



OFFSHORE

ENERGY. COMMITTED.

ANNUAL REPORT 2021

VALUE CREATION STAKE SHARES OF THE MANAGEMENT BOARD

Under the Remuneration Policy 2018, the members of the Management Board are entitled to a Value Creation Stake, being a number of shares determined by a four-year average share price (volume weighted). These shares vest immediately upon the award date, and must be retained for five years from the vesting date, or – in the event of retirement or termination – two years after such event.

Number of issued shares	2021	2020
Total	313,239	324,875

The number of shares granted is based upon 175% of the individual's base salary and determined by the 4-year average volume-weighted share price (VWAP) over the years 2017 through 2020 (2020: 2016 through 2019), being EUR14.69 (2020: EUR14.16). The grant date fair value of these shares upon issue was EUR15.71, being the opening share price of January 3, 2021 (2020: EUR16.74).

RESTRICTED SHARE UNIT (RSU) PLANS

The number of shares granted under the RSU plan in 2021 was 754,450 (2020: 638,780), with the three year employment period starting on January 1, 2021 (2020: January 1, 2020).

The annual RSU award is based on individual performance. The RSU plans themselves have no performance condition, only a service condition, and will vest at the end of three years' continuing service. The fair value is determined based on the share price at the grant dates, with an adjustment for the present value of the expected dividends during the vesting period.

	2021	2020
RSU grant date fair value per share	€ 11.89	€ 10.41

For RSUs, a vesting probability (based on expectations on for example the number of employees leaving the Company before the vesting date of their respective RSU plan) of 5% is assumed. The Company periodically reviews this estimate and aligns to the actual forfeitures.

OWNERSHIP SHARES

Ownership Shares is an annual award in shares to compensate the overall STI target reduction of 3-6% of annualized gross salary under the Company's 2019 STI plan awarded to employees based on seniority. The Ownership Shares have no performance conditions, only a service condition. The Ownership Shares are subject to a three-year holding requirement after the grant date. This means that a fixed population of onshore employees, based on seniority in the Company, are eligible to the Ownership Shares equal to 4-8% of annualized gross salary.

The total number of Ownership Shares that vested during 2021 was 90,189 shares (2020: 95,681). The fair value of the Ownership Shares is measured at the opening share price of February 1, 2021.

	2021	2020
Ownership Shares grant date fair value per share	€ 14.21	€ 11.78

MATCHING SHARES

Under the STI plans for the management and staff of the Company, 20% of the STI is or can be paid in shares. Subject to a vesting period of four years, an identical number of shares (matching shares) will be issued to participants, assuming a probability of 95%. The Company periodically reviews this estimate and aligns to the actual forfeitures. The grant date fair value is measured indirectly based on the grant date price of the equity instrument, with an adjustment for the present value of the expected dividends during the vesting period.

The assumptions included in the calculation for the matching shares are:

	2021	2020
Matching shares grant date fair value per share	€ 13.40	€ 10.75

4 FINANCIAL INFORMATION 2021

TOTAL SHARE-BASED PAYMENT COSTS

The amounts recognized in operating profit for all share-based payment transactions have been summarized by taking into account both the provisional awards for the current year and the additional awards related to prior years. Total share-based compensation has slightly decreased in comparison to 2020.

2021	Performance shares and RSU/Value Creation Stake	Matching shares	Total
Instruments granted	15,153	4,523	19,676
Total expenses 2021	15,153	4,523	19,676

2020	Performance shares and RSU/Value Creation Stake	Matching shares	Total
Instruments granted	15,288	4,780	20,068
Total expenses 2020	15,288	4,780	20,068

Rules of conduct with regard to inside information are in place to ensure compliance with the act on financial supervision. For example these rules forbid the exercise of options or other financial instruments during certain periods, more specifically when an employee is in possession of price-sensitive information.

The movement in the outstanding number of shares which could potentially vest at a point in time under the Company share-based payment plans is illustrated in the following table.

in number of shares	2021	2020
Outstanding at 1 January	2,530,336	1,991,476
Granted	1,734,267	1,631,655
Vested	(1,090,015)	(955,922)
True-up at vesting		
Cancelled or forfeited	(263,863)	(136,873)
Total movements	380,389	538,860
Outstanding at 31 December	2,910,725	2,530,336

REMUNERATION OF THE SUPERVISORY BOARD

The remuneration of the Supervisory Board amounted to EUR656,000 (2020: EUR741,000) and can be specified as follows:

	2021			2020		
in thousands of EUR	Basic remuneration	Committees	Total	Basic remuneration	Committees	Total
Total	579	77	656	659	82	741

There are no share-based incentives granted to the members of the Supervisory Board. Nor are there any loans outstanding to the members of the Supervisory Board or guarantees given on behalf of members of the Supervisory Board.

NUMBER OF EMPLOYEES

Number of employees (by operating segment)

	2021		2020	
By operating segment:	Average	Year-end	Average	Year-end
Lease and Operate	1,872	1,971	1,714	1,772
Turnkey	1,898	1,999	1,790	1,796
Other	496	522	473	470
Total excluding employees working for JVs and associates	4,265	4,492	3,976	4,038
Employees working for JVs and associates	532	527	531	536
Total	4,797	5,019	4,507	4,574