the proceeds are not finally determined between parties, revenue is recognized at expected proceeds, insofar it is highly unlikely that these will be reversed at a later date.

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

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

12. OTHER INCOME AND EXPENSES

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

INDEPENDENT AUDITOR'S REPORT

To: the Supervisory Board of Koninklijke Boskalis N.V.

OUR OPINION

The summary financial information of Koninklijke Boskalis N.V. for 2022 (hereafter 'the summary financial information') is derived from the audited financial statements of Koninklijke Boskalis N.V. for 2022.

In our opinion the accompanying summary financial information is consistent, in all material respects, with those financial statements, on the basis described in note 1.

The summary financial information comprises:

1. the consolidated statement of financial position as at 31 December 2022;
2. the following statements for 2022: the consolidated statement of profit or loss, the consolidated statement of cash flows; and
3. the accompanying explanatory notes to the consolidated financial statements.

The summary financial information does not contain all the disclosures required by the International Financial Reporting Standards as endorsed by the European Union. Reading the summary financial information, therefore, is not a substitute for reading the audited financial statements of Koninklijke Boskalis N.V. and our report thereon.

THE AUDITED FINANCIAL STATEMENTS AND OUR REPORT THEREON

We expressed an unmodified audit opinion on the audited financial statements of Koninklijke Boskalis N.V. for 2022 in our report dated 8 March 2023.

Our auditor's report also includes information in support of our opinion consisting of the audit response to the risk of fraud and non-compliance with laws and regulations, the audit response to going concern and the audit response to climate-related risks.

RESPONSIBILITIES OF THE BOARD OF MANAGEMENT AND THE SUPERVISORY BOARD FOR THE SUMMARY FINANCIAL INFORMATION

The Board of Management is responsible for the preparation of the summary financial information on the basis described in note 1.

The Supervisory Board is responsible for overseeing the financial reporting process of the summary financial information.

OUR RESPONSIBILITIES FOR THE AUDIT OF THE SUMMARY FINANCIAL INFORMATION

Our responsibility is to express an opinion on whether the summary financial information is consistent, in all material respect, with the audited financial statements based on our procedures, which we conducted in accordance with Dutch law, including the Dutch Standard 810 'Opdrachten om te rapporteren betreffende samengevatte financiële overzichten' (Engagements to report on summary financial statements).

The Hague, 8 March 2023

KPMG Accountants N.V.

R.R.J. Smeets RA

OTHER INFORMATION



The world's largest backhoe dredger
Magnor carrying out dredging work



58 **HISTORIC OVERVIEW**

60 **GLOSSARY**

62 **EQUIPMENT**

HISTORIC OVERVIEW ⁽¹⁾

(in EUR million, unless stated otherwise)	2022	2021	2020	2019 ⁽¹²⁾	2018 ⁽¹¹⁾	2017 ⁽¹¹⁾	2016	2015
Revenue	3,578	2,957	2,525	2,645	2,570	2,343	2,596	3,240
Order book	6,107	5,406	5,306	4,722	4,292	3,495	2,924	2,490
EBITDA	604.1	462.3	404.3	375.8	353.6	436.6	660.5	884.7
Depreciation and amortization	282.9	263.7	264.5	265.1	234.6	251.6	277.2	278.6
Operating result	271.2	198.6	139.8	28.5	119.0	185.0	384.6	577.3
Exceptional items (charges/income)	26.4	-	-195.4	82.3	-519.5	-	-842.6	-14.5
EBIT	297.6	198.6	-55.6	110.7	-400.5	185.0	-458.1	562.8
Net profit	241.2	150.8	90.4*	74.9	82.8*	150.5	276.4*	440.2
Net group profit/loss	240.0	148.4	-96.7	74.9	-433.7	150.4	-561.8	443.5
Cash flow	544.1	412.1	354.6*	340.0	319.5*	402.0	464.0	765.4
Personnel (headcount)	9,291	7,872	7,484	7,133	7,078	6,410	6,960	8,268
Ratios (in percentages)								
EBIT as % of the revenue	8.3	6.7	5.5*	4.2	4.6*	7.9	14.8*	17.4
Return on capital employed	9.8	5.8	3.9*	2.9	2.9*	4.8	9.1*	10.8
Return on equity	9.7	6.4	3.8*	3.0	3.0*	4.9	8.1*	12.8
Solvency	48.6	48.0	50.5	54.3	56.1	62.6	56.1	56.3

* Excluding exceptional charges

(1) Figures taken from the respective financial statements.

(2) EBIT as reported in the consolidated statement of profit or loss.

(3) EBIT before depreciation, amortization, impairment and other exceptional charges.

(4) Net profit + interest expenses regarding long term loans (non-current interest bearing borrowings, excluding lease liabilities) as % of the average capital employed (2016 average capital includes adjustment for debt to be repaid early).

(5) Net profit as % of the average shareholders' equity.

(6) Group equity as % of balance sheet total (non-current assets + current assets).

(7) Adjusted for changes in the IFRS standards (IAS19R).

(8) As of 1 January 2014 Boskalis applies IFRS11 which impacts the way joint ventures and associated companies are recognized. The full year 2013 comparative figures have been adjusted accordingly.

(9) EBIT - exceptional items.

(10) Employees employed by majority owned entities including employees Anglo Eastern.

(11) As of 1 January 2018 Boskalis applies IFRS15. The full year 2017 comparative figures have been adjusted accordingly.

(12) As of 1 January 2019 Boskalis applies IFRS16. The full year 2018 comparative figures have not been adjusted accordingly.

2014 ⁽⁸⁾	2013 ⁽⁸⁾	2012 ⁽⁷⁾	2011	2010	2009	2008	2007	2006	2005	2004
3,167	3,144	3,081	2,801	2,674	2,175	2,094	1,869	1,354	1,156	1,020
3,286	3,323	4,106	3,489	3,248	2,875	3,354	3,562	2,543	2,427	1,244
945.9	757.2	567.1	590.5	621.5	444.9	454.6	348.1	236.8	162.5	136.5
261.9	254.4	227.2	230.0	210.9	147.0	110.2	102.5	86.6	80.2	89.0
684.0	502.8	339.9	360.5	410.6	297.9	344.3				
-31.6	-39.4	-4.1	-6.4	-8.7	-48.6	-5.2				
652.3	463.4	335.8	354.1	401.9	249.3	339.1	245.5	150.3	82.3	47.5
490.3	365.7	249.0	254.3	310.5	227.9	249.1	204.4	116.6	62.7	33.9
492.2	365.3	252.0	261.0	312.9	229.2	250.1	207.1	117.0	63.3	34.1
785.7	659.1	483.3	497.4	532.5	424.8	365.6	309.6	203.6	143.5	123.1
8,446	8,459	15,653	13,935	13,832	10,514	10,201	8,577	8,151	7,029	7,033
20.6	14.7	10.9	12.6	15.0	11.5	16.2	13.1	11.1	7.1	4.7
13.8	13.0	11.1	12.1	18.1	20.2	29.1	27.7	19.1	12.0	7.0
17.3	16.5	13.8	15.4	21.7	21.1	30.6	29.5	20.1	12.4	7.2
53.4	47.6	39.2	37.4	37.1	46.5	34.0	35.3	39.4	41.3	38.1

GLOSSARY

Average capital employed Shareholders' equity + long term loans (non-current interest bearing borrowings).

Backhoe dredger A large hydraulic excavating machine positioned on the end of a pontoon. The pontoon is held firmly in place using spuds. Backhoes can dredge in a range of soil types with extreme precision.

Cash flow Group net profit + depreciation + amortization + impairment losses.

CO₂ Emissions Carbon dioxide released into the environment.

Cutter suction dredger (CSD) A vessel that dredges while being held into place using spuds and anchors. This technique combines powerful cutting with suction dredging. Cutter suction dredgers are mainly used where the sea- and riverbed is hard and compact. The dredged material is sometimes loaded into hoppers but is generally pumped to land through a pressure pipeline.

Decommission To dismantle and/or remove an object.

DP Dynamic Positioning - a computer-controlled system to automatically maintain a vessel's position and heading by using its own propellers and thrusters.

EBIT Earnings before interest and tax.

EBITDA EBIT before depreciation, amortization, impairment and other exceptional charges.

EPC contract EPC stands for Engineering, Procurement, Construction and is a type of contracting agreement in the construction industry. The contractor is responsible for carrying out the detailed engineering design of the project, procuring all the equipment and materials required, and then constructing to deliver a functioning facility or asset to the client.

ESG Environmental, Social and Governance.

EU-IFRS IFRS stands for International Financial Reporting Standards. EU-IFRS are financial reporting rules drawn up and issued by the IASB (International Accounting Standards Board) and adopted within the European Union. Since 2005 all publicly listed companies within the European Union have been obliged to comply with these standards in their external financial accounting/reporting.

Fallpipe vessel Vessel that moves over the area to be covered, while dumping rock through a fallpipe. The vessel is kept in place by a dynamic positioning system in which the propellers and rudders are controlled by an automatic system. The end of the pipe is located just a few meters above the level of the surface to be covered. The fallpipe is controlled using a precise positioning system. The fallpipe vessel Seahorse can also be equipped with an A-frame on the aftship and a grab controlled by an ROV (Remotely Operated Vehicle). This makes it possible to dredge down to depths of 1,000 meters.

Floating sheerleg crane Floating cranes for heavy lifting.

FPSO Floating Production Storage and Offloading unit. Floating production, storage and transshipment systems that often operate a long way offshore. The systems separate the incoming liquids into oil, gas and water and temporarily store the crude oil. Tankers are used to transport the oil.

Global Reporting Initiative International organization that develops global standards for sustainability reporting.

Hazardous substances Liquid or solid substances which present a health hazard and/or are damaging to the environment.

Home market Boskalis distinguishes itself from its competitors in the Dredging segment by the use of a home market strategy. The home market organizations have local marketing profiles, as well as their own fleets and infrastructures. They can rely on the support of the financial and technical resources of the global Boskalis organization. Home markets provide a stable flow of assignments and opportunities to generate additional margins through associated activities.

Hopper/hopper dredger See *trailing suction hopper dredger*.

HTV A (semi-submersible) heavy transport vessel. At 275 meters long and 70 meters wide the BOKA Vanguard is the biggest semi-submersible heavy transport vessel in the world and is capable of conveying objects weighing up to 110,000 tons.

LNG Liquefied Natural Gas.

LTI Lost Time Injury. Expresses the number of workplace accidents serious enough to result in absence from work.

LTIF Lost Time Injury Frequency. Expresses the number of workplace accidents serious enough to result in absence from work, per 200,000 hours worked.

Net debt/Net cash The sum of non-current and current interest bearing borrowings and bank overdrafts minus cash and cash equivalents.

Net financial position See *Net debt/Net cash*

Net Group profit Net profit + net profit attributable to non-controlling interests.

Net operating profit Net profit adjusted for exceptional items.

NINA No Injuries, No Accidents. To achieve an incident and accident-free working environment Boskalis applies the NINA safety program. NINA sets out Boskalis' vision on safety and describes the safety conduct the company expects from its staff and subcontractors. The program makes people aware of their own responsibility and encourages them to take action in situations which are unsafe.

Operating result EBIT minus exceptional items.

Order book Contract revenue as yet uncompleted.

Return on capital employed Net profit + interest expenses regarding long term loans (non-current interest bearing borrowings) as % of the average capital employed.

Return on equity Net profit as % of the average shareholders' equity.

Rock fragmentation under water Drilling and blasting hard materials such as rock and granite, often to deepen ports and clear navigational channels.

ROV Remotely Operated Vehicle. An unmanned robotic subsea vehicle that is remotely controlled (often from a ship or platform).

SHE-Q Safety, Health, Environment & Quality.

Solvency Group equity as % of balance sheet total (non-current assets + current assets).

Sustainable Development Goals (SDGs) Set of seventeen goals with specific targets. Formulated by the United Nations through a deliberate process involving its 193 Member States, as well as global civil society, the goals define the global sustainable development priorities and aspirations for 2030.

Topside The upper section of an offshore oil production platform.

Trailing suction hopper dredger (TSHD) A self-propelled unit that loads its well or hopper using centrifugal pumps and pipes that trail over the bed as the ship sails. Trailing suction hopper dredgers can operate independently of other equipment and can transport material over long distances. The dredged material is dumped through flaps or bottom doors, by rainbowing, or pumped onto land using a pipeline.

TRIR Total Recordable Injury Rate. Number of LTIs, restricted work cases and medical treatment cases per 200,000 hours worked.



CONSTRUCTOR
VALLETTA

MBC

Diving support vessel, Constructor

EQUIPMENT

DREDGERS



Trailing suction hopper dredgers **18**
Capacity > 6,000 m³ 8
Capacity ≤ 6,000 m³ 10



Cutter suction dredgers **7**
Capacity > 12,000 kW 4
Capacity ≤ 12,000 kW 3



Backhoes **16**
Bucket capacity from 1.4 to 33 m³



Floating grab cranes **7**
Grab capacity from 1.2 to 9.2 m³

Other dredging equipment **19**
water injection dredger, barge unloading dredgers, suction dredgers, stone placing vessels, spray pontoons, booster stations

OFFSHORE VESSELS



Heavy transport vessels (semi-submersible) **11**
Capacity up to 110,000 tons



Heavy lift vessels **3**
Capacity from 500 to 3,000 tons



Fallpipe vessels **3**
Capacity from 17,000 to 24,000 tons



Diving support vessels **6**
Air and saturation diving support, ROV services



Multipurpose/Cable-laying vessels **4**



Floating sheerlegs cranes **4**
Capacity from 400 to 5,000 tons



Survey vessels **15**

OCEANGOING TUGS AND ANCHOR HANDLING TUGS



Oceangoing tugs and offshore construction vessels **12**
From 205 to 403 ton bollard pull



Anchor handling tugs and offshore support vessels **13**
From 70 to 205 ton bollard pull

BARGES AND PONTOONS



Hopper barges **57**
Capacity from 50 to 3,800 m³



Oceangoing flat top barges (semi-submersible) **2**
Capacity 21,000 tons



Oceangoing flat top barges/pontoons **20**
Capacity from 1,000 to 14,000 tons



Inland barges **30**
Capacity from 100 to 2,000 tons

VESSELS TOWAGE JOINT VENTURES 142

LAUNCHES, WORK/SUPPLY VESSELS 76

VARIOUS/OTHER FLOATING EQUIPMENT 71

The numbers listed above include the vessels under construction and vessels and floating equipment of the (non-controlled) associated companies. In addition to the equipment shown here, the group also owns a range of auxiliary equipment such as floating pipelines, winches, pumps, draglines, hydraulic excavators, wheel loaders, dumpers, bulldozers, mobile cranes, crawler drill rigs, sand pillers, filling installations for shore protection, mattresses, fixed land pipelines and a wide variety of salvage equipment, such as fire-fighting, diving and anti-pollution equipment.

COLOPHON

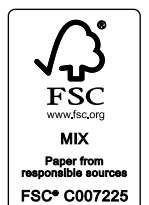
Compiled and coordinated by

Royal Boskalis

Corporate Communications Department

Group Controlling Department

www.boskalis.com



Royal Boskalis

Rosmolenweg 20
PO Box 43
3350 AA Papendrecht
The Netherlands

royal@boskalis.com
T +31 78 6969000

www.boskalis.com

