

2022
ANNUAL
REPORT



TRUE.
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TRANSITION.

An additional grant was performed following the AGM on April 6, 2022. The grant date fair value was EUR15.20.

RESTRICTED SHARE UNIT (RSU) PLANS

The number of shares granted under the RSU plan in 2022 was 803,320 (2021: 754,450), with the three-year employment period starting on January 1, 2022 (2021: January 1, 2021).

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.

	2022	2021
RSU grant date fair value per share	€ 11.44	€ 11.89

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 2022 was 96,333 shares (2021: 90,189). The fair value of the Ownership Shares is measured at the opening share price of January 3, 2022.

	2022	2021
Ownership Shares grant date fair value per share	€ 13.15	€ 14.21

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:

	2022	2021
Matching shares grant date fair value per share	€ 11.75	€ 13.40

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 2021.

2022 (in thousands of US\$)	Performance shares and RSU/Value Creation Stake	Matching shares	Total
Instruments granted	13,327	5,840	19,167
Total expenses 2022	13,327	5,840	19,167

2021 (in thousands of US\$)	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

4 FINANCIAL INFORMATION 2022

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	2022	2021
Outstanding at 1 January	2,910,725	2,530,336
Granted	1,629,422	1,734,267
Vested	(1,125,632)	(1,090,015)
True-up at vesting		
Cancelled or forfeited	(350,436)	(263,863)
Total movements	153,354	380,389
Outstanding at 31 December	3,064,079	2,910,725

REMUNERATION OF THE SUPERVISORY BOARD

The remuneration of the Supervisory Board amounted to EUR658,000 (2021: EUR656,000) and can be specified as follows:

in thousands of EUR	2022			2021		
	Basic remuneration	Committees	Total	Basic remuneration	Committees	Total
Total	580	78	658	579	77	656

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)

By operating segment:	2022		2021	
	Average	Year-end	Average	Year-end
Lease and Operate	2,072	2,172	1,872	1,971
Turnkey	2,110	2,221	1,898	1,999
Other	549	576	496	522
Total excluding employees working for JVs and associates	4,731	4,969	4,265	4,492
Employees working for JVs and associates	529	530	532	527
Total	5,259	5,499	4,797	5,019

Number of employees (by geographical area)

By geographical area:	2022		2021	
	Average	Year-end	Average	Year-end
the Netherlands	471	518	430	424
Worldwide	4,260	4,451	3,836	4,068
Total excluding employees working for JVs and associates	4,731	4,969	4,265	4,492
Employees working for JVs and associates	529	530	532	527
Total	5,259	5,499	4,797	5,019

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 primarily due to the further ramp-up of activity on Turnkey projects, as the Company has five FPSO's under construction.