



# ANNUAL REPORT 2021

## 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
<b>Total expenses 2021</b>	<b>15,153</b>	<b>4,523</b>	<b>19,676</b>

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

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

### 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
<b>Total</b>	<b>579</b>	<b>77</b>	<b>656</b>	<b>659</b>	<b>82</b>	<b>741</b>

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
<b>Total excluding employees working for JVs and associates</b>	<b>4,265</b>	<b>4,492</b>	<b>3,976</b>	<b>4,038</b>
Employees working for JVs and associates	532	527	531	536
<b>Total</b>	<b>4,797</b>	<b>5,019</b>	<b>4,507</b>	<b>4,574</b>

#### Number of employees (by geographical area)

By geographical area:	2021		2020	
	Average	Year-end	Average	Year-end
the Netherlands	430	424	444	435
Worldwide	3,836	4,068	3,532	3,603
<b>Total excluding employees working for JVs and associates</b>	<b>4,265</b>	<b>4,492</b>	<b>3,976</b>	<b>4,038</b>
Employees working for JVs and associates	532	527	531	536
<b>Total</b>	<b>4,797</b>	<b>5,019</b>	<b>4,507</b>	<b>4,574</b>

The figures exclude fleet personnel hired through crewing agencies as well as other agency and freelance staff for whom expenses are included within other employee benefits. The increase in headcount is primary due to the further ramp-up of the activity on Turnkey projects since the Company has five FPSO's under construction and FEED activities on the FPSO for the Yellowtail development project.

### 4.3.7 RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses amounted to US\$29 million (2020: US\$24 million) and mainly relate to the internal projects 'Digital FPSO' and Renewables development costs.

The amortization of development costs recognized in the statement of financial position is allocated to cost of sales when the developed technology is used through one or several projects. Otherwise, it is allocated to research and development expenses.

### 4.3.8 NET IMPAIRMENT GAINS/(LOSSES) ON FINANCIAL AND CONTRACT ASSETS

In the context of recovering oil and gas market and raising oil price, the Company's clients' credit ratings generally have significantly improved comparing to 2020 despite the remaining uncertainties regarding the COVID-19 pandemic. As part of the regular update of 'Impairment gains/(losses) on financial and contract assets', the Company has therefore recognized an overall net impairment gain of US\$12 million (December, 2020: loss of US\$(24) million).

During the year, the following gains/(losses) related to credit risks were recognized:

	2021	2020
Impairment losses		
- Movement in loss allowance for trade receivables	0	(1)
- Movement in loss allowance for construction work-in-progress	3	(4)
- Movement in loss allowance for finance lease receivables	1	(1)
- Movement in loss allowance for other assets	2	(18)
(Impairment)/impairment reversal losses on other financial assets	7	-
<b>Net impairment gains/(losses) on financial and contract assets</b>	<b>12</b>	<b>(24)</b>

During the year 2021, the Company recognized a partial impairment reversal of a funding loan provided to an equity accounted joint venture. The impairment reversal of US\$7 million was recognized based on updated forecasted cash available at the level of the joint venture.