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PRESS RELEASE

Challenging times – with a positive outlook

Rotterdam, the Netherlands, 25 March 2022 – The year of 2021 proved to be a year of opposites for Van Oord. On the one hand, it was a difficult year in the light of COVID-19, market- and supply chain issues and operational challenges. Resulting in a financial loss on the back of large loss provisions taken on three projects in the business units Netherlands and Offshore wind: the Afsluitdijk project in the Netherlands, the Saint-Brieuc project in France and the Greater Changhua project in Taiwan. On the other hand, we ended the year with an optimistic outlook for our markets reflected in a record-high order book.

The year in numbers:

- **People in fte: 4,725 (2020: 4,369)**
- **Number of nationalities: 83 (2020:73)**
- **Planet, carbon footprint in tonnes: 486,613 (2020: 589,068)**

- **Revenue: EUR 1.5 billion (2020: 1.7 billion)**
- **EBITDA: EUR 67 million (2020: 226 million)**
- **Net result: EUR - 62 million (2020: 33 million)**
- **Operational cash flow EUR 50 million (2020: 476 million)**
- **Order book: EUR 4.4 billion (2020: 3.6 billion)**
- **Net debt: EUR 62 million (2020: net cash 24 million)**
- **Solvency ratio: 34.6% (2020: 41.3%)**
- **Investment in equipment EUR 208 million (2020 103 million)**

Pieter van Oord, CEO
'2021 turned out to be a difficult year for us. Driven by COVID-19, market conditions and operational challenges. These resulted in a net loss recognising a substantial provision on three specific complex projects. At the same time, we ended this year with a record-high order book and a positive outlook for all our markets. Even in this period of turmoil, we are investing in our future, by attracting talent around the globe. And we are investing in the right kind of sustainable equipment to support our growth ambition. Last but not least, we are a learning organisation - deriving lessons from challenges endured.

Despite setbacks, we were able to deliver and execute our complex projects. This was possible because of the ingenuity, flexibility, and commitment of our people.

In 2021, we saw a recovery of the global economy, noticing the first effects in the summer. In our offshore and dredging activities, in particular, a market recovery was shown in the second half of 2021. Following the reorganisations we carried out in 2020, we have returned to a trajectory of growth. We have mapped out our strategy for this decade: Building the Future Together. Based on our purpose to create a better world for future generations, we focus on making a contribution towards the energy transition and climate adaptation.

In 2021, the sense of urgency and the demand for sustainable solutions increased significantly. Thanks to the COP26, the global energy transition has become even more of a priority. The 2015 Paris Agreement goals of being carbon neutral by 2050 are being embraced by more and more governments and businesses. Reduced dependency on fossil fuels and growth of renewable energy are major driving forces in the new energy system, bringing along opportunities for Van Oord to contribute and to strengthen our position.

We are optimistic about the longer-term outlook in our markets. We expect revenue to increase and margins to improve substantially in 2022. Profitability will also depend on the settlement of larger claim positions during the year. We expect our order book to further develop positively, reflecting the outlook of our markets. To prepare for growth, we launched a recruitment campaign in 2021, that will be continued in 2022.

The outlook is of course dependent on the crisis in the Ukraine. Geopolitical uncertainties, inflation, and supply chain issues could have a large impact on our performance. But our company is resilient and financially healthy.

We express our confidence and appreciation to all our shareholders, customers and employees for their continued dedication and support. Together, we are committed to contribute to the great challenges of our times.'

Key Financial performance

In 2021, Van Oord achieved EUR 1,517 million in revenue (2020: EUR 1,677 million) and a net result of EUR -62 million (2020: net profit EUR 33 million). Our cash performance continued to be strong, leading to a low net debt level of EUR 62 million at year-end 2021 (2020: net cash position of EUR 24 million). Our order book increased to EUR 4,353 million (2020: EUR 3,553 million), mainly driven by the business unit Offshore Wind.

Revenue in 2021 decreased compared to 2020. The activity level in Offshore Wind was lower than in 2020 and revenue fell to EUR 347 million (2020: EUR 632 million). The Offshore business unit was able to keep revenue relatively stable at EUR 191 million (2020: 212 million). The Dredging business unit saw its revenue increase to EUR 727 million (2020: EUR 598 million) because of a recovery in the dredging markets. Revenue of the Netherlands business unit improved to EUR 252 million (2020: EUR 236 million) as the execution of several large projects continued.

In 2021, Van Oord recorded a net loss which reflects an accumulation of project losses on a few large projects in the Netherlands and Offshore Wind for which provisions were recognised and discussions on compensation with clients are ongoing. Moreover, the second year of the COVID-19 pandemic impacted the operational activities within projects causing delays and requiring additional measures to be taken for staff and crew. As a result, our EBITDA level amounted to EUR 67 million. After reaching full commissioning of the offshore wind farms Borssele III and IV in February 2021, the company sold its 10% share in Blauwwind in December 2021.

In 2021 the order book increased from EUR 3,553 million in 2020 to EUR 4,353 million at year-end 2021 as our award volume exceeded revenue in 2021. In 2021, the award volume increased to EUR 2,317 million (2020: EUR 1,620 million) mainly driven by Offshore Wind . The largest projects awarded in 2021 included Sofia EPCI (UK) and Baltic Hub T&I in Offshore Wind, and the Harwich Channel Deepening, Kashagan Island to Deep Water, and Aberdeen Harbour Expansion in Dredging.

The company's financial position at year-end 2021 remained solid, with equity amounting to EUR 915 million (2020: EUR 1,015 million) and solvency standing at 34.6% (2020: 41.3%). The level of net debt of EUR 62 million is limited (EUR 24 million net cash position per year-end 2020) and well within the terms and conditions of our credit facilities. The operational cash flow of EUR 50 million (2020: EUR 476 million) was below the level of the (net) investing cash flow of EUR 98 million (2020: EUR 120 million). The latter mainly consists of EUR 203 million of (net) capital expenditure (2020: EUR 89 million) and the proceeds from the Blauwwind sale of EUR 94 million. The financing cash flow amounted to EUR 174 million (2020: EUR -191 million).

In 2020 we decided to invest EUR 1 billion in innovative and sustainable equipment over five years so as to strengthen our role in offshore renewable energy. We invested EUR 208 million in tangible fixed assets in 2021. Net investment was lower at EUR 98 million (2020: EUR 120 million), driven mainly by the sale of our share in the Blauwwind offshore wind farm.

Investments
Our confidence in the future is reflected in our investments. Our two new hybrid water injection dredgers (WIDs) Maas and Mersey were put into service in the summer of 2021, replacing the first generation of WIDs.

Our three new LNG trailing suction hopper dredgers are on their way. The Vox Ariane will become operational in June 2022. The Vox Apolonia will follow six months later and the Vox Alexia a further six months later. These three new dual-fuel trailing suction hopper dredgers have cleaner emissions and a significantly lower carbon footprint than conventional trailing suction hopper dredgers and so will boost our position in the middle segment of the dredging market.

To strengthen our leading position in offshore wind and reduce our carbon footprint during offshore wind installation, we have invested in a new cable-laying vessel named Calypso. The vessel will be capable of laying AC and DC cables and mark the next generation of energy-efficient cable-laying vessels. It is expected to be fully operational by 2023.

In September 2021, Van Oord also ordered a new jack-up vessel, called the Boreas. The vessel will be capable of transporting and installing the next generation of 25 MW wind turbines. It will be the largest of its kind. This green vessel has been designed to operate on methanol fuel and is expected to enter the market in 2024.
The investment in the Boreas is the largest capital expenditure for a vessel in Van Oord's history. At year-end 2021, our total committed investment programme, covering all our business activities, has a value of EUR 800 million.

Safety
After more than 15 years of consistent focus on safety, our statistics are among the best in the industry.

Van Oord's Total Recordable Incident Rate (TRIR) in 2021 was 0.59, above last year's TRIR of 0.48. This reinforces the importance of continuously pursuing improvement opportunities and promoting awareness, by sharing lessons learned from accidents, incidents, and near misses within our company and across the industry.
Our Say-YES-to-Safety programme aims to communicate the importance of creating a safe environment together. In 2021, we organised a global safety event for all our employees, with special attention to mental health.

COVID-19
Ensuring business continuity safely and responsibly and facilitating social cohesion were the two major goals of Van Oord's COVID-19 policy in 2021. Although in this second year of the pandemic, the basic precautions had more or less become ingrained, the challenge lay in the variety in local circumstances and local restrictions. Our employees showed tremendous resilience as they coped with constantly shifting pandemic measures, frequent testing and self-isolating.

Together we faced the challenges of the second year of the pandemic, doing our utmost to ensure business continuity. The costs of COVID-19 in 2021 were substantial.

Business unit highlights

Dredging and marine construction
We saw a healthy market recovery in the Dredging business unit in 2021. Revenue increased from EUR 598 million in 2020 to EUR 727 million in 2021. Fleet utilisation was nevertheless still low. The market picked up in the second half of the year. The results were satisfactory and significantly better than last year. A total of 84 projects were completed in 28 countries.

Van Oord won a total of 40 tenders for projects in, for example, the United Kingdom, India, Mexico, Kazakhstan, Brazil, Germany, Indonesia, the United Arab Emirates, Malaysia, Egypt, and Morocco.

Van Oord adds value to traditional projects by adding sustainable, nature-friendly solutions. In Poland, for example, work continued on the project to deepen and widen the 62-kilometre-long channel from Świnoujście to Szczecin. The materials dredged from the channel are being used to build two circular islands in the Szczecin lagoon that will serve as natural habitats.

In Romania, construction work began on the Eforie project. This phase of the project involves constructing breakwaters, groynes and beaches to protect the popular Black Sea resort of Eforie from erosion by waves. Existing coastal defences are being redeveloped and replaced with more environmentally friendly alternatives. Van Oord will also enrich the local ecosystem by introducing biostructures on the seabed, and by restoring several hectares of seagrass - an important biotope for marine ecology.

Van Oord continued to work on the Fehmarn Belt Fixed Link between Denmark and Germany. When completed, Fehmarn Belt will be the world's longest immersed road and rail tunnel. The consortium in which Van Oord participates is responsible for dredging a tunnel trench in the seabed over a distance of 18 kilometres, and reusing the dredged material to create a recreational nature reserve. We are also building a new work harbour for the tunnel contractors. Van Oord's work on the Fehmarn Belt project is expected to continue unabated in the coming years.

Netherlands
In the Netherlands, 2021 was characterised by nitrogen issues, with the Dutch market for infrastructure projects slowing down significantly. Several large infrastructure projects were put on hold and tender volumes in the market were limited. The biggest problem for our clients is to obtain permits for the utilisation phase of these large infrastructure projects. Revenue in the The Netherlands business unit reported a slightly higher revenue in 2021 than in 2020 (EUR 252 million as against EUR 236 million), but its results fell short of expectations.

There were financial setbacks on the Afsluitdijk project as well as on the A16 Rotterdam motorway project. Radical changes had to be made to the original design of the Afsluitdijk project, and on the A16 Rotterdam motorway project setbacks in construction of the tunnel and the crossing with the Rotte River, caused delays – all of which led to unforeseen costs. The losses incurred on these two Design, Build, Finance & Maintain contracts have had an impact on our view and policy on accepting major high-risk projects in the Netherlands. There should be a better balance between rewards and the risks involved.

Commissioned by the Port of Rotterdam, we are constructing a large new quay with our consortium partners as part of the Amalia Harbour expansion project. The first 500 metres must be completed by the end of 2022, with the last section in 2024. The project also involves dredging the quays to a depth of more than 20 metres below sea level.

As part of the national flood protection programme, the Waal Dyke between Tiel and Waardenburg in the Netherlands will be reinforced over a length of more than 19 kilometres to meet current safety standards. The district Water Board awarded the project to the Mekante Diek consortium, in which Van Oord is partner. The consortium launched the design phase of the project in the second half of 2021. Construction is scheduled for 2023, and the dyke will be flood-proofed by October 2026.

The Lek Dyke too will be reinforced over a length of 55 kilometres from Amerongen to Schoonhoven. Execution of the project is based on 'Innovation partnership': the client will work closely with the executing partners in the preliminary stages, and the client and contractor will manage the project together. Saving time and money, and stimulating innovation.

Offshore wind
Revenue from our Offshore Wind business unit in 2021 was significantly lower than in 2020 (EUR 347 million in 2021 as against EUR 632 million in 2020). Our order book grew sharply, driven mainly by the award of the Sofia project in the first half of the year (EUR 1,523 million at

year end 2021 as against EUR 908 million at year end 2020). Offshore wind is a key contributor to our portfolio of marine activities and achieving climate change targets around the world. Having entered the offshore wind sector in 2002, Van Oord is a leading player in this increasingly growing and global market.

Nevertheless, 2021 saw major setbacks on two projects within the business unit and so substantial provision had to be recognised. At the Saint-Brieuc project in France, we encountered unexpected deviating ground conditions and operational delays. With project restart begin 2022 the project is expected to be completed one year later than previously anticipated.
The Greater Changhua project in Taiwan was seriously hampered by COVID-19. We took all the necessary measures to safeguard the well-being of our crew, ensure that crew changes on vessels went smoothly and avoid supply chain problems.

Offshore wind is a complex business, characterised by technical and environmental challenges, price pressures, new competitors, complex supply chains, and an increasingly subsidy-free playing field. To stay ahead, we respond with agility, investments, innovation and thorough risk assessment

The outlook for offshore wind remains promising, though. Our tender activities are at an all-time high, prompting us to revise our forecast figures for 2025 and 2030 upwards. In addition to projects in the traditional offshore region of North-West Europe, in 2021 we also tendered for projects in the United States, Taiwan and Japan. Offshore wind is becoming a global market.

In 2021, Van Oord was contracted by RWE for the engineering, procurement, construction and installation (EPCI) of the monopile foundations and array cables for the Sofia offshore wind farm, one of the world's largest offshore wind projects. We also signed a contract with the Spanish energy company Iberdrola for the Baltic Eagle offshore wind farm in 2021.

Van Oord has also been contracted to install Italy's first offshore wind farm, a major step in Italy's energy transition. The Taranto Offshore Wind Farm is located near Taranto harbour in Italy and consists of 10 turbines. For this project, Van Oord will deploy its innovative FaunaGuard system. This acoustic device, which was developed in-house, safely and temporarily deters dolphins by using special underwater acoustics.

Offshore
Revenue in 2021 was slightly lower than in 2020 (EUR 191 million in 2021 as against EUR 212 million in 2020). The results were satisfactory.
For the Offshore business unit's Subsea Rock Installation activities, 2021 was a fickle year. In the first six months, we were affected by difficult market conditions and our fleet was under-utilised during that period. But as market activity picked up in the second half of 2021, contracts did start coming in and filling the order book. Ørsted awarded Van Oord a major cable stabilisation programme for a number of wind parks in the North Sea. As a result of this and other awards, our fleet was fully occupied for most of the second half of the year.

More and more of our Subsea Rock Installation activities are driven by offshore wind projects. Another development in 2021 was the increasing complexity of rock installation projects resulting in a mixture of both small projects and several large ones.

In the Middle East, the business unit Offshore carried out a series of trenching and backfilling jobs for the development of Saudi Aramco's Berri Field and Qatar Gas' North Field. The flexible fallpipe vessels Nordnes and Stornes performed work on multiple contracts under the framework agreement with Equinor. This includes work on the Askeladd, Johan Castberg, Johan Sverdrup and Snorre fields. The Nordnes was also deployed on the Hollandse Kust Zuid 1234 project, which involves the installation of scour protection at 140 locations, and cable crossing protection at 34 locations across the wind farm.

Highlighted: Mozambique
Working in 35 countries during the year, our 180 projects all faced different political and economic circumstances. Each and every country has a different pace in terms of the energy transition, offering us different settings and challenging us in different ways. The Golfinho project, in particular, is worth mentioning when looking back on 2021.

Natural gas is an important energy source in the transition to less carbon-intensive sources of energy and in making energy accessible to developing countries. With natural gas reserves of 2.8 trillion cubic metres, Mozambique is set to play a key role in the emerging African LNG sector. Van Oord is part of a consortium tasked with constructing the subsea infrastructure to transport natural gas from gas fields off the coast to two new plants on land.
The project team has devoted considerable attention to achieving a net positive impact and promoting environmental and social benefits. These include coral reef rehabilitation, installation of coral nurseries, artificial reef construction, local recruitment and provision of education and training for local people.

Work came to a halt in March 2021 due to activities by insurgents, with devastating consequences mainly for the local population. We swiftly moved all our staff and equipment offshore, and then demobilised our vessels.

At present, we are working on scenarios to go back and finish the project once normality has been restored. Despite recent events, the project is seen as a unique opportunity for the country, which ranks 181st out of 187 countries in the UNDP's latest Human Development Index, to lift itself out of poverty.

Russia and Ukraine
The preparations for our annual report started before Russia invaded Ukraine. At this point, we are unable to fully foresee the impact on our organisation. We do intend to bring our current activities in Russia to a halt in a controlled way. Van Oord currently does not plan to undertake any future business in Russia.

Outlook
We are optimistic about the future and our ability to benefit from market growth and recovery in our core markets. Learning lessons from major project setbacks, we are confident that our project operations will continue to improve and we expect revenue to increase in 2022. Profitability is expected to recover, also depending on the completion of several complex projects and the settlement of a number of compensation discussions. We expect our orderbook to further grow in 2022.

The fundamental drivers of the dredging and marine construction business remain strong, with increasing investments to facilitate growth in maritime trade. The potential of the offshore market remains strong as well, also on the back of the developments in offshore wind**.**

The Dutch government has announced intentions to speed up the construction of offshore wind farms in coming years, doubling the planned capacity by 2030. As the energy balance in more and more countries shifts away from fossil fuels, we are determined to deploy our capabilities in new sustainability areas.

Newly awarded contracts
Van Oord has recently signed a large contract in Egypt for dredging the Ain Suhkna Port on the Red Sea. This new contract requires the deployment of self-propelled cutter suction dredgers and a fleet of sand carriers. The execution time is expected to be approximately two years.

Van Oord has also recently been awarded a turbine transport and installation project for the Aeolus on the East Coast of the United States for execution in 2023 – the first contract for Van Oord in the US. The country has the ambition to install 30 GW of offshore wind energy by 2030.

About Van Oord
Van Oord is a Dutch family-owned company with more than 150 years of experience as an international marine contractor. The focus is on dredging and marine construction, offshore wind, offshore infrastructure and infrastructure in the Netherlands. Its head office is in Rotterdam. Van Oord employs 4,725 staff, who worked in 2021 on 187 projects in 35 countries. The fleet consists of about 70 vessels and a large amount of special-purpose and auxiliary equipment. Marine ingenuity is characteristic of Van Oord. By using innovative, smart and sustainable solutions, it wishes to contribute to a better world for future generations.

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