

## ADDITIONAL INFORMATION

### FOUNDATION BOARDS

#### Stichting Administratiekantoor Fugro ('Foundation Trust Office')

The Board of Foundation Trust Office, Leidschendam, The Netherlands, is composed as follows:

Name	Function	Term
M.C. van Gelder, Chairman	Board member	2023
D.F.M.M. Zaman	Board member	2023
R. Willems	Board member	2020
A.P.M. van der Veer-Vergeer	Board member	2023

The (Board of) Foundation Trust Office operates completely independent of Fugro.

#### Stichting Beschermingspreferente aandelen Fugro ('Foundation Protective Preference Shares')

The Board of Foundation Protective Preference Shares, Leidschendam, The Netherlands, is composed as follows:

Name	Function	Term
J.C. de Mos, Chairman	Board member	2021
S.C.J.J. Kortmann	Board member	2022
J.J. Nooitgedagt	Board member	2021
C.P. Veerman	Board member	2022
A. van der Lof	Board member	2023

The (Board of) Foundation Protective Preference Shares operates completely independent of Fugro.

#### Stichting Continuïteit Fugro ('Foundation Continuity')

The Board of Foundation Continuity, Curacao, is composed as follows:

Name	Function	Term
G.E. Elias, Chairman	Board member B	2020
A.C.M. Goede	Board member B	2021
R. de Paus	Board member B	2023
M. van der Plank	Board member B	2022
G-J. Kramer	Board member A	2021

The (Board of) Foundation Continuity operates completely independent of Fugro. Board member A is appointed by the Board of Management of Fugro with the approval of the Supervisory Board of Fugro.

## REPORT OF STICHTING ADMINISTRATIEKANTOOR FUGRO ('FOUNDATION TRUST OFFICE')

In accordance with article 19 of the administration terms and conditions of the Foundation Trust Office ('Trust Office') and best practice provision 4.2.6 of the Corporate Governance Code, the undersigned issues the following report to the holders of certificates of ordinary shares in the share capital of Fugro N.V. ('Fugro').

During the 2019 reporting year, all the Trust Office's activities were related to the administration of ordinary shares against which certificates have been issued.

During 2019 the Board met two times. The meeting of 29 March 2019 was mainly dedicated to the approval of the Foundation's annual accounts 2018 and preparation for the annual general meeting of Fugro on 26 April 2019. Furthermore, the Board discussed with members of the Board of Management and the Supervisory Board of Fugro the activities and performance of Fugro on the basis of the annual report 2018. In accordance with the roster of the Board, Mr. M.C. van Gelder and Mr. D.F.M.M. Zaman were re-appointed for a period of four years, after holders of certificates who represent at least 15% of the issued certificates were offered the opportunity to request that the Board convenes a meeting of holders of certificates in order to recommend one or two candidates to the Trust Office's Board. No such request was received.

In the meeting on 1 October 2019, the Board discussed, amongst other things, general business developments and the independent position of the Foundation as a special shareholder on the one hand and as a protective measure on the other hand. Furthermore, Mrs A. van der Veer-Vergeer was appointed as a new member to the board, after Mr van Rooijen stepped down as board member and the Board had decided to appoint a new member. Through an announcement that was placed on the website of the Trust Office, holders who represent at least 15% of the issued certificates were offered the opportunity to request that the Board convenes a meeting of holders of certificates in order to recommend a candidate to the Trust Office's Board, but no such request was received.

In both meetings, it was also discussed whether it would be necessary or useful to convene a meeting of holders of certificates. Both times it was decided that at that particular moment such was not the case. Corporate governance within Fugro and the Trust Office was also discussed in both meetings.

All the Trust Office's Board members are independent of Fugro. The Board may offer holders of certificates the opportunity to recommend candidates for appointment to the Board. The voting policy of the Trust Office has been laid down in a document that can be found on the website of the Trust Office: <https://stichtingakfugro.nl/> and also on <https://www.fugro.com/about-fugro/corporate-governance/protective-measures>. The Trust Office is authorised to accept voting instructions from holders of certificates and to cast these votes during a general meeting of Fugro.

The Board attended the annual general meeting of Fugro held on 26 April 2019. In this meeting the Trust Office represented 56.44% of the votes cast. The Trust Office voted in favour of all the proposals submitted to the meeting. In accordance with the administration terms and conditions, holders of certificates were offered the opportunity to vote, in accordance with their own opinion, as authorised representatives of the Trust Office. This opportunity was taken by holders of certificates representing 43.22% of the votes cast at the annual general meeting.

At present the Board of the Trust Office comprises:

1. Mr. M.C. van Gelder, Chairman
2. Mr. R. Willems
3. Mr. D.F.M.M. Zaman
4. Mrs. A.P.M. van der Veer-Vergeer

Mr. Van Gelder was amongst others Chairman of the Board of Management and Chief Executive Officer of Mediq N.V. He presently serves, amongst others, as supervisory board member of VastNed Retail. Mr. Willems was in a 38 year career with Royal Dutch Shell. He presently serves, amongst others, as supervisory board member of the Netherlands Investment Institute (NLII) and Rijksmuseum Boerhaave. Mr. Zaman was notary and partner at Loyens & Loeff from 1987 until 2015. He was professor Notarial Corporate Law at Utrecht University from 2006 until 2016 and is since 2013 professor Notarial Corporate Law at Leiden University. Mrs. Van der Veer was amongst others Executive Board member Achmea Bank Holding and she presently serves, amongst others, as Chair of the Supervisory Board of Arcadis NL and of the Dutch Monitoring Committee Accountancy.

In 2019 the total costs of the Trust Office amounted to EUR 66,660 including the total remuneration of the members of the Board of EUR 43,250 (excluding VAT).

On 31 December 2019, 83,691,457 ordinary shares with a nominal value of EUR 0.05 were in administration against which 83,691,457 certificates of ordinary shares had been issued. During the financial year 88,407 ordinary shares were exchanged into certificates and no certificates were exchanged into ordinary shares. The activities related to the administration of the shares are carried out by the administrator of the Trust Office: IQEQ Financial Services B.V. (previously named SGG Financial Services B.V.).

The Trust Office's address is: Veurse Achterweg 10, 2264 SG Leidschendam, the Netherlands.

Leidschendam, 13 February 2020

The Board

## HISTORICAL REVIEW

	IFRS 2019	IFRS 2018 <sup>2)</sup>	IFRS 2018 <sup>3)</sup>	IFRS 2017	IFRS 2016 <sup>2)</sup> *	IFRS 2015 <sup>2)</sup> *	IFRS 2014 <sup>2)</sup> *	IFRS 2013 <sup>2)</sup> * <sup>4)</sup>	IFRS 2012	IFRS 2011 <sup>7)</sup>	IFRS 2010	IFRS 2009	IFRS 2008	IFRS 2007	IFRS 2006	IFRS 2005	IFRS 2004
<b>Income and expenses (x EUR 1,000)</b>																	
Revenue	1,631,328	1,552,761	1,649,971	1,497,392	1,775,874	2,362,986	2,572,191	2,423,971	2,164,996	1,858,043	2,280,391	2,052,988	2,154,474	1,802,730	1,434,319	1,160,615	1,008,008
Third party costs	654,230	672,687	739,346	621,936	678,757	918,396	1,227,011	915,412	793,250	617,107	765,587	624,413	722,321	604,855	503,096	405,701	364,644
Net revenue own services	977,098	880,074	910,625	875,456	1,097,117	1,444,590	1,345,180	1,508,559	1,371,746	1,240,936	1,514,804	1,428,575	1,432,153	1,197,875	931,223	754,914	643,364
EBITDA <sup>5)</sup>	145,745	114,422	111,740	81,444	154,966	353,258	251,746	545,467	465,368	481,925	561,083	551,130	535,178	439,590	295,948	218,833	177,453
Impairments	(3,286)	263	1,785	(164)	(192,716)	(363,318)	(509,048)	-	-	-	-	-	-	-	-	-	-
Results from operating activities (EBIT)	25,560	23,784	8,795	(51,722)	(218,678)	(249,928)	(548,568)	267,020	306,624	352,016	351,479	367,422	385,732	324,813	211,567	144,070	104,236
Cash flow <sup>6)</sup>	127,963	14,911	12,716	24,348	130,760	324,930	336,696	365,381	400,148	431,495	489,757	456,773	438,902	337,106	226,130	176,093	125,802
Net result (including discontinued operations)	(108,492)	(51,064)	(51,064)	(159,901)	(308,934)	(372,522)	(458,870)	428,303	289,745	287,595	272,219	263,410	283,412	216,213	141,011	99,412	49,317
Net result from continuing operations	(39,558)	(38,946)	(51,064)	(164,971)	(308,934)	(372,522)	(457,870)	224,230	231,535	293,911	-	-	-	-	-	-	-
<b>Balance sheet (x EUR 1,000)</b>																	
Property, plant and equipment	564,291	619,985	619,985	643,695	805,992	986,585	1,198,024	1,129,920	1,065,873	981,104	1,291,314	1,043,227	859,088	599,298	412,232	262,759	232,956
Capital expenditures	83,079	61,335	72,711	107,974	92,493	177,560	296,934	318,767	261,687	359,238	446,755	330,244	337,469	299,699	203,944	90,414	71,028
Total assets	2,056,304	1,944,423	1,944,422	1,898,304	2,174,449	2,841,184	3,565,672	3,630,602	4,169,716	3,861,595	3,089,991	2,366,317	2,123,306	1,700,130	1,405,698	1,138,660	983,350
Provisions <sup>8)</sup>	17,836	17,786	17,786	17,068	26,845	61,827	61,046	225	1,165	4,215	5,204	6,240	13,155	16,278	13,888	398	1,075
Loans and borrowings <sup>9)</sup>	822,198	725,803	725,803	634,893	573,503	728,082	949,954	689,023	1,166,734	1,215,173	590,862	441,339	395,384	449,957	341,997	300,753	184,268
Equity attributable to owners of the company	597,257	668,764	668,763	712,054	934,859	1,197,655	1,517,766	2,024,971	1,956,729	1,655,785	1,508,318	1,187,731	928,329	699,989	562,417	465,460	223,913
Capital employed	1,162,661	1,207,936	1,207,936	1,184,108	1,341,174	1,689,689	2,230,609	2,683,569	3,139,525	2,891,066	2,194,837	1,594,587	1,324,580	1,099,288	889,122	611,926	647,795
<b>Key ratios (in %)</b>																	
Results from operating activities (EBIT)/revenue	1.6	1.5	0.5	(3.5)	(12.3)	(10.6)	(21.3)	11.0	14.2	18.9	15.4	17.9	17.9	18.0	14.8	12.9	10.3
Profit/revenue	(1.4)	(2.0)	(3.1)	(11.0)	(17.4)	(15.8)	(17.8)	9.3	10.7	15.8	11.9	12.8	13.2	12.0	9.8	8.6	4.9
Profit/average capital and reserves	(3.5)	(4.7)	(7.4)	(20.0)	(29.0)	(27.4)	(25.8)	11.3	12.8	18.6	22.3	24.9	34.8	34.3	27.4	28.8	22.7
Return on capital employed	5.0	0.2	0.2	(3.3)	(0.7)	3.9	1.3	8.2	11.0	12.5	14.6	20.2	24.1	25.1	20.5	19.8	15.8
Total equity/total assets	29.6	36.1	36.1	39.7	45.5	43.4	42.4	58.1	47.4	43.4	49.3	50.7	44.1	41.6	40.2	41.3	23.2

	IFRS 2019	IFRS 2018 <sup>2)</sup>	IFRS 2018 <sup>3)</sup>	IFRS 2017	IFRS 2016 <sup>3)*</sup>	IFRS 2015 <sup>2)*</sup>	IFRS 2014 <sup>2)*</sup>	IFRS 2013 <sup>2)* 4)</sup>	IFRS 2012	IFRS 2011 <sup>7)</sup>	IFRS 2010	IFRS 2009	IFRS 2008	IFRS 2007	IFRS 2006	IFRS 2005	IFRS 2004
<b>Data per share (x EUR 1.-) <sup>2)</sup></b>																	
Equity attributable to owners of the company <sup>1)</sup>	7.06	7.91	7.91	8.42	11.05	14.16	17.95	23.94	23.62	20.34	18.79	15.08	12.12	9.94	8.08	6.76	3.60
Results from operating activities (EBIT)	0.32	0.29	0.11	(0.64)	(2.70)	(3.09)	(6.78)	3.30	3.82	4.44	4.49	4.82	5.29	4.67	3.08	2.18	1.76
Cash flow	1.38	0.18	0.16	0.30	1.62	4.01	4.16	4.52	4.99	5.45	6.25	5.99	6.01	4.84	3.29	2.67	2.12
Net result	(0.28)	(0.39)	(0.63)	(2.04)	(3.82)	(4.60)	(5.65)	5.29	3.61	3.63	3.47	3.46	3.88	3.11	2.05	1.51	0.83
Dividend paid in year under review <sup>3)</sup>	-	-	-	-	-	-	-	1.50	1.50	1.50	1.50	1.50	1.25	0.83	0.60	0.48	0.48
One-off extra dividend in connection with the divestment of the majority of the Geoscience business	-	-	-	-	-	-	-	-	0.50	-	-	-	-	-	-	-	-
<b>Share price (x EUR 1.-) <sup>1)</sup></b>																	
Year-end share price	9.97	7.55	7.55	12.99	14.55	15.06	17.26	43.32	44.52	44.895	61.50	40.26	20.485	52.80	36.20	27.13	15.35
<b>Number of employees</b>																	
At year-end	10,077	10,265	10,265	10,044	10,530	11,960	13,537	12,591	12,165	11,495	13,463	13,482	13,627	11,472	9,837	8,534	7,615
<b>Shares in issue (x 1,000) <sup>1)</sup></b>																	
Of nominal EUR 0.05 at year-end	84,572	84,572	84,572	84,572	84,572	84,572	84,572	84,572	82,844	81,393	80,270	78,772	76,608	70,421	69,582	68,825	62,192

\* Including effect change of presentation multi-client data libraries.

<sup>1)</sup> As a result of the share split (4:1) in 2005, the historical figures have been restated. Equity attributable to owners of the company is based on issued shares. The other data per share is based on issued shares entitled to dividend.

<sup>2)</sup> On a continued basis, unless otherwise stated.

<sup>3)</sup> Including a one off extra dividend of EUR 0.50 in 2013.

<sup>4)</sup> As of 2013 the amortisation on multi-client data libraries is reclassified from third party costs to amortisation costs.

<sup>5)</sup> EBITDA is excluding impairments.

<sup>6)</sup> As of 2013 the cash flow represents the net cash generated from operating activities.

<sup>7)</sup> Excluding the revenue and results of the majority of the Geoscience division which have been sold as per 31 January 2013.

<sup>8)</sup> Consist of non-current portion.

<sup>9)</sup> Including discontinued operations.

## GLOSSARY

### Business/ technical terms

**AUV (autonomous underwater vehicle)** Unmanned submersible launched from a 'mother-vessel' but not connected to it via a cable. Propulsion and control are autonomous and use pre-defined mission protocols.

**Bathymetry** Study of underwater depth of lake or ocean floors. Underwater equivalent of topography.

**Brent** Major trading classification of sweet light crude oil that serves as a major benchmark price for purchases of oil worldwide.

**CPT Cone penetration test(ing)** Pushing a steel cone-tipped probe into the soil, measuring resistance, in order to identify soil composition.

**CPT truck** Truck that can be used for estimation of soil type and soil properties.

**Geochemical** The geology and chemistry concerned with the chemical composition of, and chemical reactions taking place within, the Earth's crust.

**Geohazard** Geological state that may lead to widespread damage or risk e.g., landslides, earthquakes, tsunamis.

**Gas hydrates** Mixture of semi-solid methane gas and water molecules that are created by water pressure and cold temperatures found deep in the ocean.

**Geo-data** Information related to the Earth's surface, subsurface and the structures built on it.

**Geo-intelligence** Acquisition and analysis of data on topography and the subsurface, soil composition, spatial reference, meteorological and environmental conditions, and the related advice.

**Geophysical survey** Mapping of subterranean soil characteristics using non-invasive techniques such as sound.

**Geotechnical investigation** Determination of subterranean soil characteristics using invasive techniques such as probing, drilling and sampling.

**Geoscience** Range of scientific disciplines (geology, geophysics, petroleum engineering, bio stratification, geochemistry, etc.) related to the study of rocks, fossils and fluids.

**Geospatial** Information on the position of something with respect to the things around it.

**Hydrography** Science that measures and describes physical features of water and the adjacent land areas.

**IOC** International oil company.

**Jack-up platform** Self-elevating platform. The buoyant hull is fitted with a number of movable legs, capable of raising its hull over the surface of the sea.

**(Q)HSSE** (Quality,) health, safety, security and environment.

**LIDAR** Measuring system based on laser technology that can make extremely accurate recordings.

**LNG** Liquefied natural gas.

**Metocean** Refers to combined wind, wave and climate conditions at a certain location offshore.

**Multibeam echosounder** Type of sonar that is used to map the seabed. Like other sonar systems, multibeam systems emit sound waves in a fan shape beneath a ship's hull. The amount of time it takes for the sound waves to bounce off the seabed and return to a receiver is used to determine water depth.

**NOC** National oil company.

**Ocean bottom node (OBN)** Seismic imaging through individual nodes placed on the seabed.

**Ocean bottom cable (OBC)** Seismic imaging through nodes attached to a cable on the seabed.

**OHSAS** British standard for occupational health and safety management systems. It is widely seen as the world's most recognised occupational health and safety management systems standard.

**Remote operations centre** using cloud based solutions, surveyors work onshore, reducing health and safety exposure, and accelerating delivery and insights for the client.

**ROV (remotely operated vehicle)** Unmanned submersible launched from a vessel and equipped with measuring and manipulation equipment. A cable to the mother-vessel provides power, video and data communication.

## Financial terms

### Alternative Performance Measures

Fugro uses non-GAAP financial measures or alternative performance measures (as defined by European Securities and Market Authority). These measures are not recognised by IFRS-EU and may not appear on the face of the primary statements. The measures adjust the reported IFRS-EU results, which facilitate a users' understanding of the company's underlying operational performance, liquidity or financial position and trend development. This information may provide additional insights into the company's business, its past results, and its potential for future prospects. All of these measures, disclosed in the list of financial terms below and used by management, are included in this annual report. As of 2019, Fugro has considered European Securities and Market Authority guidelines on alternative performance measures. As a result, certain items are no longer be labelled as 'exceptional items' and these items are instead labelled as 'adjustments'. Terminology has changed to adjusted EBIT, adjusted EBIT margin, adjusted EBITDA, etc.

**Backlog** The amount of revenue related to signed contracts and work that can reasonably be expected based on framework contracts and outstanding tenders and proposals of which a good chance of success is expected (>50%) weighted with the likelihood of winning this work. Regarding Seabed Geosolutions, only signed contracts are taken into account.

**Backlog – comparable growth** Backlog growth corrected for currency effect and for portfolio and other changes.

**Capital employed** Total equity plus loans and borrowings and bank overdrafts, minus cash and cash equivalents. Capital employed is calculated at the end of the (full or half year) reporting period.

**Cash flows from operating activities after investing activities** Net cash provided by operating activities minus net cash flows used for investing activities. Also referred to as Free Cash Flow.

**Currency comparable growth** Reported revenue growth versus comparable period last year at last year's exchange rates

**Days of revenue outstanding (DRO)** Trade receivables plus the unbilled revenue on (completed) projects minus advance instalments to work in progress expressed as a number of days. The number of days is calculated backward based on monthly revenue.

**Dividend yield** Dividend as a percentage of the (average) share price.

**EBIT** Reported result from operating activities before net financial expenses and taxation.

**Adjusted EBIT** Reported result from operating activities before net financial expenses and taxation, adjusted for the following items:

- Impairment losses
- Onerous contract charges
- Restructuring costs
- Certain adviser and other costs or gains

**Adjusted EBIT margin** Adjusted EBIT as a percentage of revenue for the relevant period.

**EBITDA** Reported result from operating activities before net financial expenses, taxation, depreciation, amortisation, and impairment losses.

**Adjusted EBITDA** Reported result from operating activities before net financial expenses, taxation, depreciation, amortisation, and impairment losses, adjusted for the following items:

- Onerous contract charges
- Restructuring costs
- Certain adviser and other costs or gains.

**Adjusted consolidated EBITDA for purpose of covenant calculations** EBITDA, adjusted for the following items:

- Exclusion of (i) the impact of IFRS 16 ('frozen GAAP'), (ii) onerous contract charges, (iii) restructuring costs, (iv) certain adviser and other costs or gains, (v) impairment charge trade receivables, (vi) profit/(loss) on disposal of property, plant and equipment and (vii) profit/(loss) from businesses disposed of for the period for which they formed part of the Group
- Inclusion of (viii) pre-acquisition profit/loss from businesses acquired
- The aforementioned items are capped at a certain amount

**Free cash flow** See 'Cash flows from operating activities after investing activities'.

**Interest cover** Result from operating activities (EBIT) divided by the net interest charges.

**Net debt** Loans and borrowings, bank overdraft minus cash and cash equivalents.

**Net debt for covenant purposes** Loans and borrowings (not including the subordinated unsecured convertible bonds), net liabilities under or pursuant to swaps, bank overdraft minus cash and cash equivalents.

**Net interest charges** Interest payable on loans and borrowings, less interest income received (net financial expenses).

**Net profit margin** Profit as a percentage of revenue.

**Net result** Profit or loss for the period, attributable to the owners of the company.

**Net revenue own service (revenue less third party costs)** Net revenue own service comprises all revenue minus costs incurred with third parties related to the deployment of resources (in addition to the resources deployed by the Group) and other third party cost such as short-term lease or low-value lease expenses and other expenses required for the execution of various projects.

**NOPAT** Net operating profit after tax excluding net finance income/(expenses).

**Operating cash flows before changes in working capital** Net cash provided by operating activities excluding the impact of movements in working capital during the period.

**Pay-out ratio** Proposed dividend, multiplied by the number of shares entitled to dividend, divided by one thousand, divided by the net result.

**Revenue – comparable growth** Revenue growth corrected for currency effect and for portfolio and other changes.

**Return on capital employed** NOPAT as a percentage of a three points average capital employed. The three points consists of the last three reporting periods. The following items (post-tax) are added back both in the NOPAT as well as the capital employed for the same period:

- Impairment losses
- Onerous contract charges
- Restructuring costs
- Certain adviser and other costs or gains.

**Solvency** Shareholders' equity as a percentage of the balance sheet total.

**Working capital** The sum of inventories, trade and other receivables and trade and other payables.



## **COLOPHON**

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### **Realisation**

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Various Fugro colleagues

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