Boskalis

HALF YEAR REPORT 2021

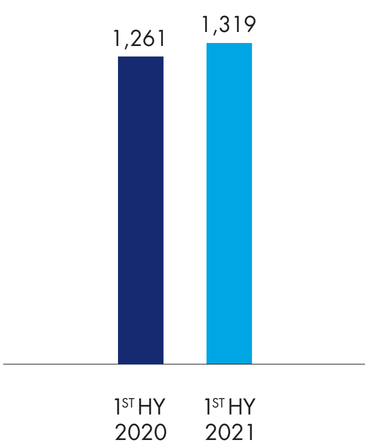
HALF YEAR
REPORT 2021

KEY FIGURES

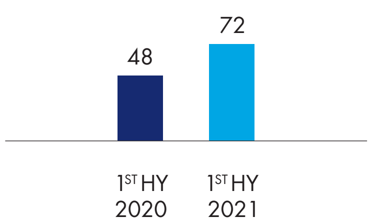
KEY FIGURES	**1ST HY 2021**	1ST HY 2020	2020
(in EUR million)			
Revenue	**1,319**	1,261	2,525
EBITDA	**226**	204	404
Net result from JVs and associates	**18**	8	19
Operating result	**97**	72	140
Exceptional items	**-**	-148	-195
EBIT	**97**	-75	-56
Net operating profit	**72**	48	90
Net profit (loss)	**72**	-96	-97
Earnings per share (in EUR)	**0.56**	0.39	0.69
	30 June 2021	30 June 2020	End 2020
Net financial position: cash (debt)	**213**	190	439
Solvency	**50%**	51%	51%
Order book	**5,528**	4,661	5,306

Definitions: EBITDA is EBIT before depreciation, amortization, impairment and other exceptional charges; Operating result is EBIT adjusted for exceptional charges; Net operating profit is Net profit adjusted for exceptional charges; EPS is adjusted for Exceptional items; Net result from joint ventures and associates are presented excluding impairment charges. EBIT(DA) and operating result include our share in the net result of joint ventures and associates.

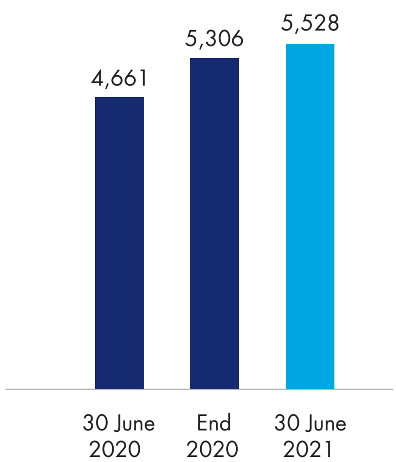
REVENUE (in EUR million)



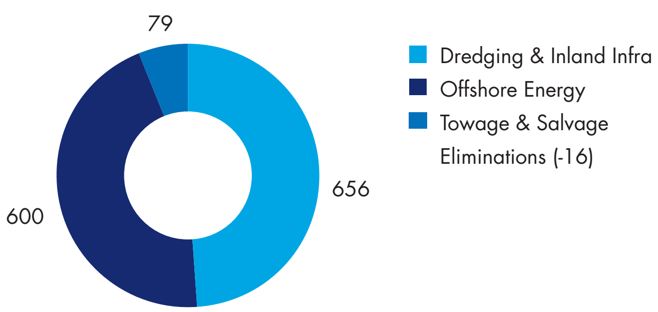
NET OPERATING PROFIT (in EUR million)



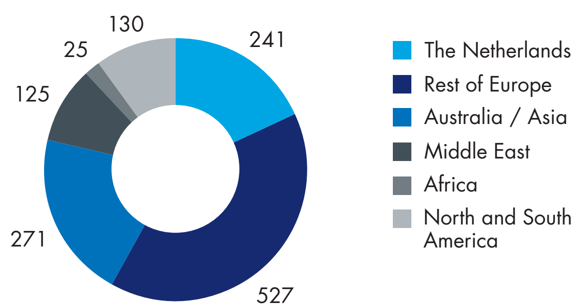
ORDER BOOK (in EUR million)



REVENUE BY SEGMENT (in EUR million)



REVENUE BY GEOGRAPHICAL AREA (in EUR million)



HALF YEAR REPORT 2021

This half year report contains forward-looking statements. These statements are based on current expectations, estimates and projections of Boskalis' management and information currently available to the company. These forecasts are not certain and contain elements of risk that are difficult to predict and therefore Boskalis does not guarantee that its expectations will be realized. Boskalis has no obligation to update the statements contained in this half year report. Unless stated otherwise, all amounts in this half year report are in euros (EUR). Some of the projects referred to in this report were carried out in joint venture or in a subcontractor role. This half year report as well as the Annual Report 2020 can be read on www.boskalis.com.

TABLE OF CONTENTS

Successful refloating of the Ever Given
in the Suez Canal

CHAIRMAN'S STATEMENT

"We can reflect on a strong first half year with a substantial increase in earnings. Certainly in light of the still restrictive COVID-19 measures, worldwide, this is a major achievement.

Our Dredging activities are most affected by the ongoing travel restrictions and stringent quarantine measures. Especially in Southeast Asia, COVID-19 still poses many challenges on a daily basis. Closer to home, we have been able to do a lot of work in the Netherlands and we are in full swing with the dredging work for the construction of the Fehmarnbelt tunnel that will connect Germany and Denmark. In terms of the outlook, the vessel schedule looks promisingly busy with the imminent start of major work in the Philippines. In view of the expected high fleet utilization, we have carried out extra maintenance in the first half of the year so that the hoppers are fully available to work.

Offshore Energy had a very strong half year continuing the upward trend of last year. Offshore wind, accounting for 43% of revenue, contributed well to the result. In addition, we see that the contribution from services has further increased. Both heavy transport and subsea services were busy and the activities acquired from Rever Offshore at the end of 2020 made an excellent contribution. The integration of Rever within Boskalis is progressing very well and is exceeding our own expectations financially.

Many people will associate early 2021 with that moment when the economic artery through Egypt was suddenly blocked by the Ever Given. Worldwide billions of people followed in suspense as to whether our salvage colleagues would succeed in refloating the "stranded whale". Like in an adventurous novel they worked under extreme pressure on different scenarios to refloat the gigantic container ship as quickly as possible. Finally, after six long and intense days, they succeeded. This brought an end to the blockade of the Suez Canal and the hundreds of waiting ships could continue their journey. A unique feat of craftsmanship combined with exemplary cooperation with the local authorities.

Another commendable achievement is the new record high level of the order book. At over EUR 5.5 billion, it provides a healthy foundation of work and fleet utilization for the coming years, permitting us to also be more selective when acquiring new projects. Thus, we look forward with more confidence to the second half of the year and the years to come.

We will soon start with the update of our new corporate business plan, 2022-2024. An important pillar of this plan will be our vision on how we can contribute to tackling the effects of climate change, both in the context of mitigating and adaptive measures. What is certain is that Boskalis is entering a good period of economic prosperity and we see plenty of opportunities to make a highly relevant contribution to the major social challenges of our time."

Peter Berdowski, CEO

OVERVIEW

Royal Boskalis Westminster N.V. (Boskalis) has concluded a good half year with a strong increase in earnings despite ongoing COVID-19 related restrictions.

Compared to last year, revenue increased by 4.6% to EUR 1.32 billion (H1 2020: EUR 1.26 billion). Adjusted for (de)consolidation and currency effects, revenue growth was 2.7%.

EBITDA increased by 10.8% to EUR 226 million (H1 2020: EUR 204 million) and operating profit increased by 34.1% to EUR 97 million (H1 2020: EUR 72 million).

Net profit amounted to EUR 72 million compared to a net loss of EUR 96 million a year ago. There were no exceptional gains or losses in the first half of the year, where the first half-year result 2020 included exceptional charges of EUR 144 million after tax.

In the Dredging & Inland Infra segment, revenue decreased by 2.6% compared to the same period last year with a slightly lower result. This development is partly due to continuing COVID-19 related travel restrictions and quarantine measures resulting in operational inefficiencies on certain large projects. Furthermore, maintenance schedules for the mid- to large sized trailing suction hopper dredgers were brought forward to the second quarter, resulting in higher operational costs and a lower availability. In view of the well-filled order book and busy schedules, it was decided to bring forward part of the maintenance planned for the second half of the year and carry it out in the first half. The largest revenue contribution came from projects in Southeast Asia, the Indian subcontinent, Canada, Denmark and the Dutch market.

At Offshore Energy, revenue increased by more than 18% with a significantly higher result. Contracting revenue was virtually stable, with the revenue growth being on the services side of the business. Both Marine Transport & Services and Subsea Services had a good first half year and the integration of the recently acquired Rever Offshore also contributed significantly to the revenue growth. Across the board, the various activities contributed to the good divisional result, with in particular a good half year for the offshore wind projects and Subsea Services.

Within the Towage & Salvage division, Salvage successfully completed a number of high-profile assignments, including the refloating of the Ever Given in the Suez Canal and the recovery of the Eemslift Hendrika off the coast of Norway.

Despite this, the first half of the year was relatively quiet, especially compared to the exceptionally busy 2020. Despite a lower revenue, the divisional result increased substantially. In addition to a good half year at Towage, this is primarily due to a substantial settlement result at Salvage relating to an emergency response assignment operationally completed in 2019.

The customary holding and unallocated group costs increased compared to 2020, however are still at a low level due to a wide range of COVID-19 related cost-saving measures.

The net cash position decreased in line with expectations but the financial position is still very strong. The exceptionally high net cash position at year-end 2020 declined to EUR 213 million, primarily as a result of investments, the payment of dividend, the share buyback program and a normalization of working capital. With the available cash and bank facilities, Boskalis has a direct financing capacity in excess of EUR 1 billion. Solvency remains high at 50% and Boskalis comfortably meets its financial covenants.

The order book increased by over 4% to a new record high of EUR 5.53 billion (year-end 2020: EUR 5.31 billion). The largest increase in the portfolio took place in Dredging & Inland Infra, within Europe. Among other things, the project Meanderende Maas, which is part of the national Flood Protection Program in the Netherlands was acquired and substantial infrastructure projects were won in the United Kingdom and Belgium. With the projects in the order book, a significant part of the revenue for 2021 has been secured and there is a very solid basis for the years thereafter.

OPERATIONAL AND FINANCIAL DEVELOPMENTS

The anchor handling tug Manta towing a floating wind turbine to the Kincardine offshore floating wind farm in Scotland

KEY FIGURES FIRST HALF YEAR 2021

- Revenue: EUR 1.32 billion
- EBITDA: EUR 226 million
- Net profit: EUR 72 million
- Order book: EUR 5.53 billion

OUTLOOK SECOND HALF OF 2021

- Dredging: busy second half of the year with good fleet utilization
- Offshore Energy: similar picture to the first half of the year
- Towage & Salvage: Towage stable. Salvage operationally unpredictable; no major settlement results
- EBITDA outlook second half year: in line with first half year

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

REVENUE

In the first half of 2021 the group revenue increased by 4.6% to EUR 1.32 billion (H1 2020: EUR 1.26 billion). Adjusted for consolidation, deconsolidation and currency effects, the group revenue increased by 2.7%. Dredging & Inland Infra and Offshore Energy accounted for respectively 50% and 45% of group revenue.

Dredging & Inland Infra revenue declined by 2.6% primarily due to COVID-19-related operational disruptions and the rephasing of projects in combination with a relatively high volume of maintenance within the hopper fleet in preparation of a busy outlook. The largest revenue contribution came from projects in Singapore, the Indian subcontinent, Canada, Denmark and the Netherlands.

The revenue of Offshore Energy increased by 18.4%. Contracting revenues were virtually stable whilst the revenue contribution from the services activities increased significantly. This increase resulted in particular from a good performance within Marine Transport & Services and Subsea Services and the integration of Rever Offshore.

Within the Towage & Salvage division, Salvage had a number of high-profile emergency response projects. Nonetheless, from a revenue perspective the first half year was relatively quiet. Smaller and medium-sized emergency response contracts contributed to the lower revenue.

REVENUE BY SEGMENT	1ST HY 2021	1ST HY 2020	2020
(in EUR million)			
Dredging & Inland Infra	**655.7**	673.4	1,315.7
Offshore Energy	**599.7**	506.4	1,064.9
Towage & Salvage	**79.0**	94.6	174.6
Eliminations	**-15.5**	-13.5	-30.3
Total	**1,318.9**	1,260.9	2,524.9

REVENUE BY GEOGRAPHICAL AREA	1ST HY 2021	1ST HY 2020	2020
(in EUR million)			
The Netherlands	**241.1**	285.7	581.3
Rest of Europe	**526.4**	369.7	892.2
Australia / Asia	**271.1**	271.5	456.8
Middle East	**124.7**	147.4	244.1
Africa	**25.3**	30.7	97.4
North and South America	**130.3**	155.9	252.1
Total	**1,318.9**	1,260.9	2,524.9

RESULT

The first half year result was good, in particular considering the ongoing business challenges caused by the COVID-19 pandemic. The strong results reflect a good operational performance across all divisions, settlements results within Salvage and a healthy contribution from joint ventures and associates.

The first half year EBITDA increased to EUR 226.1 million (H1 2020: EUR 204.1 million) and operating result increased to EUR 97.0 million (H1 2020: EUR 72.4 million adjusted for EUR 147.8 million exceptional charges). The result includes our share in the net result of joint ventures and associates, which increased to EUR 18.0 million (H1 2020: EUR 8.2 million).

The divisional operating result of Dredging & Inland Infra amounted to EUR 27.1 million (H1 2020: EUR 30.0 million). The slightly lower result is a consequence of the decline in revenue, continued COVID-19-related inefficiencies and additional vessel maintenance in anticipation of a busy outlook.

Within Offshore Energy the operating result amounted to EUR 43.4 million (H1 2020: EUR 26.4 million). The strong increase was driven by a combination of factors, including a higher result from the services activities, the integration of Rever Offshore and good operational results from offshore wind projects.

There was a strong increase in the Towage & Salvage operating result to EUR 39.9 million (H1 2020: EUR 23.0 million). The contribution from the Towage activities increased to EUR 11.3 million whilst the extraordinary strong performance at Salvage was related to a settlement result on an emergency response contract that was operationally concluded in 2019.

Non-allocated group income and expenses amounted to negative EUR 13.4 million and relates primarily to the non-allocated head-office costs (H1 2020: negative EUR 7.0 million).

RESULT BY SEGMENT	1ST HY 2021	1ST HY 2020	2020
(in EUR million)			
Dredging & Inland Infra	**27.1**	30.0	53.2
Offshore Energy	**43.4**	26.4	66.3
Towage & Salvage	**39.9**	23.0	45.6
Non-allocated group costs (results)	**-13.4**	-7.0	-25.3
Operating result	**97.0**	72.4	139.8
Exceptional charges	**-**	-147.8	-195.4
EBIT	**97.0**	-75.4	-55.6

NET PROFIT

The EBIT amounted to EUR 97.0 million (H1 2020: negative EUR 75.4 million). Net of financing expenses of EUR 8.4 million on balance, the pre-tax profit was EUR 88.6 million. The net profit attributable to shareholders totaled EUR 72.3 million, compared to a net loss of EUR 96.4 million in H1 2020.

ORDER BOOK

Boskalis acquired on balance EUR 1.53 billion worth of new contracts in the course of the first half of the year. As a result, the order book, excluding our share in the order book of joint ventures and associates, increased to EUR 5.53 billion (end-2020: EUR 5.31 billion).

ORDER BOOK	30 JUNE 2021	END 2020	30 JUNE 2020
(in EUR million)			
Dredging & Inland Infra	**4,273.8**	4,075.7	**3,169.0**
Offshore Energy	**1,246.9**	1,226.8	**1,470.7**
Towage & Salvage	**7.5**	3.8	**21.7**
Total	**5,528.2**	5,306.3	**4,661.4**

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	1ST HY 2021	1ST HY 2020	2020
(in EUR million)			
Revenue	**655.7**	**673.4**	1,315.7
EBITDA	**90.5**	**93.9**	177.3
Net result from JVs and associates	**0.4**	**0.5**	2.6
Operating result	**27.1**	**30.0**	53.2
Order book	**4,273.8**	**3,169.0**	4,075.7

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

REVENUE

Revenue from the Dredging & Inland Infra segment amounted to EUR 655.7 million (H1 2020: EUR 673.4 million).

REVENUE BY REGION	1ST HY 2021	1ST HY 2020	2020
(in EUR million)			
The Netherlands	**225.2**	206.1	456.3
Rest of Europe	**198.8**	121.5	302.2
Rest of the world	**231.7**	345.8	557.2
Total	**655.7**	673.4	1,315.7

Land reclamation activities by the mega hopper dredgers Queen of the Netherlands and Fairway in Singapore

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

The Netherlands
Revenue in the Netherlands totaled EUR 225.2 million in the first half of the year. The largest revenue contribution came from the projects Markermeerdijken, IJburg II (the construction of an artificial island in the IJmeer lake for the city of Amsterdam), the road projects N69 and N3 and miscellaneous riverbank and dike reinforcement projects.

Rest of Europe
Revenue in the remaining European home markets (United Kingdom, Germany and the Nordics) amounted to EUR 198.8 million. This included port-related capital and maintenance dredging projects, coastal protection and dredging activities for offshore wind projects. Furthermore, the Fehmarnbelt tunnel project between Denmark and Germany is fully underway. This large project will be an important contributor for the coming years.

Rest of the world
Projects outside of Europe continue to be most impacted by COVID-19 measures which have a significant impact on the productivity and efficiency of the international projects. Ongoing travel restrictions and renewed strict quarantine measures in specific Asian countries continue to result in significant logistical challenges to move people and supplies to and from projects and vessels. Large projects underway in Singapore and the Philippines are expected to continue to be impacted by the effects of these measures this year. The Rest of the World revenue declined to EUR 231.7 million with the largest contribution coming from a limited number of projects in Southeast Asia, the Indian subcontinent and Canada.

FLEET DEVELOPMENTS

The hopper fleet had an effective annual utilization rate of 31 weeks (H1 2020: 28 weeks). In view of the project portfolio and busy outlook additional vessel maintenance was carried out in the first half year. Furthermore, the investment decision was taken to lengthen one of the current 16,000 cubic meter trailing suction hopper dredgers. This intended investment was part of the corporate business plan presented last year. For the extension, the vessel will be taken out of service for four months in the second half of 2021, after which the vessel will return to service in the first quarter of 2022 with a hopper capacity of approximately 22,000 cubic meters.

The cutter fleet had an effective annual utilization rate of 4 weeks (H1 2020: 30 weeks). In line with expectations, the two mega cutter suction dredgers were largely idle in the first half year. Based on the current planning, these cutters will be deployed on the Tuas Terminal 2 project in Singapore and Bulacan project in the Philippines.

SEGMENT RESULT

Dredging & Inland Infra achieved an EBITDA of EUR 90.5 million, with an operating result of EUR 27.1 million (H1 2020: EUR 93.9 million and EUR 30.0 million, respectively).

The slightly lower result is a consequence of continued COVID-19-related inefficiencies and rephasing of projects, but in particular additional vessel maintenance carried out in the first half year in anticipation of a busy outlook. The Dutch Inland Infra activities made a very strong contribution to the half-year result.

ORDER BOOK

On 30 June 2021, the order book stood at EUR 4.27 billion, nearly 5% higher than at the end of 2020 (EUR 4.08 billion). On balance, projects with a total value of EUR 854 million were acquired in the first half of the year.

There was a strong increase in the orderbook in the Netherlands and Rest of Europe. Large project awards include the extensive Meanderende Maas dike reinforcement project, part of the Dutch Flood Protection Program, the Oosterweel link in Belgium and the deepening of the port of Harwich in the United Kingdom. Outside of Europe, a large number of smaller to medium-sized projects were acquired.

ORDER BOOK BY MARKET	30 JUNE 2021	END 2020	30 JUNE 2020
(in EUR million)			
The Netherlands	**998.8**	833.9	839.5
Rest of Europe	**785.9**	619.5	673.4
Rest of the world	**2,489.1**	2,622.3	1,656.1
Total	**4,273.8**	4,075.7	3,169.0

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 LNG import/export facilities, offshore platforms, pipelines and cables and offshore wind farms.

OFFSHORE ENERGY	1ST HY 2021	1ST HY 2020	2020
(in EUR million)			
Revenue	**599.7**	506.4	1,064.9
EBITDA	**103.1**	88.0	193.5
Net result from JVs and associates	**5.2**	0.7	4.3
Operating result	**43.4**	26.4	66.3
Order book	**1,246.9**	1,470.7	1,226.8

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

REVENUE

Revenue from the Offshore Energy segment amounted to EUR 599.7 million (H1 2020: EUR 506.4 million) of which 43% was offshore wind related. The split of the divisional revenue contracting versus services was 47% : 53%.

The contracting part of the division consists of Seabed Intervention, Heavy Lifting (including offshore wind foundations) and Subsea Cables. Contracting revenue was virtually stable compared to the first half of last year. At Seabed Intervention, the main revenue contribution came from the Floating Storage and Regasification Unit project in El Salvador and rock installation activities for offshore wind projects in Europe and Taiwan. Subsea Cables had a good half year with the largest contribution coming from Ostwind 2, Hornsea 2 and Morray East. At Heavy Lifting, the installation of the first pin piles and jackets for the Changfang & Xidao project in Taiwan commenced in the second quarter. Despite enduring stringent COVID-19 measures in Taiwan and the associated operational disruptions, initial installation work is progressing well.

The services part of the division consists of Marine Transport & Services, Subsea Services and Marine Survey. Services revenue increased by 35% reflecting a good first half year within both Marine Transport & Services and Subsea Services in addition to the integration of Rever Offshore. Within Marine Transport, notable projects included the transport of the Argos Floating Production Unit (on the BOKA Vanguard), the ninth and final transport of Olefins modules and the transport of the SpaceX platform (on the Mighty Servant 1). Marine Services had a good half year with the transport and hook-up activities for the Kincardine floating wind farm and heavy lifting activities for the Canakkale bridge in Turkey. Marine Survey had a reasonable half year with a stable revenue level. At Subsea Services, the acquisition of Rever Offshore at the end of 2020 and the associated fleet expansion contributed to a substantial growth in revenue in addition to a busy second quarter resulting in a high utilization of the diving support vessels.

FLEET DEVELOPMENTS

In the first half of the year the (weighted) utilization rate of the heavy marine transport fleet was 58% (H1 2020: 67% which was boosted by a fully utilized BOKA Vanguard). The captive assets (cable-laying vessels, fallpipe vessels, construction support vessel and crane vessel) had a reasonable half year. Due to a lower utilization of the Rockpiper and Bokalift 1, the weighted average utilization rate declined to 50% (H1 2020: 70%).

During the first half year, a number of vessels were added to the Offshore Energy fleet. The Boka Tiamat, a multi-purpose offshore construction vessel was added in January. The vessel will initially be used for offshore wind projects in Taiwan. In March, the Lewek Fulmar was acquired, the sister vessel of the Boka Falcon. The Southern Ocean, a large CSV was acquired in April with the intent of deploying this vessel on a broad variety of projects throughout the division. At Marine Survey, the Ocean Resolution was taken into operation in the first quarter and two additional vessels were recently purchased that will be converted into respectively a geotechnical (Horizon Geodiscovery) and a geophysical (Ocean Geograph) survey vessel. Finally, the conversion of the Bokalift 2 crane vessel at the Drydocks World shipyard in Dubai is expected to be completed in the coming months after which the crane will be installed allowing the vessel to enter service on the Changfang & Xidao wind project early 2022.

SEGMENT RESULT

The EBITDA and operating result increased in the first half year to EUR 103.1 million and EUR 43.4 million, respectively (H1 2020: EUR 88.0 million and EUR 26.4 million, respectively).

The operating result from the services cluster increased compared to the same period last year, reflecting a higher contribution from Marine Transport & Services, Subsea Services and the substantial positive effect from the integration of Rever Offshore.

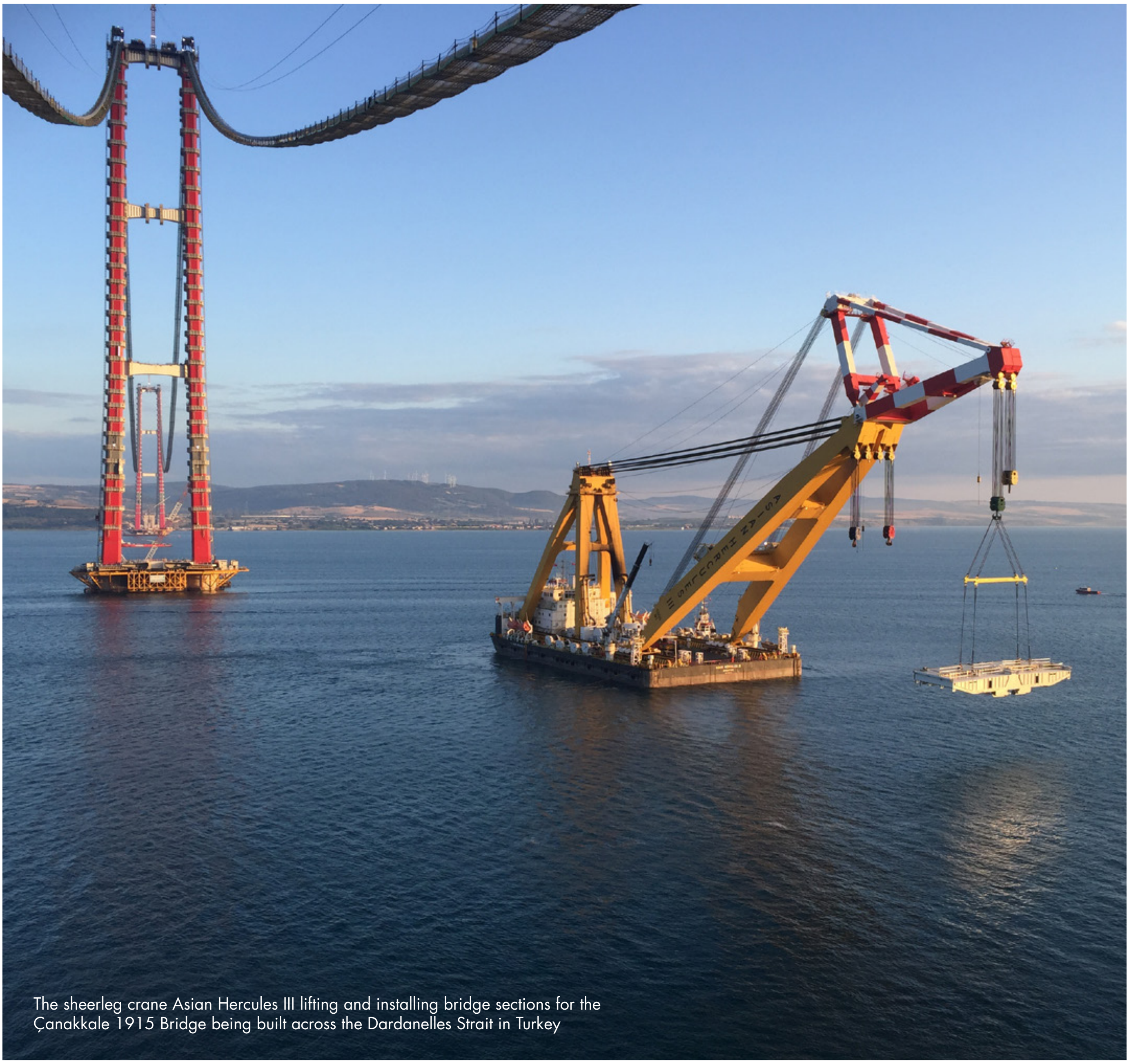
The earnings contribution from the contracting cluster declined relative to last year. In 2020, a limited number of projects within Seabed Intervention made an extremely strong contribution. The impact of COVID-19-related measures and the subsequent operational inefficiencies is most prevalent on projects outside of Europe. Despite these limitations, the completion of the Seabed Intervention project in El Salvador and the start-up of the sizable Changfang & Xidao project in Taiwan went well.

The segment result includes our share in the net result of joint ventures and associates of EUR 5.2 million. This includes the contribution from Asian Lift with the Asian Hercules III active on the Canakkale bridge project.

ORDER BOOK

On 30 June 2021 the order book, excluding our share in the order books of joint ventures and associates, stood at EUR 1.25 billion (end-2020: EUR 1.23 billion) of which approximately 50% is related to offshore wind.

On balance, EUR 615 million of new work was acquired during the first half year, spread over a wide variety of smaller to mid-sized projects.



The sheerleg crane Asian Hercules III lifting and installing bridge sections for the Çanakkale 1915 Bridge being built across the Dardanelles Strait in Turkey

TOWAGE & SALVAGE

Towage: *towage services and berthing and unberthing of oceangoing vessels in ports and at offshore terminals, management and maintenance both above and below the surface of onshore and offshore oil and gas terminals and associated maritime and management services.*

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

TOWAGE & SALVAGE	1ST HY 2021	1ST HY 2020	2020
(in EUR million)			
Revenue	**79.0**	94.6	174.6
EBITDA	**41.1**	24.9	50.1
Net result from JVs and associates	**12.4**	7.0	12.1
Operating result	**39.9**	23.0	45.6
Order book	**7.5**	21.7	3.8

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

REVENUE

Revenue in the Towage & Salvage segment declined to EUR 79.0 million in the first half of the year (H1 2020: EUR 94.6 million).

The start of 2021 was marked by several high-profile Salvage projects, including the refloating of the Ever Given in the Suez Canal and the salvage of the freighter Eemslift Hendrika. Despite the apparent busy period, the actual activity level was lower compared to the exceptionally busy first half year in 2020.

All towage activities are conducted through joint ventures and recognized as net result from joint ventures and associates.

SEGMENT RESULT

EBITDA generated by the Towage & Salvage segment totaled EUR 41.1 million, with an operating result of EUR 39.9 million (H1 2020: EUR 24.9 million and EUR 23.0 million, respectively).

The exceptionally strong Salvage result includes a substantial financial settlement from a project that was executed in 2019. Such post completion settlements, in this case reached through an arbitrage, are common for the salvage business.

The segment result includes our share in the net result of joint ventures and associates. The contribution from terminal services (Smit Lamnalco) and harbor towage (Keppel Smit Towage) amounted to EUR 11.3 million (H1 2020: EUR 7.0 million). The strong increase was a combination of higher activity levels in Australia and one-off gains including book profits on the sale of assets. The remaining result from joint ventures and associates came from the Salvage joint venture Donjon SMIT that serves the US market.

ORDER BOOK

The order book, excluding our share in the order book of joint ventures and associates, was EUR 7.5 million on 30 June 2021 (end-2020: EUR 3.8 million). The order book relates solely to the Salvage business unit.

The value of the order book of the joint ventures is not included in the consolidated financials. As per 30 June 2020 the 100% value of the order book of the joint ventures amounted to EUR 1.14 billion, which is fully attributable to terminal services contracts of Smit Lamnalco (end-2020: EUR 1.08 billion).

HOLDING AND ELIMINATIONS

Non-allocated head office activities.

HOLDING AND ELIMINATIONS	1ST HY 2021	1ST HY 2020	2020
(in EUR million)			
Revenue	**-15.5**	-13.5	-30.3
EBITDA	**-8.6**	-2.7	-16.6
Operating result	**-13.4**	-7.0	-25.3

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

SEGMENT RESULT

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

Following the COVID-19 outbreak in 2020, numerous measures were taken to preserve the financial strength of the company, including certain temporary cost saving measures. Many of these measures were still in place in the first half of 2021.

OTHER FINANCIAL INFORMATION

The Marker Wadden nature reserve for which Boskalis is constructing two new islands

DEPRECIATION, AMORTIZATION AND IMPAIRMENTS

Depreciation and amortization amounted to EUR 129.1 million (H1 2020: EUR 131.8 million). There were no impairment charges incurred during the first half year 2021. In the first half year 2020, impairment charges of EUR 138.9 million were recognized which were mostly related to the goodwill and assets embedded in two joint ventures.

INCOME FROM JOINT VENTURES AND ASSOCIATES

Our share in the net result from joint ventures and associates was EUR 18.0 million (H1 2020: EUR 8.2 million). This result relates mainly to our share in the net results of Smit Lamnalco and the Singapore partnerships with Keppel (Keppel Smit Towage, Asian Lift).

TAX

The tax expenses amounted to EUR 18.5 million (H1 2020: EUR 17.0 million) with an effective tax rate of 20.8%.

CAPITAL EXPENDITURE AND BALANCE SHEET

In the first half of the year an amount of EUR 190.4 million was invested in property, plant and equipment (H1 2020: EUR 112.7 million) of which EUR 26.1 million was related to dry dockings. Disposals were totaling EUR 5.7 million (H1 2020: EUR 4.8 million). In addition to these investments in property, plant and equipment EUR 28.1 million was added in right-of-use assets (H1 2020: EUR 11.9 million).

Within Dredging there were no substantial investments in the first half year. The largest investments within the Offshore Energy division were related to the conversion of the Bokalift 2 and the acquisition of the CSV Southern Ocean, the Lewek Fulmar, Horizon Geodiscovery and Ocean Geograph.

At 30 June 2021 the capital expenditure commitments amounted to EUR 60 million (end-2020: EUR 112 million), which includes the conversion of the Bokalift 2 and the lengthening of a trailing suction hopper dredger.

The cash flow for the first six months amounted to EUR 199.2 million (H1 2020: EUR 179.3 million).

The working capital position as per 30 June 2021 was EUR 733.5 million negative (H1 2020: EUR 586.6 million negative and end-2020 EUR 813 million negative). Including the effects of IFRS 16, the working capital position amounted to EUR 763.2 million negative. Customary seasonal pattern of revenues and receivables and the receipt of milestone payments impact working capital levels.

The interest-bearing debt at 30 June 2021 amounted to EUR 397.1 million. The cash position at 30 June 2021 was EUR 609.9 million resulting in a positive net financial position with a net cash amount of EUR 212.9 million. The lease liabilities of EUR 132.6 million as a result of IFRS 16 lease accounting are not included in the net financial position. At the end of 2020 the debt position was EUR 386 million with a cash position of EUR 825 million resulting in a positive net financial position with a net cash amount of EUR 439 million. The solvency ratio amounted to 49.7% (end-2020: 50.5%).

The interest-bearing debt relates largely to a long-term US Private Placement (USPP) of USD 325 million (EUR 274 million at 30 June 2021). This USPP matures in 2023. In October 2019, Boskalis financed its mega suction cutter dredger Krios through an Export Credit Agency covered loan. The outstanding amount under this facility is currently EUR 116 million. The tenor of the facility is eleven years and includes a linear redemption. Boskalis also has a currently undrawn EUR 500 million syndicated bank facility at its disposal which matures in April 2026. With the available cash and cash equivalents and bank facilities, Boskalis now has a direct financing capacity in excess of EUR 1 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 30 June 2021. The main covenants relate to the net debt : EBITDA ratio, with a limit of 3 and the EBITDA : net interest ratio, with a minimum of 4. At 30 June 2021 the net debt : EBITDA ratio stood at -0.5 and the EBITDA : net interest ratio at 28.

PRINCIPAL RISK AND UNCERTAINTIES

The 2020 Annual Report of Royal Boskalis Westminster N.V. provides an overview of Boskalis' risk management and describes the main risk categories: strategic and market risks, operational risks, financial risks, other risks including non-compliance with laws and regulations, and risks related to financial reporting as well as internal risk management and control systems. More information can be found on pages 62-68 of the 2020 Annual Report and in the online annual report at https://boskalis.com/annualreport.

In the second half of 2021 the extent to which new projects are acquired with associated commercial terms and conditions will be largely dictated by the further development of COVID-19, general prevailing economic circumstances in the geographic markets relevant to Boskalis and the state of affairs for services providers to the oil and gas sector.

OTHER DEVELOPMENTS

SHARE BUYBACK PROGRAM

On 15 March 2019, Boskalis announced the start of a EUR 100 million share buyback program. The buyback program was aimed at reducing the issued share capital. As a consequence of the global developments and uncertainty related to the COVID-19 outbreak, Boskalis temporarily suspended the program out of prudence in 2020. The program was restarted in the third quarter of 2020 and as per 20 August 2021 close of business, 97.8% of the program has been completed.

The current issued share capital of Boskalis consists of 130,277,832 ordinary shares of which as per 20 August 2021, 873,170 is treasury stock held by Boskalis.

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

FINANCIAL CALENDAR

24 August 2021	Publication of 2021 half-year results
12 November 2021	Trading update on third quarter of 2021
10 March 2022	Publication of 2021 annual results
12 May 2022	Trading update on first quarter of 2022
12 May 2022	Annual General Meeting of Shareholders
18 August 2022	Publication of 2022 half-year results
11 November 2022	Trading update on third quarter of 2022

OUTLOOK

After an operationally strong first half of the year and in view of the order book, Boskalis is in good shape. The second half of the year will certainly still be affected by stringent COVID-19 restrictions impacting the execution and start-up of projects, particularly in the Far East.

At Dredging & Inland Infra, work volume and fleet utilization are expected to increase, partly due to upcoming work in the Philippines, in addition to major ongoing projects in Singapore, Denmark and the Netherlands.

At Offshore Energy, the portfolio provides a good basis for a stable second half of the year. In contracting, the successful completion of the first installation campaign on the Changfang & Xidao offshore wind project in Taiwan is important. In services, despite COVID-19, the outlook at Marine Transport & Services is favorable and the offshore wind market is providing a lot of work across the division.

Towage & Salvage; for Towage a stable outlook is expected whilst for Salvage a significantly lower result is expected in the second half of the year after an exceptional settlement result in the first half.

The Board of Management expects, based on fleet planning and works in portfolio, and barring unforeseen (COVID-19) circumstances, that the EBITDA level of the second half of the year will be in line with that of the first half.

For the whole of 2021, a capital expenditure of approximately EUR 375 million is expected including dry-dockings and four recently acquired offshore support and survey vessels. This does not include any acquisitions. This amount is in line with the multi-year investment program presented at the beginning of 2020 in which part of the planned investments for 2020 were postponed to 2021 and 2022. The largest investment for this year is the conversion of the crane vessel, the Bokalift 2, which upon completion will immediately start on an offshore wind project.

Installation of a power cable between an offshore platform and the Dutch power grid by the cable-laying vessel Spirit


Boskalis
ZV4-0228-09-18

INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST HALF YEAR 2021

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(Condensed Consolidated Income Statement)

(in millions of EUR)	*Note*	**1ST HALF YEAR 2021**	1ST HALF YEAR 2020
OPERATING INCOME			
Revenue	*[7]*	**1,318.9**	1,260.9
Other income	*[8]*	**3.1**	5.6
		1,322.0	1,266.5
OPERATING EXPENSES			
Raw materials, consumables, personnel expenses, services and subcontracted work		**- 1,113.9**	- 1,079.4
Depreciation and amortization		**- 129.1**	- 131.8
Impairment charges	*[9]*	**-**	- 112.1
		- 1,243.0	- 1,323.3
Share in result of joint ventures and associates	*[11]*	**18.0**	- 18.6
RESULTS FROM OPERATING ACTIVITIES (EBIT)		**97.0**	- 75.4
Finance income and expenses		**- 8.4**	- 7.8
PROFIT/LOSS (-) BEFORE TAXATION		**88.6**	- 83.2
Income tax expense	*[16]*	**- 18.5**	- 13.3
NET GROUP PROFIT/LOSS (-) FOR THE REPORTING PERIOD		**70.1**	- 96.5
NET GROUP PROFIT/LOSS (-) FOR THE REPORTING PERIOD ATTRIBUTABLE TO:			
Shareholders		**72.3**	- 96.4
Non-controlling interests		**- 2.2**	- 0.1
		70.1	- 96.5
Weighted average number of shares (x 1,000)		**129,821**	131,213
Earnings per share (basic and diluted)		**EUR 0.56**	EUR - 0.73

The notes on pages 29 to 34 are an integral part of these Interim Consolidated Financial Statements for the first half year of 2021.

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

(Condensed Consolidated Statement of Recognized and Unrecognized Income and Expenses)

(in millions of EUR)	**1ST HALF YEAR 2021**	1ST HALF YEAR 2020
NET GROUP PROFIT/LOSS (-) FOR THE REPORTING PERIOD	**70.1**	- 96.5
ITEMS THAT WILL NOT BE SUBSEQUENTLY RECLASSIFIED TO THE STATEMENT OF PROFIT OR LOSS		
Actuarial gains (losses) and asset limitation on defined benefit pension plans, after tax	**0.2**	- 0.5
	0.2	- 0.5
ITEMS THAT ARE OR MAY BE RECLASSIFIED SUBSEQUENTLY TO THE STATEMENT OF PROFIT OR LOSS		
Currency translation differences on foreign operations, after tax	**24.0**	- 11.8
Currency translation differences from joint ventures and associates, after tax	**- 0.5**	1.4
Change in fair value of cash flow hedges, after tax	**1.8**	- 8.1
Change in fair value of cash flow hedges from joint ventures and associates, after tax	**1.8**	- 6.7
	27.1	- 25.2
Other comprehensive income for the reporting period, after tax	**27.3**	- 25.7
TOTAL COMPREHENSIVE INCOME FOR THE REPORTING PERIOD	**97.4**	- 122.2
ATTRIBUTABLE TO:		
Shareholders	**99.7**	- 122.1
Non-controlling interests	**- 2.3**	- 0.1
TOTAL COMPREHENSIVE INCOME FOR THE REPORTING PERIOD	**97.4**	- 122.2

The notes on pages 29 to 34 are an integral part of these Interim Consolidated Financial Statements for the first half year of 2021.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Condensed Consolidated Balance Sheet)

(in millions of EUR)	Note	**30 JUNE 2021**	31 DECEMBER 2020
NON-CURRENT ASSETS			
Intangible assets		**174.3**	172.8
Property, plant and equipment	*[10]*	**2,455.3**	2,361.6
Right-of-use assets		**126.3**	115.0
Investments in joint ventures and associates	*[11]*	**233.1**	208.5
Other non-current assets		**56.3**	15.8
		3,045.3	2,873.7
CURRENT ASSETS			
Inventories and receivables		**971.7**	829.6
Cash and cash equivalents		**609.9**	824.5
		1,581.6	1,654.1
TOTAL ASSETS		**4,626.9**	4,527.8
GROUP EQUITY			
Shareholders' equity		**2,299.4**	2,283.2
Non-controlling interests		**0.7**	3.0
		2,300.1	2,286.2
NON-CURRENT LIABILITIES			
Interest-bearing borrowings	*[13]*	**382.0**	363.8
Provisions		**87.6**	89.2
Lease liabilities		**102.9**	92.5
Other liabilities and payables		**4.4**	3.4
		576.9	548.9
CURRENT LIABILITIES			
Interest-bearing borrowings	*[13]*	**10.4**	12.6
Bank overdrafts		**4.7**	9.6
Lease liabilities		**29.7**	28.4
Other liabilities, payables and provisions		**1,705.1**	1,642.1
		1,749.9	1,692.7
TOTAL GROUP EQUITY AND LIABILITIES		**4,626.9**	4,527.8
Solvency		**49.7%**	50.5%

The notes on pages 29 to 34 are an integral part of these Interim Consolidated Financial Statements for the first half year of 2021.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(in millions of EUR)		**1ST HALF YEAR 2021**	1ST HALF YEAR 2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Net group profit/loss (-)		**70.1**	- 96.5
Depreciation, amortization and impairment charges	*[9/10]*	**129.1**	243.9
Cash flow		**199.2**	147.4
Adjustments for:			
Finance income and expenses, income tax expenses, results from disposals / divestments		**23.8**	15.5
Movement in other non-current assets, excluding deferred tax		**- 12.4**	- 3.6
Movement in provisions, excluding deferred tax		**- 2.6**	- 3.2
Movement in working capital (including inventories, excluding tax and interest)		**- 81.7**	177.1
Share in result of joint ventures and associates	*[11]*	**- 18.0**	18.6
Cash generated from operating activities		**108.3**	351.8
Dividends received	*[11]*	**0.9**	5.5
Interest paid and received		**- 8.0**	- 7.8
Income tax paid		**- 21.1**	- 18.3
Net cash from operating activities		**80.1**	331.2
CASH FLOWS FROM INVESTING ACTIVITIES			
Net investments in intangible assets and property, plant and equipment		**- 196.5**	- 103.7
Investment in business combination, net of cash acquired		**-**	- 30.2
Net cash used in investing activities		**- 196.5**	- 133.9
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from interest-bearing borrowings		**15.0**	401.7
Transaction costs paid related to new finance agreement		**-**	- 1.7
Repayment of interest-bearing borrowings		**- 7.7**	- 250.5
Payment of lease liabilities		**- 17.1**	- 15.1
Purchase of ordinary shares	*[18]*	**- 18.7**	- 14.8
Dividends paid to shareholders and non-controlling interests	*[14]*	**- 64.8**	-
Net cash used in / from financing activities		**- 93.3**	119.6
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**- 209.7**	316.9
Net cash and cash equivalents and bank overdrafts as at 1 January		**814.9**	369.8
Net increase / (decrease) in cash and cash equivalents (including bank overdrafts)		**- 209.7**	316.9
Currency translation differences		**-**	0.2
Movement in net cash and cash equivalents		**- 209.7**	317.1
NET CASH AND CASH EQUIVALENTS (INCLUDING BANK OVERDRAFTS) AS AT 30 JUNE		**605.2**	686.9

The notes on pages 29 to 34 are an integral part of these Interim Consolidated Financial Statements for the first half year of 2021.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN GROUP EQUITY

	1ST HALF YEAR 2021			1ST HALF YEAR 2020		
(in millions of EUR)	**SHARE HOLDERS' EQUITY**	**NON-CONTROLLING INTERESTS**	**GROUP EQUITY**	SHARE HOLDERS' EQUITY	NON-CONTROLLING INTERESTS	GROUP EQUITY
Balance as at 1 January	**2,283.2**	**3.0**	**2,286.2**	2,491.4	3.3	2,494.7
TOTAL COMPREHENSIVE INCOME FOR THE REPORTING PERIOD						
Net group profit/loss (-) for the reporting period	**72.3**	**- 2.2**	**70.1**	- 96.4	- 0.1	- 96.5
Other comprehensive income for the reporting period	**27.4**	**- 0.1**	**27.3**	- 25.7	-	- 25.7
Total comprehensive income for the reporting period	**99.7**	**- 2.3**	**97.4**	- 122.1	- 0.1	- 122.2
TRANSACTIONS WITH SHAREHOLDERS						
Purchase of ordinary shares	**- 18.7**	**-**	**- 18.7**	- 14.8	-	- 14.8
Cash dividend	**- 64.8**	**-**	**- 64.8**	-	-	-
Total transactions with shareholders	**- 83.5**	**-**	**- 83.5**	- 14.8	-	- 14.8
MOVEMENTS IN INTERESTS IN SUBSIDIARIES						
Acquisition of Horizon	**-**	**-**	**-**	-	0.4	0.4
Total movements in interests in subsidiaries	**-**	**-**	**-**	-	0.4	0.4
Balance as at 30 June	**2,299.4**	**0.7**	**2,300.1**	2,354.5	3.6	2,358.1

The notes on pages 29 to 34 are an integral part of these Interim Consolidated Financial Statements for the first half year of 2021.

EXPLANATORY NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

Royal Boskalis Westminster N.V. is a leading global services provider operating in the dredging, dry and maritime infrastructure and maritime services sectors. Royal Boskalis Westminster N.V. (the 'Company') has its registered office in Sliedrecht, the Netherlands, and its head office is located at Rosmolenweg 20, 3556 LK in Papendrecht, the Netherlands. The Company is registered at the Chamber of Commerce under number 23008599 and is a publicly listed company on Euronext Amsterdam.

The Interim Consolidated Financial Statements of Royal Boskalis Westminster N.V. for the first half year of 2021 include the Company and its Group companies (hereinafter referred to jointly as the 'Group') and the interests of the Group in associates and entities over which it has joint control.

The Interim Consolidated Financial Statements were prepared by the Board of Management and released for publication on 24 August 2021.

The Interim Consolidated Financial Statements for the first half year of 2021 have not been audited or reviewed by an independent auditor.

The Group's audited consolidated financial statements for 2020 are available at www.boskalis.com.

2. COMPLIANCE STATEMENT

The Interim Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting. These Interim Consolidated Financial Statements do not include all the information required for full financial statements and are to be read in combination with the audited 2020 Consolidated Financial Statements of the Group, which were prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS).

3. ACCOUNTING PRINCIPLES APPLIED FOR THE PREPARATION OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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 the 2020 Consolidated Financial Statements, except for some changes in existing IFRS standards and interpretations becoming effective on January 1, 2021. These changes do not have a material effect on the Company's consolidated financial statements. Unless stated otherwise, all amounts are reported in millions of euros.

NEW INTERPRETATIONS IN ACCOUNTING PRINCIPLES

NEW INTERPRETATIONS ADOPTED

In July 2021 the European Union endorsed the amended IAS 16 'Property, Plant and Equipment' and IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' amongst minor amendments in other standards. These changes need to be applied to the financial statements in 2022 at the latest. Based on the current insight these changes do not have a material effect on the Company's consolidated financial statements 2022 and succeeding years.

NEW INTERPRETATIONS NOT YET ADOPTED

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

4. ESTIMATES

The preparation of Interim Consolidated Financial Statements requires management to make judgements, estimates and assumptions that affect the application of accounting principles and the recognized amounts under assets, liabilities, income and expense. Actual results may deviate from results reported previously on the basis of estimates and assumptions. Judgements made by management in applying the Group's accounting principles and the key sources for making estimates were the same as the judgements and sources applied when preparing the 2020 Consolidated Financial Statements, with the exception of income tax expense. Income tax expense is accounted for based on the weighted average tax rate that would apply to expected pre-tax profit for the full year multiplied by the pre-tax profit for the reporting period, taking into account known deviations.

5. OPERATIONAL SEGMENTS

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

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

DREDGING & INLAND INFRA

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

OFFSHORE ENERGY

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

TOWAGE & SALVAGE

In ports and terminal locations around the world towage and terminal services are provided to ocean-going vessels through the joint ventures Keppel Smit Towage and Smit Lamnalco. Keppel Smit Towage offers assistance to incoming and outgoing vessels in various ports in the Asia-Pacific region. In addition, a full range of terminal services for the operation and management of onshore and offshore terminals is offered through Smit Lamnalco. These services include assistance with the berthing and unberthing of tankers at oil and LNG terminals as well as additional support services. With a combined fleet of over 250 vessels assistance is provided to, amongst others, oil and chemical tankers, container ships, reefers, RoRo ships and mixed cargo ships in around 60 ports and terminal locations around the world. SMIT Salvage provides marine salvage-related services and assistance to vessels in distress and is able to act at anytime and anywhere in the world. It is able to do so by operating out of four locations which are strategically situated in relation to the main international shipping routes: Houston, Cape Town, Rotterdam and Singapore. The removal of shipwrecks or damaged offshore platforms almost always takes place at locations where the wreck forms an obstruction to traffic or presents an environmental hazard.

SEGMENTS

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

INFORMATION ON OPERATIONAL SEGMENTS AND RECONCILIATION TO GROUP RESULTS

(in millions of EUR)	DREDGING & INLAND INFRA	OFFSHORE ENERGY	TOWAGE & SALVAGE	HOLDING & ELIMINATIONS / GROUP	GROUP
1st half year 2021					
Revenue	655.7	599.7	79.0	- 15.5	1,318.9
EBITDA	90.5	103.1	41.1	- 8.6	226.1
Share in result of joint ventures and associates	0.4	5.2	12.4	-	18.0
Operating result (EBIT)	27.1	43.4	39.9	- 13.4	97.0
Non-allocated finance income and expenses					- 8.4
Non-allocated income tax expenses					- 18.5
Net Group profit/loss (-)					70.1
Investments in property, plant and equipment	33.3	156.4	0.3	0.4	190.4
Additions to right-of-use assets	2.8	24.9	-	0.6	28.3
Depreciation and amortization	- 63.4	- 59.7	- 1.3	- 4.7	- 129.1

(in millions of EUR)	DREDGING & INLAND INFRA	OFFSHORE ENERGY	TOWAGE & SALVAGE	HOLDING & ELIMINATIONS / GROUP	GROUP
1st half year 2020					
Revenue	673.4	506.4	94.6	- 13.5	1,260.9
EBITDA	93.9	88.0	24.9	- 2.7	204.1
Share in result of joint ventures and associates	0.5	0.7	7.0	-	8.2
Operating result (before exceptional charges)	30.0	26.4	23.0	- 7.0	72.4
Exceptional charges				- 147.8	- 147.8
EBIT					- 75.4
Non-allocated finance income and expenses					- 7.8
Non-allocated income tax expenses					- 13.3
Net Group profit/loss (-)					- 96.5
Investments in property, plant and equipment	43.5	65.5	0.4	3.3	112.7
Additions to right-of-use assets	9.1	1.3	-	1.5	11.9
Depreciation and amortization	- 63.9	- 61.7	- 1.8	- 4.4	- 131.8
Impairment charges on property, plant and equipment	- 10.2	- 5.7	-	-	- 15.9
Impairment charges on joint ventures	-	- 39.7	- 56.5	-	- 96.2
Impairment charges within joint ventures	-	-	- 26.8	-	- 26.8

EXCEPTIONAL ITEMS

Exceptional charges in the first half year of 2020 of EUR 147.8 million include impairment charges (EUR 138.9 million, whereof impairment charges within joint ventures of EUR 26.8 million) and additions to provisions (EUR 8.9 million).

RECONCILIATION WITH IFRS

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

In the first half year of 2020, the EU-IFRS Interim Condensed Consolidated Statement of Profit or Loss the Results from operating activities (EBIT) shows a loss of EUR 75.4 million, including impairment charges of EUR 138.9 million. In the table above, these charges are presented as exceptional charges amounting to EUR 147.8 million.

Group EBITDA equals the operating result (EBIT) before depreciation, amortization, impairment and other exceptional charges as stated in management information and amounts to EUR 226.1 million (first half year 2020: EUR 204.1 million).

A large part of the Group's projects that have been executed or are currently in progress within the operational segments of Dredging & Inland Infra and Offshore Energy is directly or indirectly performed on behalf of state-controlled authorities and oil and gas producers (or contractors thereof) in various countries and geographical areas. In general there is a healthy diversification of receivables from different customers in several countries in which the Group performs its activities.

6. SEASONAL OPERATIONS

The Group's operations are mainly project-based and are therefore primarily influenced by the timing of commencement and completion of these projects. Projects are executed and services are provided all over the world. Some operations are influenced by seasonal patterns.

7. REVENUE

Revenue by region can be specified as follows:

(in millions of EUR)	**1ST HALF YEAR 2021**	1ST HALF YEAR 2020
The Netherlands	**241.1**	285.7
Rest of Europe	**526.4**	369.7
Australia / Asia	**271.1**	271.5
Middle East	**124.7**	147.4
Africa	**25.3**	30.7
North and South America	**130.3**	155.9
	1,318.9	1,260.9

Revenue from contracting business amounts to EUR 914 million (first half year 2020: EUR 926 million). This mainly comprises the revenue of Dredging & Inland Infra, Offshore Energy (excluding marine transport, survey and related services) and Salvage, and is typically related to the execution of projects.

The revenue from services rendered to third parties is primarily related to Offshore Energy (mainly marine transport, survey and related services) and amounts to EUR 405 million (first half year 2020: EUR 335 million).

8. OTHER INCOME AND EXPENSES

Other income and other expenses consists, amongst other things, of the positive/negative book results on the disposal of property, plant and equipment. In the first half year of 2020, other income includes a gain of EUR 1.4 million as a result from the revaluation to fair value of the existing stake in Horizon.

9. IMPAIRMENT CHARGES

No impairment charges were incurred in the first half year of 2021.

In the first half year of 2020 the Group incurred a non-cash impairment loss of EUR 138.9 million which can be summarized as follows:

(in millions of EUR)	**1ST HALF YEAR 2020**
Property, plant and equipment	**15.9**
Investments in joint ventures and associates	**96.2**
Impairment charges according to the Condensed Consolidated Statement of Profit or Loss	**112.1**
Impairment charges accounted for within share in result of joint ventures and associates	**26.8**
Total impairment charges	**138.9**

10. PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment in the reporting period can be summarized as follows:

(in millions of EUR)	**TOTAL**
Balance as at 1 January 2021	**2,361.6**
Investments	190.4
Depreciation	- 111.1
Disposals	- 5.7
Currency translation differences and other movements	20.1
Balance as at 30 June 2021	**2,455.3**

11. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

Movements in investments in joint ventures and associates in the reporting period can be summarized as follows:

(in millions of EUR)	**TOTAL**
Balance as at 1 January 2021	**208.5**
Share in result of joint ventures and associates	18.0
Dividends received	- 0.9
Currency translation differences and other movements	7.5
Balance as at 30 June 2021	**233.1**

12. BUSINESS COMBINATIONS IN PRIOR YEAR

On 27 January 2020 the Group obtained control of Horizon Group (Horizon) by acquiring the remaining 37.5% of the shares (2019: 62.5%) for an amount of EUR 45.4 million in cash.

On 23 December 2020 the Group obtained control of Rever Offshore's subsea activities (Rever) by acquiring 100% of the shares of four entities for an amount of EUR 22.5 million in cash.

13. INTEREST-BEARING BORROWINGS

The increase in interest-bearing borrowings in the first half year of 2021 relates mainly to the currency translation differences of EUR 8.4 million and the net movement in the export credit facility (ECF) of EUR 10 million.

14. DIVIDEND PAYMENTS TO SHAREHOLDERS OF ROYAL BOSKALIS WESTMINSTER N.V.

In the first half year of 2021 a cash dividend of EUR 64.8 million was distributed with regard to the 2020 financial year (EUR 0.50 per ordinary share).

At 30 June 2021, the issued share capital consisted of 130,277,832 ordinary shares, of which 766,129 are treasury stock held by Boskalis.

15. RELATED PARTIES

The identified related parties of the Group are its Group companies, joint ventures, associates, shareholders with significant influence, pension funds that are classified as funded defined benefit pension plans in accordance with IAS 19, and the members of the Supervisory Board and Board of Management. There were no changes to the identified related parties of the Group.

Transactions with joint ventures and associates in the course of normal business activities take place at arm's length basis. In the first half year of 2021 sales and purchases amounted to EUR 2.4 million and EUR 23.4 million, respectively (first half year 2020: EUR 1.6 million and EUR 7.4 million, respectively). Receivables from and liabilities to joint ventures and associates amounted to EUR 7.0 million and EUR 23.6 million, respectively, as at 30 June 2021 (year-end 2020: EUR 5.3 million and EUR 21.7 million, respectively).

Transactions with members of the Board of Management and Supervisory Board comprise only regular remuneration.

During the first half year of 2021 there were no other material transactions with related parties that could reasonably be expected to influence any decision taken by users of these Interim Consolidated Financial Statements.

16. INCOME TAX EXPENSE

As a percentage of the profit before taxation of EUR 88.6 million (first half year 2020: EUR 83.2 million loss) the relationship between the applicable tax rate in the Netherlands (25%) and the effective tax rate as can be derived from the income statement can be summarized as follows:

	1ST HALF YEAR 2021	1ST HALF YEAR 2020
Effect on tax rate:		
Nominal tax rate in the Netherlands	**25.0 %**	25.0 %
Tax exempted share in result of joint ventures and associates (excluding impairments)	**- 4.2 %**	2.5 %
Exceptional items	**-**	- 39.9 %
Tonnage tax and other special tax regimes	**0.2%**	- 6.6 %
Different statutory tax rates for other jurisdictions	**- 5.3 %**	4.6 %
Unrecognized income tax losses	**8.1 %**	- 13.5 %
Prior year adjustments	**- 3.0 %**	11.9 %
ADJUSTED EFFECTIVE TAX RATE	**20.8 %**	- 16.0 %

17. COMMITMENTS AND CONTINGENT LIABILITIES

The total of outstanding guarantees, mainly relating to projects in progress, amounted to EUR 0.8 billion as at 30 June 2021. Compared to 31 December 2020 there were no material changes to the other commitments and investment commitments. Some legal proceedings and investigations have been initiated against the Group or entities of the Group. Provisions have been made where deemed necessary and if a reliable estimate of future cash flows can be made.

18. SHARE BUYBACK PROGRAM

On 15 March 2019 the Group announced a share buyback program of EUR 100 million, to reduce the capital outstanding. The repurchased shares in this program can be summarized as follows:

Share buyback program	**2021**	**2020**	**2019**	**TOTAL**
Number of shares (in millions)	0.72	1.51	2.34	4.57
Amount (in millions of EUR)	18.7	29.4	46.8	94.9
Dividend tax (in millions of EUR)	-	3.9	0.1	4.0

19. FINANCIAL INSTRUMENTS

FAIR VALUE

The fair value of the majority of the financial instruments does not differ materially from the carrying amount, with the exception of long-term and short-term loans and other payables with a fixed interest rate. The fair value of these liabilities exceeded the book value by EUR 16.8 million as at 30 June 2021 (31 December 2020: EUR 19.4 million higher).

The following financial instruments have been recognized at fair value in the Condensed Consolidated Statement of Financial Position:

(in millions of EUR)	**30 June 2021**	31 December 2020
FINANCIAL ASSETS		
Derivatives non-current	**-**	0.5
Derivatives current	**4.8**	6.6
	4.8	7.1
FINANCIAL LIABILITIES		
Derivatives non-current	**0.4**	0.7
Derivatives current	**3.8**	9.1
	4.2	9.8

FAIR VALUE HIERARCHY

A fair value hierarchy is defined in accordance with IFRS 13 for the fair value measurement of the recognized financial instruments:

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

The fair value of derivatives is based on future cash flows, objectively determinable forward rates of the relevant interest rates, foreign currencies and commodities at balance sheet date and forward rates according to the respective contracts. Moreover the discount rate applied is derived from the relevant interest curves. The fair value of derivatives is categorized as level 2 (31 December 2020: level 2).

The fair value of the long-term and short-term loans and other payables with a fixed interest rate is determined based on the present value of future cash flows for which the discount rate is derived from relevant interest curves. The fair value of these loans and other payables is categorized as level 3 (31 December 2020: level 3).

20. BOARD OF MANAGEMENT DECLARATION

The Board of Management of Royal Boskalis Westminster N.V. hereby declares that, to the best of its knowledge, the Interim Consolidated Financial Statements for the first half year of 2021 as prepared in accordance with International Financial Reporting Standard (IFRS) 'IAS 34 Interim Financial Reporting' give a true and fair view of the assets, liabilities, financial position and the profit or loss of Royal Boskalis Westminster N.V. and all its business undertakings included in the consolidation and that the semi-annual report gives a fair view of the information required in accordance with Section 5:25d subsections 8 and 9 of the Dutch Financial Supervision Act (Wet op het financieel toezicht).

Papendrecht / Sliedrecht, the Netherlands,
23 August 2021

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

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