2020

1975

45 years of Brunel

Annual report 2020

Brunel International N.V.

Brunel

Annual report 2020
Brunel International N.V.

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CEO statement

In 2020 we wanted to celebrate 45 years of Brunel. Clearly this was not a year for celebrations, but a year for adjustments and reflections. Still, 2020 was a year to be proud of Brunel.

Jan Brand founded this company on July 1st, 1975 in Delft. With his entrepreneurial spirit and smart sense for client needs, he took the carveout 'ASA Technisch Kader' and turned it into Multec which later became Brunel.

The simple goal of the company was and still is: connecting specialists. Attracting highgly-skilled professionals and connecting them with pioneering projects at our industry leading clients. That is what we do every day: each of us is committed to this strategic goal and knows how to improve and optimise these connections.

Brunel is 45 years part of society, 45 years of taking responsibility for the development of talented colleagues, 45 years of committing to create a better future for professionals and to create a better planet for future professionals. Every day we make sure we find inspiring jobs for our specialists with fair and instant compensation. We are passionate about people and invest constantly in the future and sustainable skills of all Brunellers. Every day we help our clients in their energy and digital transition with these highly skilled specialists.

Brunel colleagues are united in the Brunel Foundation, through which we support additional 'people' and 'planet' projects. Through many local and multi regional initiatives we've helped people with autism getting closer to a job. To protect the planet we've limited our own footprint and supported initiatives to get plastic out of nature and specifically out of water.

The year 2020 was in many aspects a unique challenge for all Brunellers. The global pandemic had a deep impact on the personal lives of many colleagues and clients. I am very sorry for the losses that many had to cope with.

Jilko Andringa - CEO Brunel International N.V.

In this tough year, I have seen a resilience and a unique fighting spirit in the teams that I met online. With this spirit and with our result-driven mindset we created a 4-level response plan:

First we needed to focus on the health and safety of our specialists, internal colleagues, clients and other stakeholders. Our local/global approach in crisis management worked well. Through very regular communication and the +1 mentality we helped each other through this year.

Secondly we needed to make sure we had enough cash to guarantee our continuity. As you can see in this annual report we have been successful in creating a very strong financial position through 2020.

Next we needed to adjust our cost base to the lower activity level. Where in the years before we invested in our infrastructure for the expected growth in our markets, we now needed to quickly adjust this approach. In 2020 we have shown our operational discipline and speed of execution in this field. It was hard for the individuals involved, but we reduced our operating costs significantly and protected our profitability.

With being 'in control' of the first three items quickly, we were able to re-focus on new opportunities and innovations in the second half of the year. With our leaders we reconfirmed our journey to higher margin business and we won multiple projects where our added value is clearly recognized by our clients and our specialists.

So 2020 is indeed a year that made me proud. Proud of our resilience, proud of our execution power, proud of our very high engagement with clients, specialists and internal colleagues. And looking at the dramatic circumstances, also proud of our results.

Brunellers around the world, thanks for your deep commitment to our values, our brand and executing our plan.

Jilko Andringa
CEO

45 years of Brunel

Looking back at 45 years of Brunel through the eyes of our people

45 years ago, one Dutch man named Jan Brand helped a fellow engineer find a local job. Today, Brunel is connecting specialists with pioneering projects in over 40 countries and 100 locations worldwide.

A lot's happened since 1975. Many different faces, talents and nationalities have walked through Brunel's offices, and many memories have been made, challenges overcome, hurdles jumped, opportunities seized, life-long relationships formed. And while our celebrations were dampened by the circumstances of 2020, we're still immensely proud of how Brunel has grown, developed and transformed in the past 45 years – an accomplishment that would have been impossible without our 12,000 amazing colleagues and contractors worldwide.

Throughout this year's annual report, our Brunel employees, contractors, and clients from around the world have shared their favorite Brunel memories from the past 45 years. Take a look around, read their stories, and soak in the nostalgia with us. Through their personal anecdotes and memories, the history of Brunel is told through the eyes of those that make the company a success – our great people.

Here's to many more years of connecting specialists with pioneering projects, so that both can keep growing and succeeding.

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Corporate profile

Brunel was founded in 1975 by graduate engineer Jan Brand. Starting with the placement of a single fellow engineer, the foundation was laid for what became a global provider of business services that specialises in the flexible placement of professionals. Over the years, the company has continued to grow and diversify, but has always maintained Jan Brand's original focus: placing highly qualified, mainly technical, specialists.

Diverse services and markets

Brunel offers a diverse portfolio of services globally to help clients meet their business needs. Locally executed and globally connected, we're highly experienced across our main industries of renewables, life sciences, mining, oil and gas, automotive and infrastructure.

Dream and ambition

Brunel's passion for people is our inspiration in connecting specialists with clients across the globe. By encouraging our networks to connect with each other, we ensure that all individuals have the opportunity to learn and grow. Together, we create and connect one of the largest groups of talented and experienced specialists in the world.

A truly global business

Today Brunel is an international group with a strong global brand. Operating from its own international network of over 100 branch offices in 42 countries, we have 11,669 employees and an annual revenue of EUR 893 million (2020).

Management of Brunel

Drs. J.T. (Jilko) Andringa

Chief Executive Officer, male (1966)

Jilko Andringa was appointed Chief Executive Officer of Brunel International N.V. on 7 December 2017.

His most recent position before transferring to Brunel was as President Northern Europe of ManpowerGroup. Before that Jilko Andringa held management positions at Randstad.

Andringa started his career at Exxon (Esso) Benelux. He completed his major in Business Economics and Marketing at the University of Groningen.

Other directorships: member of the supervisory board of EW Facility Services.

Drs. P.A. (Peter) de Laat, RA

Chief Financial Officer, male (1972)

Peter de Laat was appointed Chief Financial Officer of Brunel International N.V. on 1 May 2014 and reappointed on 14 May 2018.

After having obtained his Master Degree in Business Economics, Peter de Laat worked for sixteen years with Deloitte Accountants and was, amongst other members of the team, responsible for the audit of Brunel.

In 2012, De Laat joined Brunel and from April 2013 held the position of Director Finance and Control.

A.G. (Graeme) Maude

Chief Operating Officer, male (1967)

Graeme Maude was appointed Chief Operating Officer of Brunel International N.V. on 29 June 2020, effective 1 July 2020.

Graeme Maude has held various national and international senior positions with leading players in the market, most recently with RGF Staffing (part of Recruit Holdings) as Chief Operating Officer. Before joining RGF, he worked for 8 years at a professional staffing company, lastly as managing director.

Maude started his career at Deloitte, earning his title as a chartered accountant in 1993.

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Financial highlights

x EUR million, unless stated otherwise

	2020	2019
Profit		
Revenue	893	1,041,1
Gross Profit	191	209,4
Operating costs	163	192,0
Operating profit (EBIT)	29	17,4
Result before tax	29	16,4
Tax	11	16,3
Group result after tax	18	0,1
Net income	16	3,8
Ratios		
Change in revenue on previous year	-14.3%	13.8%
Gross margin	21.4%	20.1%
Operating profit / Revenue	3.2%	1.7%
Group result after tax / Revenue	2.0%	0.0%
Balance		
Working capital	28	225
Group equity	275	274
Balance sheet total	426	437
Net cash flow	68	-16
Ratios		
Shareholders' equity / total assets	64.5%	62.6%
Current assets / current liabilities	2.90	2.67
Workforce		
Employees total (average)	11,669	13,677
Employees direct (average)	10,227	12,046
Employees indirect (average)	1,442	1,631
Employees total (year-end)	10,751	12,948
Employees direct (year-end)	9,437	11,352
Employees indirect (year-end)	1,314	1,596
Shares in EUR		
Earnings per share (basic and diluted)	0.31	0.08
Shareholders' equity per share	5.39	5.50
Dividend per share	0.30	0.00
Highest price	9.13	14.46
Lowest price	4.58	8.09
Closing price at 31 December	7.30	9.01

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Report from the supervisory board

We hereby present the report of the supervisory board for the year 2020

Annual accounts 2020

The annual accounts and the notes thereto have been audited by PricewaterhouseCoopers Accountants N.V., who provided an unqualified audit opinion.

The supervisory board concurs with the proposal of the board of directors to distribute a dividend of EUR 0.30 per share.

The annual accounts will be submitted to the general meeting of shareholders for adoption by the shareholders on 11 May 2021. We recommend the general meeting of shareholders to adopt the annual accounts and discharge the members of the board of directors.

Position and major topics 2020

The supervisory board looks back on a tough 2020 in which the COVID-19 pandemic has led to global recession and a drop in oil prices. Brunel had to adjust and manage through this downturn by aligning our organisation to the current business climate, whilst keeping an eye on the future as there are most definitely also opportunities. In some countries like Germany and Singapore, government support schemes helped us to ensure continuous employment of specialists. Once travel bans will be lifted and quarantine requirements will be relaxed, we expect to pick up growth again.

The supervisory board has closely monitored the progress and completion of the last project of Brunel Industry Services in the United States of America.

Other topics covered

During the last financial year, the supervisory board paid particular attention to the subject of innovation. With the launch of the Innovation Hub on the internal Connect platform, the board of directors encourages all Brunellers to share and shape their ideas to create new services and business models. Further, the supervisory board has been updated on the developments of digital solutions that will allow us to offer higher quality services to our clients and professionals.

The supervisory board is pleased with the strengthening of the board of directors with the international experience of chief operating officer Graeme Maude.

Besides these items, and the periodical financial performance reviews, topics discussed during the year under review were: risk assessment and risk management, fraud risk, the group's working capital, cash position, privacy and cybersecurity, and new employment legislation. These discussions included presentations by the board of directors on strategy, operations and financial performance.

The national and international laws and regulations relating to the company cover areas such as employment, work permits, health and safety, anti-bribery and corruption, economic and trade sanctions, foreign exchange and taxes. The supervisory board has discussed how compliance with relevant laws and regulations can be ensured. Non-compliance is reported via the periodic consultation with the supervisory board. The supervisory board obtains information from the board of directors regarding the extent and nature of various regulations and how compliance is monitored internally.

The group equity/total assets solvency ratio of the company is 64.8% and the cash position remains healthy.

The objective to fund the projected growth from its own resources is achievable.

Corporate governance

The members of the board of directors and supervisory board are responsible for compliance with the Dutch corporate governance code (the 'Code') and maintaining the corporate governance structure. They are collectively accountable towards these issues to the general meeting of shareholders. Once a year, compliance with the best practice provisions of the Code is discussed with the board of directors.

Appointment and selection

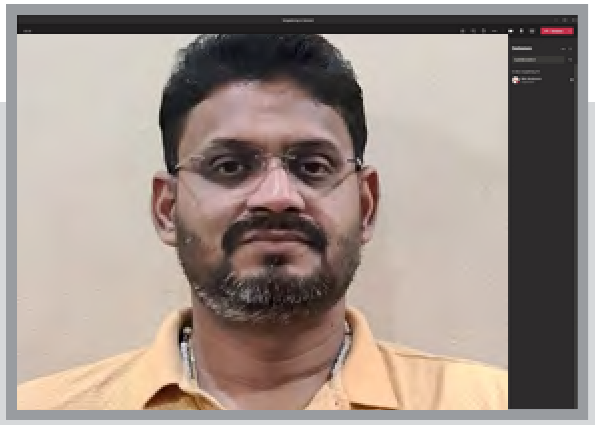
The members of the supervisory board are appointed for a term of four years and may thereafter be reappointed for another four-year period. They may then subsequently be reappointed again for a period of two years, which appointment may be extended at most two years. Candidates nominated for appointment or reappointment must meet the criteria as shown in the drawn-up profile

In deviation of best practice provision 2.2.2 of the Code, the annual general meeting of shareholders of 16 May 2019 reappointed Mr Schouwenaar for an additional term of two years in addition to his term of eighteen years, because of Mr Schouwenaar's specific expertise and the phase Brunel was in.

In the five years prior to his appointment as member of the supervisory board, Mr van Barneveld was director of the company and is therefore not considered independent within the meaning of best practice provision 2.1.8 of the Code. The supervisory board is of the opinion that his personal qualities and acquired knowledge and insight into the company and the specific markets in which Brunel operates are retained for the company. Mr van Barneveld fits the profile drawn up by the supervisory board and is suitable for the performance of the duties of a member of the supervisory board.

George Thomas

KUWAIT CITY, KUWAIT



Brunel is the best!

In October 2010, I joined a global petrochemical company through Brunel. I'm working as construction QA/ QC in the Engineering and Construction department for the petrochemical company.

Through my ten years of journey in Brunel, I am proud to be a part of this team as it is one of the best companies in the world. I have received several opportunities to learn, develop and gain invaluable experience within a multi-national team. I firmly believe that Brunel provides an exemplary focus on people and presents opportunities for individuals to progress and develop across a range of diverse career paths.

I received a lot of opportunities to work on different company projects such as Turnaround 2014, PE De-bottleneck projects and Turnaround 2017. Brunel mobilized workforces safely, timely and exceeding all requirements which were appreciated by the management team.

I am immensely proud to be associated with one of the most ethical companies to work for, and organization that helps make a difference in the world. It's been an incredible ride, remarkable years of warmth, friendship and support. Brunel is truly an employ-oriented organization. I am delighted being at a company that continues to grow and expand its reach. Brunel is a great place to grow both personally and professionally.

They value their workforce and encourage long-term careers.

Keep up the great work! Happy 45th-year celebration.

NAME GEORGE THOMAS
JOB TITLE CONSTRUCTION QA/QC
YEARS WITH BRUNEL 10
OFFICE KUWAIT CITY, KUWAIT

45 years of Brunel

Composition of the supervisory board

Drs. A. (Aat) Schouwenaar
chairman
(b. 1946, male, Dutch)

Appointed:
AGM May 2001

Current term:
2019-2021

Former main directorship:
chairman of the management board and CEO of Endemol B.V.

Other directorships:
vice-chairman of the supervisory board of Asito Dienstengroep S.E.
member of the supervisory board of Stadion Amsterdam N.V.
member of the supervisory board of Dutch Star Companies TWO N.V.

Drs. J.J.B.M. (Just) Spee
vice-chairman
(b. 1965, male, Dutch)

Appointed:
AGM May 2017

Current term:
2017 - 2021

Former main directorship:
CEO of Endemol B.V.
CEO of Stage Entertainment B.V

Other directorships:
president of the Royal Netherlands Football Association (KNVB)
chairman of the supervisory board of Stichting Nederlands Comite Unicef
vice-chairman of the supervisory board of Stichting OLVG
member of the supervisory board of Attractiepark and Camping Duinrell B.V.
member of the supervisory board of Asito Dienstengroep S.E.

Drs. J.A. (Jan Arie) van Barneveld
supervisory board member
(b. 1950, male, Dutch)

Appointed:
EGM December 2017 as per 1 March 2018

Current term:
2018 - 2022

Former main directorship:
CEO of Brunel International N.V.

Other directorships:
member of the supervisory board of Museum Boijmans Van Beuningen
chairman of the supervisory board of B&S Group S.a.r.l.
member of the advisory board of Boels Topholding B.V.
member of the supervisory board of Beheermaatschappij De 4 Elementen B.V.

Prof.dr.ir. K. (Kitty) Koelemeijer
supervisory board member
(b. 1963, female, Dutch)

Appointed:
AGM May 2019

Current term:
2019-2023

Profession:
full professor of Marketing and Retailing and Director of the Marketing and Supply Chain Center at Nyenrode Business University.

Other directorships:
vice-chairman of the supervisory board of Intergamma Coöperatief U.A.
member of the supervisory board of B&S Group S.a.r.l.
member of the supervisory board of Centraal Boekhuis B.V.
member of the supervisory council of Vereniging Eigen Huis
member of the supervisory board of Coram International B.V.
member of the supervisory board of Fonds Gehandicaptensport
committee member of Nederlandse Vereniging Poppodia en Festivals

Diversity of the supervisory board

The aim is to achieve a balanced composition of the supervisory board, where the combination of different experiences, backgrounds and skills of its members best enables the supervisory board to discharge its various obligations in relation to the company and its stakeholders. The aim is also to achieve a balanced ratio of men and women on the supervisory board. The target in this respect is to have at least 30 percent of the seats on the supervisory board occupied by women. Currently the representation of female members within the supervisory board is 25 percent.

The aim for a balanced participation of women and men was taken into consideration in the appointment and reappointment. For a subsequent vacancy on the supervisory board, the selection and appointment committee in its search criteria shall once again specifically indicate that female candidates are desired for the position.

Supervisory board members' meeting attendance 2020

Supervisory board members	Supervisory board	Audit committee	Remuneration committee
Drs. A. (Aat) Schouwenaar	10/10	5/5	1/1
Drs. J.J.B.M. (Just) Spee	10/10	5/5	1/1
Drs. J.A. (Jan Arie) van Barneveld	10/10	5/5	1/1
Prof.dr.ir. K. (Kitty) Koelemeijer	10/10	5/5	1/1

In 2020, the supervisory board held five regular meetings all of which were attended by the entire board of directors and supervisory board. In addition, five telephone conferences took place, all of which were attended by the entire board of directors and supervisory board. The supervisory board further held five closed meetings that were not attended by the board of directors.

Attendance to the meetings

Outside the regular meetings there was also contact between members of the supervisory board, as well as with members of the board of directors. The chairman of the supervisory board met with the chief executive officer on a regular basis to discuss various issues, in particular the business situation, special business transactions and the overall situation of the Brunel-group. The chairman of the supervisory board regularly informed the other members about the content of these meetings.

Committees

According to the guidelines of the Code, Brunel is not obliged to set up separate audit, remuneration and selection and appointment committees. However, Brunel has had an audit committee since 2001 and has opted to retain the structure. Since August 2018, all members of the supervisory board are also members of the audit committee.

The complete supervisory board also serves as the remuneration and selection and appointment committees. By-laws and terms of reference for both the supervisory board and its committees are posted on the company's website.

Evaluation of the board of directors

The evaluation of the performance of the board of directors, and of its individual members were discussed in the absence of the board of directors.

Self-evaluation of the supervisory board

At a private meeting, the supervisory board reflected on its own performance and that of its individual members, and members received individual feedback from the chairman of the supervisory board. In its own estimation, and in accordance with best practice provision 2.1.4 of the Code, the supervisory board has a balanced composition of knowledge and experience.

The results of the self-evaluation led to the conclusion that the supervisory board is satisfied with its own performance. The composition of the supervisory board is such that the members can operate independently and critically vis-à-vis one another, the board of directors, and any particular interests involved within the meaning of best practice provisions 2.1.7, 2.1.8 and 2.1.9 of the Code.

Remuneration committee

This committee, chaired by Mr Spee, oversees the remuneration policy to be pursued with regard to the board of directors, assesses remuneration including the short-term and long-term bonuses of the members of the board of directors, and prepares the remuneration report. The remuneration committee submits the proposal to the supervisory board concerning the remuneration of individual members of the board of directors.

The proposal is drawn up in accordance with the remuneration policy that has been established and will, in any event, cover the remuneration structure, the amount of the fixed and variable remuneration components, the applicable performance criteria, the scenario analyses that are carried out and the pay ratios within the company and its group companies.

The remuneration committee met once in 2020.

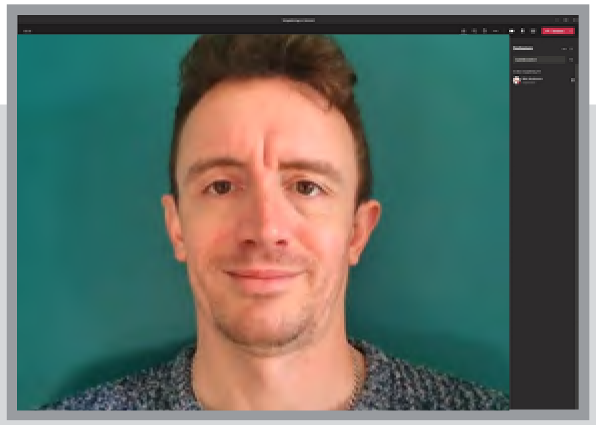
Remuneration policy

Following the implementation of the EU Shareholder Rights Directive II in the Netherlands, the revised remuneration policy has been adopted by the annual meeting of shareholders of 14 May 2020. The supervisory board believes that the remuneration policy expedites the short-term operational performance and the objectives for the strategy for long-term value creation within the meaning of the best practice provision 1.1.1 of the Code.

The remuneration of the members of the board of directors is compliant with the Dutch

Oliver Hague

MANCHESTER, UNITED KINGDOM



6.5 years of change

It's amazing how much can change and just how impossible it really is to answer the question "where do you see yourself in 5 years?"

I joined a thriving team filling hundreds of jobs a year all over the world as the oil market boomed. I've witnessed a global crash which saw investments vanish and hundreds of thousands of careers either put on hold or ended entirely.

Since then things have recovered in slow bursts, and the pace of change in the world has accelerated as the decarbonization movement grows stronger.
I've recruited for crews on oil rigs, engineering managers responsible for projects worth billions of dollars, visited head offices of global oil companies and met so many amazing people.

From the Brunel perspective, the branding might be different now, but one thing has been consistent across these years and all the change - the people.

Brunel really is a family.

NAME OLIVER HAGUE
JOB TITLE MARKETER
YEARS WITH BRUNEL 6
OFFICE MANCHESTER, UNITED KINGDOM

Management and Supervision Act ('Wet Bestuur and Toezicht'), including the applicable requirements for claw back procedures on bonuses. Their severance pay is limited to one year's salary. They have no entitlement to severance pay if the director terminates the agreement early or is guilty of seriously culpable or negligent conduct.

The remuneration structure for the board of directors is designed to balance short-term operational performance with the long-term objectives of the company, with due regard for the risks to which variable remuneration may expose the company, assuring that the interest of the members of the board of directors and supervisory board are closely aligned to those of the company, its business and its stakeholders.

Before the remuneration policy as a whole is determined, and the level of remuneration of individual board members is fixed, scenario analyses are performed of the variable remuneration components and the consequences that they could have on the level of remuneration of the board members, with due regard for the employment conditions of the employees of Brunel, including their remuneration and the development of relevant pay ratios, compared to those of the members of the board of directors and supervisory board. In determining the level and structure of the remuneration of board members, both financial and non-financial indicators relevant to the long-term objectives of the company are considered. The remuneration package, following the adoption of the remuneration policy, contains three components: a fixed compensation, a short-term variable component, and a long-term variable component.

The variable component of the total remuneration package is performance related. It consists of short and long-term components. Performance targets and conditions are derived from our strategy and annual business plans. The targets are assigned prior to the relevant year and the supervisory board assesses realisation after year-end. The short-term incentive compensation is paid in cash. The short-term bonus scheme for the members of the board of directors rewards both financial performance and non-financial individual performance. Both elements are weighted equally.

The quantitative targets reflect the financial parameters considered by the supervisory board to be critical regarding the realisation of Brunel's strategic objectives. The supervisory board ensures that the targets agreed are both challenging and realistic. The short-term bonus may not exceed 75% of the fixed annual salary of the chief executive officer. For other board members the maximum bonus opportunity is 50% of the fixed annual salary. The realisation of each financial or individual target can independently result in bonus payment. The supervisory board allocates the bonus based on the achievement of the targets of members of the board of directors and determines the associated pay out.

The remuneration report outlines the remuneration policy, provides a description of implementation of the remuneration policy in 2020, and sets out the remuneration of the members of the board of directors. The remuneration policy and remuneration report are posted on the company's website.

Audit committee

The audit committee is chaired by Mr. Spee. All members of the supervisory board are also members of the audit committee. The board of directors, the internal auditor and the external independent auditor attend the audit committee meetings. The supervisory board selects the external independent auditor. The audit committee has a supervisory role regarding the integrity of the internal and external financial reports of the company, risk management, and information technology.

The audit committee met five times in 2020: prior to the publication of the full-year 2019 figures, prior to announcing the quarterly results and to discuss the external independent auditor's audit plan for 2020 and interim findings.

The discussion on the scope of the audit included 2020 key audit matters as identified by the external independent auditor.

Recurring items for the audit committee meetings such as risk assessment and risk management, tax compliance, IT systems, internal controls, compliance with laws and regulations, and the quality of the finance function were discussed. Furthermore, the set up and performance of the commercial team, that monitors and strengthens contractual risk management, has been evaluated.

Appointment of external independent auditor annual accounts 2021

It will be proposed to the Annual Shareholders Meeting on 11 May 2021 that PricewaterhouseCoopers Accountants N.V. be the external independent auditor for our annual accounts of 2021.

Internal control

From an internal control perspective, Brunel is organised in regions and countries. In each region and country, a financial controller is responsible for internal control for the activities in his/her area. These financial controllers meet with the CFO on a monthly basis. Furthermore, compensation and hiring/dismissal of these financial controllers is the responsibility of the CFO in order to provide sufficient independence towards local general managers. Besides the local controllers, Brunel has a separate team of controllers in Amsterdam in the Corporate Finance and Control (CFC) department. Core competences are auditing, reporting and controlling. The majority of the CFC team members have worked with a big four audit firm before joining Brunel. In addition to group reporting, CFC performs internal control activities, both in desktop reviews and during site visits. Normally, CFC members visit all entities at least once every two years and visit significant or high risk entities multiple times a year. As a response to the travel limitations, CFC has intensified contact with the regions and have performed more in depth financial reviews at a higher frequency. CFC also provides the group with accounting manuals and guidelines for internal control procedures, as well as a multiday global meeting with the local financial controllers.

Internal audit function

The internal auditor reports to the audit committee. The purpose of Brunel's internal audit function is to provide independent, objective assurance and consulting services designed to add value and improve Brunel's operations. The mission of internal audit is to enhance and protect organisational value by providing risk-based and objective assurance, advice, and insight. The internal audit function helps Brunel accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes. The internal auditor reports functionally to the audit committee and administratively (i.e., day-to-day operations) to the board of directors.

Sven Oblonczek

ESSEN, GERMANY

My proudest moment

After my mechanical engineering studies, Brunel enabled me to kick-start my professional life. I worked as a technical project assistant for a major construction company in project management and was thrown right in at the deep end.

So, there I was sitting with another colleague in a major construction project that had been running for some time. One particular topic had not been in the foreground until then: the topic of explosive ordnance clearance. Even after so many years following a World War, there are still many explosive ordnances in the ground which must be found and removed to ensure that a pipeline can be built and operated safely.

The task was therefore clear, but the procedure was not, this was my greatest challenge and my proudest moment. Together with my colleague, we held meetings and worked out a procedure and a documentation process that enabled us to complete the explosive ordnance investigation before construction. We suffered setbacks again and again because the weather thwarted our plans or the harvest-season limited our options. With everything now resolved and being able to watch the pipeline being built makes me particularly proud, none of this would have been possible without our good preparatory work. The proudest moment during my Brunel time was to see the construction site and have the knowledge that the construction of the pipeline was made possible due to my work.

NAME SVEN OBLONCZEK
JOB TITLE TECHNICAL PROJECT ASSISTANT
YEARS WITH BRUNEL 1
OFFICE ESSEN, GERMANY

Risk and internal risk management systems

During 2020, the audit committee also discussed with the board of directors the updated risk assessment that was performed by the board of directors in cooperation with commercial management and the regional financial controllers. This concerns risks associated with the strategy and the nature of the business, and the way that the board of directors monitors the design and operation of the internal risk management systems. Risk assessment and risk management systems are being further embedded in the reporting structure to support decision making and achieving of strategic objectives in the coming years. The operational and strategic risks related to the company are described in the section "Risks, risk management and control systems" of this annual report.

Information and communication technology

In 2020, an update on the IT strategy was discussed as well as developments on existing IT infrastructure.

Financial reporting

The board of directors informed the supervisory board on the processes for the preparation of the financial reports and how the quality of the financial reporting is monitored. Based on this and the report of the external independent auditor, the supervisory board believes the board of directors adequately interprets its responsibility for the quality of the financial information.

Dialogue with the external independent auditor

The audit committee has discussed the annual accounts, annual report, supervisory board report, management letter and risk management policy with the board of directors and the external independent auditor. The supervisory board assessed the independence of the auditor. It was concluded that threats to independence are absent. The supervisory board believes that the external independent auditor provided the supervisory board with all relevant information in order to exercise its supervisory responsibilities.

Relationship with shareholders

The supervisory board discussed with the board of directors how to consider the interests of shareholders as well as the issues raised by shareholders at the last annual general meeting of shareholders. The supervisory board believes that the company acted in a constructive and careful way regarding the shareholders' interests.

Others

The supervisory board approved the operational and financial objectives of the company, and also approved the strategy designed to achieve the objectives and the preconditions associated with that strategy.

The supervisory board endorsed the board of directors' efforts on corporate social responsibility and the particular aspects that are relevant to the enterprise.

Furthermore, no matters occurred which, under the law, the statutes or the Code, requires the approval of the supervisory board.

Aurriza Gosseye

MECHELEN, BELGIUM

If not now, then when?

I have always had the urge to travel the globe but never really got to it. Then one day another colleague and I were talking about it and we thought to ourselves 'if not now then when?!'.

The trip would be long (6 months to be exact) and we had no idea what our direct managers and Managing Director would think of the idea. So with some uncertainty, we explained our plan to management.

They had some questions to say the least, but you cannot imagine how ecstatic we were when they told us they were okay with it. Best of all they informed us that we would be welcome to come back to our old jobs!

This demonstrates Brunel's true face. A passion for their people, enabling dreams and goals to become a reality (whether it be personal or professional). I truly regard Brunel not just as an employer, but as a family. Following after this amazing trip, we were so happy to return to them and will be forever thankful for this opportunity.

I mean, How many people can say this about their employer?

NAME AURRIZA GOSSEYE
JOB TITLE TALENT HUNTER ICT
YEARS WITH BRUNEL 10
OFFICE MECHELEN, BELGIUM

Conflicts of interest

In 2020, no matters occurred involving conflicts of interest of directors, supervisory board members, shareholders and/or external independent auditor that are of material significance to the company and/or the respective directors, members, shareholders and/or external independent auditor. Information on related party transactions is included under note 22 to the annual accounts.

Amsterdam, 12 February 2021

The supervisory board

A. Schouwenaar - chairman
J.J.B.M. Spee - vice-chairman
J.A. van Barneveld
K. Koelemeijer

5

Report from the board of directors

Long-term value creation through a sustainable strategy

We believe Brunel should be run with a long-term view and a sustainable strategy firmly in mind. Our approach is to take into account the views of Brunel stakeholders and our own understanding of the company's impact on wider society. Therefore, sustainability to us means being in business for the long term. In particular, it means achieving a sustainable financial performance and profitable growth, facilitating the long-term employability of specialists and professionals, building long-lasting relationships with customers and suppliers, keeping track of new technologies, meeting stakeholder expectations and investing in communities where we operate in.

Passion for people is our inspiration in connecting specialists with clients across the globe. Over eleven thousand people, comprising nearly one hundred different nationalities, work at local and international businesses for and on behalf of Brunel worldwide. We take responsibility for these specialists and provide them with good terms of employment, safety, security and to support them in their career development.

Successful customer engagement, experience and loyalty strategies require data-driven, creative, customer-centric approaches that leverage the latest technologies to deliver outstanding service and value to customers. Digital roadmap and Innovation hub are Brunel's initiatives that use technology and creativity to better connect the customer with the business.

Our corporate social responsibility strategies focus on people and planet. Under this framework, we have rolled out different initiatives that aim to create a better future for professionals and a better planet for future professionals. In particular, through Brunel Foundation we support the UN sustainable development goals (SDGs) by: helping future, young and senior professionals with a distance to the labour market; and helping increase environmental consciousness and sustainability by raising awareness for clean seas and our own environmental footprint.

Business model

Our mission, vision and core values define what Brunel is trying to achieve and how we want to conduct business. Brunel's business model has resulted in quality service delivery, manageable risks, and generally a business that achieves growth and creates value for its stakeholders.

SOCIAL AND RELATIONSHIP CAPITAL

A long-lasting global brand

1975 started up in the Netherlands
1980's first foreign office in Belgium
1990's founded Brunel Energy in Asia, Americas, Europe
Early 2000's working on global supplier agreements

Clients

Over 40 years of working experience with industry leading clients from more than 35 areas of specialisms

Culture

A deep root of engineering culture
Culture of compliance
Commitment to high standards of integrity
Effective corporate governance and risk management

Communities

Provide local employment
Build professional communities

INPUT 2020

HUMAN CAPITAL

Passionate and results-driven internal employees are critical for Brunel to provide quality service to clients and career advancement opportunities for specialists
Talented specialists focus on deliverables, innovation and creativity

FINANCIAL CAPITAL

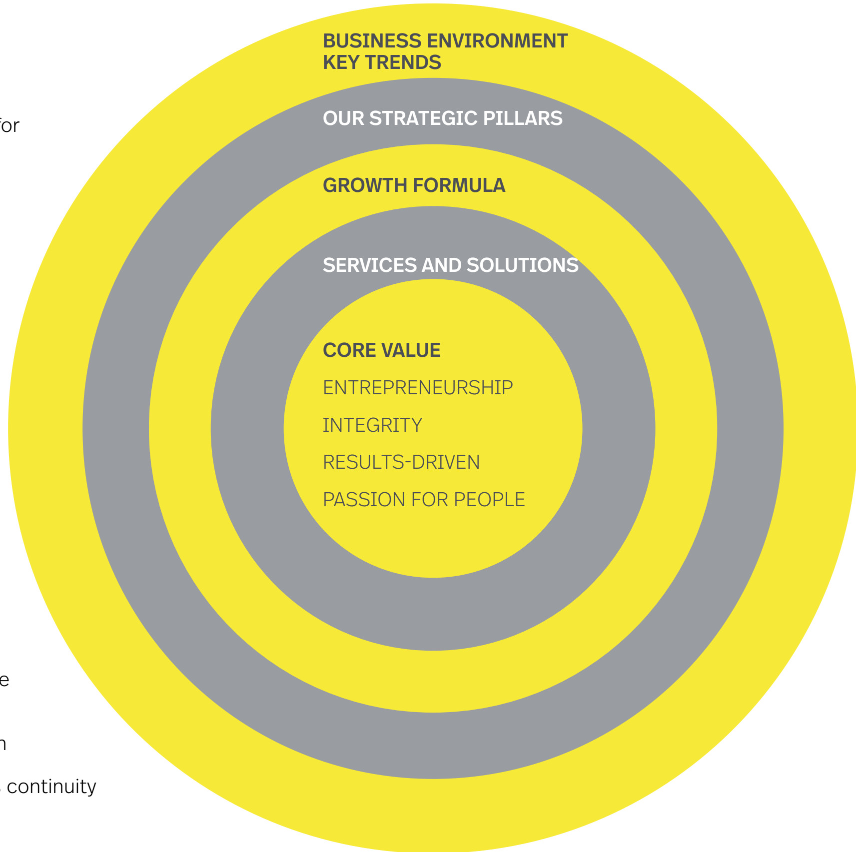
1997 listed on the Stock Exchange
Solid balance sheet to support growth strategy with limited need for external financing
Track record of good returns on capital investments

INTELLECTUAL CAPITAL

Local expertise and sensitivity to national differences
Knowledge of global clients and talents
Knowledge of regulatory compliance
Streamlining processes to improve productivity and efficiency

MANUFACTURED CAPITAL

Robust Information Technology applications and infrastructure connecting all Brunel entities worldwide to meet business objectives in terms of availability, resilience and reliability.
Established 7 regional hubs to facilitate more than 100 branch offices in over 40 countries across 6 continents
Alternate operating facilities and solutions to ensure business continuity



OUR VISION AND MISSION

Team Brunel is a unique professional community for all its stakeholders

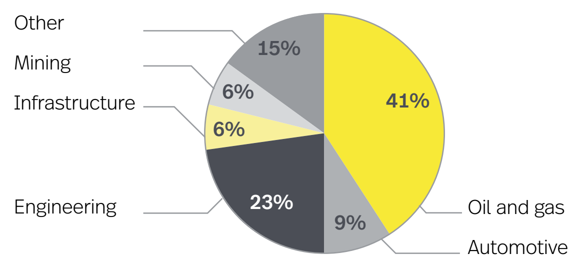
Dream - our passionate and results-driven internal employees make sure that talented specialists, along with industry leading clients, gravitate towards Brunel. United in moving people forward, we pair talent with projects, so both can reach their full potential in the fast changing marketplace

Ambition - Brunel delivers stakeholder satisfaction and records revenues and profitability

OUTPUT 2020

PROFITABILITY AND GROWTH

During this year, achieve the revenue of EUR 893 million, EBIT of EUR 29 million and a dividend to shareholders of EUR 0.30 per share.



HIGHLY SKILLED WORKFORCE

By the end of 2020, we are employing over 13,000 international and local employees with technical background in the countries where we operate in, alongside investment in the training and well-being of staff and local community

STAKEHOLDER SATISFACTION

Engage stakeholder groups and create long-term value and satisfaction for our employees, contractors and clients

CONTRIBUTIONS TO CORPORATE, SOCIAL AND ENVIRONMENTAL INITIATIVES

We help create a better future for professionals and a better planet for future professionals. CO2 emission

HOW WE CREATE VALUE

Invest in strategic positioning

Becoming a leading specialist in chosen global specialisms and building accounts, knowledge, communities and specialists

Innovation

Providing added value in selected specialisms through distinctive knowledge and solutions

Operational excellence

Improving quality, speed and productivity through lean approach for high quality to clients and lower cost for delivery, digital process tools and KPI steering

Digitalisation

Creating digital roadmap (e.g. investing in digital tools) to drive client and professional connectivity, improve service quality and delivery time

Learning and development

Improving talent attraction, development and retention through HR agenda with talent planning, management development and succession planning

IN ORDER TO ATTRACT AND RETAIN THE ASSETS TO CONTINUE TO OPERATE:

As a sustainable business

Generate profit and cash flow to ensure sustainable financial growth

As a business partner

Get the things done
Provide clients and projects the access to a flexible and specialised knowledge base in order to meet the rising global service demand and break down today's technical boundaries

As an employer

Accommodate specialists and professionals with challenging assignments, competitive benefits and professional networks

Take care all related administrative and operational processes so they can focus on advancing the skills make them standout

As a corporate citizen
Respect fundamental human rights in the employment market and safeguarding ethical behaviour, it extends to cultivating future generation and giving back to society at large

Organisational structure

Global and regional steering

The global leadership team leads the strategy execution. The team consists of regional directors of the largest regions and leaders of global departments and projects. These leaders report directly to the board of directors. This transformation aims to ensure our business will fully utilise its assets to execute its strategy successfully and to prepare for the next stage of growth. In our management reporting, we follow the regional steering model to increase the focus on regional profitability and activities.

Centralised support functions

Brunel has constructed a global infrastructure connecting all continents via regional hubs - Amsterdam, Bremen, Doha, Houston, Rotterdam, Perth and Singapore - by sharing financial and commercial resources. This structure allows commercial activities, business development, account management and recruitment to be 100% focused on clients and candidates, while being fully supported by strong function-driven regional hubs. This centralised model gives management the ability to operate efficiently and cost-effectively, encourage greater communication between employees and managers. It also helps to ensure effective risk management, internal control and compliance activities.

Board of directors

						Rest of World			
Global and regional steering	DACH Region	The Netherlands	Middle East and India	Australasia	Americas	Europe and Africa	Russia and Caspian area	Asia	Belgium
Local ownership	Germany Austria Switzerland Czech Republic		UAE Iraq Oman Qatar Kuwait India	Australia Papua New Guinea New Zealand	US Mexico Canada Brazil Guyana	The Netherlands UK Denmark France Italy Norway Nigeria Albania Greece Romania Spain Mozambique	Russia Kazakhstan Uzbekistan	Singapore China Japan South Korea Vietnam Thailand Malaysia Indonesia Myanmar	

Board of directors

Global support function	Strategic Client Organisation	Global Commercial	Corporate Finance and Control	Corporate Legal and Compliance	Global HR	Global Marketing	Global IT and Digital	Global Verticals	Global M&A

Regional leadership

Regional support function	Regional hubs - Amsterdam, Bremen, Doha, Houston, Perth, Rotterdam and Singapore					
	Commercial team	Operations	Finance and control	HR	Marketing	IT

Elyne Luijendijk – van Rijn

ROTTERDAM, THE NETHERLANDS

Never know what to expect

In April 2013, I started as operations officer at Brunel. The operations department is responsible for the onboarding of all contractors and subcontractors, from setting up contracts to insurances and HSE. After 4 months I received the opportunity to grow within my role and became the team lead for operations, but it did not stop there. After little over a year working as team lead, Brunel gave me another opportunity to grow to become the operations manager. As operations manager I also became responsible for the logistics and HSE and compliance department.

Brunel allowed me not only to grow within the company but also grow as a person, with amazing training programs such as HP10 and team outings. I have worked as an operations manager for 3,5 years. With pain in my heart I decided to leave Brunel in February 2018, but I came back after a year as manager of payroll. After one year being back, I am currently responsible for payroll, invoicing, AR and lean, which means that I have the pleasure to work with an amazing team and colleagues.

One of the things that I am most proud of is the accomplishment of an HSE case we had in Algeria. I was on call when I received a call on a Saturday from one of our clients. One of our contractors working in Algeria was admitted to the local clinic but needed to be urgently evacuated to a hospital in Madrid where they would be able to properly treat the contractor. I immediately informed all parties The contractor needed to be evacuated from Algeria to Spain. The whole process took 3 days, arranging the paperwork and making sure all parties were informed, but in the end we made sure that the contractor arrived at the correct location and received the proper medical care. Even though you are trained, you never know what to expect until something actually happens.

NAME ELYNE LUIJENDIJK – VAN RIJN
JOB TITLE MANAGER PAYROLL
YEARS WITH BRUNEL 7
OFFICE ROTTERDAM, THE NETHERLANDS

Business environment

Global business environment

The world around us is rapidly evolving, and to confront it we need to have a system in place to adapt to the changes and keep track of it. Employees at different layers and in all the regions monitor key business environment indicators.. The top six indicators below are most relevant for Brunel's business worldwide in 2021.

Indicator	Trends	Opportunities	Risks	Our response
Macroeconomics and industry cycles	• Global economy will start to stabilise after two years of slowdown, while no sharp acceleration in growth is expected either • Increasing positive effect of economic upturn for non-oil and gas markets • Upturn of oil and gas business • Geopolitical instability could hamper growth • Continuing macroeconomic and political challenges, significantly deepened by the COVID-19 outbreak. There is still high uncertainty ahead.	• Drive growth above the economic cycle • Additional opportunities when combining DACH/NL clients with other regions' infrastructure and experience • Further build our contractor business	• Business growth depends on the economy upturn in the European market • Challenges of existing business models in meeting the demand for new products and services	• "Risks, risk management and control system - Unfavourable macro-economic conditions/geo political situation", page 71
Talent market	• Greater flexibility and mobility • Larger flexible pool for sourcing • Shortage of specialists and broader skills gap in engineering, manufacturing and technology sectors • Talent mobility from O and G to renewables	• Leverage Brunel's global network to offer integrated global mobility service solutions • Actively adopting technology to improve productivity	• Uncertainty in changing regulatory environment in local markets • Fierce competition for highly-skilled talents and specialists	• "Risks, risk management and control system - Human capital risk" page 73

Indicator	Trends	Opportunities	Risks	Our response
Client	• Client pressure on margins • Increased demand of HR solutions • Increased demand of global service providers	• Increase the focus on strategic dialogues with existing clients to help them manage skilled, flexible workforce • Brunel's expertise and proven service quality helps to identify customer pain points and win new clients	• Increasing requirement on service speed and quality • Stricter tender process to select suppliers and power in contract negotiation process • Margin pressure and liabilities	• "Risks, risk management and control system - Contract negotiation and management", page 75
Regulatory landscape	• Complexity of regulations leads to specialisation pressure • Adverse regulatory environment in local labour market regarding flexible labour and immigration policy • Technology triggers the regulators to shape new game rules - e.g. to enhance privacy protection and raise a higher standard of the international companies' business practices	• Strong culture of compliance and compliant operation • Offer compliance as a service • Participate in constructive social dialogue to find the appropriate in balance of regulations in our industry services	• Direct impact on the costs of our clients • Higher compliance risks and costs • Reputational damage	• " Risks, risk management and control system - Non-compliance with laws, regulations, local standards and codes", page 75
Technology and digital	• Growing demand cost breakdown leading to margin pressure • Higher digital standards • Fast developed recruiting technologies to identify and find talents • Increased efficiency and automation • Companies are integrating their core business functionalities with their suppliers and their platforms to create new digital ecosystems • Digital transformation as a mega trend impacting all verticals	• Service solution innovation • Increase automation • Develop digital recruiting • Demand of new job profiles	• Digital disruption • Rapid migration to digital technologies requires companies to accelerate digital capabilities to keep pace	• " Risks, risk management and control system - IT and digital risks", page 73
Competition	• Increased competition over talents • Market consolidation and shake-outs with less competition from small players • More competition from generalists and/or engineering procurement construction companies	• Increase penetration rate of recruitment service in markets where Brunel has strong presence • Innovation and client centric services	• Margin pressure • Service delivery • Fierce competition for highly skilled talents and specialists	• " Risks, risk management and control system - Competition", page 71

Key markets and outlook [1]

Part of our business, such as our local activities in the Netherlands and in Germany are highly dependent on the macroeconomic environment trends. In these markets the macroeconomic trends are our primary leading indicators. Other markets require additional vertical analysis to achieve a sufficiently reliable outlook. This includes specific market indicators such as the capital investment in the vertical, as well as understanding the general business indicators. The growth of our life sciences market and its promising business development has been a successful outcome of Brunel's diversification initiative and has led to its inclusion as a global vertical.

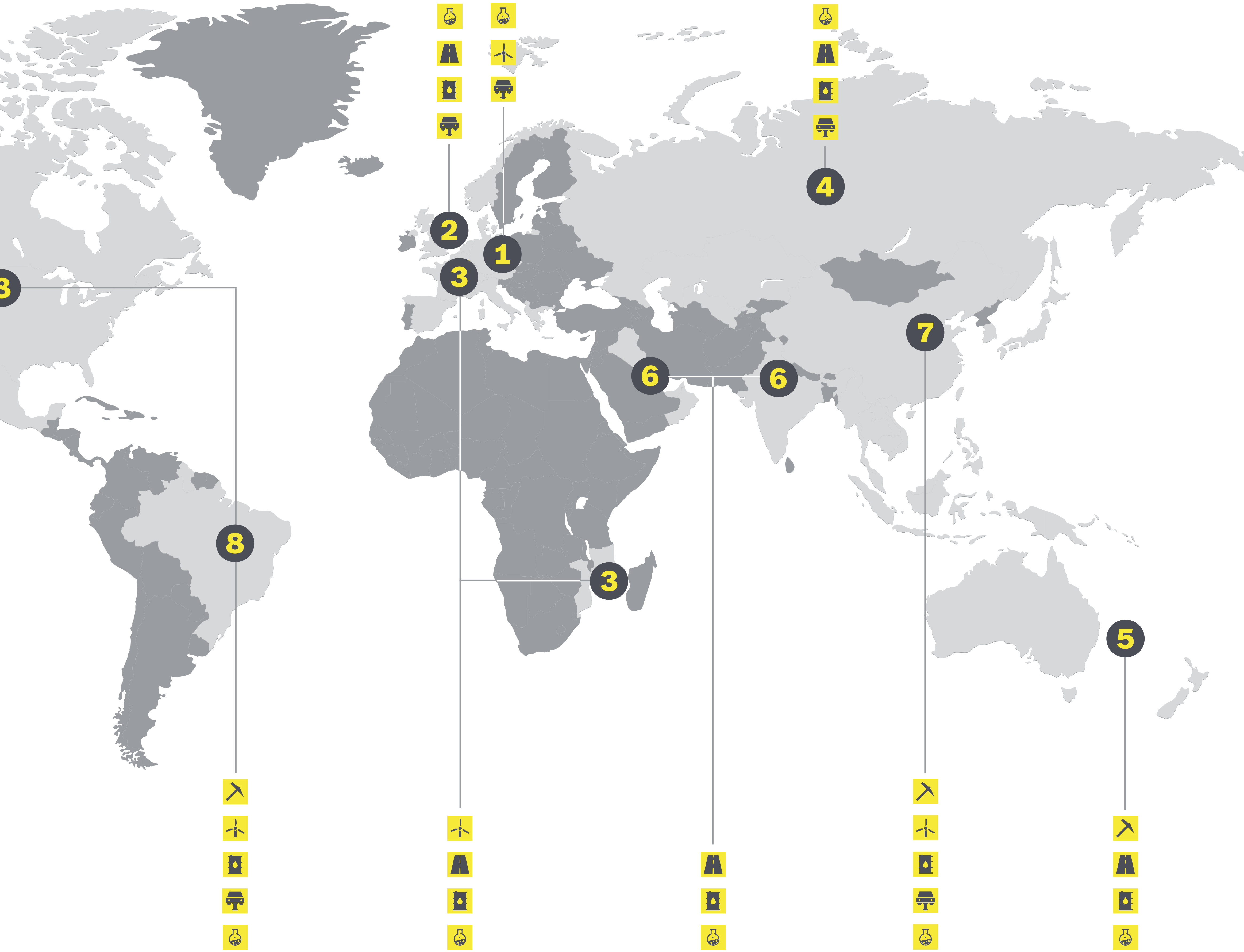
Vertical	Key global themes 2021
Mining	Mining operations globally have been impacted to varying degrees by the COVID-19 pandemic, whether through commodity price falls or direct operational disruptions. Projects in Asia and the Americas have suffered the most in 2020 as opposed to projects in Africa, Middle East and North Africa and Europe. However, the worst is expected to be over. China will lead the Asian as well as global mining production recovery in 2021 as the country's economy continues on the V-shaped recovery path since H2 2020. Australian mineral production remains a positive outlook in 2021 as was in 2020 as major miners faced no disruption as a result of COVID-19. In the case of the Americas, the region's outlook for 2021 is positive. Copper and gold mining operations are expected to account for the majority of project investment, while exploration for nickel will become more attractive. Europe's mineral production growth has been only moderately affected by COVID-19. The EU pushes for a diversified battery supply chain will create domestic mining opportunities for critical raw materials such as lithium and cobalt. Africa, Middle East and North Africa's mining sector has displayed minimal operational disruption due to the COVID-19 pandemic thus far, and the region is expected to see a limited impact on production in 2021. However, political instability and an inadequate regulatory framework will keep investor at bay in the long term. Moving forward, Australia will spearhead the global as well as Asian miners 'race to utilise technology in order to cut costs, enhance efficiency and increase mine safety due to the country's availability of strong network connectively, power, highly skilled labour and government support. The mining landscape is in the age of technological disruption today, where players are at the crossroads between a traditional past and a transformative future that is sustainable. This technologic transformation requires companies to upskill and retain their workforce with new skills and competencies, in particular, in robotics, data analytics and digital inclusion.
Renewables	According to Fitch analysis, non-hydro power renewables capacity will grow by just over 1,400GW between 2019 and 2029, capturing 65% of total net capacity additions in global power sector growth. Subsequently, total non-hydro power renewable capacity will reach 2,770GW by 2029. Growth will be driven by solar power with the sector set to add over 770GW of capacity, substantially more than the 590GW of capacity growth expected in the wind sector. Asia will be the key growth driver, adding 805GW with China capturing almost 63% of the regions capacity additions. US non-hydro renewables growth will be aided by favourable tax credits in the near term, policy support at a state level, falling costs and corporate renewable energy procurements. Non-hydro renewables projects increasingly dominate the regional project pipeline across Europe, with both onshore and offshore wind, alongside nuclear projects, frequent across the region. China, India, Japan, Taiwan, Germany, United Kingdom, Spain, France, Brazil, Vietnam are considered as sector leaders adding large-scale capacity in the coming decade.

1 This commentary is produced by Fitch solutions Country Risk and Industry Research and is not a comment about Fitch Ratings' Credit Opinions or Credit Ratings. Nor is any of the background obtained from, or in conjunction with, Fitch Ratings credit analysis.

Vertical	Key global themes 2021
Infrastructure	The global Infrastructure sector will see a mixed recovery in 2021, with the rebound of investment levels to vary widely across markets. On a global level, we expect that the construction industry will surpass its 2019 level in real terms in 2021, driven notably by the outperformance of Asia's infrastructure sector relative to other regions. China will stand out among markets both in Asia and globally for its robust infrastructure investment, supported by government stimulus efforts launched in 2020, but also Australia, Philippines and India have all announced expansive budgets. In contrast, most markets elsewhere will see a slower recovery, with industry value remaining well below 2019 levels until later years. Overall, construction activity across Europe has proven its ability in recent months to safely adjust to public health measures and we forecast Europe's construction industry to register a timely return to positive growth territory during 2021. Latin America will bounce back in terms of construction growth in 2021, but in value terms the industry will remain weak and below 2019 levels until 2023, due to the very poor performance over 2020. The pace of the recovery will also vary across infrastructure segments, with renewable energy development set to be a key focus of investment in 2021, spurred by growing decarbonisation efforts, particularly in Europe and the US. Conversely, certain segments of the transport sector, including airports and public transit, have suffered significantly from the pandemic and weakened revenues, and uncertainty over future demand will weigh on investment in these segments in 2021 and beyond.
Oil and gas	Oil and gas majors have collectively reduced 2020 capex (29% reduction) from estimates given at the start of year, in response to the sudden collapse of oil prices from OPEC+ temporarily halting its production cuts and COVID-19 impacts. Capex levels for 2021 should rebound as oil prices further recovered in the second half of the year expected to stronger recovery in demand and renewed economic activity. However, the expectation for lower than pre-pandemic demand in the near term should see only muted gains in capex as peak investment levels look unlikely to return. Looking ahead to 2021, many of the capital investment programmes will be dictated by the global economic recovery. COVID-19 is heavily bearish for the global LNG sector, as sharp curtailment in economic activity constricts demand from the power, industrial and commercial sectors, compounding the pre-existing market oversupply. However, the price outlook for LNG is relatively stronger than for oil. In the long run, LNG-oriented gas projects are a growing target as the less carbon-intensive fuel is increasingly favoured by markets to increase electrification, minimise air pollution and transition to a lower carbon economy.
Automotive	The unprecedented global pandemic COVID-19 has heavily impacted the automotive sector. Car-makers are accelerating cost-cutting measures and increasing automation to optimise operations and reduce financial burdens; Original equipment manufacturers also increasingly start utilising each other's electric vehicles platforms in order to catch up in the electric vehicles race and to avoid the significant financial burden associated with internally developed electric vehicles platforms. It is unsurprising to see a decline in investment projects, but the industry slowly returns to more normal operations. Asia is the only region to see an increase in the value and number of projects in 2020, and also claimed the biggest share of global investment. Components have accounted for the biggest share of projects in the period, reflecting demand from both new vehicle plants and aftermarket suppliers. Over the next decade, the industry megatrends will shift the employment profile of direct and indirect manufacturing jobs in the automotive industry towards electronics and software competences. For instance, the industry is hiring for artificial intelligence talent in the form of robotics engineers, data scientists, and artificial intelligence specialists. High-skill IT jobs related to mobility services and data-enabled business models alone could overcompensate for the decrease in manufacturing-related jobs. Also, a large number of jobs will likely be created in adjacent industries, such as infrastructure (e.g., charging, grid, 5G, control towers), energy (e.g., renewables, alternative fuels) and chemicals (e.g., advanced materials, battery cell chemistry).
Life sciences	Leaders of pharma companies are in the midst of unprecedented change. While this was true even before COVID-19, the pandemic and the ensuing economic downturn have brought about a change in the way organizations look at the road ahead. Pharma companies are up against a fresh set of challenges even as the pandemic has spurred adoption of technologies and other innovations to support virtual work and other functions. In 2021, companies that make medical devices are expected to continue to invest in advanced technologies to meet the needs of healthcare organizations around the world. The goal is often to find better ways to identify, diagnose and treat diseases in ways that are more efficient and effective. For companies in the food industries, as the COVID-19 pandemic continues and new consumer behaviors play out, it's time for them to reimagine their innovation portfolios to lead in the next normal. One of the most noticeable key market trends is that the manufactures are adopting new ways of working, including digital, to accelerate the development process

Our regions

1. DACH (Germany, Austria, Switzerland, Czech Republic)
2. The Netherlands
3. Europe and Africa (United Kingdom, Denmark, France, Italy, Norway, Belgium, Mozambique, Nigeria, the Netherlands, Albania, Greece, Romania, Spain)
4. Russia and Caspian (Russia, Kazakhstan, Uzbekistan)
5. Australasia (Australia, New Zealand, Papua New Guinea)
6. Middle East and India (Kuwait, Iraq, Qatar, United Arab EMirates, Oman, India)
7. Asia (China, Japan, Korea, Singapore, Vietnam, Malaysia, Indonesia, Thailand, Myanmar)
8. Americas (United States, Canada, Mexico, Brazil, Guyana)



Stakeholders and material issues

Reporting principles and purpose

This report is written in accordance with the Integrated Reporting Framework (IIRC). Its primary purpose is to explain how Brunel, over time, creates value for its stakeholders as a service provider and as an employer. We aim to provide a comprehensive overview of Brunel's strategy, operations and performance.

Definition

Material issues are those issues we believe have, or will have, a significant long-term impact on our profitability, people, culture and operations.

Scope and boundary

We report information that is material to Brunel's strategy, performance and value creation. All information is based on both internal and external sources. We also report content that is mandatory to be disclosed pursuant to legal requirements. This reporting covers the main participations of Brunel International N.V. (see the list of participations on page 111).

Stakeholder group and relevant matters

Brunel's key stakeholders include employees, clients, investors, candidates and society. We engage regularly with our stakeholders – through meetings, surveys, events and conferences.

	Who are our stakeholders?	What are their areas of interests?
Employees	Specialists Indirect employees	Training, development and career opportunities Recognition, fair salaries and benefits Open, collaborative, safe and healthy working environment Clear vision and direction Diversity & inclusion Job satisfaction and pride
Clients	Industry-leading companies in life sciences, renewable energy, oil and gas, infrastructure, automotive and mining	On time delivery and quality of services Reliable and value-adding partnership Proactive, relevant recruitment and project manpower advice
Investors	Shareholders	Attractive and sustainable returns Effective risk management and control environment Responsible investment Environmental, social and governance (ESG) topics
Candidates	Specialists Future professionals	Job opportunities Job market information
Society	Government and regulators Local communities NGOs	Contribute to the economic and social develop in local community Create employment and be a major force in the economy Responsible approach to tax High standards of ethics and integrity

Jonas Holm

CHANGWAT CHONBURI, THAILAND

I am a Brunel Addict

Around mid 2005 I had my first rotation to Kazakhstan whilst working for my previous company. I had been in-country for a couple of days and we had our first group of Expats rotating out on a charter flight at 5AM on a cold midweek morning in the Southern deserts.

All went smoothly until the Kazakh border guards realized that I was new and had no real understanding of what was going on, that I did not speak Russian and had 50 tired Expats standing in the freezing cold waiting to board a plane. After some animated discussions, I was informed that the flight was going to be cancelled due to "lack of paperwork". The cold Expats had turned hot and a rather expensive and embarrassing event was unfolding in front of me.

Then out of nowhere, like the proverbial Knight in shining armor, a Kazakh lady called Gulnara stepped in, introduced herself politely, calmed the guards and within 5 minutes everyone was safely on board the plane and on their way home.

I could not thank Gulnara enough and I asked her for which company she worked and her reply was 'Brunel'. That was the first time I ever encountered or even heard of Brunel. My first impression of Brunel and a lasting one. Brunel had demonstrated to me that they will go the extra yard for anyone, even their competitors.

Fast forward a few years and when the call came to join Brunel, I jumped at it immediately. So in August 2008 I jumped on a flight and started my Brunel adventure. Back in 2008 there were about 20 of us in the team and Brunel continued to grow in Singapore and the Asia region.

In 2012, I was transferred to Indonesia to support our local entity in country. I swapped the safe and efficient surroundings of Singapore for the chaotic metropolis of Jakarta. Polar opposites would be an understatement. Indonesia is complex, frustrating but at the same time charming. Brunel grew in Indonesia and is now the leader in-country.

Last year I received a call with a request to move for Brunel and I am now seated in Laem Chabang Port, on the Eastern Seaboard of Thailand. It is strange to be working in a country where you normally come for a holiday but instead of palm trees and beaches my view is a container port, surrounded by fabrication yards and refineries. As I near my first year here, we have restructured and ventures into new verticals have commenced. The future looks bright in the Land of a Thousand Smiles.

For all those who are just beginning their journey with Brunel, my advice is clear – enjoy the experience and get involved. Entrepreneurial skills and collaboration are the core principles by which we operate. It has served me well and as I sit here with 12 years under my belt having worked and lived (whilst having fun) in multiple exotic and exciting countries, I feel both proud of the company and at the same time, highly appreciative of the opportunities they have given me to grow and develop as a person.

Yes - I am a Brunel Addict.

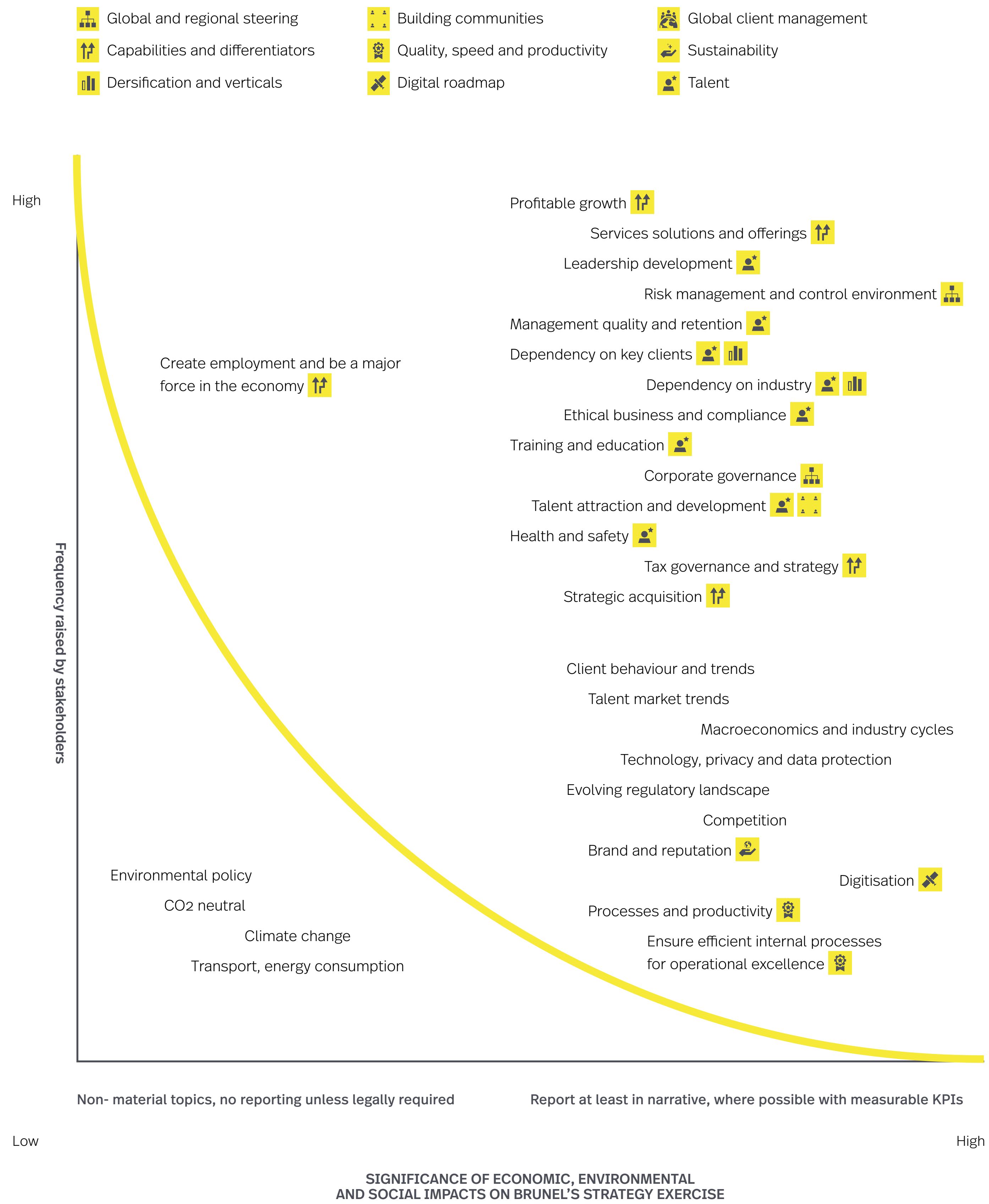
NAME JONAS HOLM
JOB TITLE COUNTRY MANAGER
YEARS WITH BRUNEL 12
OFFICE CHANGWAT CHONBURI, THAILAND

45 years of Brunel

Materiality determination process

Brunel's materiality determination process starts with engaging different stakeholders, understanding their expectations and their impact on our value creation process. This is done through dialogues, interviews and surveys and is structured through programs like the Net Promoter Score. In addition, we also consider relevant factors such as external business environment indicators, internal capabilities, variables' impact on Brunel's strategy execution and Brunel's performance in the current and next business reporting cycles. During periodic management discussion and business review meetings, we are able to assess the importance of the identified matters on our strategy execution, future performance and value creation. The most important matters are the ones with the greatest or potential long-term impact on Brunel's ability to create value. We manage these matters through strategic pillars.

Materiality matrix and connectivity matrix



A journey towards integrated reporting

Integrated reporting seeks to align relevant information about an or to align relevant information about an organisation's strategy, governance systems, performance and future prospects in a way that reflect the economic, environmental and social environment within which it operates. The goal is to give a comprehensive picture of the organisation, thus helping management, investors and other stakeholders make better-informed decisions.

We believe being able to articulate our strategy and business model, as well as link metrics to them, is critical for us to build trust. We have been able to increase transparency and increase the connection of external reporting and the information used for management reporting, analysis and decision making. We have also improved our ability of integrated thinking. For example, our strategy update process is a reflection of the integrated thinking within Brunel, with all the parts and resources of the organisation acting and moving together.

We follow the IIRC framework which comprises both guiding principles and content elements. Details of our compliance may be found below:

Guiding principles	Our approach	Reference
Strategic focus and future orientation	We communicate what Brunel wants to achieve and how it intends to get there.	Strategy (page 46) highlights how Brunel aims to realise its future vision through implementing different strategic pillars, gaining organisational strengths, and by enhancing resilience and corporate future.
Connectivity of information	We make a clear connection between Brunel's strategic pillars, risks and opportunities associated with these topics, performance outcomes, operating environment and value creation.	Business model (page 32), Strategic pillars (page 44, page 49, page 52 and page 60), Risk management (page 64) outline the links and describe how information is connected.
Stakeholder relationships	We define our stakeholder groups, explain the materiality determination process and how we manage material issues.	Engaging our stakeholders (page 42) describes Brunel's stakeholder groups and their expectations.
Materiality	We focus on the issues that have the most significant economic, environmental and social impacts on Brunel's strategy execution.	Materiality matrix (page 45) maps out material issues affecting Brunel and how these issues are addressed in our strategy.
Conciseness	We only report on information that is material to Brunel's strategy execution and is mandatory to be disclosed pursuant to legal requirements.	The risk discussion (page 64) is concise in nature but communicates detailed information on a number of aspects of risk.
Reliability and completeness	We aim to strengthen credibility in our reporting through internal review and external assurance.	At this moment we have not engaged an internal auditor nor an external indenpedent auditor for assurance.
Consistency and comparability	We are committed to achieving continuity in applying the IIRC framework reporting and to facilitating comparability (include both financial and non-financial content) with other companies using the same framework.	As a specific example, in describing how Brunel creates value (page 32) we followed the framework of using six capitals, the key inputs for each capital, the business activities that underpin its vision, purpose and strategy, the outputs and the outcomes achieved.

Content elements	Reference
Organisational overview and external environment	Organisational structure (page 34)
Governance	Corporate governance (page 81)
Business model	Business model (page 32)
Risks and opportunities	Global business environment (page 36) Top risks and risk trends (page 68)
Strategy and resource allocation	Strategy (page 47)
Performance	Performance (page 88) Annual accounts (page 104)
Outlook	Global business environment (page 36) Key markets and outlook (page 38) Performance (page 88)
Basis of presentation	Managing material issues (page 44)

Environmental, social and governance (ESG) topics

ESG is not a new concept to Brunel. ESG topics have been considered as part of Brunel's strategy through, for instance, our materiality determination process. As a result, ESG risks and risk mitigation measures have also been embedded in the overall enterprise risk management process. Our updated Sustainability Framework articulates ambitions of "people" and "planet" for the future and demonstrates our support for the UN Sustainable Development Goals (SDGs). Driven and underpinned by our dream and ambition, it directs our approach to integrate sustainability and manage our material issues within our business strategy.
Brunel's business and operations have a strong emphasis on people, which limits our direct link to environmental risks. However, we are aware that some of our clients operate in sectors with high environmental impact. Many of our clients in these sectors are progressively positioning themselves for the energy transition. We support our clients to take a role in transitioning to a low-carbon world by delivering the right skills.
Brunel's other ESG topics include labour and employment practices, combating bribery and corruption, social matters and community development, environmental matters, respect for human rights and good tax governance. They are reflected in our long-term value creation strategy.

Strategy

Brunel's ambition is to create high satisfaction among our direct and indirect employees and among our clients. The stakeholder satisfaction achieved through this ambition leads us to achieving record revenue and profit levels.
To reach these goals we follow the path of the existing Brunel strategy and approach with clear new accents.

Strategy

Strategic objectives	Strategic actions 2018 - 2023
GROWTH FORMULAR • Direction for growth • Drivers for growth • Infrastructure for growth	NEW ACCENTS • Dream and ambition • Strategic insights and directions • (Local) entrepreneurship, leading specialists, delivering excellence (quality, speed, productivity), (global) capabilities
Objective 1: **Concentrating on profitable growth** • Profitability and growth	**Capabilities and differentiators** **Diversification and verticals** **Global client management**
Objective 2: **Building a solid reputation and being an industry shaper** • People and culture	**Talent** **Build communities**
Objective 3: **Achieving operational excellence** • Operational excellence	**Quality, speed and productivity** **Global and regional steering** **Digital roadmap**

Strategic objective 1: concentrating on profitable growth

Strategic pillars:

Capabilities and differentiators

Over the past 45 years, Brunel's brand has become a clear differentiator. Clients and employees recognise Brunel as an entrepreneurial partner with high ethical standards, created and operated by creative and result driven colleagues who have a 'passion for people'. To serve our local and multinational clients with their global and local needs, Brunel has created a global footprint, with a regional structure for local relevance and entrepreneurship. Keeping our clients' business goals, industry trends and changing regulations in mind, we invest in quality, processes and expertise to help clients realise their strategic goals through our global infrastructure. Brunel aims to offer dedicated client solutions, show strong (local) entrepreneurship, scope of work solutions and develop consultancy capabilities to differentiate ourselves further from our competitors.

Diversification and verticals

Brunel's global and local capabilities provide us the agility to adjust our organisation successfully to new opportunities. We diversified our business utilising our capabilities and infrastructure to find new growth opportunities and to decrease our dependency on the oil and gas market. Based on global specialisms, market opportunities and growth potential, we have identified multiple verticals for diversification, such as life sciences, mining, infrastructure, renewable energy, automotive and oil and gas.

Global client management

Brunel offers a diverse portfolio of services globally to help clients meet their business needs. Brunel wants to leverage its local relationships with multiregional clients to offer them Brunel quality services in other markets around the world. In short, our goal is to win more opportunities with existing clients in current and new regions, as well as generate new clients based on our global capabilities. This process requires an organisation in which people at multiple levels and within different parts of both organisations work together in a structured way.

Long-term value creation:

Make a positive impact on society

Being responsible not only means creating sustainable financial returns for shareholders. It also requires providing sustainable value for other stakeholder groups as a knowledge partner, a resource provider, a growth facilitator and, in general, contributing to society as a major force of employment creation in the economy.

Local employment

In some of our operating markets, there has been a focus on attracting existing local expertise and, where necessary, bringing in international specialists to train and develop the local talents of the future. Our operations in Kazakhstan, Papua New Guinea, Brazil and Thailand are good examples of maximising local employment opportunities to build local economic growth.

Tax governance and strategy

Pursuing a transparent and honest tax policy is part of doing business for Brunel. Our tax strategy supports the business strategy of delivering stakeholder satisfaction and achieving sustainable growth. It aligns with Brunel's core value – integrity, which means living up to the letter as well as the spirit of external requirements from regulators and the law. We demonstrate this level of corporate integrity in everything we do and in dealing with all stakeholders: customers, suppliers, employees, shareholders, regulators and the society. Our tax approach also considers the sustainability strategy – the tax we pay is a critical financial resource to help achieve our sustainability agenda which is updated based on the framework of UN SDGs.

As such, our tax structure follows our business and Brunel has no evasive tax-structure and does not use tax havens for tax avoidance. Complying with tax laws and paying our fair share of taxes is an important part of our corporate social responsibility, since it contributes to providing the basic building blocks for economic growth in the countries we operate in, even more so in the developing countries. We do not only pay a substantial amount of corporate income tax, we also pay significant amounts on other taxes such as wage taxes, withholding taxes and value added taxes. Due to the nature of our business, wage tax is an important area for us, both for compliance as well as for the significance of the amounts.

Since tax compliance is an important part of our service delivery, it is our policy to manage effectively the associated risks and to comply with all applicable tax laws, rules and regulations. Transactions conducted between group and companies located in different countries are in line with the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and other local transfer pricing regulations. The aim is to comply with the letter as well as the spirit of the law.

Therefore, we employ qualified and experienced tax personnel; have appropriate tax policies and procedures in place; assess tax risks regularly in risk assessment process; apply tax risk management to the same policies, procedures and controls that govern financial reporting risk management; engage reputable tax advisors at local and group level to provide advisory and compliance services. We strive to establish an open and transparent relationship with the tax authorities in all countries we operate in to provide certainty with respect to tax matters and to ensure our compliance with tax regulations. In the Netherlands, Brunel engages the Dutch tax authorities through regular meetings, calls and correspondence, which includes discussing the tax impacts of potential future events, such as business restructuring, in advance. This constructive cooperation and real time working results in transparency as well as faster and greater clarity on Brunel's positions. To achieve consistency, our CFO monitors all significant dealings with tax authorities.

We comply with the OECD BEPS (Base Erosion and Profit Shifting) requirements, including preparing master filers and country-by-country reporting. We understand external country-by-country reporting and local transfer pricing files will provide more insight for local tax contributions. The disclosures in the annual accounts on our corporate income tax rate, as well as the actual paid corporate income tax reflect our tax policy execution. Brunel published its tax strategy policy on www.brunelinternational.net.

Strategic objective 2: building a solid reputation and being an industry shaper

Strategic pillars:

Talent

Our people are our greatest asset. Brunel has renewed its global human capital agenda in 2018 as an important pillar of the latest global strategy. This agenda addresses the topics of succession planning, talent retention, leadership development, skills availability and employee engagement. It aims to provide people with opportunities to develop both professionally and personally. In 2020, we have implemented this human capital agenda through several new initiatives on the topics mentioned above.

We believe a diverse leadership team can build multi-cultural competencies within the organisation and produce better solutions to complex problems. Our global leadership team consists of managing directors from our major regions and heads of global support functions.

Build communities

Building communities for professionals who are working for Brunel is also an important way for Brunel to add value to their experience. In particular, we support the career advancement of our specialists and raise the profile of the engineering profession in the society. In the Netherlands, Brunel chairs the Association for Professional Secondment. Through this association, Brunel is able to represent the interests of the secondment branch properly and at the right level. Other ongoing community programs also include technical traineeships in the fields of inspection consultancy, rail and infrastructure, industrial automation, maintenance, IT, banking and insurance, online marketing and public administration. These programs apply Brunel's work experience gained from clients and offer comprehensive guidance and networking opportunities to the (technical) talents. In other countries, for example United Kingdom and Russia, Brunel also organises regular campus recruitment events in universities to promote technology and engineering in the young generation.

	2020				2019				2018			
	Female		Male		Female		Male		Female		Male	
	#	%	#	%	#	%	#	%	#	%	#	%
Global leadership team	4	28,60%	10	71,40%	4	30,80%	9	69,20%	2	14,30%	12	85,70%
Global leadership team's direct report	37	34,40%	71	65,60%	36	35,00%	67	65,00%	32	34,40%	61	65,60%

Associated risks and risk management 2020:

Human capital risks page 73

Performance outcome 2020

Human capital risks – mitigating measures page 73

Ongoing training and development programmes

All Brunel entities in 2020 have carried training and development related programmes. This includes, but is not limited to, tailored induction programmes, recruitment and sales training, , industry updates, labour law, HR partnership, taxes, compliance, commercial awareness, quality assurance and audit related training and workshops. Our indirect employee worldwide has spent on average 19 hours on training (2019:26 hours).

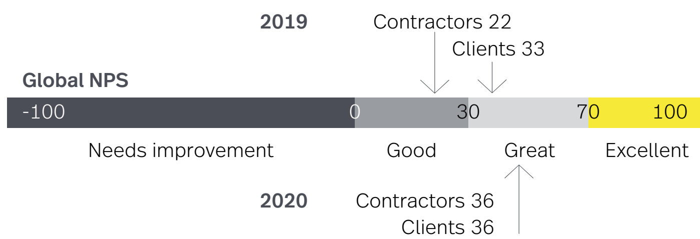
Net promoter score

The Net Promotor Score (NPS) is an important KPI that reflects customer satisfaction. For Brunel, our clients, contractors and candidates are our "customers". This KPI can be used to understand our customers better, improve their experience, increase their satisfaction and benchmark all these results. Our ambition is to deliver products, services and an experience that results in high satisfaction.

Our customers are sent a survey, tailored to their specific region but always including the main question: 'How likely are you to recommend Brunel?' Our results indicate a positive result amongst our customers with an NPS of 36. This is an increase comparing to last year.

Our contractors are positive overall, but some responses indicate an increased need for communication and engagement. This seems to coincide with the COVID-19 pandemic impacting the way many of our contractors work and how we get in touch with them. A more attentive outreach is recommended.

2020 results



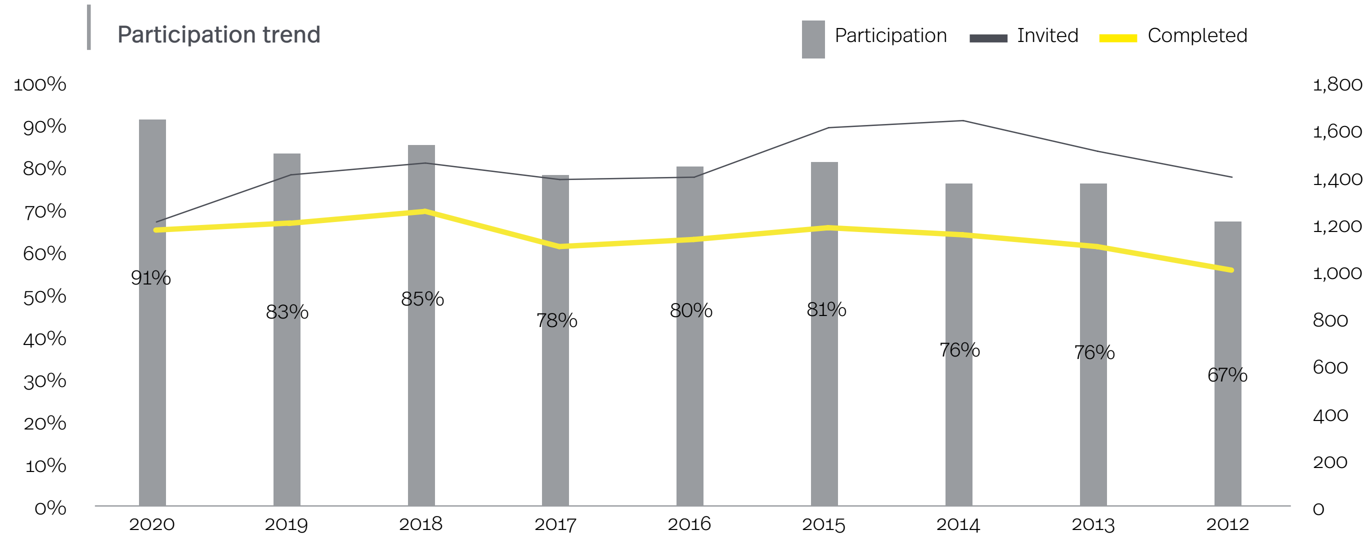
Continuous improvement

While these results in our second year of the NPS program are positive, we identify a couple of improvements. Mainly, our NPS is currently distributed on a chosen date. To ensure the most indicative results, we will incorporate automated survey distribution in 2021. This will ask our customers to share their opinion at key touchpoints in their customer journey (transactional survey), rather than on a fixed annual date (relational survey). Next to automating our NPS survey, our goal for 2021 is to continuously improve our NPS score.

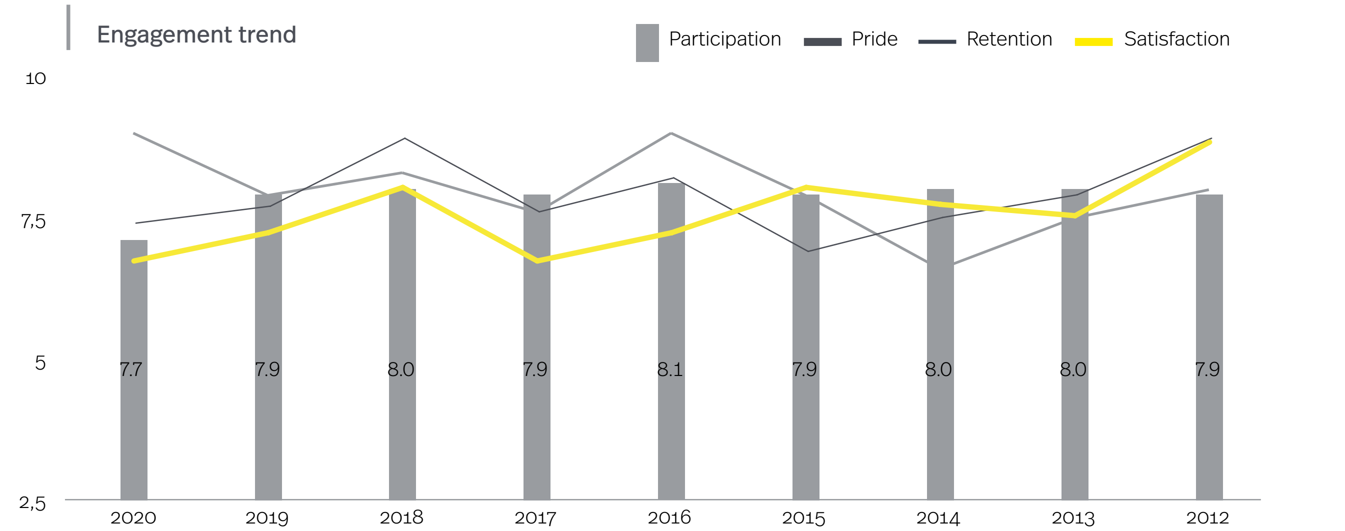
Global company survey

Every year we issue a global company survey in which we ask Brunel employees to share their feedback on our company development and management. With this survey we engage employees in realising our strategy. It also helps the organisation to keep track of our developments and to identify and set the right priorities in order to improve our capabilities. The survey is conducted through an independent party. The participation rates of 2019 and 2020 are 83% and 91% respectively. Our overall engagement score of 2020 is 7.7 (on a scale of 1 to 10). We have added a COVID-19 related question in this year's survey to collect employees' feedback on how Brunel can improve during the COVID-19 pandemic. After conducting the survey and analysing the results, global and regional leadership also communicate the results with employees and create action plans for improvement.

Participation trend



Engagement trend



Trends and opportunities 2021

Talent trends page 36

Long-term value creation

Health and safety at work

With COVID-19 impacting millions of lives worldwide, Brunel's number one priority was and remains the safety of our colleagues, clients and candidates. We believe that every individual has the right to work and live in a safe environment. At Brunel, we do everything we can to create such an environment based on the principles of care, trust, learning, ownership and accountability.

All Brunel entities have implemented health, safety and environment (HSE) policies and procedures of emergency response, accident reporting and incident management, as well as preventive measures for both our indirect employees and direct employees that are working with our clients. The standards of health and safety may differ from country to country, sector to sector, and even job to job. Therefore, besides implementing Brunel's own HSE system, we actively engage our clients at an early stage to clarify HSE laws and requirements and to implement client or sector specific standards. During COVID-19, we follow closely on WHO's guidelines on travel restrictions and self-isolation requirements and incorporated them into our HSE procedures. Throughout the remote working phase, our colleagues' interactions with clients and candidates remain strong. We have provided HSE trainings and office hardware to facilitate employees creating a healthy remote working environment.

We utilise the below injuries and incident classifications which are commonly used throughout the world. In the event that Brunel is to report directly to a HSE Regulator or client then Brunel will use the applicable Safety Regulator's definition.

Our global HSE year-end statistics[2] are:

Number and type of injuries:

All entities consolidated	Fatalities	Lost Time Injuries	Medical Treatment Injuries	First Aid Injuries	Restricted Work Injuries	Alternate Duties Injuries	Total Recordable Injuries
2020	0	2	23	34	12	2	28
2019	0	16	27	26	5	6	49

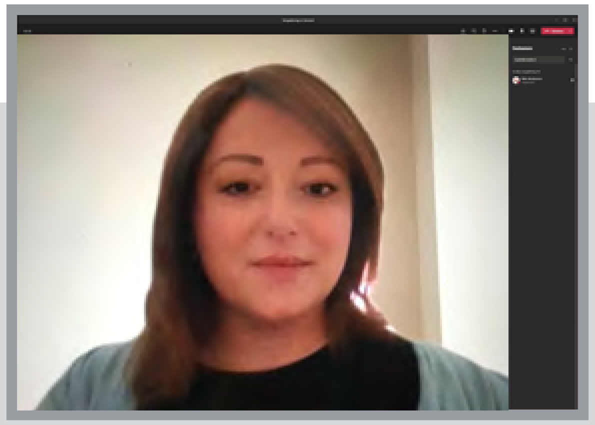
Number and type of incidents:

All entities consolidated	Near Miss Incidents	Equipment Incidents	Environmental Incidents
2020	1	6	0
2019	15	32	2

Considering the different stakeholder requirements, companies' activities and safety related policies, the health and safety implementation in entities of Brunel Netherlands and Brunel DACH is relatively comparable. Therefore, we disclose the absenteeism (i.e.illness) rates of these entities. The year-end results are:

	Brunel DACH	Brunel Netherlands
Absenteeism rate of directs	3.95%	3.63%
Absenteeism rate of indirects	3.27%	5.45%

[2] Brunel Netherlands and Brunel DACH are not included.



Joanne Thomas

AMSTERDAM, THE NETHERLANDS

Dangerous Hamsters

As someone who has been privileged enough to grow up in a family with very international roots working and living globally joining Brunel was a natural choice for me. I was immediately impressed to see so many different nationalities and so many global offices on the Brunel world map.

I was given the opportunity to lead the European Sales team and work with some fantastic people, many of which are still with Brunel and still working hard to win opportunities for Brunel. The European Sales team was based locally and comprised of British, Dutch, Romanian, French, Portuguese, Scottish, Norwegian, Danish and Swiss nationalities.

Such a wealth of nationalities put us in a strong position to approach and support clients and prospects across Europe and as well as success, we had a lot of fun.

One particular story still makes me laugh, we had an important client meeting scheduled and I spoke with the Brunel sales person leading the meeting to see if they were prepared. Although prepared he explained that he had experienced some personal challenges (outside of work) during the preparation. Conducting this conversation in English was normal, but with different nationalities in a team occasionally there can be confusion and crossed wires.

When I asked why it had been a challenge this person informed me that their partner had been unwell and needed to be treated at the hospital. This was concerning and we wanted to know if everything was ok. When I asked what had happened, I was confused at the response. The partner had suffered a foot injury due to an accident that happened at home. Initially this didn't seem strange, but when I asked what had happened I was told it was due to a hamster on their foot.

Puzzled I assumed I had misunderstood and repeated my question listening carefully to the answer. Again the response was that the partner had badly injured their foot due to a hamster. At this point another colleague joined the conversation and tried to translate. Every time we asked the response was the same. The injury was due to a hamster. This resulted in many jokes within the team about dangerous hamsters.

As it turns out, we finally realized a few days later that our colleague was not saying HAMSTER, but instead ARMCHAIR. The partner had been injured at home when a heavy armchair was accidently dropped on their foot.

Apparently in some languages the word hamster, sounds very much like the word armchair.

I love working with sales people, I love the energy and buzz of chasing a client and being successful, but most of all, I love working with people of different nationalities and cultures and connecting together as a team.

NAME JOANNE THOMAS
JOB TITLE PROGRAM MANAGER VERTICALS
YEARS WITH BRUNEL 8
OFFICE AMSTERDAM, THE NETHERLANDS

Judith Echtle

SALZBURG, AUSTRIA

Bruneller in the heart

My Brunel story started with my husband who was hired by Brunel in September 2010 as the second project staff member for Austria. One year later, and encouraged by my husband's good experience, I also applied – and on 1.12.2011 I was able to start as a Bruneller myself.

At the client I was placed, I was able to test myself in various areas of development and quality assurance. I always felt at ease with both the client and Brunel and was able to meet great colleagues on the job. I am particularly grateful to Brunel for the fact that everything was always fair, honest and trustworthy and that as an employer Brunel was flexible and understanding when it came to my working hours and leave in conjunction with my family responsibilities.

After 8 years with Brunel, I was hired directly by the client. Although I was naturally pleased about this – in my heart I will always remain a Bruneller. Many thanks for the wonderful time!

NAME JUDITH ECHTLE
JOB TITLE MECHANICAL ENGINEER
YEARS WITH BRUNEL 8
OFFICE SALZBURG, AUSTRIA

45 years of Brunel

Respecting human rights

One of Brunel's core values is passion for people. We recognise our responsibility to respect the human rights of all stakeholders across our value chain. We are committed to actively assessing potential human rights impacts and taking action where needed to ensure our impact on everyone's life is as positive as possible.

As a group, we take into account the rights covering the eight fundamental human rights as identified by the International Labour Organisation (ILO) and elaborated on in the ILO conventions.

Brunel endorses all eight fundamental ILO conventions. Human rights are an integral part of Brunel's culture. Instead of managing human rights as a stand-alone issue, Brunel makes specific reference to comply with them in various Brunel policies, such as the code of conduct, equal opportunity policy, HSE policy, fitness for work and privacy policy. These policies are available on our intranet and in our employee handbook.

In this year's annual report, we report on the human rights most applicable to Brunel throughout this report:

Human rights topics	Brunel's policies
Freedom of association and right to collective bargaining	Brunel respects the right of its workers and employees to form and join organisations of their own choosing, as this is an integral part of a free and open society. We also comply with countries' legal requirements. Brunel's operations vary in size, culture and industry. We have experienced different types of labour or industry union relationships. This means in some countries or industries, unions are more active than others. Therefore, we do not have a group policy but rather a general positive attitude towards trade union relationships. Based on mutual respect, Brunel is open to labour union activities, acknowledges the global rights of workers to form labour unions and join the labour union of their choice, and agrees to ensure union independence. To improve the quality of the working relationship and minimise conflicts, we respect employees' collective bargaining right and promote regular communication. For example, in Germany we have an union trade agreement in place and fully comply with the Equal Pay Act. In Australia, our local entity has formed enterprise agreements with various industries and workers unions under the Fair Work Act framework. These agreements include matters such as salary rates, employment conditions, consultation processes, dispute resolution procedures, and deductions from wages for any purpose authorised by an employee. The agreement implementation is a part of HR management plan specific to each project.
Forced labour / modern slavery (including bonded labour)	Within the company, applicable labour standards must be observed. Brunel and its business partners will not, under any circumstances, make use of forced labour, child labour, modern slavery or any labour in violation of the ILO conventions. Brunel has addressed this topic in its code of conduct. Brunel is determined to keep developing its approach towards preventing forced labour.
The elimination of discrimination in respect of employment and occupation	Brunel does not tolerate improper conduct such as discrimination, harassment and workplace bullying. Brunel complies with non-discrimination regulations. Additionally, all employees are required to comply with policies, procedures, and systems of work including Brunel's equal opportunity, anti-discrimination, bullying and harassment standard. As a company one of our core values is a passion for people, the Brunel community is committed to equality and justice.
Effective abolition of child labour	We endorse the ILO principle of the effective abolition of child labour. This principle means ensuring that every girl and boy has the opportunity to develop physically and mentally to her or his full potential. Its aim is to stop all work by children that jeopardises their education and development. Considering that the business model of Brunel focuses on working with technical graduates and experienced employees, the risk of violating this principle in Brunel's business is very insignificant.
Just work: living wage and social security	As an employer, Brunel provides employment benefits including medical insurances, which cover the medical expenses, paid sick leave, annual leave and end of service benefits as required by applicable local laws. We offer life insurance to employees, accidental death and dismemberment insurance depending on specific assignments. We also provide additional benefits, not prescribed by law, such as return tickets to employees' base countries. In the Middle East, the majority of our employees are expats and they are entitled to such additional benefits. Brunel's business model targets highly educated or skilled workforce. Therefore, we offer competitive salaries in every country where we operate in, including India and countries in Africa and South East Asia. This contributes to offering our employees a high standard of living.
Health and safety, security issues and conflict zones	Security issues and conflict zones remain relevant in specific regions, such as Africa and Asia. High-risk areas are present in those regions, with (frequent) conflicts taking place. Brunel has policies and procedures to safeguard the security of our employees in these high-risk areas.
Privacy and data protection	Privacy is a fundamental human right we respect. It is also an essential cultural element for Brunel to be a reliable business partner and earn the confidence of our people. Data is very relevant to Brunel's core business especially in the global trends of digital transformation and data-driven innovation. Brunel commits to the GDPR standard as our guiding principles of data protection. Brunel has used the implementation of GDPR to strengthen our culture of privacy, for example, implementing policies and procedures to reduce human errors, actively monitoring data centre environment and maintaining it up-to-date. Moreover, we continue to raise the awareness of privacy risks among our employees when handling personal data in different business processes ("IT and digital related risks" page 73). In 2020, we have reported two data breaches to the Dutch Data Protection Authority.

Strategic objective 3: achieving operational excellence

Strategic pillars:

Quality, speed and productivity; Digital roadmap

Brunel defines operational excellence as achieving deep commercial expertise, efficient business processes, increased productivity, improved customer responsiveness and cost minimisation throughout our organisation as a whole. To achieve this, we need motivated and committed employees. They must be able to rely on an effective management system, a company-wide implemented business methodology and an evolving digital strategy.

Brunel has constructed a global infrastructure connecting all continents via regional hubs by sharing financial and commercial resources. We continuously enhance existing IT systems to optimise efficiency and ensure standardisation around the globe. Our IT systems facilitate business development, account management, recruitment, finance and payrolling, financial reporting and consolidation. This infrastructure, combined with digital processes and tools enables us to improve the speed and quality of our services.

Brunel recognises digital technology as an important enabler of innovations. Digital transformation brings forth unmatched opportunities and capabilities for growth and value creation. Brunel has invested significantly in creating and fine-tuning digital capabilities. These capabilities vary from advanced sourcing solutions to online platforms to bring clients and candidates together.

To achieve our ambition of stakeholder satisfaction, Brunel has introduced "Be Better@ Brunel" using the Lean approach as our business methodology, which promotes the flow of value to the customer through continuous improvement and respect for people.

We see Lean as both a philosophy and a discipline that, at its core, increases access to information to ensure responsible decision making in the service of creating customer value. We are now at a stage to gradually implement all the strategic pillars globally and develop them further.

Global and regional steering

Global and regional steering forms the foundation to how Brunel is organised, managed and connected globally.

Brunel is one global organisation with a global leadership team consisting of the board, regional directors and leaders from global departments and projects. Regional and local leaders have profit and loss responsibilities and are connected on a global level to accelerate our profitable growth. By enabling local entrepreneurship and relative autonomy in our regions, local markets can be met with tailored solutions.

Associated risks and risk management 2020:

Non-compliance risks page 75

IT and digital risks 73

Performance outcome 2020:

Region performance page 92

Trends and opportunities 2021:

New technology page 37

Evolving regulatory landscape 37

Long-term value creation:

Sustainability

Sustainability as part of strategy formulation 2018 – 2023

Sustainability

Giving back to society at large:

- helping future young and senior professionals with a distance to the labour market,
- and helping increase environmental consciousness and sustainability by raising awareness for clean seas and our own environmental footprint

Brunel helps to create a better future for professionals and a better planet for future professionals.

Brunel supports relevant UN SDGs based on two pillars: People and Planet

People	We support skilled future, young and senior professionals with a certain distance to the labour market	
Planet	We help increase environmental consciousness and sustainability by raising awareness for clean seas and our own CO2 footprint	

Brunel Foundation

We have executed our commitment to sustainable development through Brunel's corporate social responsibility (CSR) Program. This program is led by the Brunel Foundation, a platform allowing Brunel colleagues to volunteer their time or donate to programs and initiatives with a CSR focus. The Brunel Foundation's mission is to positively impact people and our planet by helping create a better future for professionals and a better planet for future professionals.

To enable these goals the Brunel Foundation helps future, young and senior professionals with autism to increase their job opportunities. Besides this, the foundation helps increase environmental consciousness and sustainability by raising awareness for clean seas and Brunel's own CO^2 footprint.

At the beginning of 2020, the foundation introduced the Brunel Foundation community. In all regions, the foundation works together with colleagues that are motivated to enthuse others and set up initiatives in their region to contribute to our mission. To create maximum impact, the Brunel Foundation focuses on the specific interests in the regions and stimulates local partnerships that align with our focal points for people and planet, such as Together Trust and Caudwell School (United Kingdom), Avondale House (United States), Dutch Autism Association and Tech Playgrounds (Netherlands), Rainbow Pen (China) and Greenbatch Foundation (Australia). At a local level, various regions have organised CSR oriented initiatives to generate local impact in the fields of a cleaner planet or a more accessible labor market where talent unlocks its full potential.

Brunel Global Trash 'n Trace conquers the globe

On World Environment Day 2020 the Brunel Foundation introduced Brunel Global Trash 'n Trace. This initiative ties in with the foundation's focus on actions to reduce (plastic) waste before it reaches our waters. It aligns with our belief that every change we make, every piece of plastic we clean up or do not use, will make a difference. With Brunel Trash 'n Trace we like to encourage Brunellers, friends, family and many others to make a start with cleaning up the environment.

To support these clean-up activities, we started a partnership with Litterati. Litterati created an app that empowers people to make a significant, measurable impact on the environment as an individual or a team. Users of the app take pictures of pieces of litter they clean up, tag them and the app will apply a geo-tag and timestamps the picture. Together all these pictures create an open source database of litter maps all around the world. The collected data will be used to create awareness, a new mindset, and to convince governments to introduce e.g. a deposit program or to challenge organisations to find sustainable solutions for a litter-free world.

We integrated Trash 'n Trace into sales and staff competitions in the United States, Canada, Brazil and the Netherlands. On World Environmental Day 2020 we organised a 24-hour battle between the Brunel regions. The winning regions got to pick a charity to whom the Brunel Foundation made a donation. This aligns with our key ways to create multiple levels of impact through our initiatives.

Colleagues, friends and family members rolled up their sleeves and took action via the Brunel Trash 'n Trace challenge. All together over 100,000 pieces of litter was collected and registered worldwide since the introduction in June.

My journey for education

In December the Brunel Foundation proudly presented the online premiere and live Q&A on 'My journey for education', a unique documentary by Merlijn Goldsack. The foundation supports this documentary about Merlijn because he is an example for many people with autism.

He dropped out of school when he was a young boy because of his autism. A youngster with no certificates, depressed because of his situation, with low self-esteem, but gifted with a talent. He decided to start filming his journey for education which led him to the Netherlands, the United States and Finland. Merlijn's hard work, perseverance and unique approach come together in this very personal documentary. 'My journey for education' aligns with the foundation's focus on creating awareness on autism and unlocking talent.

Brunel initiated the sustainable planet scorecard two years ago which is about improving our environmental footprint by looking at our own offices and making positive changes where and when possible.

Due to the COVID-19 pandemic, with many offices closed and people working remotely, it was challenging to improve towards the criteria of our scorecard. Over last year we globally showed improved scores in the use of high efficiency led lightning, presence detection and automatically regulated climate control at the offices. We also took steps in more sustainable ways of travelling and separating and reducing waste. Nevertheless, based on the improvements made since the introduction of the scorecard, we continuously work on plans how to take the next steps in generating more extensive insights in, as well as improvement on our environmental footprint for the upcoming years.

The Brunel Foundation launched an online impact campaign to create awareness amongst our colleagues about making sustainable choices in their private lives. Making these choices is all about building new habits. What can we change on a daily basis which will impact the environment on a global scale. With our 'Building New Habits' campaign, we aim to inspire our colleagues to take action to decrease their personal carbon and plastic footprint. One habit at a time.

Risks, risk management and control systems

Strategic approach to risk management

The board of directors is responsible for the risk management associated with Brunel's strategy and activities. Following the global and regional steering model, Brunel entities are responsible for identifying and managing risks, supported by the regional financial control function and CFC department. The board of directors reviews the risk management framework and assesses the company's top risks on a regular basis, followed by communicating and executing actions among different levels and functions within Brunel.

Brunel believes risk management is a value creating activity and aims at achieving long-term sustainable management of its business activities. The board of directors considers the ability to control strategic, operational, compliance, commercial, financial reporting and financial risks crucial for achieving our targets and safeguarding the continuity of the company. As the business contexts evolves, the board of directors revaluates Brunel's risk appetite annually to align with strategy and re-assessed key risks that may impact the achievement of this strategy. In particular, we continue to strengthen our fraud risk management while facing the global rapid increase of online business, payments and data breaches. Identified fraud attempts in our business include phishing email, impersonation, hacking, and diversion theft. The board of directors has implemented an incident reporting procedure and discussed this topic in depth during the annual controllers meeting. IT security measures and other control measures (e.g. raising employee awareness) to minimise the fraud risk are key components in the updated Brunel IT strategy. During the annual financial controllers meeting, the risks of internal fraud have been discussed extensively, with a focus on internal controls required to prevent significant fraud.

The board of directors discusses annually Brunel's risk management framework and company risks with the audit committee, the supervisory board and the external independent auditor. Adequate risk management and internal control systems are present in all Brunel entities.

During this reporting cycle, the board of directors has not identified any material risk and uncertainties that are relevant to the expectation of Brunel's continuity for the period of twelve months after the preparation of this report.

Align risk appetite and strategy

The board of directors defines the risk appetite of Brunel, i.e. the level of risk that Brunel is willing to take in order to achieve its objectives, and sets the risk appetite by our strategy, code of conduct, company values, authority schedules and policies. The following risk categories fully align with Brunel's strategy, mission, vision and core values.

Risk category	Risk description	Risk appetite
Strategic risks (S)	Risks which affect or are created by Brunel's business strategy and could affect Brunel's long-term positioning and performance	Low - moderate
Operational risks (O)	Risks which affect Brunel's ability to execute its strategic plan	Low - moderate
Compliance risks (C)	Risks of non-compliance with laws, regulations, local standards, Brunel's code of conduct	Zero tolerance
Financial and reporting risks (F)	Risks include areas such as financial reporting, valuation, currency, liquidity and impairment risks	Low

Tying risk management to strategy and performance

Since 2018, Brunel has implemented the revised guidance of COSO ERM – Integrating Strategy and Performance 2017, in order to integrate Brunel's risk management system further in the normal business processes and activities, including the mission, vision and core values. In the last reporting cycle, we followed the framework to improve our own practices in five interrelated aspects, namely: governance and culture; strategy and objective setting; performance; review and revision; information communication and reporting.

1. Governance and culture

Both governance and culture are crucial for effective enterprise risk management. For Brunel, as a company listed on the Amsterdam Stock Exchange, the primary references for good corporate governance are Dutch law, and the Dutch Corporate Governance Code. Brunel's risk management is part of the governance structure. This has resulted in a generally accepted code of conduct, whistleblower procedure, compliance training for new employees, and refresher courses for existing employees and training-on-the-job programmes.

Effectiveness and compliance with the code of conduct are essentially determined through:

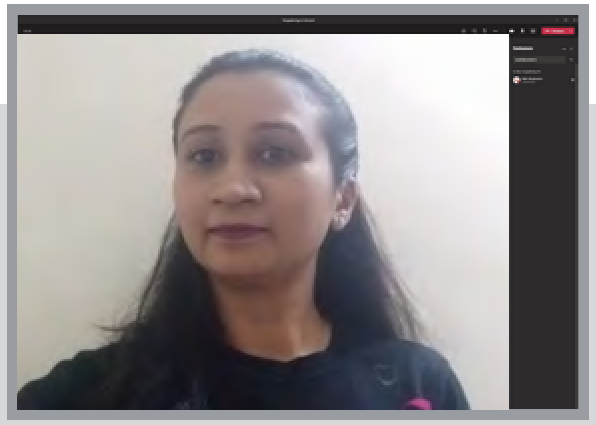
- periodic activities carried out within the internal control framework
- reports received in accordance with the whistleblowing process
- checks forming part of the standard operating procedures, such as the contracting procedure

The results of those activities are reported to the board of directors. The relevant corporate departments are notified of violations for follow up in line with relevant policies.

The board of directors is accountable and responsible for risk oversight and possesses the required skills, experience and business knowledge. Periodically the board of directors – together with a controller from CFC if required

Dimple Shah

MUMBAI, INDIA



Projects, Trainings and more....

It has been a marvelous journey in Brunel so far, one where I have completed four years with a lot of learning and celebrations. Brunel showcases that they are a caring family.

Working with Brunel is a journey full of growth, be it as a professional or as an individual in my personal life. Over these years, this has been a terrific learning experience that I can incorporate in my career path.

When it comes to a favorite story about a project or a client, it would be about one of our clients in the Oil and gas sector. P.E. project which is close to my heart and I will never forget. My manager saw the potential in me, gave me the responsibility to handle the project and directly interact with the client. He guided me throughout the project tenure. In terms of a challenge initially, it was difficult as I did not have experience of working in a similar kind of position. But as I deep dived into the project, I performed on track.

A proud moment indeed! I gained praise for my success from my manager. I was lucky enough to visit the client office and moreover to understand their thought process and working style which made it easier to work on the project.

Another big win for me was when the management nominated for a “Women Empowerment” event, representing Brunel. It was a learning experience for me whereby my manager supported and guided me through the process.

At Brunel, after all the hard work comes celebration time, it is when the company arranges something special to thank us and help motivate ambition and future success.

My Brunel journey has given me a platform to enjoy professional learnings, grow and enjoy unforgettable moments, it is more than a dream come true to work in Brunel.

NAME DIMPLE SHAH
JOB TITLE SENIOR CONSULTANT RECRUITMENT
YEARS WITH BRUNEL 4
OFFICE MUMBAI, INDIA

– visits the operating companies to facilitate complex decision-making, to control financial progress and to monitor realisation of the business objectives.

2. Strategy and objective setting

The board of directors ensures Brunel’s risk management framework, strategy and objective-setting work together in the strategic planning process. In the strategy execution phase, the updated risk appetite statement serves as a basis for identifying, assessing, and responding to risk.

3. Performance

Brunel strives to identify all potential internal and external events that could affect the strategy execution. This risk identification process includes risks arising from changes in business context.

The board of directors holds regular discussions on key risks and risk assessment with Brunel global leadership team, corporate and regional controllers and regional management. In addition, various CFC meetings, business review meetings and budget meetings with division leadership also contribute to assessing the potential impact and occurrence likelihood of the identified risks. With this information, Brunel is able to determine how to manage its risks and select its risk responses such as avoiding, accepting, reducing and/or sharing the risks. The risks listed in this section are our main, material and company-specific risks. The set of actions that Brunel has developed aligns with our risk appetite.

4. Review and revision

The review and revision component focuses on monitoring risk management performance. Effective monitoring provides insight into the relationship between risk and performance. All Brunel divisions are subject to general policies, rules and procedures aimed at controlling our risks.

5. Information, communication, and reporting

Communicating the internal risk management and control systems throughout the whole organisation is a continuous process. Effective communication also occurs in a broader sense, flowing up, down and across the organisation. Every year Brunel’s financial community holds an international meeting, attended by the CFO, CFC department and all regional financial controllers, to discuss best practices and the latest developments in financial management and internal controls, and to implement action plans throughout the group.

Sathi Babu

KUWAIT CITY, KUWAIT

Brunel is my oxygen

Hi, I am Sathi Babu, my colleagues call me Satish. I started my journey with Brunel India 9 years ago, and now I am currently working as a lead project coordinator in Brunel Kuwait.

I still recall my first day with Brunel India, where we had to work in incredibly cold weather in December. The weather took a toll on my health, but my level of excitement was sky-high, the welcoming and amiable environment from the team made me feel very comfortable. During the next couple of weeks, I realized, I belonged to a team of multi-talented collaborators. So much opportunity to learn from my and individual gains within the organization makes fantastic career potential.

I can vouch that the last nine years with Brunel have been the best years of my life. I cherish every moment of my journey so far. A significant event that took place in my professional course is being one of the winners of the Global Target Control in the operations department for the Middle East and India region. I am super excited and looking forward to being a part of the 45^{th} anniversary celebrations in Amsterdam.

I take this opportunity to express my appreciation to all Brunellers who have supported me throughout my fantastic journey.

Thanks once again to one-and-all.

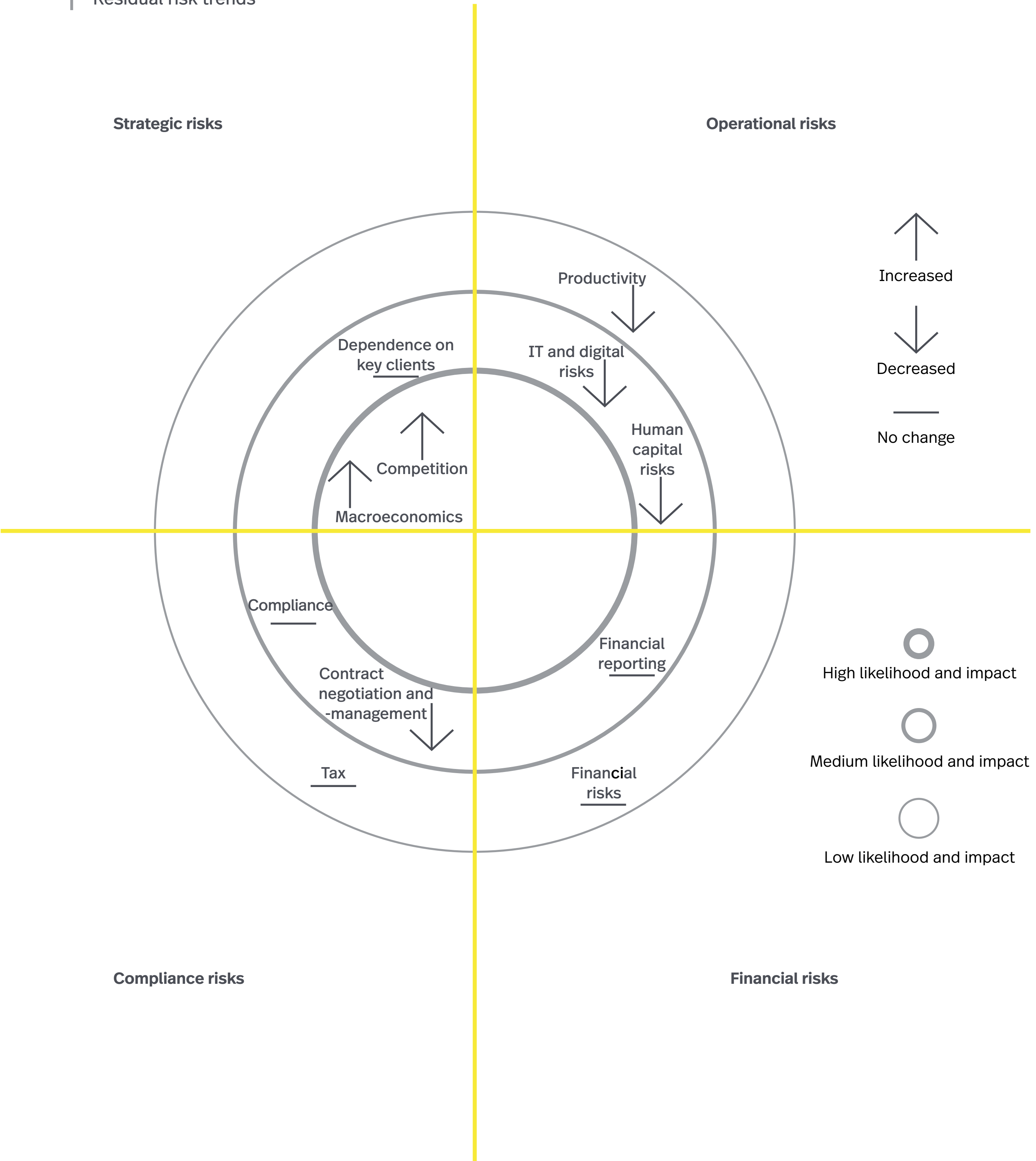
NAME SATHI BABU
JOB TITLE ASST. OPERATIONS MANAGER
YEARS WITH BRUNEL 9
OFFICE KUWAIT CITY, KUWAIT

45 years of Brunel

Top risks and risk trends

In order to focus on effective controls of the current environment, Brunel assesses residual risk which is defined as the level of risk assuming existing responses operate according to design. The resulting impact could comprise a material direct or indirect adverse effect on Brunel's business, operations, volumes, financial condition, performance, reputation and/or other interests. On page 65 we identify and discuss our top company-specific risks, the residual risk trends assuming risk response plans are fully implemented. The risks listed and the response plans are not exhaustive and may require adjustment from time to time.

Residual risk trends



The established policies, procedures, control and monitoring activities include but are not limited to the following:

Risk category	Key risks	Monitor and control
Strategic risk	• Unfavourable macro-economic conditions / geopolitical situation • Competition • Dependency on key clients	• Strategy updates • Annual business reviews
Operational risk	• Human capital risk • IT and digital risks • Productivity	• Uniform IT systems • Contracting procedures • Weekly KPI reporting • Monthly management reporting • Quarterly business reviews • Site visits • Insurances
Compliance risk	• Compliance • Contract negotiations and management • Tax	• Reporting and disclosures • Legal counselling • Anti-bribery and corruption policy and training • Training • Contract approval policy and procedure • Internal control via business control
Financial and reporting risks	• Financial reporting • Financial risks	• Uniform IT systems • Accounting and control manual • Internal control via business control • CFC department • Monthly reporting • Quarterly reviews • Treasury • Audit

1. Unfavourable macro-economic conditions / geopolitical situation	2. Competition
Risk description	**Risk description**
Unfavourable macro-economic conditions and inability to deal with these conditions affect Brunel's business growth and margins negatively. Adverse and instable local economic, political and social conditions may result in lost sales, lost opportunities, increased costs, health and safety threat to our employees and increased risk of non-compliance. Changing environmental policies or regulations could affect our clients in these sectors and therefore we are exposed to the potential risk of project delay or cancelation.	Actions of existing international and local competitors or new types of competitors on segments of Brunel could impair the organisation's competitive advantages and could negatively affect the financial performance.
Key aspects:	**Key aspects:**
• Dependency on countries – Brunel is dependent on the economic cycle and the geo-political situation of the countries where it is active • Dependency on industries – still a relative large share of Brunel's business depends on the oil and gas industry.	• Margin pressure – intense competition puts pressure on our margins • Service delivery – competition will try to match and beat our service quality • Reputation – reputational damage for Brunel will drive our clients towards our competitors
Top 3 mitigating measures	**Top 3 mitigating measures**
1. There is still high uncertainty of the COVID-19 development moving forward. This could further reduce economic confidence and makes it harder to predict behavior changes of industries, companies and economic policymakers. For instance, The COVID -19 pandemic is causing a historic decline in economic output in Germany and has significant impact on Germany's industrial atmosphere. we see government's subsidy during COVID-19 drives our profitability. Brunel DACH management has been taking effective measures actively to minimize the impact when government stop providing subsidy to both indirects and directs. Globally we keep enhance our efforts to diversify our products and services, acquires clients from new verticals and increases activities in new locations with promising business opportunities. **2.** Maintain flexibility in cost structure globally- In order to minimise the downside risk of adverse economic conditions, Brunel manages the share of contractors versus own employees in our secondment business in order to maintain the right mix. Moreover, all starters (both internal and external employees) with Brunel receive a temporary contract first, and are offered a longer-term contract depending on their performance. **3.** Expand / monitor client base- Brunel Netherlands, Brunel DACH and Brunel Belgium have the tradition of organising annual Target Control programs, the entire sales organisation focuses on expanding our customer base and winning new clients. In recent years, Brunel has also launched Global Target Control to stimulate sales performance and employee engagement to achieve local goals.	**1.** Improve quality and efficiency - Brunel has introduced "Lean" methodology via classroom training and eLearning platform. Front running entities are adopting Lean in their management approach and reorganisation plans. Brunel is developing a culture of "continuous improvement" To further improve operation quality and process efficiency, Brunel is executing the multi-phased program -"Be Better @ Brunel" globally. **2.** Improve commercial management - Commercial teams have been set-up per region and act as focal points of contact for any tenders that come out of their respective regions. Improved contract approval procedure, risk analysis and assessment process, and intercompany procedure are fully functional. **3.** Identify differentiators - Our sales organisation is aware of the margin pressure from our peers. To reduce competition risks, regions are implementing different measures for example, focus on core disciplines and service speed, find lucrative niches, increase sales to existing customers, develop products and services to differentiate ourselves from our competitors. Brunel is also strengthening sourcing capabilities to attract global talent and improve our recruitment efficiency. This helps us to build a community of specialists and differentiate us from our peers.
Change in risk ↑	**Change in risk ↑**
Link to strategic pillar	**Link to strategic pillar**
• Capabilities and differentiators • Diversification and verticals • Global client management	• Capabilities and differentiators • Diversification and verticals • Global client management

3. Dependency on key clients

Risk description

The ability to grow is highly dependent on key clients and their willingness to continue to do business with Brunel. Key aspects:

- Dependency on clients – since we have a few very large clients, the loss of one of these key accounts will damage our business
- Complacency – in the past, a large part of our business had been "given" to us by our large accounts, creating a complacent culture. This might increase our dependency on key accounts

Top 3 mitigating measures

1. Sales enablement - We keep enhancing our capabilities in providing customers added-value service and improving customer loyalty increasing proactivity and project guidance. This strategic pillar (1) aims to choose the right clients and connect with Brunel's capability to provide high margin services and (2) develop sales muscle and equip sales force with right tools and resources.

2. Diversification strategy - In order to reduce our exposure to the oil and gas industry, Brunel is developing our expertise in multiple verticals, for instance, renewable energy, automotive, mining, infrastructure and life sciences. The committed vertical members are in the process of building a knowledge base and network globally.

3. Increase Brunel's brand awareness - To attract new clients in new verticals, we are increasing Brunel's brand awareness amongst clients and candidates through conducting research topics in the chosen verticals and regions, planning focused online client social media campaigns for the chosen verticals.

Change in risk –

Link to strategic pillar

- Capabilities and differentiators
- Diversification and verticals
- Global client management

Monitor and control – Strategic risks

Our results of operations could be adversely affected by unfavourable macro-economic conditions and geopolitical situations in our main operating markets and globally. Competition in the various verticals in which we operate and high dependence on key clients and cyclical verticals could reduce our profitability and result in a decrease in our market share. These risk factors make it difficult to formulate effective strategies and executing our business strategy. Therefore, we perform strategy update regularly and review established strategies for each of our operating units annually to ensure that the performance of the business is in line with the plan and financial and operational reporting procedures are in place.

Strategy updates: In order to achieve further growth of our business, we have renewed our corporate strategy and developed a number of strategic pillars in 2018. The board of directors reviews the strategy periodically, at least every three years or when developments require a review of the strategy. Due to the increased market environment uncertainty and strategic risks in 2020, the board of directors reviewed the corporate strategy and updated the strategic pillars in Q3.

Annual business reviews: Brunel reviews all businesses at least annually during the budget cycle. Supported by the CFC department, all entities prepare their own budgets. The board of directors discuss with local management about their business strategy, budget planning and the main opportunities and threats for achieving the budget. After approval by the supervisory board, the budgets serve as a basis for setting local management targets. The board of directors maintains a list of key performance indicators that are relevant to execute Brunel's strategy successfully.

4. Human capital risk

Risk description

The main risk is that we are unable to create successors for key personnel in (senior) management functions due to a lack of structural attention for succession planning, a small top management basis and the scarcity of qualified managers within the organisation. The scarcity of qualified internal staff could limit further growth as we are just able to manage the existing business. This risk category also includes the aspects of employee engagement, talent development, skills availability and turnover. The scope of the talent covers both internal employees and talented specialists.

Key aspects:

- Retain our key people and develop leadership
- Talent and succession planning
- Skill availability and competence in house
- Internal communication
- Health and safety of our employees

Top 3 mitigating measures

1. Talent planning and succession planning - Brunel has a bonus plan for its entire indirect staff, where different programmes exist for both commercial and non-commercial staff. For key employees, Brunel also has a stock appreciation scheme. Key management positions have identified their succession plans. Top 120 talent in scope. Brunel has various training programs in place: global and local induction programme and business school programme for executives. For sales organisation, in particular, the Global Sales Academy consists of base training, value focused engagement and challenger sale methodology depending on existing sales employees' experience upon joining. The Sales Academy support e-learning modules and classroom trainings, Dedicated trainers for Brunel Germany, Netherlands and the rest of the world are all in position.

2. Professionalise talent selection and hiring processes - introduced a cloud based and fully automated tool for measurement of personality, intelligence, career drives and learning agility. This tool is currently used to support development and selection processes on GLT and GLT -1 level globally. It is integrated into hiring and selection processes. Our management is also equipped with the right tools, e.g. talent matrix, succession sheet etc. to identify, assess and develop talents and plan succession.

3. Leadership development - The first group of Brunel Leadership Development Program (BLDP) candidates started their two- year international development program in early 2019. The program is carefully designed to encourage global collaboration and personal and professional growth through one-on-one coaching and group assignments. Due to the COVID-19 outbreak, the launch of second group has been postponed to 2021.

Change in risk ↓

Link to strategic pillar

- Talent
- Build communities
- Brand

5. IT and digital risks

Risk description

Information technology risks are abundant and increasing. Risks of cyber-attacks, phishing and other related fraudulent attempts, data fraud or theft, information mismanagement privacy and data protection are continuously increasing. The impact of any of those risks can have a severe reputational, financial and operational impact. This risk category also includes risks during digital transformation.

Key aspects:

- Cyber and security risks
- Privacy and data protection – include risks of data breach and inappropriate handling of personal data
- Operations – include risks arising due to inadequate controls in the operating procedures
- Technology related risks – include scalability, compatibility and accuracy of the functionality of the implemented technology
- Resilience – risk of disruption in operations or unavailability of services, due to high dependency on tightly coupled technology

Top 3 mitigating measures

1. Security, privacy and data protection

- Actively detect cyber-attacks and upgrade security
- Implemented a new security and compliance policy enabling employees to assign a sensitivity label to files and emails to further improve data protection
- Penetration tests; eLearnings on cyber risks to increase security awareness
- Implemented multifactor authentication for all Brunel employees
- Implemented global consent process to obtain candidate's consent and to store personal data in our IT system
- Upgrade network to improve connectivity

2. Business continuity - Upgrade and implementation

- Started the implementation of Epay time registration globally.
- Improvement the Business Intelligence dashboard – Power BI
- Introduction of Microsoft Teams to work together during COVID
- Created 1,600 home offices with new surface laptops and modern workplace

3. Develop and implement digital strategy - Digital transformation

- All tools cloud based and up to date new Modern Workplace
- Advanced sourcing solutions including artificial intelligence (talent acquisition centre)
- Platform 'Connect'
- Client, contractor and candidate portals (through Pack intelligence)
- Upgrade websites with SEO/SEA intelligence

Change in risk ↓

Link to strategic pillar

- Digital roadmap
- Quality, speed and efficiency

6. Productivity
Risk description
This applies specifically to the secondment business in Europe, where employment contracts are based on contractual agreements with clients. Potential early termination of deployed employees can result in loss of productivity. In order to take corrective actions in a timely manner, we measure productivity on a daily basis and report it on a weekly basis.
Top 3 mitigating measures
1. Brunel DACH - High bench remains a key risk in Brunel DACH. Program to stimulate replacements has been implemented- This is part of the bonus program so called "Boost".   **2.** Brunel Netherlands - The impact of bench will be reflected in sales consultants' bonus scheme.
Change in risk ↓
Link to strategic pillar
• Digital roadmap   • Quality, speed and productivity

Monitor and control – Operational risks

Our inability to attract and retain qualified employees could harm our business and inhibit our ability to operate, grow and achieve growth successfully. We may be unable to improve productivity which could have an adverse effect on our results of operations. Information technology systems are a critical part of our operations and any cyberattacks, systems failures or other disruptions affecting these systems could have an adverse effect on our business. Each month, the board of directors discusses performance with the management team of each operating unit. The agenda includes financial and operational performance, forecasts, risk management, and the progress made in achieving strategic goals. Monitoring and controlling these operational risk factors are embedded in the monthly control cycle.

Reporting: We use a variety of tools within our planning and control cycle to assess our growth, productivity, profitability, working capital and cash flow. KPIs are used to measure and monitor performance against budgets, forecasts, the previous year, our strategic goals. We have various reports in place to maintain full insight in performance and strategy execution.

Uniform IT systems: Brunel has established a globally centralised IT infrastructure and unified applications for key business processes across entities worldwide. This global setup implies all commercial and compliance information is stored and accessible in one secured Cloud environment. Key business processes are connected through customised system interfaces enabling us to replace manual controls by automated controls. The IT organisation also emphasises the segregation of duties across all IT functions. This further enhances Brunel's internal control system when manage third party related potential financial risks. Brunel's IT infrastructure is regularly reviewed to ensure it has capacity to cope with a major data or system loss or security breach. As a result of increasing risks in this area, we continue to invest in software and penetration testing.. As part of the annual audit of the financial statements, we request our external auditor to perform audit procedures over cyber and IT security.

Contracting procedures: In each region, the appointed risk manager monitors the regional and local contracting procedures. The risk managers, who are usually with rich experience in contracting, client requirements and compliance with tax and other legislation, review all agreements or binding offerings to determine the

7. Compliance	8. Contract negotiations and management
Risk description	**Risk description**
Noncompliance with laws, regulations, and local standards (including tax) due to potential insufficient knowledge on the provisions of specific jurisdictions or due to provisions being open for interpretations resulting in penalties and / or reputational damage. To prevent financial and reputational damage, Brunel complies with various regulations on the following topics:	The potential of entering burdensome, unenforceable or unfavourable contract terms or contracts that lack clear definition of business arrangements can result in noncompliance with contractual obligations and increased costs. Due to the focus on further growth and our expanding client base, the risk of entering in these contracts has increased.
Key aspects:	**Key aspects:**
• Tax • HR • Legal • Health and safety • Anti-bribery and corruption • Financial reporting	• Margin pressure caused by burdensome and unfavorable contracts • Liabilities • Lack of strategic or insufficient client relationship management will cause deal sizes to go down while cost of new client acquisition is going up
Top 3 mitigating measures	**Top 3 mitigating measures**
1. Increase and retain compliance knowledge - Provide regular trainings and update sessions to key personnel about changes in rules and regulations **2.** Increase communication of business integrity - Annual knowledge sharing meetings for commercial staff and financial controllers. Provide training on corporate policies. **3.** Use technology to manage compliance - Brunel performs regular upgrade of business operation systems to optimise and standardise our sales and finance processes. We have the data protection team in place to manage Brunel's data privacy compliance program. Standardisation of IT system access rights based on employees business roles. Brunel has implemented an information security management system (ISMS) for systematically managing an organisation's sensitive data. We are able to minimise risk and ensure business continuity by pro-actively limiting the impact of a security breach.	**1.** Improve commercial management - Commercial teams have been set up per region and act as focal points of contact for any tenders (FFI / RFP / RFQ and any new or amended client contracts) that come out of their respective regions. Improved contract approval procedure, risk analysis and assessment process, and intercompany procedure are fully functional. **2.** Increase awareness - Improve awareness of client contract creation in sales operations and finance departments, amongst different regions (for global contracts) and standardising contract templates **3.** Manage contract obligations - Improve visibility and control (fulfilment, expirations, renewals, key events tracking.)
Change in risk –	**Change in risk ↓**
Link to strategic pillar	**Link to strategic pillar**
• Talent	• Capabilities and differentiators • Quality, speed and productivity

risk factor. Risk depends on a number of factors such as margin, location, services and insurance requirements. Every high-risk contract has to be reviewed by the global commercial team (which includes corporate legal) and has to be approved by the global commercial director. The global commercial director reports to the board of directors on significant and high risk contracts at least on a monthly basis. The global commercial team meets annually to share knowledge with each other and discuss commercial related topics.

Insurances: Brunel has an insurance manual in place, including insurance policies in the fields of employment relationships, liabilities and business continuity. We regularly review insurable risks and our insurance policy coverage.

Monitor and control – Compliance risks

Future changes in employment related laws and regulations could necessitate costly compliance expenditures and increase the risk that we could fail to comply with the applicable requirements. Accepting inappropriately high contractual liability whilst not having a robust delivery process could materially affect our business results. Complex and changing tax could lead to a lack of clarity and errors in wages and a greater need for social security and payroll tax compliance, which could result in possible disputes, claims, and fines, as well as increased operational costs. Monitoring and controlling compliance risks starts from the tone at the top. Furthermore, our internal control framework provide group wide comfort in terms of key controls, while facilitating the flexibility to adapt to local businesses circumstances.

9. Tax

Risk description

Brunel operates globally and is therefore exposed to various jurisdictions and complex tax systems. Considering the type of business, taxation is a large part of our costs. As compliance is one of the most important parts of our service, tax compliance is therefore one of the major business risks within Brunel. Depending on jurisdictions, tax rules as well as interpretations can be subject to changes, which can expose Brunel to additional tax costs.

Key aspects:

- Additional cost
- Reputation damage

Top 3 mitigating measures

1. Formal procedures and monitoring systems around tax compliance - Updated procedures are accessible by all local offices. Depending on the sort of taxation, monitoring takes place by the commercial team, the payroll team and regional finance departments. CFC reviews all tax positions on a monthly basis

2. Engage reputable tax advisors - We have seen changes in tax laws and interpretations especially in developing countries we operate in. The attitude of local tax authorities has become more opportunistic or even aggressive. This manifests itself in unexpected tax claims, a disproportionate amount of tax audits, and a tax authority that is not open to resolving disputes without going to court. To minimise these tax risks, we have engaged reputable tax advisors to ensure compliance with tax legislation.

3. Training - Support relevant employees to take tax compliance trainings and seminars to keep Brunel's local knowledge up-to-date.

Change in risk –

Link to strategic pillar

- Quality, speed and productivity
- Talent

Internal control via business control. Brunel's internal control procedures are subject to regular review and provide an ongoing process for identifying, evaluating and managing significant risks. Internal controls are designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material loss. The tax control is embedded in the internal control framework. The purpose is to ensure Brunel is in control of all its tax compliance obligations and does not incur any unexpected material tax charges. We encourage the use of standard contracts. High risks and non-standard contracts are always reviewed by corporate legal department, with guidance provided by the global contract approval policy.
Business integrity as a core value. The tone at the top is derived from our core values, which are embedded in our leadership style and determine our culture. We have been able to extensively develop management by example, based on our core values and business principles. Upon joining Brunel, our employees receive eLearning in the business principles and acknowledge that they will comply with them. Periodic refresher training on core values, business principles and relevant compliance policies is also in place. These policies are a mandatory part of both our induction and refresher training. They are also included as controls in our internal control framework.

- Anti-bribery and corruption policy and training: Brunel operates worldwide including in countries with medium to high bribery and corruption risks. It is our policy to conduct all of our business in an honest and ethical manner. We take a zero tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships, implementing and enforcing effective systems to counter bribery. Brunel is a full member of TRACE International and complies with global anti-corruption laws. In Brunel's anti-bribery and corruption policy, we have identified the following particular inherent risks for our business: facilitation payments, gifts, hospitality, agents and enhanced commission. To address the particular risks, we have put in place procedures to mitigate identified risk, such as conducting due diligence on third parties, implementing training policies and procedures on bribery and corruption. The board of directors communicates Brunel's culture of integrity to all individuals working at all levels regularly. 95% of the total number of new starters worldwide completed integrity training on the policies and procedures during their induction programme. 98% of the total number of Brunel employees worldwide completed the integrity annual re-certification training. Brunel identified no bribery and corruption incidents during 2020.

- Raising concerns at work: Individuals working at Brunel are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. Brunel's misconduct reporting system is available worldwide, 24 hours a day, 365 days a year. Individuals can share their concerns anonymously and submit the information in multiple languages. Brunel is committed to protecting the privacy of everyone involved in the misconduct reporting process. Any personal data obtained as part of the procedure is protected by Brunel privacy policies. Two issues were raised in 2020.

Cheryl Tan

SINGAPORE

My (nine)teen years in Brunel

One could say that I have grown up with Brunel. I started at Brunel in year 2000 with my 3 months polytechnic (school) internship. For me, it was a whole new experience working on Energy and Oil and gas CVs containing words I had never seen in my life.

The internship ended and I continued as a temporary member of staff and later I was offered a permanent position as an Administrative Assistant. The team was fun and everyone got along really well – it was really like being part of a large family.

It is evident how much Brunel has progressed over the years. From a small (Singapore) office of just 10 staff, we grew to about 100 at our peak, and looking at the number of Brunel offices increasing worldwide has been pretty amazing as well.

I have often been envied by friends and family who would comment after seeing my posts on social media – stating “Wow, your company’s welfare is amazing!”” or “”Your company looks like so much fun! Is there a vacancy?””. My response would often be “We work hard, and we play hard too.”. This really embodies what working here in Brunel is like for me. We know what the expectations of work are and we work hard for the results. Best of all we have fun together.

I have at times thought about looking for new employment, as with each new job comes new learning experiences, however at Brunel I have these experiences already.

Over the years, I had the opportunity to visit a client FPSO and traveled to our offices in Malaysia, Thailand and Australia to conduct database training for our colleagues. I was posted to Perth for over a year working in operational support.

While I may not have had the experience of working for different companies, I am indeed blessed to have grown and garnered many different experiences in different countries and have had some fantastic managers and all this whilst working with just one company – that is, Brunel.

For this I am truly grateful.

Here’s wishing many more good years for Brunel, for us all!

NAME CHERYL TAN
JOB TITLE OPERATIONS EXECUTIVE
YEARS WITH BRUNEL 19
OFFICE SINGAPORE

10. Financial reporting	11. Financial risks
Risk description	**Risk description**
Financial reporting risk can be pervasive anywhere within the company and can arise from an event or condition, external and internal factors, and decisions and choices made by many within the company. It may also arise from inaction. Key aspects:	Brunel is a solid partner in business and our assets include a limited amount of goodwill. Brunel’s most important financial assets are its account receivables, spread over more than two thousand clients. Uncollectible debts cannot be ruled out.
Key aspects:	**Key aspects:**
• People - skills, knowledge and responsibilities • Processes and procedures • Information systems	• Account receivables • Accrued income • Currency risks
Mitigating measures	**Mitigating measures**
The main measure to control the quality of the financial reporting, and prevent unintentional or intentional errors is internal control. Brunel continuously standardises and uniforms processes and procedures. As a result, more group wide controls are in place, as well as sharing of best practices. We are also monitoring the market trends to be able to respond quickly to changes in the control environment. Our financial consolidation application enables us to interface data directly from the source and get insights in the financials of our operations.	Brunel has always had exceptionally high solvency rates. The company does not use any long-term credit lines and boosts favourable liquidity positions and bank facilities that accommodate the day-to-day management of the working capital. Our strong balance sheet is a competitive advantage. Impairment risks and the associated deterioration of the solvency level are unlikely. Brunel’s most important financial assets are its account receivables, spread over more than 2,000 clients. Despite internal procedures, uncollectible debts cannot be ruled out. However, the risk of a material erosion of operating profit is very small. Brunel does incur currency risk. The main currency risk is the translation risks in connection with our accounts receivable positions and foreign participations. In the ordinary course of business, revenues and expenses are mostly denominated in the same currency, which helps to reduce the impact of exchange rate fluctuations. However, some (developing) countries have implemented mandatory use of local currencies to protect their economies. This can increase our currency risk due to the international nature of our clients and contractors. Further information is included in on page 123 of the annual accounts.
Change in risk –	**Change in risk –**
Link to strategic pillar	**Link to strategic pillar**
• Quality, speed and productivity • Talent	• Quality, speed and productivity • Talent

Monitor and control – Financial and reporting risks

Monitoring the adequacy and effectiveness of internal risk management and control systems is an ongoing improvement process. The board of directors and local managers arrange monitoring activities periodically through frequent contact between the Corporate Finance and Control (CFC) department and local financial management, and weekly operational and monthly financial reports.

CFC is a department consisting of controllers with auditing, controlling and consulting background. The department reports directly to the board of directors. Main activities include, amongst others, reviewing monthly reports of all entities, monitoring tax compliance and frequently visiting our operating entities. During these visits, various relevant subjects such as accuracy of monthly reporting and compliance with policies and procedures are subject to verification. CFC visits all operating entities of Brunel at least once every two years and significant entities at least three times a year. In addition, CFC advises local management to improve their internal risk management and control systems. Led by CFC, Brunel has implemented a comprehensive internal control framework in place. This framework proves to add value when it is used to spot opportunities and to standardise procedures. Moreover, it creates a basis for our internal audit department to test the operating effectives of controls.

Due to COVID-19 outbreak, all site visits could not be performed as scheduled. To mitigate this weakening in our internal controls, CFC has intensified the contact with the regions and increased the frequency of in depth reviews of balance sheet reconciliations, gross margin analysis, operating costs and follow up the external auditor's findings from previous years. The results are documented and discussed in detail with the regional finance directors.

Accounting and control manual: The objective of this manual is to prescribe accounting policies and reporting requirements in order to ensure accurate, timely and complete reporting in a consistent manner throughout the group in accordance with IFRS. CFC updates this manual annually. The manual includes, besides reporting policies, valuation principles and definitions:

- the main internal control activities
- authorisation rules
- procedures on tax compliance
- contracting procedures
- treasury procedures

Internal audit: To strengthen the effectiveness of Brunel's internal control system and risk management framework, Brunel has implemented an independent internal audit function to provide objective assurance to the audit committee and senior management. This internal audit function adopts a risk-based approach to access and make recommendations on the effectiveness of the existing controls.

External audit: The external independent auditor is responsible for auditing Brunel's annual financial statements. The independent auditor prepares findings in the form of management letters and reports them directly to the audit committee. The external independent auditor attends all the meetings of the audit committee. He also attends the general meeting of shareholders and is authorised to address questions raised.

Corporate governance

Brunel International N.V.'s understanding of corporate governance is based on applicable laws, the rules and regulations applicable to companies listed on the NYSE Euronext Amsterdam stock exchange and the Dutch corporate governance code (the "Code").

The Code contains principles and best practices on the governance of listed companies and their accountability to their shareholders on this topic. The full text of the Code is available on www.mccg.nl.

Compliance and continuation

This chapter describes the principal aspects of Brunel's corporate governance structure and how the Code is applied. If applicable, explanations for deviating from the Code's best practice stipulations are provided.

The board of directors and supervisory board are responsible for maintaining the corporate governance structure and for ensuring compliance with that structure. They render joint account on these issues to the general meeting of shareholders.

The supervisory board and board of directors' regulations are published on the company's website. The key aspects of Brunel's corporate governance structure and compliance with the Code will be submitted for discussion at the 2021 annual general meeting.

The corporate governance structure at Brunel and the deviations from the Code are based on current conditions and views within Brunel. Conditions may change which may lead to adjustments in the structure and in the way in which Brunel complies with the Code. Every substantial change to the corporate governance structure of the company will be submitted to the general meeting of shareholders for discussion on a separate agenda item.

Brunel's view and strategy on the central feature of long-term value creation and the realisation thereof, are explained in the report of the board of directors. The board of directors' report also describes the company's risk appetite and the integration of risk management and internal control systems into the work processes.

Diversity

Brunel aims for a balanced distribution of seats in the supervisory board and the board of directors, with at least 30% of the seats occupied by women and at least 30% by men. Currently 25% of the seats in the supervisory board is occupied by a female.

The supervisory board is of the opinion that gender is only one element of diversity, and that experience, background, knowledge, skills and insight are equally important and relevant criteria in selecting new members. At the same time, the supervisory board believes that also the team dynamics and the specific structure of Brunel should be taken into consideration.

Brunel considers diversity in age and nationality inappropriate for the formulation of a specific objective. However, Brunel acknowledges that experience and wisdom come with the years and that young people have the most potential when it comes to being open to new developments.

Against this background, the main priority is always to recommend, nominate and appoint the most suitable candidate for the position. Brunel strives gradually for a mixed composition of the supervisory board and the board of directors on the aspects of diversity that are relevant to the company.

Board of directors

Tasked with the management of the company, the board of directors is responsible for setting Brunel's mission, vision, strategy and focus on long-term value creation; execution of its implementation; taking responsibility for Brunel's overall results and addressing corporate responsibility issues. The board of directors operates in accordance with the interests of Brunel and is to that end required to consider all appropriate interests associated with the company. The board of directors is responsible for complying with all relevant primary and secondary legislation, the risk profile associated with the strategy, the corporate responsibility issues relevant to the company, its financing, and its external communications. The board of directors is required to report developments on the abovementioned subjects to, and discuss the internal risk management and control systems with, Brunel's supervisory board and its audit committee.

Supervisory board

Brunel's articles of association determine that the supervisory board consists of a minimum of three members. The supervisory board determines the number of its members.

The supervisory board is charged with supervising the board of directors and the general course of affairs of Brunel, as well as advising the board of directors.

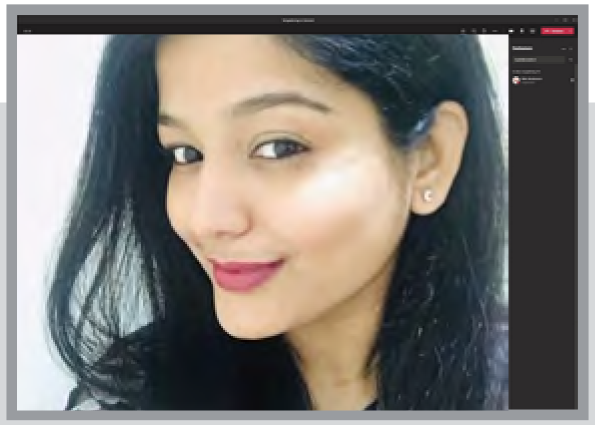
The supervisory board evaluates the corporate structure and the control mechanisms established by the board of directors. In performing its duties, the supervisory board takes into account the relevant interest of the company's stakeholders, and, to that end, consider all appropriate interests associated with the company.

Members of the supervisory board perform their duties without mandate and independent of any particular interest in the business of the company. The supervisory board is responsible for the quality of its own performance and for this purpose annually reviews its performance. The responsibility for proper performance of its duties is vested in the supervisory board as a whole.

Brunel ensures that there are structured reporting lines to the supervisory board. The audit committee assists the supervisory board in fulfilling its supervisory responsibilities for the integrity of the financial reporting process, the system of internal business controls and risk management, the external audit process, the external auditor's qualifications, independence and performance.

Priyanka Sawant

MUMBAI, INDIA



We are individual droplets but together we are one

I started working with Brunel in the year 2017 in the role of "Global Support Administrator" for approx. eleven months and later, the management offered me a position of "Executive Projects, Operations". I accepted this opportunity and made the move to the Operations team.

I stepped into a completely different profile with no prior knowledge or experience. I was keen to learn, take on new tasks, gain expertise from both my peers and the projects. I believe Brunel pushes you beyond your limits in order to help you achieve new heights.

With only 4 to 5 months experience and with limited knowledge, I started to interact and support ex-pat personnel. A big opportunity to learn new skills which helped me grow and develop as an employee.

The management displayed confidence by offering me further responsibilities and promoted me in a Senior Executive within a year. As Brunel trusted me I devoted myself to manage various projects and have thrived in this environment.

What results in an employee working hard and giving their best results in a good organization? It is the kind exposure and belief of the management towards the employee. Working in such environment helped me grow into a well-rounded professional.

In the end, the best part of being here is the company culture – We are one family and that makes Brunel such a positive place to work.

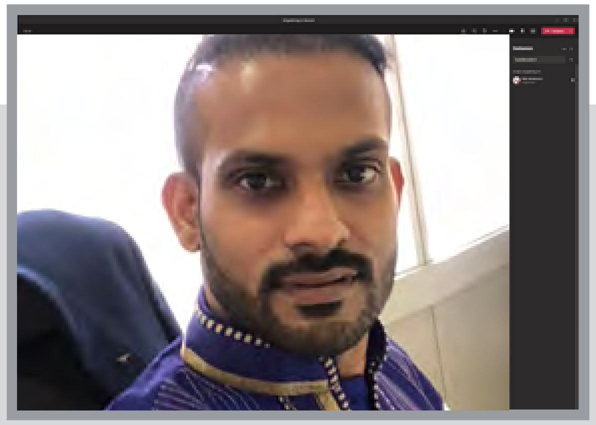
NAME PRIYANKA SAWANT
JOB TITLE SENIOR EXECUTIVE, PROJECTS, OPERATIONS
YEARS WITH BRUNEL 3
OFFICE MUMBAI, INDIA

The chairman of the supervisory board ensures the proper functioning of the board and its committees and acts on behalf of the supervisory board as the main contact for the board of directors. The vice-chairman replaces the chairman when required and acts as contact for the other board members concerning the functioning of the chairman.

The supervisory board regulations and the resignation schedule are posted on the company's website, www.brunelinternational.net.

Structure and shares

The authorised capital of Brunel International N.V. is EUR 5,998,000 divided into 199,600,000 ordinary shares and one priority share. The par value of the ordinary shares is EUR 0.03 each.



Amit Penkar

DUBAI, UNITED ARAB EMIRATES

Every day is a journey at Brunel

Hi, my name is Amit Penkar and I am based in the Dubai office and work as the Regional Commercial Manager for the Middle East and India region.

I have been working for Brunel for the last 10+ years and I take this opportunity to congratulate and communicate how proud I am of the success of Brunel.

I have shared many my special moments on my Brunel journey and this is the reason I choose to stay with Brunel. It's a great feeling to be a part of such a company.

I send my admiration to all the Brunellers

NAME AMIT PENKAR
JOB TITLE REGIONAL COMMERCIAL MANAGER
YEARS WITH BRUNEL 10
OFFICE DUBAI, UNITED ARAB EMIRATES

On 31 December 2020 the number of outstanding shares was 50,574,624.

Priority share

The priority share, which has a par value of EUR 10,000, has been issued to Stichting Prioriteit Brunel, subject to the condition precedent that the majority shareholder loses its majority share in Brunel's share capital. The priority share will be fully paid up as soon as the issue becomes unconditional.

The protective stipulations are included in the articles of association of Brunel and are posted on the company's website.

Major shareholder

According to The Netherlands Authority for the Financial Markets (AFM) register on notification of substantial holdings, Brunel founder Mr J. Brand directly or indirectly holds a capital interest of approximately 60,05%, with corresponding voting rights.

Annual general meeting of shareholders

Brunel is required to hold an annual general meeting of shareholders within six months after the end of the financial year in order to, among other things, adopt the annual accounts and to decide on any proposal concerning dividends.

Further to Dutch law, the release from liability of the members of the board of directors and release from the liability of supervisory board members for the performance of their respective duties during the financial year are also agenda items for this meeting.

Voting rights

Each shareholder has the right to attend general meetings of shareholders, either in person or by written or electronic proxy, to address the meeting and to exercise voting rights, subject to the provisions of Brunel's articles of association. An eligible shareholder has the aforementioned rights if registered as shareholder on the applicable record date as set by the board of directors.

Each of the shares in Brunel's share capital carries the right to cast one vote. Unless otherwise required by Dutch law or Brunel's articles of association, resolutions are passed by a simple majority of votes cast by the shareholders present or represented at the meeting.

Independent auditor

On 14 May 2020 the annual general meeting of shareholders charged the external auditor with the task of auditing Brunel's annual accounts.

Delegation

On 14 May 2020 the general meeting of shareholders authorised the board of directors for a period of 18 months to issue (rights) to shares and to restrict or exclude shareholders' pre-emption rights, with due observance of the law and articles of association (which require the approval of the supervisory board). The authorisation is limited to 5% of Brunel's issued share capital, as at the date of issue.

A new authorisation will be submitted for approval to the annual general meeting of shareholders of 11 May 2021.

On 14 May 2020 the annual general meeting of shareholders also authorised the board of directors for a period of 18 months to acquire own shares with due observance of the law and the articles of association (which require the approval of the supervisory board) to the maximum of 10% of the issued share capital of Brunel, by means of stock market purchases or in any other way, at prices lying within the bandwidth of 10% above and 10% below the Euronext Amsterdam opening price for the company's shares on the day of the purchase, or, in default thereof, the most recent prices registered.

A new authorisation will be submitted for approval to the annual general meeting of shareholders of 11 May 2021.

Amendment to the articles of association

Amendment to Brunel's articles of association can take place upon a proposal of the board of directors approved by the supervisory board and adopted by the general meeting of shareholders. A proposal to amend the articles of association must be stated in a notice convening a general meeting of shareholders. The proposal shall be passed upon an absolute majority of the votes cast in the general meeting of shareholders. The articles of association were last amended by the general meeting of shareholders of 14 May 2020.

Governance statement

The corporate governance statement can be found on the company's website www.brunelinternational.net.

Deviations from the Dutch corporate governance code

Best practice provision 2.2.2

After having reached the maximum term of appointment to the supervisory board,

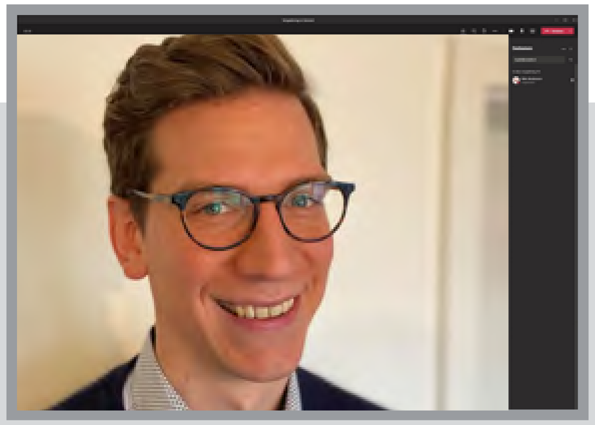
Mr. Schouwenaar was reappointed for extra terms in 2013, 2015, and 2017. In order to secure continuity and effective succession within the supervisory board the general meeting of shareholders reappointed Mr. Schouwenaar at 16 May 2019 for an additional term of two years.

Best practice provision 4.2.3

Information for analysts, shareholders, the press and other parties in the financial markets is provided in accordance with the relevant recommendations in the Code. However, Brunel does not entirely comply with the public nature of meetings, for example through transmission on the internet, as we believe this implies a disproportionate burden for our organisation.

Best practice provision 4.3.3

In 2005, the general meeting of shareholders decided to discontinue the adoption of the rules applicable to the full two-tier board structure ("structuurregime"). The supervisory board was granted the right to submit a binding nomination in the case of the appointment of directors and supervisory directors. In deviation from best practice provision 4.3.3. such nomination may only be rejected by the general meeting of shareholders by means of a two-thirds majority of votes cast, representing more than half the issued capital. These criteria were prescribed as the supervisory board considered it necessary, considering Brunel's specific circumstances, to ensure that its position is as strong as possible in the current structure.



Matthias Mölle

DÜSSELDORF, GERMANY

Welcome at Brunel

Starting with Brunel in August 2013, I was overwhelmed at how positively I was welcomed to the DACH-CZ marketing team in Bremen. My first weeks in the company were very well prepared and I was impressed by the ambition and work ethic within both the team and the company. After playing second league basketball for several years the mixture between team spirit and ambition was everything I hoped for when starting my first full time job. Since I started with Brunel in 2013 we have achieved so much and I have so many funny stories.

BREMEN TO DÜSSELDORF
6 months after starting at Brunel, the management decided to move the marketing team from my hometown Bremen to Düsseldorf in western Germany. I was shocked at first since I knew many of my colleagues would not move to Düsseldorf and I had enjoyed the close contact with other departments in Bremen. At the same time I was excited to move to a new city and help rebuild a new marketing team. It was a period that involved a lot of hard work and onboarding many new colleagues. Looking back, an exciting time and one I am proud of.

THE TAXI INCIDENT
I was given the chance to travel to Brunel HQ in Amsterdam and I was excited. Arriving at the Amsterdam office our taxi driver parked in front of the conference room where local colleagues inside were able to see us as we climbed out of the cars. I was the last one to take my luggage and as such, I tried to close the trunk of the car. I grabbed the handle and forcefully pulled it. Unfortunately the whole plastic interior of the door of the trunk crashed to the ground. My colleagues have not let me forget this incident and are probably still laughing about this. It was a funny start to a great workshop and a great opportunity to get to know my Dutch colleagues and experience Amsterdam.

THE ICELAND EXPERIENCE
In 2016 I was honored to win an internal award for my performance. The prize was a trip to Reykjavik in Iceland together with other winners from the sales department. The trip was organized to perfection and it was another great opportunity to connect with other Brunel colleagues from different locations. The main focus of the trip was to experience Iceland and see the sites. If I would have known at that time that I would be relocating to Iceland 1,5 years later, I would probably have paid more attention to all the country details. I moved to Reykjavik during my wife's maternity leave and my paternity leave. During this time I really experienced what flexibility means at Brunel. I worked part-time then and Brunel supported me all the way. Brunel really became a part of my family during my time in Iceland.

With seven years at Brunel I am still looking forward to the future and what fun, challenges and opportunities it will bring.

NAME MATTHIAS MÖLLE
JOB TITLE GROUP LEADER ONLINE MARKETING
YEARS WITH BRUNEL 7
OFFICE DÜSSELDORF, GERMANY

45 years of Brunel

Performance

Brunel International

The year 2020 proved to be a tough year for most businesses and Brunel is no exception. The COVID-19 pandemic that started to impact us in China early Q1 rapidly expanded to the rest of the World. Activity levels and revenue decreased in all regions. Most severely impacted are the DACH region and Americas, followed by The Netherlands. In the DACH region the COVID-19 pandemic came on top of a slowdown in the Automotive business. In The Netherlands the decrease is not fully attributable to the COVID-19 pandemic as we were in a decline in 2019. In the Americas the first response to a crisis is to limit the cost base and we have seen this happening at a number of clients.

Before the COVID-19 pandemic started Brunel was already actively diversifying from the highly cyclical upstream oil and gas business and into related fields, such as mining, infrastructure, renewable energy, life sciences and fields where highly skilled technical professionals are in demand. This diversification, combined with an focus on higher margin projects and clients enabled Brunel to increase the gross margin by 1.3 ppt to 21.4%.

As a direct response to the COVID-19 pandemic strict cost control measures and investment planning have been implemented to safeguard the profitability. The internal organisation has been aligned with the current volume of business activities, still with room for growth, but without concessions to the quality and compliance of our services. In 2020 the total operating costs decreased by 15%, this includes all costs for restructuring our businesses and shows Brunel's cost agility.

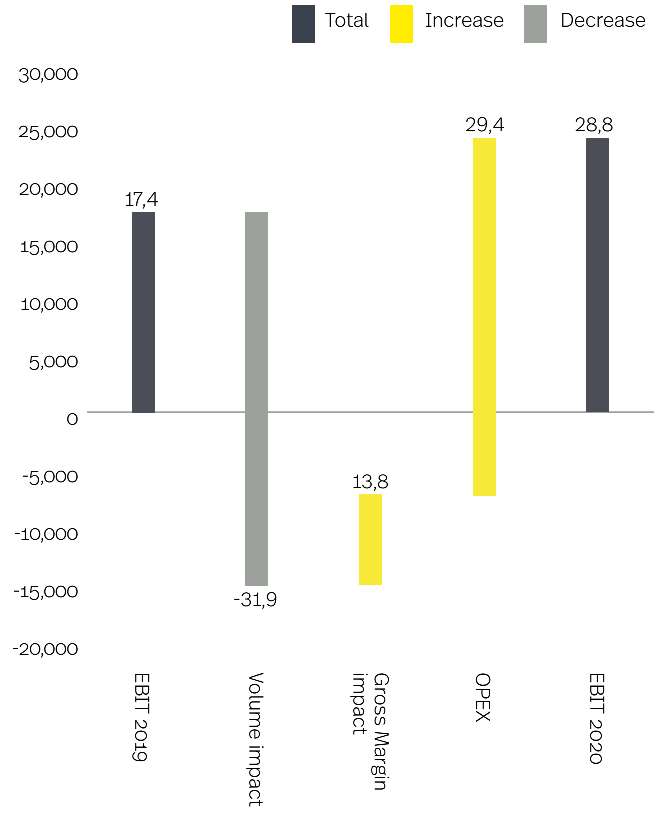
As a result, the EBIT for 2020 amounts to EUR 28.8 million, excluding BIS the EBIT amounts to EUR 30.3 million. The impact of COVID-19 is most significant in the DACH region where the profitability decreased by EUR 10.1 million. Despite the tough conditions and restructuring the Netherlands was able to increase the EBIT.

Basic and diluted earnings per share (EPS) increased by 288% to € 0.31.

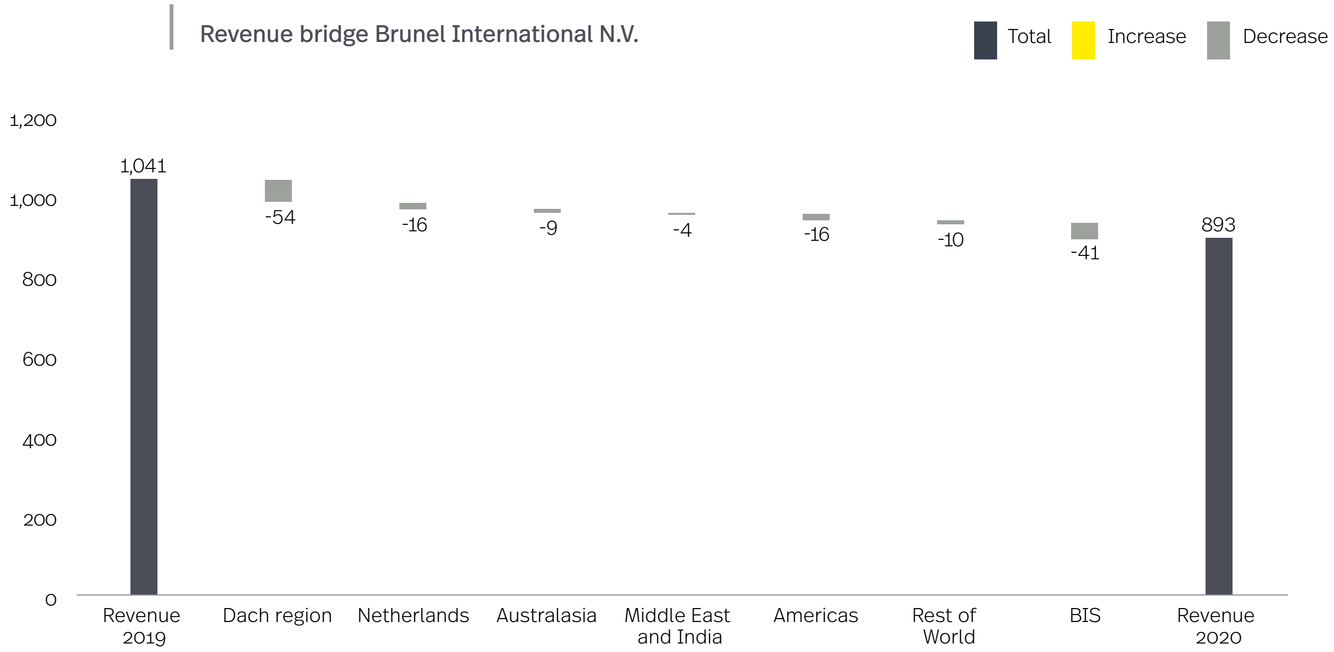
The effective tax rate for 2020 ended at 38.5%, the decrease is due to the significant losses in BIS in 2019 for which no deferred tax assets could be recognised.

The direct headcount decreased from 11,352 at 31 December 2019 to 9,437 at 31 December 2020. This decrease is visible across all regions and driven by the effects of the COVID-19 pandemic. The indirect headcount also decreased from 1,596 at 31 December 2019 to 1,314 at 31 December 2020 following measures to align Brunel's internal organisation with the lower volume of business. For 2021 we expect to return to growth in most of the regions.

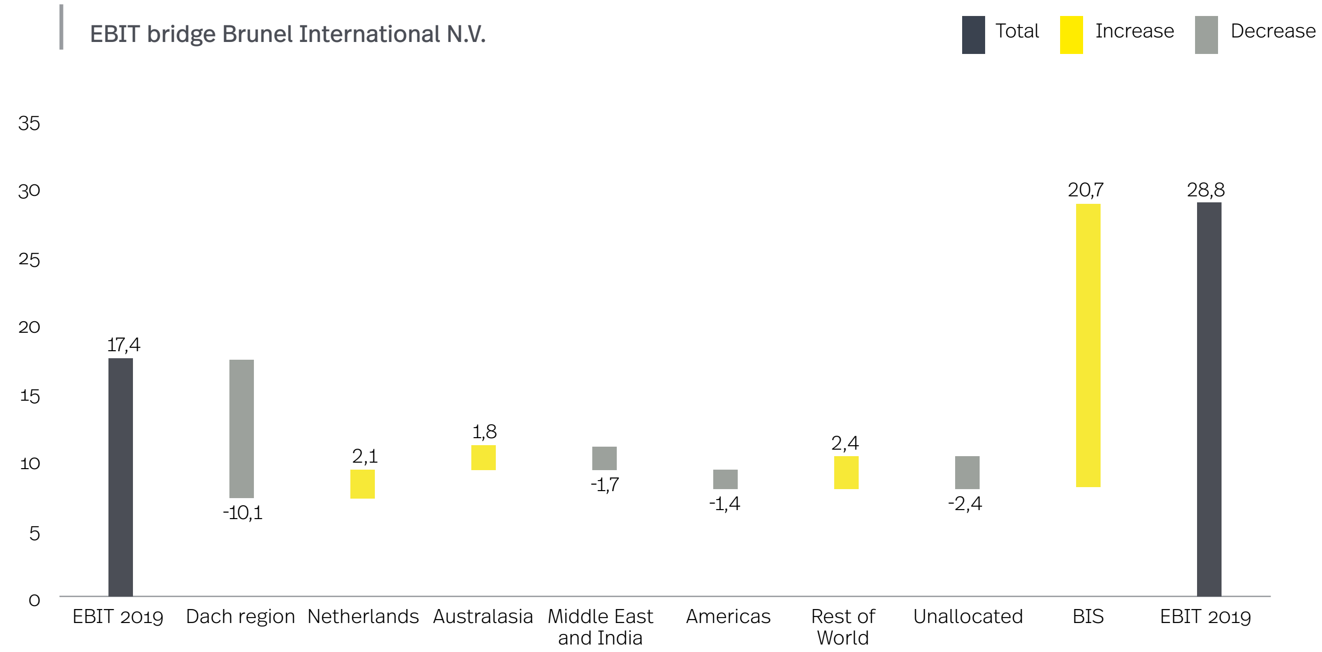
EBIT Brunel International N.V.



Revenue bridge Brunel International N.V.



EBIT bridge Brunel International N.V.



Pascal Rinket

VENLO, THE NETHERLANDS

Brunel, a real community

From 1993 to 2002 I worked for Brunel, at the time still Multec, in Venlo as a Product & Process Engineer. During those 9 years, I was always contracted to one client. A Dutch manufacturer of high-quality printers. They built all, often very complex, parts and components themselves. My job was in equipment engineering, the department responsible for setting up the in-house production facilities and organizing the turn-key machinery needed. A fantastic assignment!

The client I was working at hired a lot of Brunellers, which always gave you a group of people to socialize with. You'd eventually get to know everyone through events organized by Brunel. Everyone felt part of Brunel, a real community. I was happy to work for Brunel, and proud of the work I did at the client. When the economy went through a downturn in 2002, some tough decisions had to be made and Brunel and I parted ways on good terms.

Later in my life, I received the diagnosis of autism. Hearing that, you realize it's something you've always suspected. A feeling of being slightly different than most. I've lived my whole life with it perfectly fine, but it's nice to know where some of the things you've had difficulty with come from and being able to know where to look.

My way of approaching and solving problems has always been quite focused. I'm a perfectionist. Something that has helped me greatly in my technical field but costs me a lot of energy. People immediately have a certain idea when autism is mentioned, but what most don't realize is that it occurs in many shades and forms. I only found out I had autism later in my life, and it hasn't changed me.

As I grew in my career and gained more responsibilities, I had to navigate office politics more and more. I worked at another employer where I had to lead a team. I noticed the job became less about the substance, and more about social-political dynamics. I'm very direct, but I learned to adapt but this came at a price as it took a lot of energy, which eventually resulted in me needing to take a step back and recover.

I think it's important for employers to keep open communication lines. Not just about autism, but any difficulty an employee might face in their job. We're not all good at the same things, but often we feel we have to keep up appearances that we can do anything. I think an open dialogue, coaching and guidance is something everyone with or without autism benefits from on the work floor.

This is one of the reasons I've got back in contact with Brunel. I recently saw that the Brunel Foundation is actively pursuing awareness and understanding about autism and work. I connected with the Foundation and agreed to assist in internal workshops about autism. (Once the corona situation allows).

I was impressed by the Brunel Foundation and their sincere motivation. It's important for employers to stay open-minded about diversity and inclusion. I'm happy my story can help contribute to the foundations goals and that I continue to have fond memories of Brunel.

Perhaps I might return to Brunel for another project in the future.

NAME PASCAL RINKET
JOB TITLE PRODUCT & PROCESS ENGINEER
YEARS WITH BRUNEL 9
OFFICE VENLO, THE NETHERLANDS

45 years of Brunel

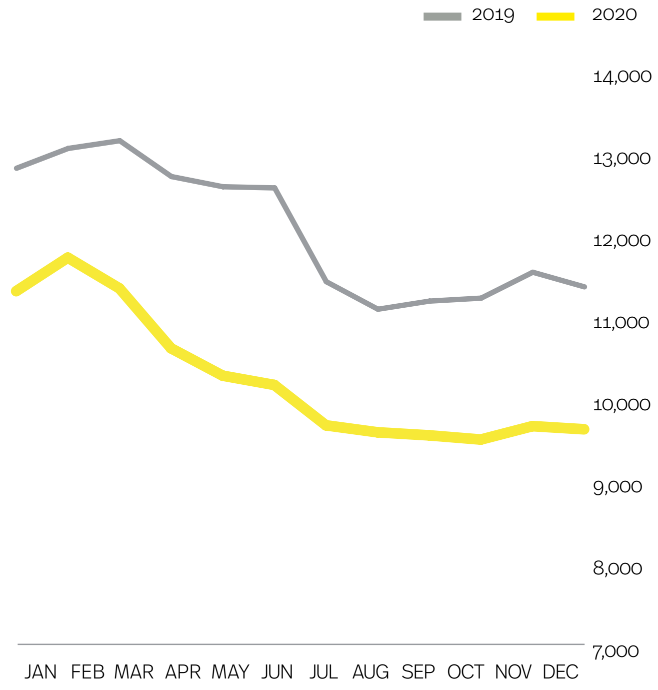
Balance sheet

During 2020 there was an increased focus on the efficiency of our processes. One of the key achievements is the reduction in average days outstanding by 10%. There is no material change in the (relative) amounts in the aging of accounts receivable or accrued income and based on discussions with the largest clients there is no concern on the collectability of outstanding positions (Refer to Note. 6 in the Annual Accounts, where the expected credit losses are disclosed).

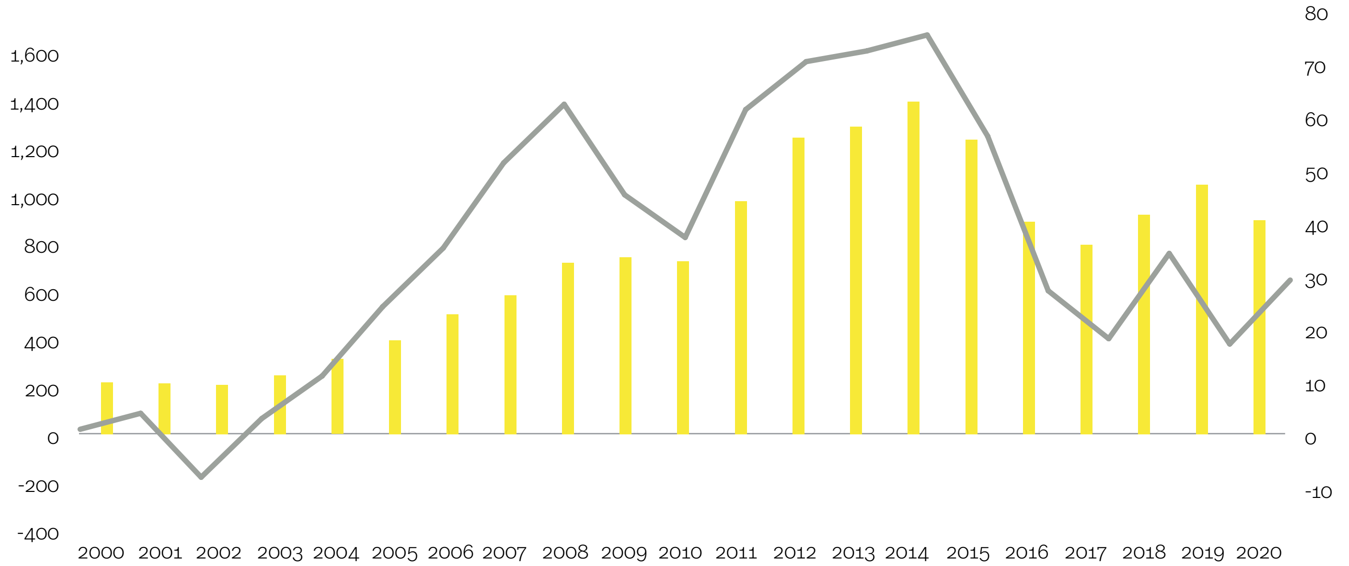
Brunel has a countercyclical cashflow and combined with the reduced number of days outstanding the cash position increased to EUR 155 million.

The goodwill on the balance sheet is tested for impairments annually and has sufficient headroom.

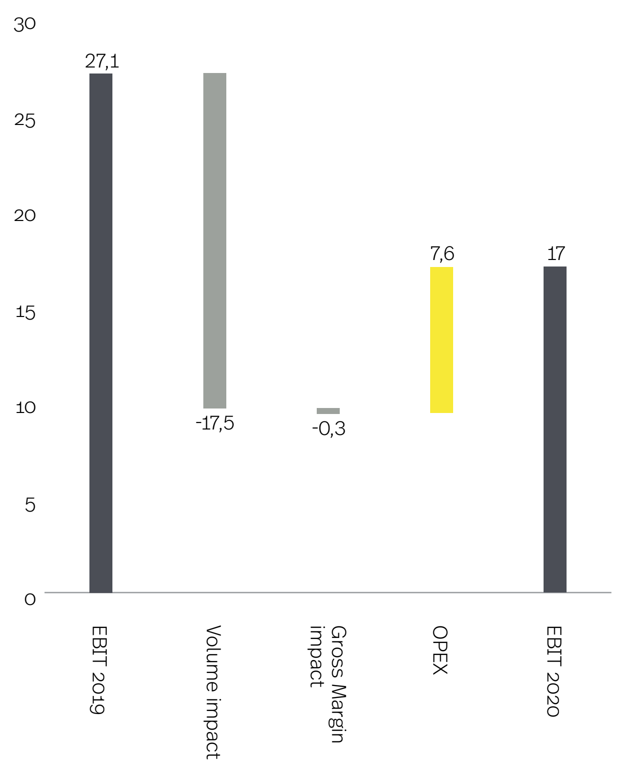
Headcount development



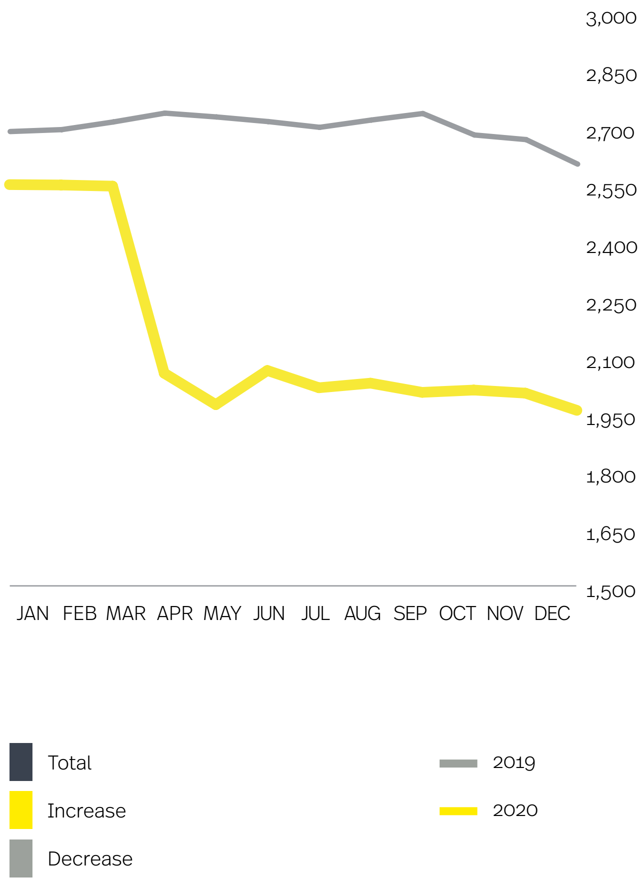
Revenue and EBIT development



EBIT DACH region



Headcount development



DACH region

This region includes Germany with both its secondment and project business, Switzerland, Austria and Czech Republic. Our organisation in Germany has again proven to be able to quickly and professionally adjust to changes in the market.

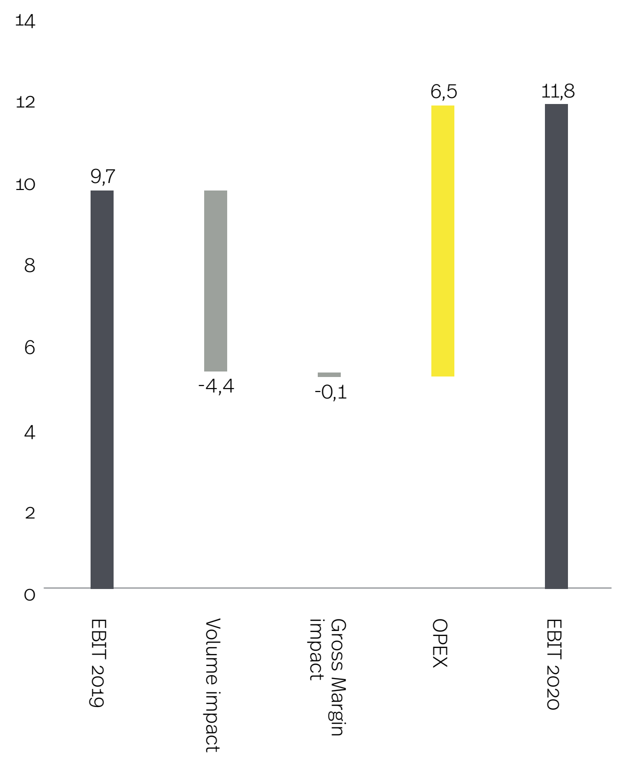
The COVID-19 pandemic had a significant impact on the region. Revenue decreased by 19% at a stable gross margin. This gross margin is supported by the use of government programs that cover part of the salaries for both direct and indirect personnel.

Operating expenses decreased by 12%, mainly due to the restructuring of our indirect workforce and purchase contract renegotiations. As a result, the EBIT decreased by 37% to EUR 17.0 million.

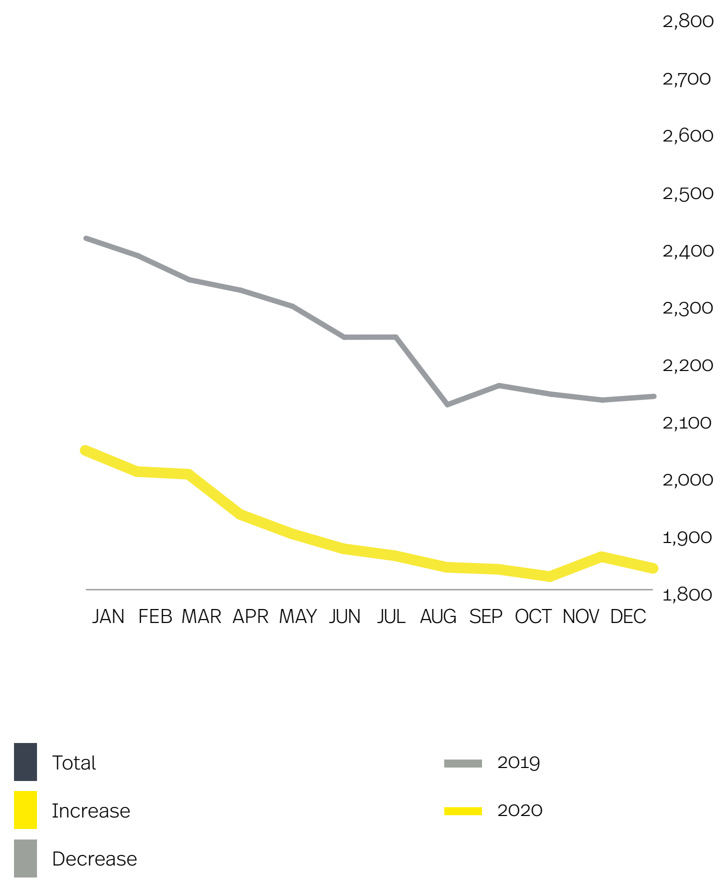
Outlook

We expect to return to growth once the effects of the COVID-19 pandemic wear off. We maintain our diversification strategy to counterbalance the trends in the automotive sector.

EBIT The Netherlands



Headcount development



The Netherlands

This year is one of transformation for The Netherlands. Following a period of a decline in headcount and revenue, topped off by lockdowns to battle the COVID-19 pandemic, The Netherlands regrouped, restructured and regained control.

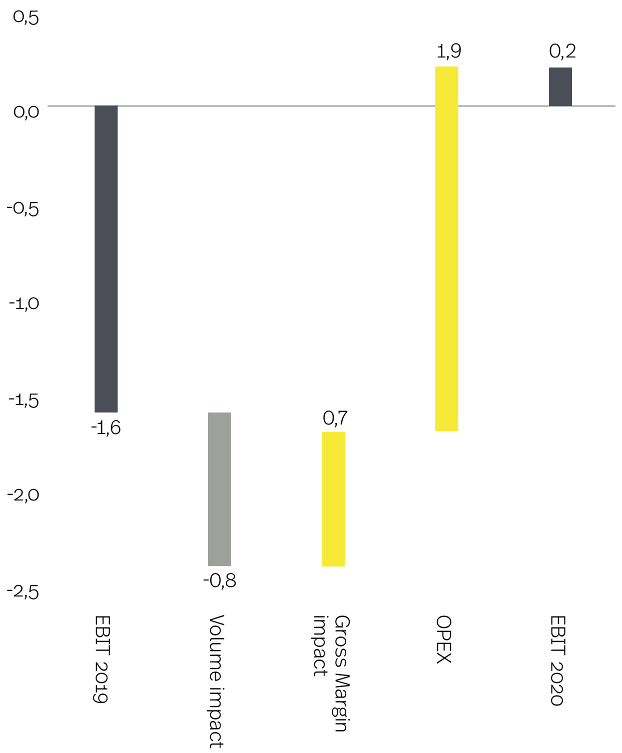
Revenue decreased by 8%, with a stable gross margin of 26.9%. The Netherlands did not make use of any government support and throughout the year worked on structural gross margin improvements, with higher productivity and higher average rates.

Operating expenses decreased by 14%, this includes the costs for the restructuring and initial investments in future growth opportunities.

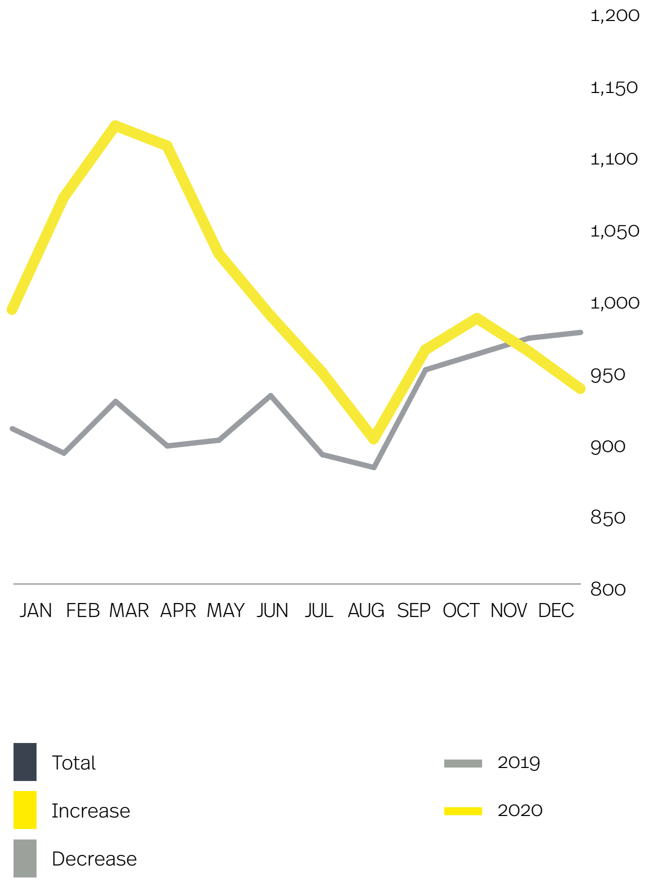
Outlook

We expect another difficult year for the Netherlands, the labour market remains very tight and competitive and the COVID-19 pandemic is not over. With the measures taken in 2020 we do expect to maintain the profitability and when the effects of the COVID-19 pandemic wear off a return to growth.

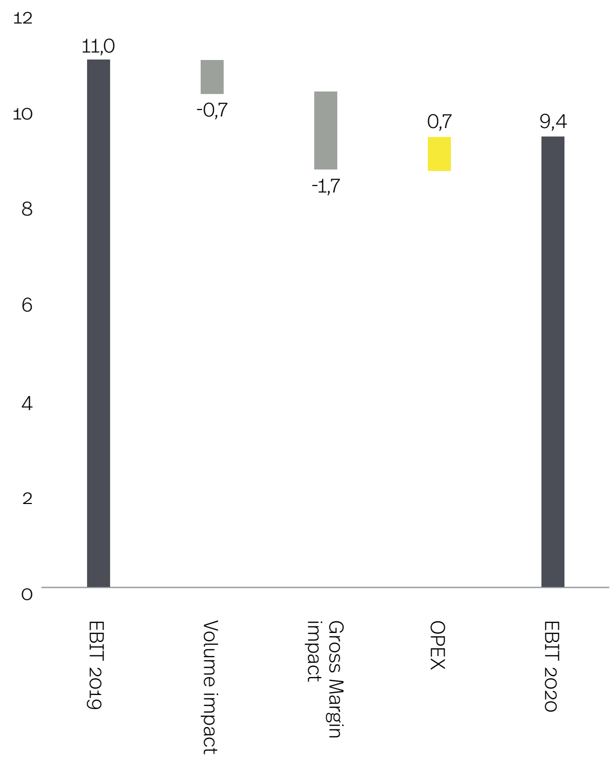
EBIT Australasia



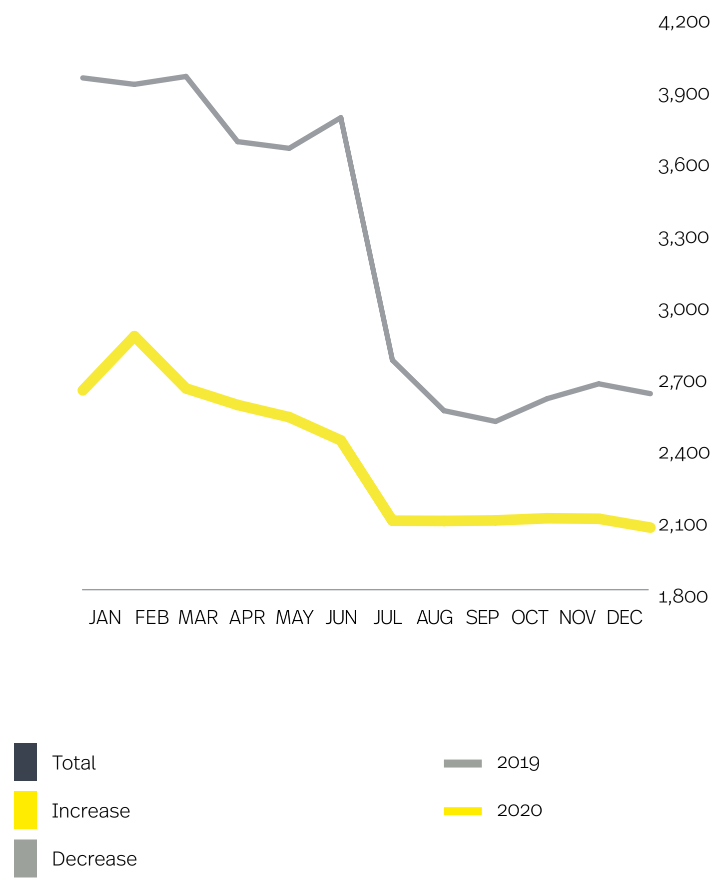
Headcount development



EBIT Middle East and India



Headcount development



Australasia

This region includes Australia and Papua New Guinea. In a year that started with extreme weather conditions, followed by a global pandemic that caused a significant drop in the oil price, Australasia became profitable again. During the COVID-19 pandemic there was an almost immediate increase of our pipeline in the mining sector. Throughout the year regional lockdowns prevented mobilisation of professionals throughout Australia and Papua New Guinea and talent had to be sourced locally. As a result revenue decreased by 7%.

The diversification efforts of the last two years are now contributing to a higher gross margin of 8.8% (up 0.6 ppt). Also tight cost control and working smarter resulted in a decrease of 17% in the total operating costs. EBIT increased by 111% to EUR 0.2 million.

Outlook

We expect to be able to achieve moderate growth in 2021 and a continuing improvement of the profitability.

Middle East and India

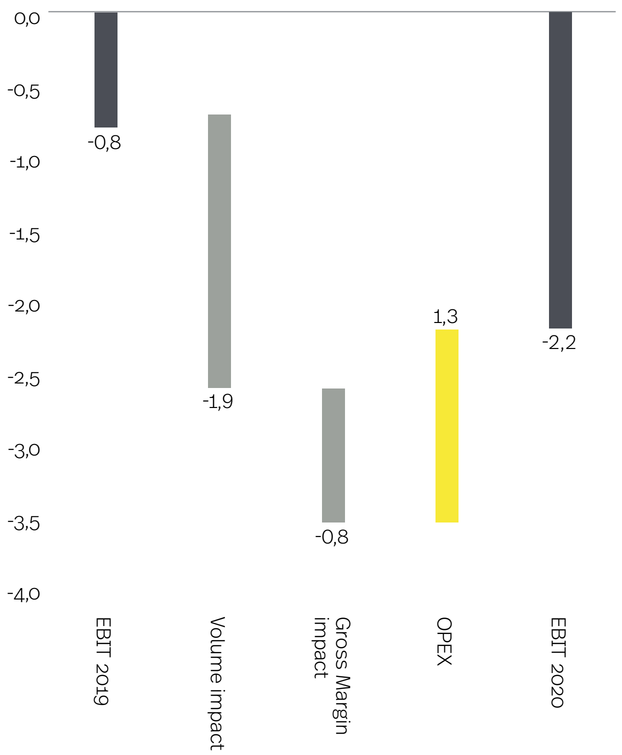
Main countries in this region are Dubai, India, Kuwait and Qatar. This region is still highly profitable despite the travel restrictions imposed to battle the COVID-19 pandemic. Brunel was unable to bring expats, mainly from India, in Qatar and Kuwait to work on our clients' projects for most of the year. Due to excellent local sourcing and re-allocating parts of the existing workforce business continued and revenue decreased by only 3% (at constant currencies there was no decrease). Record revenues were even celebrated in Qatar.

The gross margin decreased slightly to 16.3% (down 1.4 ppt), due to a change in mix of project services versus professional staffing services.

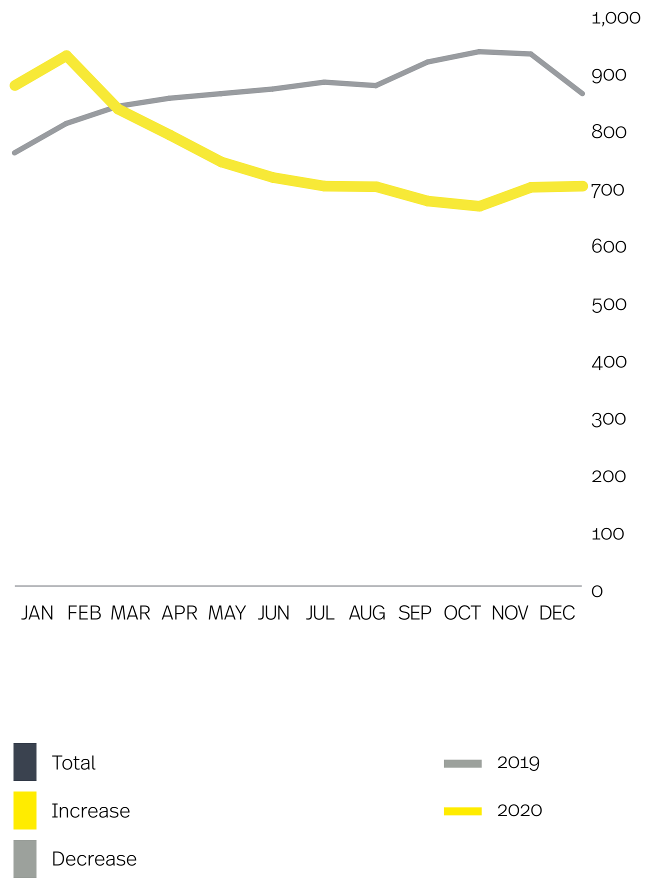
Outlook

Our strong team in this region, in combination with all the opportunities that are still within reach, will be able to continue the strong performance in 2021 if the effects of the COVID-19 pandemic start to wear off in the course of 2021.

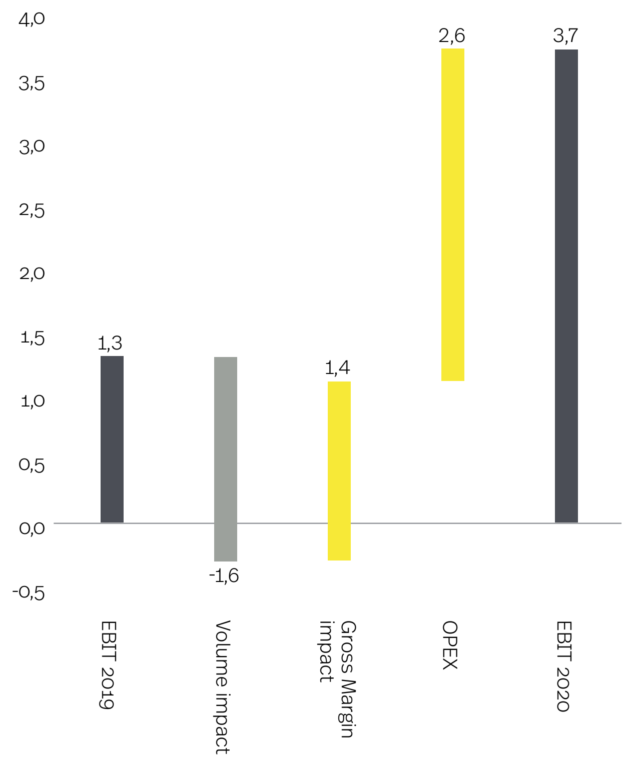
EBIT Americas



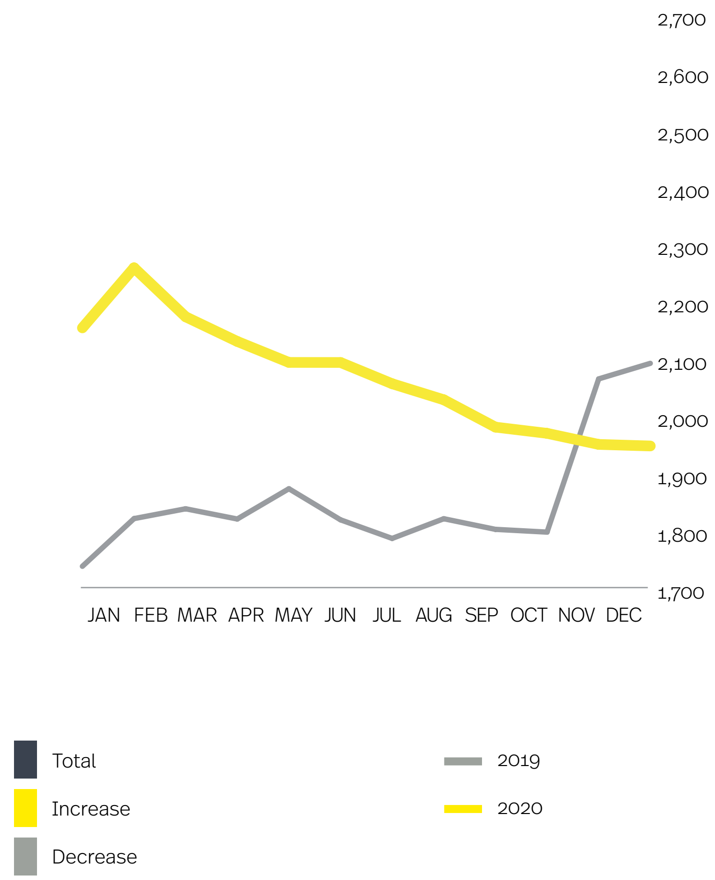
Headcount development



EBIT Rest of World



Headcount development



Americas

The Americas region felt the most immediate effect of the COVID-19 pandemic. A sharp drop in headcount in Q2 was followed by a reorganisation of our internal organisation. Revenue decreased by 15% to EUR 88.3 million in 2020 and the gross margin decreased by 0.8 ppt to 12.0%, mainly due to reduced perm recruitment business.

Outlook

We expect a positive development of the profitability in the region, following the restructuring and increased focus on high yielding markets and clients. We have shown agility in our cost base, while maintaining the capacity to initiate a period of growth.

Rest of World

Rest of World includes Asia, Russia and Caspian, Belgium and Europe & Africa. Even though the COVID-19 pandemic started off in China, our business in China and throughout Asia was able to continue. We did face some delays in Russia as projects were postponed in Europe and Africa our main projects continued throughout the year. Nonetheless the revenue decreased by 6%, albeit at a 0.8ppt higher gross margin of 17.0%. Like the other regions, cost saving initiatives started directly after the global pandemic became apparent. EBIT increased by 181% to EUR 3.7 million.

Outlook

Project pipelines are still positive, especially in Asia and Russia, therefore we expect a slight improvement in 2021.

Winding down BIS

The project of the water treatment plant has been finalised and handed over to the customer, and we have agreed the final settlement. By doing so, we have finalised winding down of BIS.

In control statement

The board of directors is responsible for Brunel's risk management and control systems, and for reviewing its effectiveness. The internal risk management and control systems, as described earlier, aim to manage the key risks that may prevent us from achieving our business objectives. However, the risk management and control systems cannot provide full assurance of preventing all control gaps, material misstatements, cases of fraud, or violations of laws and regulations.

In 2020, the board of directors has reviewed and analysed the strategic, operational, financial and reporting and compliance risks to which the group was exposed, and has reviewed the design and operational effectiveness of Brunel's risk management and control systems. In particular, all the regions have conducted their own risk assessment at regional level this year. Due to COVID-19 outbreak, site visits could not be performed as scheduled. To mitigate this weakening in our internal controls, CFC has intensified the contact with the regions and increased the frequency of in depth reviews of balance sheet reconciliations, gross margin analysis, operating costs and follow up the external auditor's findings from previous years. The results are documented and discussed in detail with the regional finance directors.

The board of directors shared the outcome of these reviews with the audit committee and the supervisory board, and discussed these with our external independent auditor. Brunel's risk management and control systems should ensure consistent and reliable financial reporting, both internally and externally.

In accordance with the Dutch Corporate Governance Code, we have assessed the design and operational effectiveness of our internal risk management and control systems.

Based on the activities performed during 2020, and in accordance with best practice provision 1.4.3, the board of directors considers that:

- there were no significant failings in the effectiveness of the internal risk management and control systems that requires reporting in the current year;
- the aforementioned systems provide reasonable assurance that the financial reporting does not contain any material inaccuracies;
- based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis; and
- the report includes the conclusion that there are no material risks and uncertainties that are relevant to the expectation of the company's continuity for the period of twelve months after the preparation of this report.

Following section 5:25c, paragraph 2, under c of the Dutch Act on Financial Supervision (Wet op Financieel Toezicht) the members of the board of directors confirm that to the best of their knowledge:

These 2020 annual accounts give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole. This is in accordance with IFRS as endorsed by the European Union.

This annual report gives a true and fair view of the company's position and the undertakings included in the consolidation taken as a whole as of 31 December 2020 and of the development and performance of the business for the financial year then ended. This annual report includes a description of the principal risks and uncertainties that the company faces.

Amsterdam, 12 February 2021

The board of directors

J.T. Andringa	P.A. de Laat	A.G. Maude
CEO	CFO	COO

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The Brunel share

Structure and shares

Brunel International N.V. is a public limited liability company. Its authorised capital is EUR 6 million, divided into 199.6 million ordinary shares and one priority share. The par value of the ordinary shares is EUR 0.03 each. The par value of the priority share is EUR 10,000. The priority share has not been issued.

Stock exchange listing

Brunel International N.V. ordinary shares are listed at the NYSE Euronext stock exchange in Amsterdam (ticker symbol BRNL). Since 2015, Brunel has been listed on the Amsterdam Small Cap Index (AScX). Since April 2011, options on Brunel shares have also been traded on NYSE Liffe, the derivatives market of NYSE Euronext.

Share capital

The total number of shares outstanding on 31 December 2020 is 50,574,624, giving a market capitalisation of EUR 369 million at that time.

The number of shares outstanding at year-end 2019 was 50,574,624.

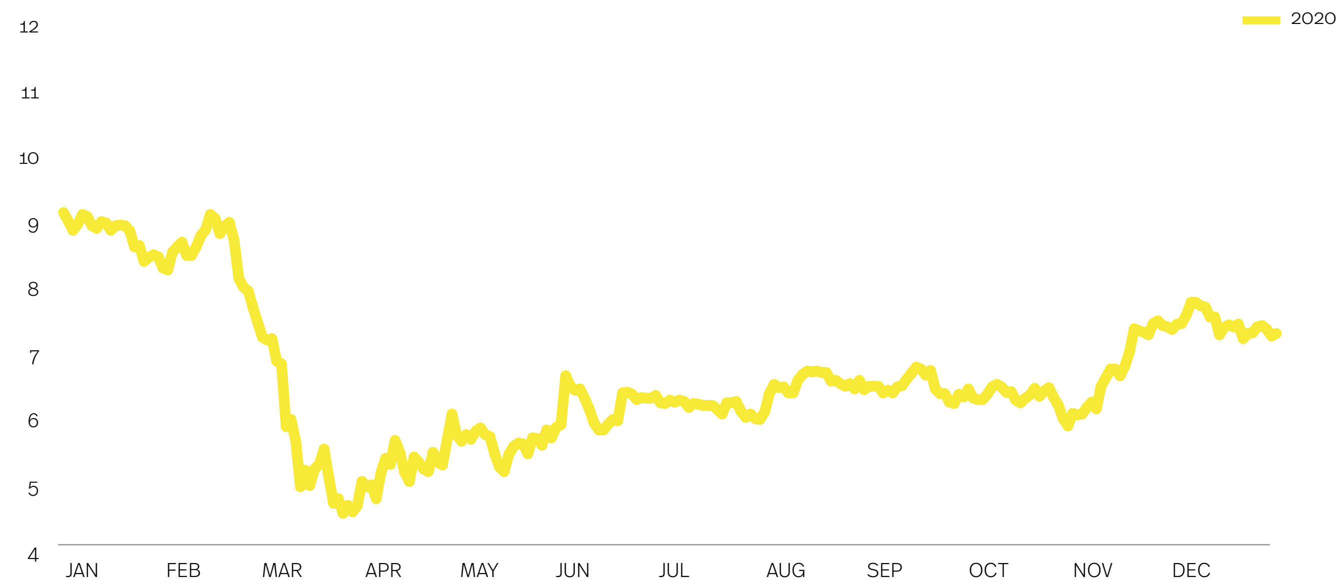
Interests

According to the AFM register on notification of substantial holdings, Mr J. Brand, the company's founder, directly or indirectly holds a capital interest of approximately 60.05%, with corresponding voting rights.

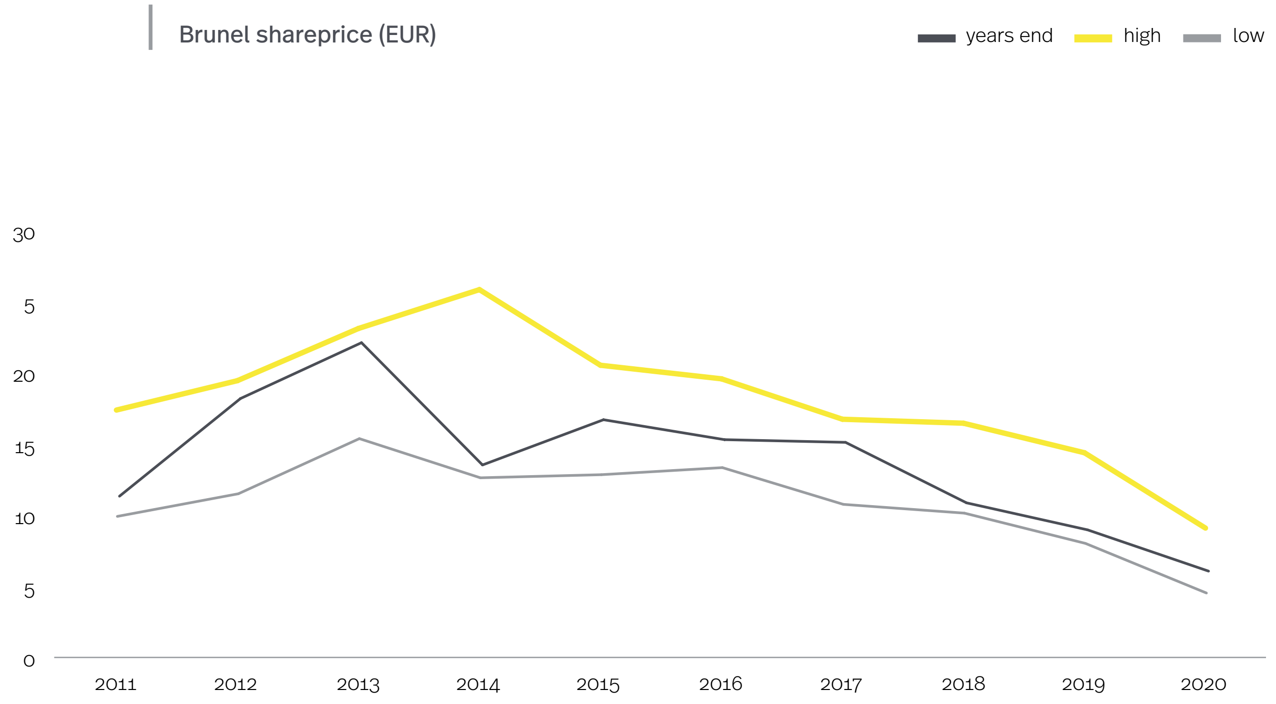
Dividend

For this year we propose to the general meeting of shareholders to pay a dividend of EUR 0.30 per share.

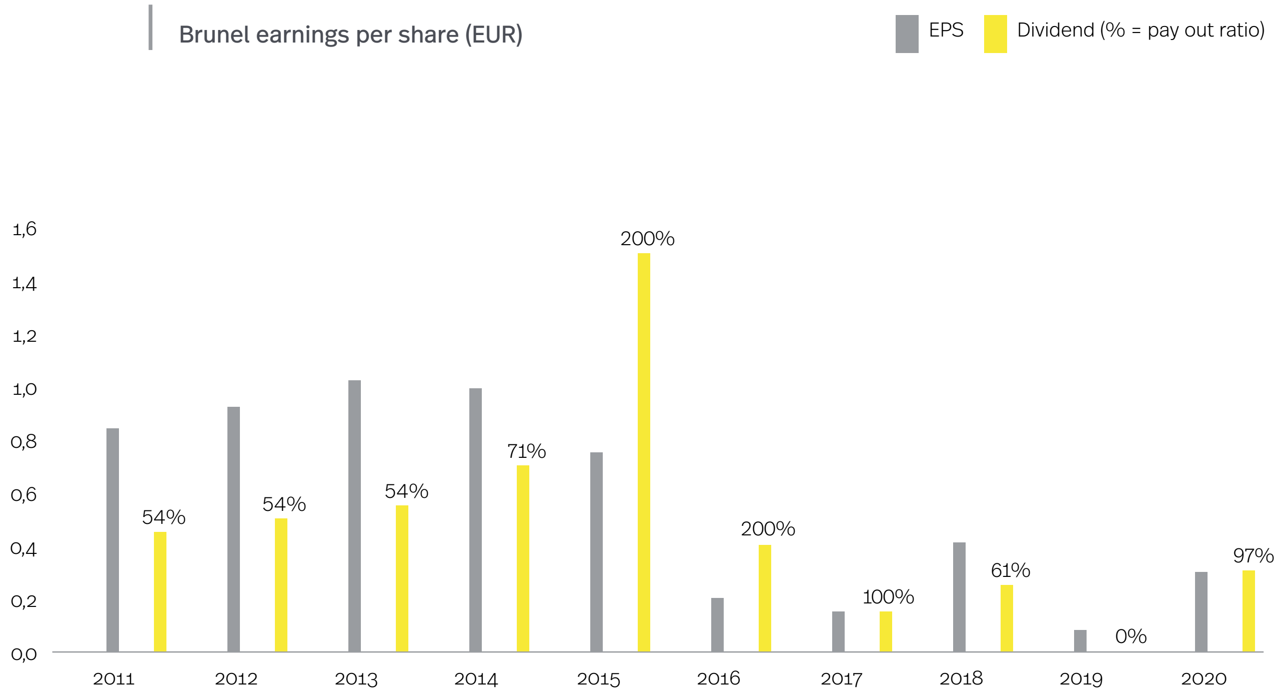
Share price development (EUR)



Brunel shareprice (EUR)



Brunel earnings per share (EUR)



John Spackman

TOKYO, JAPAN

A journey of personal and career growth

I have been with Brunel for 7 years. Initially I was based in Singapore, then in Dubai and more recently I relocated to Japan. I now work with our Business Support Manager with exceptional support from the Singapore team.

Based in Shibuya, Tokyo, since 2011; Brunel Japan (BJKK) has been leveraging Brunel's international infrastructure and global reputation to deliver services in Japan. The team has built strong relationships in the local and international market, facilitating new clients entering the Japanese market and providing first class contractor care for foreign workers on a project basis. We also collaborate with Japanese clients to assist them in executing projects overseas. Being in Brunel, it has provided me the opportunity to experience many new challenges and cultures during my time with the company.

We hope to facilitate even greater collaboration and business wins for Brunel and at the same time, we would like to ask for some internal help to open new doors in Japan. Through the years, Brunel has provided me the opportunity to experience many new challenges and cultures during my time with the company.

NAME JOHN SPACKMAN
JOB TITLE COUNTRY MANAGER
YEARS WITH BRUNEL 7
OFFICE TOKYO, JAPAN

45 years of Brunel

Financial calendar

30 April 2021	Trading update for the first quarter 2021
11 May 2021	Annual general meeting of shareholders
13 May 2021	Ex-dividend listing
4 June 2021	Dividend available for payment
30 July 2021	Publication half-year 2021 results
29 October 2021	Trading update for the third quarter 2021

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Annual accounts 2020

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CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2020

x EUR 1,000

	31 december 2020		31 december 2019	
Non-current assets				
Goodwill (1)	8,477		8,609	
Other intangible assets (2)	8,490		10,953	
Property, plant and equipment (3)	9,317		7,988	
Right-of-use assets (4)	35,658		40,670	
Investments accounted for using the equity method (5)	-		-	
Non-current restricted cash (7)	5,002		7,293	
Deferred income tax assets (17)	12,417		13,417	
Total non-current assets		**79,361**		**88,930**
Current assets				
Trade and other receivables (6)	194,070		261,075	
Income tax receivables (17)	2,631		2,844	
Restricted cash (7)	10,082		7,738	
Cash and cash equivalents (7)	139,898		76,890	
Total current assets		**346,681**		**348,547**
Total assets		**426,042**		**437,477**
Non-current liabilities				
Provisions (8)	6,491		5,163	
Deferred income tax liabilities (17)	121		317	
Lease liability (4)	24,965		27,595	
Total non-current liabilities		**31,577**		**33,075**
Current liabilities				
Lease liability (4)	11,488		14,942	
Other current liabilities (9)	98,609		111,313	
Income tax payables (17)	9,590		4,312	
Total current liabilities		**119,687**		**130,567**
Total liabilities		**151,264**		**163,642**
Net assets		**274,778**		**273,835**
Group equity (10)				
Share capital	1,517		1,517	
Share premium	86,145		86,145	
Reserves	169,384		186,743	
Unappropriated result	15,590		3,825	
Shareholders' equity		**272,636**		**278,230**
Non-controlling interest	2,142		-4,395	
Total equity		**274,778**		**273,835**

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020

x EUR 1,000

	2020		2019	
Revenue		**892,568**		**1,041,117**
Direct personnel expenses (13)	-701,174		-831,703	
Contribution margin		**191,394**		**209,414**
Indirect personnel expenses (13)	-104,342		-123,448	
Depreciation and amortisation (15)	-20,817		-23,605	
Other expenses (16)	-37,417		-44,945	
Total operating costs		**-162,576**		**-191,998**
Operating profit		**28,818**		**17,416**
Exchange differences	-587		-570	
Interest income	762		621	
Interest expenses	-480		-1,028	
Financial income and expense		**-305**		**-977**
Share of result of investments accounted for using the equity method (5)	-		-	
Group result before tax		**28,513**		**16,439**
Tax (17)		-10,975		-16,306
Group result for the period		**17,538**		**133**
Net income attributable to equity holders of the parent (ordinary shares)		**15,590**		**3,825**
Net income attributable to non-controlling interest		1,948		-3,692
Net income for the year		**17,538**		**133**
BASIC EARNINGS PER SHARE IN EURO (18)		0.31		0.08
DILUTED EARNINGS PER SHARE IN EURO (18)	0.31		0.08	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

x EUR 1,000

	2020	2019
Net income	**17,538**	**133**
Other comprehensive income		
ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS		
Exchange differences arising on translation of foreign operations	-14,598	5,162
Income tax relating to components of other comprehensive income	688	-57
	-13,910	**5,105**
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS		
Actuarial gains/(losses) on defined benefit plans	-142	-344
	-142	**-344**
Total other comprehensive income (net of tax)	**-14,052**	**4,761**
Total comprehensive income	**3,486**	**4,894**
Attributable to:		
Ordinary shareholders	1,562	8,109
Non-controlling interest	1,924	-3,215
Total comprehensive income	**3,486**	**4,894**

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

x EUR 1,000

	2020	2019
Cash flow from operating activities		
Result before tax	28,513	16,439
Adjustments for:		
Depreciation and amortisation (15)	20,817	23,605
Interest income	-762	-621
Interest expense	480	1,028
Other non-cash expenses (21)	2,089	2,102
Share based payments (11)	221	96
Changes in:		
Receivables (19)	55,093	-15,185
Provisions (8)	1,328	687
Other non-current liabilities	-	1,324
Other current liabilities (20)	-9,660	3,686
Restricted cash (7)	-1,409	-705
	45,352	-10,193
Income tax paid (17)	-4,324	-12,543
Interest paid	322	-1,055
Interest received	-118	443
Cash flow generated from operating activities	**92,590**	**19,301**
Cash flow from investing activities		
Additions to property, plant and equipment (3)	-3,644	-3,696
Additions to intangible fixed assets (2)	-3,565	-2,849
Disposals of property, plant and equipment (3)	16	508
Disposals of intangible assets (2)	-	62
Cash flow used in investing activities	**-7,193**	**-5,975**
Cash flow from financing activities		
Dividend non-controlling interest (10)	-2,220	-1,853
Dividend ordinary shareholders (10)	-	-12,645
Acquisition of non-controlling interests without change in control (10)	-323	-
Principal elements of lease payments	-14,898	-15,189
Cash flow used in financing activities	**-17,441**	**-29,687**
Total cash flow	**67,956**	**-16,361**
Cash position at 1 January	76,890	91,693
Exchange rate fluctuations	-4,948	1,558
Cash position at 31 December	**139,898**	**76,890**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

x EUR 1,000

			Reserves						
	Share Capital	Share Premium	Trans-lation reserve	Share based payments	Retained earnings	Unap-propri-ated result	Attrib-utable to ordinary share-holders	Non-control-ling interest	Total
Balance at 1 January 2019	**1,517**	**86,145**	**2,403**	**1,460**	**170,670**	**20,571**	**282,766**	**673**	**283,439**
Net income						3,825	3,825	-3,692	133
Exchange differences arising on translation of foreign operations			5,055				5,055	107	5,162
Actuarial gains/(losses) (8)					-344		-344		-344
Liquidation loss on non-controlling interests (10)					-370		-370	370	
Income tax relating to components of other comprehensive income			-57				-57		-57
Total comprehensive income			**4,998**		**-714**	**3,825**	**8,109**	**-3,215**	**4,894**
Cash dividend (10)					-12,645		-12,645	-1,853	-14,498
Appropriation of result					20,571	-20,571			
Option rights exercised/expired				-1,460	1,460				
Balance at 31 December 2019	**1,517**	**86,145**	**7,401**	**-**	**179,342**	**3,825**	**278,230**	**-4,395**	**273,835**
Net income						15,590	15,590	1,948	17,538
Exchange differences arising on translation of foreign operations			-14,574				-14,574	-24	-14,598
Actuarial gains/(losses) (8)					-142		-142		-142
Income tax relating to components of other comprehensive income			688				688		688
Total comprehensive income			**-13,886**		**-142**	**15,590**	**1,562**	**1,924**	**3,486**
Cash dividend (10)					-		-	-2,220	-2,220
Acquisition of non-controlling interests (10)					-7,156		-7,156	6,833	-323
Appropriation of result					3,825	-3,825			
Balance at 31 December 2020	**1,517**	**86,145**	**-6,485**	**-**	**175,869**	**15,590**	**272,636**	**2,142**	**274,778**

Participations

Brunel International N.V.'s main participations are listed below. These are included in the consolidated annual accounts of Brunel International N.V. Unless otherwise stated, all these participations are, directly or indirectly, wholly-owned and Brunel has full or over half of the voting power. Some non-material participations are not included in the list.

Brunel Corporate B.V., Amsterdam, The Netherlands
Brunel Energy Europe Staff B.V., Amsterdam, The Netherlands
Brunel CR B.V., Amsterdam, The Netherlands
Brunel Nederland B.V., Rotterdam, The Netherlands
Brunel Energy Holding B.V., Rotterdam, The Netherlands
Brunel Energy Europe B.V., Rotterdam, The Netherlands
Brunel Engineering Consultants N.V., Mechelen, Belgium
Brunel International UK Ltd, Glasgow, United Kingdom
Celsium Ltd, Birmingham, United Kingdom
Brunel Service GmbH and Co. KG, Bremen, Germany
Brunel GmbH, Bremen, Germany
Brunel Car Synergies GmbH, Bochum, Germany
Brunel International France Srl, Paris, France
Brunel Italia Srl, Milan, Italy
Brunel Energy Norge AS, Stavanger, Norway
Brunel Austria GmbH, Salzburg, Austria
Brunel Switzerland AG, Zürich, Switzerland
Brunel CZ s.r.o., Prague, Czech Republic
Brunel Romania Srl, Bucharest, Romania
Brunel Denmark ApS, Copenhagen, Denmark
Brunel Rus LLC, Moscow, Russia
Brunel Private Employment Agency Ltd, Moscow, Russia
Brunel Recruitment Kazakhstan LLP, Atyrau, Kazakhstan
Brunel Energy Nigeria Ltd, Lagos, Nigeria
Brunel Mozambique Lda, Maputo, Mozambique
Brunel Energy LLC, Dubai, United Arab Emirates
Brunel DMCC, Dubai, United Arab Emirates
Brunel Oil and Gas Services WLL, (75%) Doha, Qatar
Brunel India Private Ltd, Mumbai, India
Brunel Energy Kuwait WLL, (75%) Farwania, Kuwait
Ishtar Baghdad for General Services LLC, Baghdad, Iraq
Brunel for Technical Services LLC, (89%) Erbil, Iraq
Brunel Energy Japan K.K., Tokyo, Japan
Brunel International South East Asia Pte Ltd, Singapore
Brunel Technical Services Pte Ltd, Singapore
Brunel International South East Asia PNG Limited, Port Moresby, Papua New Guinea
Brunel Energy Malaysia SDN BHD, Kuala Lumpur, Malaysia
Brunel Energy Korea Ltd, Ulsan, South Korea
Brunel Hong Kong Ltd, Hong Kong, China
Brunel Consultancy Shanghai Ltd, Shanghai, China
Brunel Engineering (Dalian) Ltd, Dalian, China
Brunel Engineering Services (Qingdao) Co. Ltd, Qingdao, China
Brunel Engineering Services (Nantong) Co. Ltd, Nantong, China
Brunel Technical Services Thailand Ltd, Bangkok, Thailand
Brunel Vietnam Company Ltd, Ho Chi Minh City, Vietnam
Brunel Myanmar Co. Ltd, Yangon, Myanmar
Brunel Australia Holdings Pty Ltd Perth, Australia
Brunel Energy Pty Ltd, Perth, Australia
Brunel Technical Services Pty Ltd, Perth, Australia
Brunel Construction and Maintenance Services Pty Ltd, Perth, Australia
SES Labour Solutions Pty Ltd, Brisbane, Australia
SESLS Pty Ltd, Brisbane, Australia
SES Industrial Pty Ltd, Brisbane, Australia
SES Resources Pty Ltd, Brisbane, Australia
Brunel Energy Inc, Houston, United States of America
Brunel Resources Inc, Houston, United States of America
Brunel Industry Services LLC, Houston, United States of America
Brunel Industrial and Pipeline Services LLC, Houston, United States of America
Wrap Insulation and Scaffolding Services LLC, Houston, United States of America
Surge Electrical and Instrumentation Services LLC, Houston, United States of America
Brunel Energy Canada Inc, Calgary, Canada
Brunel Canada Ltd, Toronto, Canada
Brunel Energy Servicos Ltda Brasil, Rio de Janeiro, Brazil
Brunel Mexico Sa de CV, Mexico City, Mexico
Brunel Muscat LLC, (70%) Muscat, Oman
Brunel UBK LLC, Tashkent, Uzbekistan
Brunel Atyrau LLP, Atyrau, Kazakhstan
Brunel Kazakhstan LLP, (50%) Atyrau, Kazakhstan
Brunel Guyana Inc, Georgetown, Guyana
Brunel New Zealand Ltd, New Plymouth, New Zealand
Pt Brunel Service Indonesia, Jakarta, Indonesia

* Brunel International UK Ltd (registration number: SC66400) is exempt from the audit of its accounts under section 479A of the UK Companies Act 2006.

General information

Brunel International N.V., registered at the chamber of commerce under number 24261450, is a public limited liability company domiciled in Amsterdam, the Netherlands and listed on the Euronext Amsterdam. The head office of the company is located in Amsterdam, the address is:

John M. Keynesplein 33
1066 EP Amsterdam
The Netherlands

The consolidated annual accounts of Brunel include the company and its subsidiaries (together referred to as 'Brunel'). A summary of the main subsidiaries is included on page 111 of this report.

The annual accounts were signed and authorised for issue by the Board of Directors and released for publication on 12 February 2021. The annual accounts and the dividend proposal are subject to adoption by the General Meeting of Shareholders on 11 May 2021.

Unless stated otherwise all the information in these annual accounts is in thousands of Euro, which is the Company's functional currency. All financial information presented in Euro has been rounded to the nearest thousand.

Brunel's activities are mainly secondment, project management, recruitment and consultancy services.

COVID-19 impact

During 2020 the COVID-19 pandemic has developed rapidly across the world. It first impacted the group in China in the first quarter, and then rapidly expanded to the rest of the World. Activity levels and revenue decreased in all regions. Most severely impacted are the DACH region and Americas, followed by the Netherlands. In the DACH region the COVID-19 pandemic added pressure on top of a slowdown in the Automotive business. The decreasing activity in the Netherlands is a combination of the existing decline experienced in 2019 amplified by the impact of the pandemic. In the Americas the first response to a crisis is to limit the cost base, which has resulted in several clients reducing their activities with the group.

In many countries, governments introduced support schemes to help businesses cope with the COVID-19 pandemic and the related loss of revenue. The group made use of such government grants in Germany, Austria, Switzerland, Singapore, China and the UK. These schemes supported both the group's gross margin and operating costs as the programs compensated (part of) the salaries and/or social security charges. Note 14 includes a further disclosure of the impact of government grants.

The direct headcount decreased from 11,352 as at 31 December 2019 to 9,437 as at 31 December 2020. This decrease is visible across all regions and driven by the effects of the COVID-19 pandemic and other factors explained above. Sourcing of professionals is not the group's main concern, although the mobilisation proves to be more difficult. As a response, emphasis is more on local recruitment to fulfil client requests. The indirect headcount also decreased from 1.584 as at 31 December 2019 to 1,314 as at 31 December 2020 following measures to align the group's internal organisation with the lower volume of business.

Before the COVID-19 pandemic started the group was already actively diversifying from the highly cyclical upstream Oil and gas business and into related fields, such as Mining, Infrastructure, Renewable Energy, Life Sciences and fields where highly skilled technical professionals are in demand. This diversification, combined with a focus on higher margin projects and clients enabled the group to increase the contribution margin by 1.3 ppt. to 21.4%.

As a direct response to the COVID-19 pandemic strict cost control measures and investment planning have been implemented to safeguard the profitability. The internal organisation has been aligned with the current volume of business activities, leaving room for growth, but without concessions to the quality and compliance of the group's services. In 2020 the total operating costs decreased by 15%, this includes all costs for rightsizing the group's businesses and shows the group's cost agility.

As a result, the operating profit for 2020 amounts to EUR 28.8 million. The impact of COVID-19 is most significant in the DACH region where the profitability decreased by EUR 10.1 million. Despite the tough conditions and rightsizing, The Netherlands was able to increase the operating profit.

During 2020 there was an increased focus on the efficiency in billing and collection, which has resulted in the reduction in average days outstanding by 10%. There is no material change in the (relative) amounts in the aging of accounts receivable or accrued income and based on discussions with the largest clients there is no concern on the collectability of outstanding positions (Refer to Note 6, where the expected credit losses are disclosed).

The goodwill on the balance sheet is tested for impairments annually and has sufficient headroom.

Brunel has a countercyclical cashflow and, combined with the reduced number of days outstanding, the cash position increased to EUR 155 million. With a debt-free balance sheet and a healthy cash position, the board does not foresee any solvency or liquidity issues in the coming 12 months.

Statement of compliance

The annual accounts have been prepared in accordance with International Financial Reporting Standards (IFRS's) as adopted by the European Union and also comply with the financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code.

The annual accounts have been prepared under the historical cost convention, except for financial assets at amortised cost, financial liabilities measured at fair value through profit and loss, share based payments and contingent consideration.

New and amended standards adopted by the group

The group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2020:

- Definition of Material - Amendments to IAS 1 and IAS 8
- Revised Conceptual Framework for Financial Reporting

The new and amended standards listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2020 reporting periods and have not been adopted by the group. These standards are not expected to have a material impact on the group in the current or future reporting periods and on foreseeable future transactions.

Principles of consolidation

The consolidated annual accounts include the financial information of Brunel International N.V. and its subsidiaries. Subsidiaries relate to companies controlled directly or indirectly by Brunel International N.V. These companies are listed on page 111. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The results of acquired or disposed companies are consolidated from the date on which control is transferred and the date the control is ceased, respectively.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from Brunel's share therein. Non-controlling interests consist of the net equity value of those interests at the date of the original business combination and the non-controlling interests' share of changes in equity since the date of the combination. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Accounting principles for the valuation of assets and liabilities and determination of profit

Goodwill
When a company or business is acquired, the acquirer recognises goodwill as an asset. Goodwill is recognised for the future economic benefits arising from assets acquired that are not individually identified and separately recognised. The excess of the consideration transferred over the fair value of the identifiable net assets acquired is recorded as goodwill. Impairment of goodwill will be tested at least annually. An impairment loss recognised for goodwill is not reversed in a subsequent period. Changes in ownership interests in subsidiaries that do not result in loss of control are dealt with in equity.

Goodwill is allocated to groups of cash-generating units for the purpose of impairment testing. The allocation is made to those groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Goodwill at acquisition date is measured as:

- The fair value of the consideration transferred, being the fair value of the assets given and liabilities incurred or assumed; plus
- The recognised amount of a non-controlling interests in the acquiree; plus
- The fair value of any previous equity interests in the acquiree (if the business combination is achieved in stages); less
- The fair value of identifiable assets acquired and liabilities assumed (including contingent liabilities).

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

The recoverable amount is based on the higher of the fair value less cost of disposal and value in use. The value in use is determined by means of cash flow projections based on the actual operating results adjusted for non-cash items (mainly depreciation) and the expected future performance. The latter is based on management's estimates and assumptions of revenue growth and development of operating margins, assessed with external data.

Acquisition-related intangible assets
Acquisition-related intangible assets (customer databases and trade names) that are acquired by the group and have definite useful lives are stated at cost less accumulated amortisation and impairment losses. When an intangible asset is acquired in a business combination, its cost is the fair value at the date of its acquisition. This cost is determined on a basis that reflects the estimated amount that the entity would have paid for the asset in an arm's length transaction between knowledgeable and willing parties, based on the best information available. Amortisation of acquisition-related intangible assets is charged to depreciation and amortisation on a straight-line basis over their estimated useful lives, from the date they are available for use. The residual values and useful lives are reviewed at each balance sheet date and adjusted, if appropriate. Refer to note 2 Other intangible assets for further details.

Software
Acquired software (licenses) and developed software are stated at cost less accumulated amortisation and impairment losses. Expenditures in relation to the development of identifiable and unique software products used by the group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets and amortised over their estimated useful lives. Capitalised costs include personnel expenses of software development and an appropriate portion of relevant overhead. Expenditures associated with maintaining computer software programs are recognised as an expense when incurred. Amortisation of software applications is charged to depreciation and amortisation on a straight-line basis over their estimated useful lives, from the date they are available for use. The residual values and useful lives are reviewed at each balance sheet date and adjusted, if appropriate. Acquired computer software licenses are amortised, using the straight-line method, over their useful lives.

Property, plant and equipment
Property plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditures that are directly attributable to the acquisition of the assets. Depreciation of property, plant and equipment is charged to operating expenses on a straight-line basis over their estimated useful lives, from the date they are available for use. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised as other income or expenses in the consolidated profit and loss account.

Investments accounted for using the equity method
Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The group's investment in associates includes goodwill identified on acquisition. This equity method includes the carrying amount of the investment together with all other long-term interests.

Loans to subsidiaries and associates ('funding') in the group's balance sheet is initially stated at fair value. Subsequent measurement is at amortised costs less provision for impairment.

Impairment of assets
Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Trade receivable and other receivables
Trade receivable and other receivables are initially stated at fair value. Subsequent measurement is at amortised costs less provision for impairment. For the provision for impairment, the group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and accrued income have been grouped based on shared credit risk characteristics and the days past due. The accrued income relates to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the accrued income.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 1 January 2020 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Contract assets and liabilities
In case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the group exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

Cash and cash equivalents
Cash and cash equivalents include cash in hand and deposits held at call with banks. For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet. If the cash in hand and/or deposits do not meet the criteria of cash and cash equivalents, it is classified as restricted cash.

Provisions
Provisions are recognised for legally enforceable or constructive obligations as a result of a past event and for which the settlement is likely to require an outflow of resources and to the extent these can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at an interest rate that reflects the current market assessments of the time value of money and, where appropriate, the risks specific to the obligation.

Restoration provisions are recognised for rented real estate objects where the group is, after lease contract expiration, liable to bring the object back to its original state. Estimated amounts for legal claims are provided for at the lowest amount at which the group expects the claim to be reasonably settled. Provided amounts for legal claims are categorised to be settled within one year after the balance sheet date, unless the group has the right to defer settlement for more than one year.

Onerous contract provisions are recognised when the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

Pension obligations
The group operates various post-employment schemes, mostly defined contribution pension plans and one defined benefit plan. The liability recognised in the consolidated balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The interest cost is calculated by applying the discount rate to the balance of the defined benefit obligation. This cost is included in employee benefit expense in the consolidated profit and loss account.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in other reserves in the consolidated statement of changes in equity and in the consolidated balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the consolidated profit and loss account as past service costs.

Liabilities for other long-term benefits
In some countries the group has several other liabilities related to employee benefits. Amongst others, long-service awards and post-employment obligations. These obligations are measured as the fair value of expected future payments to be made. Remeasurement gains and losses arising from experience adjustments are recognised in the consolidated profit and loss account.

Other non-current liabilities
Long-term liabilities are recognised initially at fair value, net of transaction costs incurred. Long-term liabilities are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated profit and loss account over the period of the long-term liabilities using the effective interest method.

Other current liabilities
Current liabilities are initially stated at fair value and subsequently measured at amortised cost using the effective interest method.

Foreign currency and exchange differences
Monetary balance sheet items denominated in foreign currencies are translated at the rates of exchange prevailing at the balance sheet date; profit and loss account items are translated at the average rates during the financial year. Exchange differences relating to transactions in foreign currency are recorded in the exchange differences.

Exchange differences due to the consolidation of foreign companies are charged or credited directly in other comprehensive income to the translation reserve.

For the purpose of presenting consolidated annual accounts, the assets and liabilities of the group's foreign operations are translated into Euro using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period.

Functional and presentation currency
The group operates in countries with different currencies. All companies have, as their functional currency, the local currency of the country in which they operate, which is their primary economic environment. The functional currency of the parent company, as well as of the majority of its subsidiaries, is the Euro.

The translation reserve comprises all translation differences arising from the translation of the net investment in activities in currencies other than the Euro. Such translation differences are recognised initially in other comprehensive income and presented in this separate component of shareholders' equity and recognised in the consolidated statement of profit and loss on disposal of the net investment. The translation reserve also includes the tax effect on translation differences.

Share Appreciation Rights (SAR)
The SAR scheme is a cash settled plan. The fair value of these SAR's is charged to the indirect personnel expenses from the grant date through vesting date. The fair value of the SAR is determined at every year-end based on the Black-Scholes option valuation model. At each balance sheet date, the group revises its estimates of the number of SAR's that are expected to become exercisable subject to continued employment based on this non-market vesting condition. The impact of the revision of original estimates, if any, is recognised in the indirect personnel expenses with a corresponding entry to liabilities.

The SAR liability relates to SAR's granted by the group to its employees under its SAR scheme.

The SAR's granted are conditional upon continued employment. The vesting period is three years. The SAR's can be exercised during two years after vesting on condition that the employee is still in the service of the company. This last condition does not apply to the SAR's granted to the former CEO.

Due to the cash settlement method of the SAR's, the rights are subject to a mark-to-market valuation exercise to measure the fair value on the specific balance date. When (re) measuring the fair value on the reporting date, the expected life of the right is determined based on the expectation regarding exercise behaviour of the participants. Exercise behaviour is influenced by for example share price development.

Revenue from contracts with customers
The group recognises revenue for contracting and secondment over time as the group's customer simultaneously receives and consumes all of the benefits provided by the group. When the group is the principal in a transaction and thus controls a promised service (employment of contractors) before transferring that service to clients (hours worked), the transactions are recorded gross in the consolidated profit and loss account. If the group acts as an agent and is not the employer and thus only arranges for another party to provide services to customers, revenues are reported on a net basis.

Recruitment revenue is recognised once the service has been completed, being in principle when the candidate starts and the customers starts to benefit from the group's services.

For fixed price contracts, the group takes on the responsibility for the execution (on top of supplying manpower). In some cases the group creates or enhances an asset that the customer controls as the asset is enhanced or created. In other cases the group does not create an asset with an alternative use and the group has an enforceable right to payment for performance completed to date. The group recognises the fixed price contract revenue over time.

Variable consideration is only applicable to fixed price contracts.

The revenue is measured at the transaction price agreed under the contract. While deferred payment terms may be agreed in rare circumstances, the deferral never exceeds four months. The transaction price is therefore not adjusted for the effects of a significant financing component.

Rendering of services
Under rendering of services the performance obligation is providing temporary personnel. The following types of revenue are recognised;

- Contracting revenue (rendering of services) whereby hours or days worked at agreed rates during the financial reporting period are recognised as revenue.
- Reimbursable expenses related revenue in cases where the group acts as a principal are recognised as a gross amount (including true up) upon recognition of the reimbursable costs.
- Recruitment revenue relates to revenue for the recruitment of employees for third parties.
- Other revenue such as in cases where the group acts as an agent, revenues are reported on a net basis, when the service is rendered.

Fixed price contracts
The performance obligation or construction contracts is to fulfil the engineering and construction services as specified in the contract. Generally, fulfilling the performance obligation means enhancing an asset that is owned by the customer.

For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided, because the customer receives and uses the benefits simultaneously. This is determined based on the actual costs incurred relative to the total expected costs. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

In case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised. If the contract includes an hourly fee, revenue is recognised in the amount to which the group has a right to invoice. Customers are invoiced on a monthly basis and consideration is payable when invoiced.

Direct and indirect personnel expenses
Direct personnel expenses relate to costs attributed directly to the services provided. Indirect personnel expenses relate to costs attributed directly to the group's internal staff.

Contribution margin
Contribution margin is defined as revenue minus direct personnel expenses.

Exchange differences
Foreign currency transactions are translated into the functional currency at the exchange rate applicable at the date of the transactions. Currency translation differences resulting from the settlement of these transactions and the translation of the monetary assets and liabilities denominated in foreign currency at the balance sheet date are recognised in the exchange differences in the consolidated profit and loss account.

Foreign exchange differences relating to bank balances are recorded in the financial income and expense, other foreign exchange differences are recorded in the operating profit.

Interest income and expenses
Interest income comprises interest received on outstanding deposits and interest costs comprise interest due on funds drawn, calculated using the effective interest method and interest on lease liabilities, calculated using the incremental borrowing rate.

Retirement benefit costs
Pension plans prevailing within the group are mostly defined contribution plans, which are funded through payments to independent entities. The group has no legal or constructive obligations to pay further contributions if these separate entities do not hold sufficient assets to pay all employees the pension benefits relating to employee service in the current and prior periods. The regular contributions constitute net periodic costs for the year in which they are due and are included within direct and indirect personnel expenses.

Government grants
Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

Government grants where the primary condition is that the group should purchase, construct or otherwise acquire non-current assets (including property, plant and equipment) are recognised as deferred income in the annual accounts and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Leases
The group leases various offices, cars and other office equipment. Rental contracts are typically made for fixed periods of 6 months to 8 years but may have extension options as described below.

Contracts may contain both lease and non-lease components. The group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of property where the group is a lessee and the consideration on lease and non-lease components or the stand-alone prices are not clearly stated, it has elected not to separate lease and non-lease components and instead account for these as a single component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use-asset and a corresponding lease liability at the date at which the leased asset is available for use by the group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the group under residual value guarantees;
- The exercise price of a purchase option if the group is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use-asset in a similar economic environment with similar terms and conditions.

To determine the incremental borrowing rate, the group:

- Uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the individual lessee, which does not have recent third party financing; and

- Makes adjustments specific to the lease, e.g. term, country, currency and security.

The group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use-asset.

Lease payments are allocated between principal and finance costs. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use-assets are measured at cost comprising the following:

- The amount of the initial measurement of the lease liability;

- Any lease payments made at or before commencement date less any lease incentives received;

- Any initial direct costs; and

- Restoration costs.

Right-of-use-assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases of property, cars and other office equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a term of 12 months or less. Low value assets comprise IT equipment and small items of office furniture.

Some property leases contain variable payment terms, usually subject to inflation corrections.

Extensions and termination options are included in a number of property, cars and other office equipment leases across the group. These are used to maximise the operational flexibility in terms of managing the assets used in the group's operations. The majority of extension and termination options held are exercisable only by the group and not by the respective lessor.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of property the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the group is typically reasonably certain to extend (or not terminate);

- If any leasehold improvements are expected to have a significant remaining value, the group is typically reasonably certain to extend (or not terminate);

- Otherwise, the group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

Most extension options in cars and other office equipment leases have not been included in the lease liability, because the group could replace the assets without significant cost or business disruption.

Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes tax liabilities where appropriate on the basis of amounts expected to be paid to the tax authorities.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using applicable rates.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the annual accounts and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to funding items charged or credited directly to equity, in which case the related deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Accounting principles for determining the consolidated cash flow statement

The consolidated cash flow statement has been prepared according to the indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments including paid or received interest, and items of income or expense associated with investing or financing cash flows.

Accounting principles for segment reporting

Operating segments have been identified on the basis of internal reports about components of the group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. Chief operating decision maker consists of the chief executive officer, the chief financial officer and the chief operating officer. Information reported to the group's chief operating decision maker is focused at components engaged in providing services in a particular economic environment from those of other segments. A geographical segment is engaged in providing services in a particular economic environment which are subject to risks and returns that are different from those segments operating in other economic environments.

The main regions are: DACH (Germany, Austria, Switzerland and Czech Republic), The Netherlands, Americas, Australasia, Europe and Africa, Middle East and India, Russia and Caspian area and South East Asia. This is the basis on which internal reports are provided to the chief operating decision maker for assessing performance and determining the allocation of resources within the group. All regions exceeding 10% of total revenue, EBIT or assets are reported separately. The remaining regions are combined in Rest of World.

Critical accounting estimates, assumptions and judgments

In the preparation of annual accounts, management makes certain critical accounting estimates and assumptions concerning the future. The resulting reported amounts will, by definition, rarely equal the related actual outcome. Estimates and judgments are continually evaluated and are based on historical experience and various other factors, including expectations of future events, which are believed to be reasonable under the circumstances. The following estimates, assumptions and judgments have an inherent significant risk of potentially causing material adjustments to the carrying amounts of assets and liabilities within the next financial year.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period or in the period of the revision and future periods if the revision affects both current and future periods.

Impairment of assets
The group tests whether intangible assets have suffered any impairment, in case of triggering events and at least annually for goodwill. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.The recoverable amounts of cash-generating units have been determined using, amongst other instruments, value-in-use calculations. These calculations require the use of estimates. Based on these impairment tests, impairment losses, if any, are identified. However, should the actual performance of these cash-generating units become materially worse compared to the performance based on the estimates, possible impairment losses could arise, or could deviate from the detected impairment losses. This impairment loss or deviation could have impact on the carrying amounts of the intangible assets. For the impairment testing of goodwill, refer to note 1.

Recoverability of receivables
The group has receivables on third parties in numerous countries. These receivables include accrued income. Significant judgment is required in determining the collectability of the receivables. The group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables and revenue to be invoiced (accrued income). Refer to note 6.

Provisions
Due to the nature of provisions, a considerable part of their determination is based on estimates and/or judgments, including assumptions concerning the future. The actual outcome of these uncertain factors may be materially different from the estimates, causing differences with the estimated provisions. Hence, the differences between actual outcomes and the recorded provisions can impact results over the periods involved. The timing of outflow of resources to settle these obligations is subject to the same uncertain factors. The provision for pension obligation and provision for illness include critical accounting estimates. Refer to note 8.

Deferred income taxes
The group is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide deferred tax asset on, amongst other items, tax losses carry-forward. There are many uncertain factors that influence the amount of the tax losses carry-forward, especially the expected future taxable profits. The group recognises deferred tax assets on tax losses carry forward based on their best estimates. When the actual results are different from the amounts that were initially estimated, such differences will impact the income tax in the consolidated profit and loss account and the deferred tax assets and/or deferred tax liabilities in the period in which these deviations occur. Refer to note 17.

Capital risk management

The group manages its capital to ensure that entities in the group will be able to continue as a going concern while maximising the return to stakeholders. The dividend policy of the group is aimed at maximising the distributions to shareholders, while reserving enough capital to ensure the ability to continue as a going concern and to fund planned growth. The group's strategy is to use existing cash and cash flows instead of long-term credit facilities to finance further growth. This typically leads to high solvency rates.

Financial risk management

Brunel's activities are exposed to a variety of financial risks, including foreign currency exchange rates and interest rates. The group's overall risk management program focuses to minimise potential adverse effects on the financial performance of the group. This program is implemented and carried out under policies approved by the Board of Directors.

Liquidity risk

Brunel maintains sufficient cash to fund its ongoing operations. In addition there is the availability of funding through adequate internal credit facilities to minimise liquidity risk. Within the group derivative financial instruments are not used nor are hedging activities undertaken. The department Corporate Finance and Control monitors the worldwide cash position. For the maturity analysis on leases, trade account receivable and provisions, refer to notes 4, 6 and 8.

Foreign exchange risk

x EUR 1,000

Currency fluctuations affect the consolidated results, because a portion of the cash flow is generated in other currencies than Euro. The group limits the foreign exchange risk by maintaining a back-to-back policy, meaning that the management strives to have both income and expenses to be generated locally in the same currency. Due to the back-to-back policy, the foreign exchange risk of the group is limited to the exchange risk over the results in foreign currencies and the trade receivable and cash positions in foreign currencies. The foreign currencies that can have a material effect on the consolidated profit and loss account of the group are the US dollar and the Australian dollar. The carrying amounts of the group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Assets 31 December		Liabilities 31 December	
	2020	**2019**	**2020**	**2019**
US dollar	49,523	60,891	7,592	12,598
Australian dollar	21,186	24,998	5,026	7,491
	70,709	**85,889**	**12,618**	**20,089**

The following table details the group's sensitivity to a 10% increase and decrease in the Euro against the relevant foreign currencies. These percentages represent management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a change in foreign currency rates. A positive number below indicates an increase in profit and other equity when the Euro weakens 10% against the relevant currency. For a 10% strengthening of the Euro against the relevant currency, there would be an equal and opposite impact on the profit and other equity, and the balances below would be negative.

	US dollar Impact		Australian dollar Impact	
	2020	**2019**	**2020**	**2019**
Profit or loss	-311	-2,562	-71	-186
Other equity	-1,422	5,953	2,141	2,315
Total equity	**-1,733**	**3,391**	**2,070**	**2,129**
Revenue	10,248	19,188	11,227	10,535

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. The group has no significant concentrations of credit risk. The most important items on the consolidated balance sheet that are imposed to credit risk are the trade and other receivables. The trade accounts receivable include an allowance for expected credit losses (refer to note 6). Generally, services are provided to large and financially strong companies. In order to minimise credit risk exposure Brunel intensively monitors the payment behaviour of its customers. Internal policies limit the amount of credit exposure to any financial institution. Despite these internal procedures, uncollectible debts cannot be ruled out, but the risk of a material erosion of the operating profit is small. Receivables will be written-off when clearly uncollectible due to bankruptcy or other similar factors. In any case, as long as no bankruptcy or court ruling has occurred, the group will continue chasing debtors to receive the outstanding amount. As per 31 December 2020 the largest receivable against a single counterparty amounted EUR 7.7 million (31 December 2019: EUR 12.9 million). For 2020, largest revenue from transactions with a single external customer amounted to EUR 51.2 million (2019: EUR 91.4 million).

Interest rate risk

Due to the nature of the group's business the operating cash flows are substantially independent of changes in market interest rates. Interest coverage is the leading parameter in managing interest exposure. Due to the capital structure of the group, the interest paid and received are immaterial amounts and hence no material interest rate risk applies.

1. Goodwill

Movements during the year:

	2020	**2019**
At cost at 1 January	8,968	8,968
Accumulated impairment and exchange rate movements	-359	-476
Balance at 1 January	**8,609**	**8,492**
Changes in carrying amount:		
Exchange rate movements	-132	117
Balance at 31 December	**8,477**	**8,609**
At cost at 31 December	8,968	8,968
Accumulated impairment and exchange rate movements	-491	-359
Balance at 31 December	**8,477**	**8,609**

Goodwill has been allocated for impairment testing purposes to the following cash-generating units:

	2020	**2019**
Brunel Americas	993	1,086
Brunel Australasia	4,440	4,418
Brunel DACH	2,844	2,844
Brunel Rest of World	200	261
Balance at 31 December	**8,477**	**8,609**

Impairment testing

In the financial year the company assessed the recoverable amount of goodwill. The recoverable amount of the main cash-generating units for which goodwill is capitalised is based on value in use. The value in use is determined by means of cash flow projections based on the actual operating results adjusted for non-cash items (mainly depreciation) and the expected future performance. The latter is based on management's estimates and assumptions of revenue growth and development of operating margins, assessed with external data. The forecasted cash flows have been derived from the budget 2021.

The value in use of the cash-generating units resulted in no impairment compared to the carrying amount as at 31 December 2020.

Management has projected cash flow forecasts over a period of five years. The annual budget is used as a basis for the projection in the first year whereas key assumptions were applied for the extrapolation of the results to the period after the first year.

Key assumptions for 2021-2025 (2020-2024) used in calculation of the value in use for the cash-generating unit Brunel Americas are:

	2020	**2019**
Revenue growth	10%	19%
Budgeted contribution margin	12.5%	11.9%
Operating costs increase	1%	4%
Terminal growth rate	2.0%	2.0%
Pre tax discount factor	13.4%	13.8%
Depreciations and investments plans	Depreciations are used for new or replacing investments plans	Depreciations are used for new or replacing investments plans

Key assumptions for 2021-2025 (2020-2024) used in calculation of the value in use for the significant cash-generating unit Brunel Australasia are:

	2020	**2019**
Revenue growth	4%	10%
Budgeted contribution margin	10.8%	8.5%
Operating costs increase	2%	3%
Terminal growth rate	2.5%	2%
Pre tax discount factor	15.8%	14.4%
Depreciations and investments plans	Depreciations are used for new or replacing investments plans	Depreciations are used for new or replacing investments plans

Key assumptions for 2021-2025 (2020-2024) used in calculation of the value in use for the significant cash-generating unit Brunel DACH are:

	2020	2019
Revenue growth	2%	0%
Budgeted contribution margin	35.2%	32.3%
Operating costs increase	1%	1%
Terminal growth rate	0%	0%
Pre-tax discount factor	13.1%	11.5%
Depreciations and investments plans	Depreciations are used for new or replacing investments plans	Depreciations are used for new or replacing investments plans

All cash-generating units have sufficient headroom available to cover variations in assumptions.

2. Other intangible assets

The other intangible assets consist of the following:

	2020	2019
Software	8,490	10,555
Trade names	-	33
Customer databases	-	365
Balance at 31 December	**8,490**	**10,953**

The amortisation rates are as follows:

- Software: 20-40% per annum
- Trade name SES Labour Solutions: 33.33% per annum
- Customer database SES Labour Solutions: 33.33% per annum

Residual values are considered to be zero.

Software

Movements during the year:

	2020	2019
At cost at 1 January	34,594	31,860
Accumulated amortisation	-24,039	-19,744
Balance at 1 January	**10,555**	**12,116**
Changes in carrying amount:		
Additions	3,565	2,849
Disposals	-	-62
Amortisation	-4,440	-4,355
Impairment	-1,135	-
Exchange rate	-55	7
Total changes	**-2,065**	**-1,561**
At cost at 31 December	37,918	34,594
Accumulated amortisation and impairment	-29,428	-24,039
Balance at 31 December	**8,490**	**10,555**

Software mainly includes financial and business supporting software acquired. The average remaining amortisation period is three years.

In 2020 a part of the software with an at cost value of EUR 35 (2019: 10) that was fully amortised has been written off from both the at cost value and the accumulated impairment.

In 2020 a part of the software was impaired. Previously, the group developed a software platform with the intention to build a candidate and customer journey. The group has decided not to continue with this platform and the remaining book value related to the platform has been impaired.

Trade names

Movements during the year:

	2020	2019
At cost at 1 January	155	155
Accumulated amortisation and impairment	-122	-73
Balance at 1 January	**33**	**82**
Changes in carrying amount:		
Amortisation	-32	-50
Exchange rate	-1	1
Balance at 31 December	**-**	**33**
At cost at 31 December	155	155
Accumulated amortisation and impairment	-155	-122
Balance at 31 December	**-**	**33**

Customer databases

Movements during the year:

	2020	2019
At cost at 1 January	1,707	1,707
Accumulated amortisation and impairment	-1,342	-809
Balance at 1 January	**365**	**898**
Changes in carrying amount:		
Amortisation	-352	-544
Exchange rate	-13	11
Balance at 31 December	**-**	**365**
At cost at 31 December	1,707	1,707
Accumulated amortisation and impairment	-1,707	-1,342
Balance at 31 December	**-**	**365**

3. Property, plant and equipment

Movements during the year:

	Office equipment	Computer systems	Total
At cost at 1 January	23,512	4,444	27,956
Accumulated depreciation	-17,207	-3,486	-20,693
Balance at 1 January 2019	**6,304**	**958**	**7,263**
Changes in carrying amount:			
Additions	3,174	522	3,696
Disposals	-620	-96	-716
Depreciation	-1,777	-469	-2,246
Exchange rate	-15	7	-8
Total changes 2019	**762**	**-36**	**726**
At cost at 31 December	26,006	4,795	30,801
Accumulated depreciation	-18,940	-3,872	-22,812
Balance at 31 December 2019	**7,066**	**922**	**7,989**
Changes in carrying amount:			
Additions	2,490	1,154	3,644
Disposals	-3	-3	-6
Depreciation	-1,582	-520	-2,102
Exchange rate	-182	-25	-207
Total changes 2020	**723**	**606**	**1,328**
At cost at 31 December	25,663	5,422	31,085
Accumulated depreciation	-17,874	-3,894	-21,768
Balance at 31 December 2020	**7,789**	**1,528**	**9,317**
Depreciation rate	20-40%	20-40%	20-40%

No leased items are included in property, plant and equipment. Residual values are considered to be zero. The carrying amount equals the estimated fair value of the assets.

In 2020 part of the property, plant and equipment with an at cost value of EUR 2,023 (2019: EUR 136) that was fully depreciated has been written off from both the at cost value and the accumulated depreciation.

4. Leases

This note provides information for leases where the group is a lessee.

Amounts recognised in the balance sheet
The balance sheet shows the following amounts relating to leases:

Right of use asset	**2020**	**2019**
Right of use asset - Property	29,805	33,355
Right of use asset - Cars	5,768	7,204
Right of use asset - Others	85	111
Total	**35,658**	**40,670**
Lease liability		
Current	11,488	14,942
Non-current	24,965	27,595
Total	**36,453**	**42,537**

Additions to the right-of-use assets during 2020 amount to EUR 5.0 million (2019: EUR 2.7 million), of which EUR 4.1 million (2019: EUR 2.5 million) relates to property and EUR 0.9 million relates to cars and other leases (2019: EUR 0.1 million each). Lease remeasurements, that mainly relate to lease modifications, amount to EUR 5.9 million (2019: EUR 0.8 million), consisting of EUR 4.5 million (2019: EUR 1.3 million reduction) increase in property and EUR 1.4 million (2019: EUR 2.2 million) increase in cars.

During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options has already been reflected in the lease liability for properties as it is reasonably certain that these options will be exercised. Lease extensions on cars and other office equipment are not expected to have a significant impact, as assets can be easily replaced with little cost to the group. Lease payments for some contracts include inflationary increases, but there are no other variable lease payments that depend on an index or rate.

Amounts recognised in the consolidated profit and loss account

The consolidated profit and loss account shows the following amounts related to leases:

Depreciation charge of right-of-use asset	**2020**	**2019**
Property	-10,147	-12,391
Cars	-3,701	-3,958
Other	-43	-60
Total	**-13,891**	**-16,409**
Interest expense (included in financial Income and expense)	-423	-570
Expense relating to Short-term and low-value leases (included in note 13 - direct employee expenses)	-4,033	-8,306
Expense relating to Short-term and low-value leases (included in note 16 - other expenses)	-2,016	-3,304

The total cash outflow for leases in 2020 was EUR 21.4 million (2019: EUR 27.4 million), of which EUR 14.9 million (2019: EUR 15.2 million) are principal elements of recognised lease liabilities.

Maturity analysis

The tables below analyses the group's lease liabilities into relevant maturity groupings based on their contractual maturities.

Maturity	**Property**	**Cars**	**Others**	**Total**
Less than 1 year	8,501	3,063	40	11,604
Between 1 and 2 years	6,718	2,592	40	9,350
Between 2 and 3 years	4,551	182	6	4,739
Between 3 and 4 years	3,637	26	2	3,665
Between 4 and 5 years	2,768	5	-	2,773
More than 5 years	5,346	-	-	5,346
Total	**31,521**	**5,868**	**88**	**37,477**

5. Investments accounted for using the equity method

Interest in associates
Set out below is the associates of the group as at 31 December 2020 which, in the opinion of the directors, are material to the group. The entity listed below has share capital consisting solely of ordinary shares, which are held directly by the group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held. The associate is fully impaired, no further cash injections will be made, and therefore there is no risk of further losses.

Name of entity	**Country of incorporation**	**% of ownership interest**		**Nature of relationship**	**Measurement method**	**Carrying amount**	
		2020	**2019**			**2020**	**2019**
IBR Solucões Limitada (1)	Angola	49%	49%	Associate	Equity method	-	-

(1) IBR Solucões Limitada is an associate of Brunel International N.V. operating in Angola.

The tables below provide summarised financial information for the associate that is material to the group. The information disclosed reflects the amounts presented in the annual accounts of the relevant associate and not Brunel International N.V.'s share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

	2020	2019
Current assets	-22	404
Current liabilities	-4,576	-4,772
Long-term liabilities	-369	-548
Net assets at 31 December	**-4,967**	**-4,916**

	2020	2019
Opening net assets 1 January	**-4,916**	**-4,427**
Profit / (loss) for the period	-2,024	-2,689
Foreign exchange	1,973	2,200
Closing net assets at 31 December	**-4,967**	**-4,916**

Summarised statement of comprehensive income

	2020	2019
Revenue	-	-
Profit / (loss) for the period	-2,024	-2,689

As the group's interest in IBR Solucões Limitada has been impaired and the group does not have any further legal or constructive obligations to make payments to or on behalf of IBR Solucões Limitada, additional losses are no longer recognised.

6. Trade and other receivables

The trade and other receivables consist of the following:

	2020	2019
Trade accounts receivables	130,646	173,751
Prepayments	4,049	7,861
Accrued income	49,491	68,043
Other receivables	9,884	11,420
Balance at 31 December	**194,070**	**261,075**

All receivables have an expected term of less than one year. The carrying amount of these receivables equals the fair value.

The group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables and accrued income. To measure the expected credit losses, trade receivables and accrued income have been grouped based on shared credit risk characteristics and the days past due, on a country-level. Accrued income has substantially the same risk characteristics as the trade receivables for the same types of contracts. The group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for accrued income. The expected loss rates are based on the payment profiles of sales over a period of 36 month before 1 January 2020 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables and other known matters. Based on this, even though the basis for the expected loss rate is the same, the expected loss rates for trade receivables and accrued income might differ.

The group has performed a sensitivity analysis on the credit loss rates, by calculating multiple scenarios, which gave no reason to increase the credit loss rates. Also, compared to 2019, there are no material changes in the (relative) amounts in the aging buckets, meaning the aging of the accounts receivables has not significantly changed, where the biggest portion is in the first buckets (70% is not due yet, and 15% is overdue by 1 month). The total days outstanding (TDO) has decreased by 10% in the course of 2020. In discussions with the group's most significant clients, no indications of uncollectibility were received.

The write offs mainly relate to aged positions in the Americas, where the receivable balance and related provision were thoroughly reviewed, and partly deemed uncollectible.

The movement in this allowance is as follows:

	2020	2019
Balance at 1 January	**2,936**	**1,543**
Fully provided receivables which are written off	-789	-729
Change in allowance recognised in result	954	2,102
Exchange rate movements	-133	20
Balance at 31 December	**2,968**	**2,936**

Ageing of past due and not impaired trade accounts receivables is as follows:

	2020	2019
Trade accounts receivable - Not due	**93,879**	**126,236**
1-30 days - past due	19,977	25,155
31-60 days - past due	5,178	8,541
61-90 days - past due	3,496	4,170
91-120 days - past due	3,051	2,710
120+ days - past due	8,033	9,875
Balance at 31 December	**133,614**	**176,687**

The loss allowance as at 31 December 2020 was determined as follows for both trade accounts receivables and accrued income:

Trade accounts receivable	Balance at 31 December	Expected loss rate	Loss allowance
Trade accounts receivable - Not due	93,879	0.1%	112
1-30 days - past due	19,977	0.1%	19
31-60 days - past due	5,178	0.3%	15
61-90 days - past due	3,496	0.3%	10
91-120 days - past due	3,051	0.8%	23
120+ days - past due	8,033	33.1%	2,656
Balance at 31 December	**133,614**		**2,835**
Accrued income	**Balance at 31 December**	**Expected loss rate**	**Loss allowance**
Services delivered December	37,198	0.1%	45
Services delivered month - 1	3,982	0.1%	2
Services delivered month - 2	1,924	0.3%	5
Services delivered month - 3	1,309	1.0%	13
Services delivered older	4,639	1.5%	68
Other accrued income	439		-
Balance at 31 December	**49,491**		**133**

The loss allowance as at 31 December 2019 was determined as follows for both trade accounts receivables and accrued income:

Trade accounts receivable	Balance at 31 December	Expected loss rate	Loss allowance
Trade accounts receivable - Not due	126,236	0.1%	118
1-30 days - past due	25,155	0.0%	10
31-60 days - past due	8,541	0.3%	24
61-90 days - past due	4,170	1.1%	44
91-120 days - past due	2,710	1.9%	51
120+ days - past due	9,875	26.5%	2,620
Balance at 31 December	**176,687**		**2,867**
Accrued income	**Balance at 31 December**	**Expected loss rate**	**Loss allowance**
Services delivered December	44,610	0.0%	16
Services delivered month - 1	9,095	0.0%	2
Services delivered month - 2	3,142	0.2%	6
Services delivered month - 3	2,223	0.6%	13
Services delivered older	8,619	0.4%	32
Other accrued income	354		-
Balance at 31 December	**68,043**		**69**

The specific credit terms granted vary from 14-90 days. These terms are based on the general terms and conditions of the group and/or specific agreements with individual customers.

Generally, services are provided to large and financially strong companies, which are mainly operating in the oil industry. In order to minimise credit risk exposure, the group intensively monitors the payment behaviour of its customers based on specific agreements with individual customers and the credit worthiness of the customers. Based on historical behaviour of their customers, the group does not expect any material write-offs and therefore the expected credit loss rates are not highly sensitive.

The current assessment of the counterparty risk of the group's customers is that the group does not expect any material write-offs. This assumption is based on the current payment behaviour of the group's clients. Additionally, the group is in frequent contact with clients that have amounts outstanding past the due date.

7. Restricted cash, cash and cash equivalents

Restricted cash, cash and cash equivalents consist of the following:

	2020	2019
Non-current restricted cash	5,002	7,293
Current restricted cash	10,082	7,738
Cash and cash equivalents	139,898	76,890
Balance at 31 December	**154,982**	**91,921**

In 2020, restricted cash has been reclassified from cash and cash equivalents to restricted cash in the balance sheet and the cash flow statement as it does not meet the criteria of cash and cash equivalents. To be consistent, the same reclassification has been made in the group's balance per 31 December 2019. Restricted cash relates to the bank guarantees issued that is not available for use in the group's day-to-day operations until maturity.

Of the total balance above, EUR 29.5 million (2019: EUR 24.0 million) is not freely disposable on the grounds of issued bank guarantees. The fair value approximates the carrying value.

8. Provisions

Movements during the year:

	Pension obligation	Restoration provision	Legal claims	Illness	Total
Balance at 1 January	**2,080**	**372**	**143**	**2,568**	**5,163**
Additions	206	16	257	1,278	1,757
Withdrawals	-18	-53	-	-238	-309
Release	-	-	-80	-40	-120
Balance at 31 December	**2,268**	**335**	**320**	**3,568**	**6,491**

The restoration provision represents the provision for returning rented real estate objects to the original state at the end of the lease contract. The estimate may vary as a result of the utilisation of the leased premises and sub-lease arrangements where applicable.

The majority of the non-current part of these provisions is expected to be settled within five years of the balance sheet date, except for pension obligations, which will mature after five years.

The provision for illness represents the obligation for continuation of wage payment during extended periods of illness and disability.

Aside from the pension provision, as disclosed below, other provisions are not sensitive to changes in underlying assumptions.

The amounts recognised in the consolidated balance sheet and the movements in the defined benefit obligation over the year are as follows:

Pension obligation	**2020**	**2019**
Balance at 1 January	**2,080**	**1,712**
Current service cost	33	61
Interest expense	31	39
Total amount recognised in profit or loss	**64**	**100**
Remeasurements:		
Loss from change in financial assumptions	136	334
Experience loss	6	10
Total amount recognised in other comprehensive income	**142**	**344**
Payments from plan:		
Benefit payments	-18	-76
Balance at 31 December	**2,268**	**2,080**

The group operates a defined benefit pension plan in Germany (Brunel Car Synergies) under regulatory frameworks. The defined benefit pension plan is managed jointly by Brunel and Bochumer Verband. This plan is a final salary pension plan, which provides benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement. In the plans, pension payments are generally updated in line with the retail price index. This is an unfunded plan and no plan assets are applicable. The main risks in relation to this plan relate to the key variables in the actuarial calculations (i.e. changes in bonds yields, inflation risks and life expectancy).

Significant actuarial assumptions for the pension plan are:

Assumptions	2020	2019
Discount rate	1.17%	1.49%

The sensitivity of the defined benefit obligation to changes in the principal assumption is:

Impact on defined benefit obligation	2020	2019
Discount rate -0,5%	+10%	+11%
Discount rate +0,5%	-9%	-9%

9. Other current liabilities

The other current liabilities consist of the following:

	2020	2019
Trade payables	15,364	16,821
Taxes and social security charges	31,382	37,301
Pensions	578	801
Accrued employee expenses	41,658	48,147
Contingent consideration business combinations	-	748
Accrued expenses	5,302	4,125
Current portion of onerous contracts	-	1,259
Other liabilities	4,325	2,111
Balance at 31 December	**98,609**	**111,313**

The contingent consideration for business combinations relates to the acquisition of SES Labour Solutions and has been settled in 2020.

Current liabilities have an expected term of less than one year. The majority of trade payables and taxes and social security charges are due within a range of 1–45 days.

The majority of the other liabilities and accrued employee expenses are due within a range of 1–180 days.

The carrying amount of these liabilities equals the fair value.

10. Group equity

The authorised capital is EUR 5,998,000 divided into one priority share with a nominal value of EUR 10,000 and 199.6 million ordinary shares with a nominal value of EUR 0.03. The subscribed capital consists of 50,574,624 ordinary shares (2019: 50,574,624) with a value of EUR 1,517,239.

The movement in the number of issued shares is:

	2020	2019
Issued at 1 January	**50,574,624**	**50,574,624**
Issue of Shares	-	-
Issued at 31 December	**50,574,624**	**50,574,624**

Except for the translation reserve, all reserves are freely distributable. In the year under review no dividend was paid. The proposed dividend for 2020 will be EUR 0.30 per share. Further information is provided in the consolidated statement of changes in equity on page 110 of this report.

The priority share, which has a par value of EUR 10,000, has been issued to Stichting Prioriteit Brunel, subject to the condition precedent that the majority shareholder loses its majority share in Brunel International N.V.'s share capital. The priority share will be fully paid up as soon as the issue becomes unconditional. The protective stipulations are included in the Articles of Association of Brunel International N.V.

Translation reserve

In 2020 the foreign currency translation reserve was mainly impacted by the depreciation of the Russian Rubble, Indian Rupee and Brazilian Real compared to the Euro. This is not deemed a currency risk as the company does not intend to repatriate equity balances from these countries in the coming year. The foreign exchange movements will remain unrealised.

Non-controlling interest

The movement in non-controlling interest is as follows:

	2020	2019
Balance at 1 January	**-4,395**	**673**
Result for the year	1,948	-3,692
Issue of shares	-	-
Dividend	-2,220	-1,853
Acquisition of non-controlling interests	6,833	-
Liquidation loss	-	370
Exchange rate movements	-24	108
Balance at 31 December	**2,142**	**-4,395**

In October 2020 the group acquired the remaining 25% of the shares of Brunel Industry Services (BIS). A consideration of EUR 0.3 million was paid to the minority shareholders.

Set out below is summarised financial information for the main non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

	Middle East and India		BIS		Other		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Non-current assets	6,289	3,091	-	607	-	-	6,289	3,698
Current assets	47,464	53,731	-	11,975	10	19	47,474	65,725
Current liabilities	-13,393	-14,184	-	-11,396	-9	-7	-13,402	-25,586
Non-current liabilities	-31,540	-32,343	-	-28,294	-16	-20	-31,556	-60,656
Net assets per 31 December	**8,820**	**10,296**	**-**	**-27,107**	**-15**	**-8**	**8,805**	**-16,820**
Accumulated non-controlling interests	2,150	2,385	-	-6,777	-8	-4	2,142	-4,395
Dividend paid to non-controlling interests	2,220	1,853	-	-	-	-	2,220	1,853
Revenue	94,426	89,219	835	41,742	-	-	95,261	130,961
Profit (loss)	8,404	8,960	-634	-23,778	-9	-9	7,761	-14,827
Result allocated to non-controlling interests	**2,109**	**2,248**	**-158**	**-5,945**	**-3**	**4**	**1,948**	**-3,692**

Middle East and India includes the non-controlling interests in the group's entities in Kuwait (25%), Qatar (25%), Oman (30%) and Iraq (99%). The other non-controlling interest includes the non-controlling entities in Kazakhstan (50%).

11. Share Appreciation Rights (SAR)

The measurement date fair value of the SAR's is determined based on the Black-Scholes option valuation model. In this model the expected volatility is based on historical volatility for the corresponding periods of the Company shares (34.7% - 48.8%), the expected dividend yield is based on the dividend policy and set at 2.0% to 3.0%, the expected remaining years (0.2 – 4.6 years) and a risk-free interest in the range of -0.618% and -0.767%. The risk-free interest is based on the yield of AAA rated EU government bonds with a maturity commensurate to the expected life of the respective award.

	2020		2019	
in EUR :				
Weighted average grant date fair value	1.64		2.10	
Costs recognized	221,000		95,000	
Total liability	488,000		228,000	
Intrinsic value of the liability	-		-	
	Number of SAR's	**Weighted average exercise price**	**Number of SAR's**	**Weighted average exercise price**
SAR's as at 1 January	**1,902,500**	**14.68**	**1,348,500**	**16.54**
SAR's granted	841,500	8.85	868,000	12.78
SAR's forfeited	139,000	12.91	208,000	14.60
SAR's expired	147,000	17.68	106,000	22.92
SAR's exercised	-	-	-	-
SAR's as at 31 December	**2,458,000**	**12.60**	**1,902,500**	**14.68**
SAR's exercisable as at 31 December	**368,000**		**351,000**	

The costs recognised in the consolidated profit and loss account amount is based on portion of time passed by the end of the year and fair value at year end. Costs are spread over the period in which employees provide services.

12. Commitments and contingencies

The group leases various offices, cars and other office equipment under non-cancellable operating leases expiring within 6 months to 5 years. The leases have varying terms, escalation clauses and renewal rights. On renewal the terms of the leases are renegotiated.

From 1 January 2019, the group has recognised right-of-use assets for these leases, except for short-term and low-value leases that are disclosed below. See note 4 for further information.

	2020	2019
Expire in year 1	465	574
Expire in years 2-5	49	65
Expire in years 6 and later	-	-
Balance at 31 December	**514**	**639**

Brunel GmbH is subject to a tax audit in Germany regarding the years 2012-2015. In the tax audit, the deductibility of interest expenses has been challenged. The group is confident that the group will be able to adequately support these interest expenses and that the chances of a significant adjustment and tax payment are remote. The maximum tax exposure is EUR 13.8 million.

Events after balance sheet date

No events of interest to the group as a whole took place after the balance sheet date.

x EUR 1,000, unless stated otherwise

13. Direct and indirect personnel expenses

The direct and indirect personnel expenses consist of the following amounts:

	2020		2019	
	Direct	**Indirect**	**Direct**	**Indirect**
Salaries	521,933	67,199	610,427	84,215
Social charges	36,276	10,560	41,605	12,288
Pension charges	20,494	2,249	23,769	2,205
Other	122,471	24,334	155,902	24,740
Total	**701,174**	**104,342**	**831,703**	**123,448**

The pension schemes in the group can all be classified as defined contribution, except for one defined benefit plan in Germany (refer to note 8). The other direct personnel expenses include visa, logistic and other services provided to direct employees. These expenses are typically reimbursed by the group's customers. The other direct personnel expenses include EUR 4.0 million in short-term or low-value leases.

Remuneration of directors

The directors' remunerations charged to the results in 2020 (2019) are set out below:

	Short-term employee benefits					
	Salary	Bonus	Pension	Other *	Share based payments	Total
Board of Directors:						
J.T. Andringa, CEO	600 (600)	360 (-)	11 (11)	- (-)	10 (7)	**981 (618)**
J.A. van Barneveld, former CEO	-	-	-	-	- (6)	**- (6)**
P.A. de Laat, CFO	430 (430)	172 (-)	9 (9)	- (-)	5 (8)	**616 (447)**
A.G. Maude, COO (as of 1 July 2020)	215 (-)	86 (-)	6 (-)	50 (-)	8 (-)	**365 (-)**
Supervisory Board:						
A. Schouwenaar	70 (70)					**70 (70)**
J.J.B.M. Spee	65 (65)					**65 (65)**
J.A. van Barneveld	55 (55)					**55 (55)**
K. Koelemeijer (as of 16 May 2019)	55 (34)					**55 (34)**
	1,490 (1,254)	**618 (-)**	**26 (20)**	**50 (-)**	**23 (21)**	**2,207 (1,295)**

* Other benefits for Mr. Maude represents the transitional arrangement.

- Mr Andringa has 18,000 shares in the company, in addition to 115,000 SAR's.
- Mr De Laat has 10,000 shares in the company, in addition to 195,000 SAR's.
- Mr Maude has 19,500 shares in the company, in addition to 30,000 SAR's.
- Mr Van Barneveld has no shares in the company, but does hold 70,000 SAR's.
- The other members of the Supervisory Board hold neither shares nor share options in the company.
- No loans and/or guarantees have been issued to members of the Board of Directors or Supervisory Board.

SAR rights of directors

Year granted	2016	2017	2018	2019	2020	Total
J.T. Andringa, CEO	-	50,000	-	50,000	15,000	115,000
J.A. van Barneveld, former CEO	70,000	-	-	-	-	70,000
P.A. de Laat, CFO	50,000	30,000	50,000	50,000	15,000	195,000
A.G. Maude, COO (as of 1 July 2020)					30,000	30,000
Range of exercise prices in EUR	17.26	14.77 - 15.00	15.48	12.78	6,25 – 9.04	

Internal pay ratio

The pay ratio of CEO compensation compared to the average employee compensation during 2020:

	2020	2019
J.T. Andringa, CEO	13.8	8.2

The internal pay ratio is calculated using annual compensation for 2020 of EUR 1.0 million (2019: EUR 0.6 million), compared to the average compensation of all indirect employees. The average compensation of all indirect employees was calculated from the numbers as reported in note 13 Direct and indirect personnel expenses and note 23 Segment reporting, resulting in an average compensation of EUR 0.1 million for 2020.

14. Government grants

In various countries, in response to COVID-19, governments have put in place a wide variety of employment protection programs exceptionally allowing for partial or full reduction of working hours or compensation for personnel costs. These programs compensate the group for (part of) salaries and/or social security charges of the employees impacted (for instance in Germany, Austria, Switzerland, Singapore, China and the UK).

These employment protection programs reduced the group's indirect personnel expenses by EUR 1.8 million for the period. The group also made use of government programs relating to the group's direct employees. The total effect of these programs on the group's direct personnel expenses amounted to EUR 7.3 million. The total cash inflow from these programs amounted to EUR 8.7 million in 2020. The majority of the assistance has been received in Germany. The group did not benefit directly from any other forms of government assistance.

15. Depreciation and amortisation

The costs for depreciation and amortisation in the consolidated profit and loss account consist of the following:

	2020	2019
Other intangible assets (2)	4,824	4,949
Property, plant and equipment (3)	2,102	2,246
Right-of-use assets (4)	13,891	16,410
Total	**20,817**	**23,605**

16. Other expenses

The 2020 other expenses amount to EUR 37.4 million (2019: EUR 44.9 million). The other expenses comprise marketing expenses, IT expenses, office and other overhead costs. Other costs also include the software impairment (refer to note 2).

Audit costs

The audit costs consists of the following:

	Pricewaterhouse Coopers Accountants N.V.	Member firms / affiliates	Total 2020	Pricewaterhouse Coopers Accountants N.V.	Member firms / affiliates	Total 2019
Audit of the financial statements	490	604	1,094	584	800	1,384
Tax services	-	212	212	-	271	271
Other non-audit fees	-	-	-	-	-	-
Total	**490**	**816**	**1,306**	**584**	**1,071**	**1,655**

The fees listed above relate to the procedures applied to the Company and its consolidated group entities by PricewaterhouseCoopers Accountants N.V. as the external independent auditor as referred to in Section 1, subsection 1 of the Audit Firms Supervision Act ('Wet toezicht accountantsorganisaties - Wta') as well as by member firms and affiliates of the PricewaterhouseCoopers Accountants N.V., including their tax services and advisory groups.

The audit fees relate to the audit of the 2020 annual accounts, regardless of whether the work was performed during the financial year.

The group's independent auditor, PricewaterhouseCoopers Accountants N.V., has rendered, for the period to which the group's statutory audit relates, in addition to the audit of the statutory annual accounts the following services to the company and its controlled entities:

Tax Services

- Tax compliance services

17. Tax

	2020	2019
Current tax (Income) / expense	10,413	15,220
Deferred tax (Income) / expense	562	1,086
Tax (Income) / expense	**10,975**	**16,306**

In 2020, the effective tax rate on the result before tax is 38.5 % (2019: 99.2%).

The reconciliation between the actual tax expense and the tax expense based on the Dutch corporate income tax rate (2020 and 2019: 25%) is as follows:

	2020		2019	
Income tax at Dutch corporate income tax rate	7,128	25.0%	4,110	25.0%
Permanent differences:				
Difference with foreign tax rates	1,510	5.3%	1,254	7.6%
Weighted average applicable tax rate	**8,638**	**30.3%**	**5,364**	**32.6%**
Adjustment previous years	171	0.6%	1,029	6.3%
Non-taxable items	292	1.0%	368	2.2%
Tax losses not recognised as deferred tax asset	1,948	6.8%	6,814	41.4%
Impairment of deferred tax assets	338	1.2%	2,462	15.0%
Rate adjustment deferred tax asset	-772	-2.7%	-	0.0%
Other taxes	360	1.3%	269	1.6%
Effective tax charge	**10,975**	**38.5%**	**16,306**	**99.2%**

The weighted average applicable tax rate and the effective tax rate are strongly affected by changes in the mix of results of subsidiaries in countries with different tax rates and/or systems. Countries with alternative minimum taxes had a relatively higher share in the results.

Movement schedule tax assets and liabilities

During the financial year an amount of EUR 0.7 million was credited directly to other comprehensive income (2019: EUR 0.1 million debited) for tax relating to foreign exchange results recorded in the other comprehensive income.

The deferred tax assets originate from accumulated tax losses (mainly from US, Germany and Austria) and temporary differences. Recognition and derecognition of these assets are based on the forecasted results for the relevant group companies.

The deferred tax liabilities relate to temporary differences in the valuation of intangible assets that were a result of business combinations.

	Current	Deferred	Total
Balance at 1 January 2019			
Tax assets	2,284	14,428	16,712
Tax liability	-1,122	-397	-1,519
	1,162	**14,031**	**15,193**
Movements during the year			
Paid / received	12,543	-	12,543
Through profit and loss	-15,221	-1,086	-16,307
Through other comprehensive income	-57	-	-57
Exchange rate adjustment	105	155	260
	-2,630	**-931**	**-3,561**
Balance at 31 December 2019			
Tax assets	2,844	13,417	16,261
Tax liability	-4,312	-317	-4,629
	-1,468	**13,100**	**11,632**
Movements during the year			
Paid / received	4,324	-	4,324
Through profit and loss	-10,413	-562	-10,975
Through other comprehensive income	688	-	688
Exchange rate adjustment	-90	-242	-332
	-5,491	**-804**	**-6,295**
Balance at 31 December 2020			
Tax assets	2,631	12,417	15,048
Tax liability	-9,590	-121	-9,711
	-6,959	**12,296**	**5,337**

Deferred tax assets amounting to EUR 5.1 million (2019: EUR 5.8 million) are dependent on future taxable profits in excess of the profits arising from the reversal of existing temporary differences. Unused tax losses for which no deferred tax assets have been recognised amount to EUR 40.0 million (2019: EUR 54.6 million). All tax losses, either recognised or unrecognised can be offset with future profits. Dependent on the country, EUR 7.4 million of the unrecognised losses will expire within 5 years, the remainder can either be offset within 15 years (EUR 36.3 million) or indefinitely (EUR 16.1 million).

Deferred tax assets

	Opening balance	Recognised in P&L	Exchange rate adjusted	Closing balance
MOVEMENT OF DEFERRED TAX POSITIONS IN 2019:				
Deferred tax assets				
Deferred tax assets in relation to:				
Temporary differences in allowance for doubtful debt	334	76	41	451
Temporary differences valuation other intangible assets	5,351	589	-	5,940
Temporary differences in accruals employee expenses	1,100	81	5	1,186
	6,785	**746**	**46**	**7,577**
Recognised tax losses	7,643	-1,926	123	5,840
Total deferred tax assets	**14,428**	**-1,180**	**169**	**13,417**
Deferred tax liabilities				
Deferred tax liabilities in relation to:				
Temporary differences valuation other intangible assets	-304	158	-3	-149
Temporary differences in accruals employee expenses	-93	-63	-12	-168
Retained earnings from subsidiaries	-	-	-	-
Total deferred tax liabilities	**-397**	**95**	**-15**	**-317**
Total deferred tax assets and liabilities	**14,031**	**-1,085**	**154**	**13,100**
MOVEMENT OF DEFERRED TAX POSITIONS IN 2020:				
Deferred tax assets				
Deferred tax assets in relation to:				
Temporary differences in allowance for doubtful debt	451	-61	-40	350
Temporary differences valuation other intangible assets	5,940	-240	-	5,700
Temporary differences in accruals employee expenses	1,186	126	-55	1,257
	7,577	**-175**	**-95**	**7,307**
Recognised tax losses	5,840	-539	-191	5,110
Total deferred tax assets	**13,417**	**-714**	**-286**	**12,417**
Deferred tax liabilities				
Deferred tax liabilities in relation to:				
Temporary differences valuation other intangible assets	-149	143	6	-
Temporary differences in accruals employee expenses	-168	9	38	-121
Total deferred tax liabilities	**-317**	**152**	**44**	**-121**
Total deferred tax assets and liabilities	**13,100**	**-562**	**-242**	**12,296**

18. Earnings per share

	2020	2019
Weighted average number of ordinary shares for the purpose of basic earnings per share	50,574,624	50,574,624
Effect of dilutive potential ordinary shares from share based payments	-	-
Weighted average number of ordinary shares for the purpose of diluted earnings per share	50,574,624	50,574,624
Net income for ordinary shareholders in EUR	15,589,417	3,825,151
Basic earnings per share in EUR	0.31	0.08
Diluted earnings per share in EUR	0.31	0.08

The majority of the items on the consolidated cash flow statement are, on an individual basis cross-referenced to the relevant notes on the consolidated profit and loss account and the consolidated balance sheet. For the remainder of the material items, the reconciliation between amounts included in the consolidated cash flow statement and related amounts in the consolidated profit and loss account and the consolidated balance sheet are shown below.

19. Trade and other receivables

	2020	2019
Balance at 1 January	**261,075**	**243,939**
Change in allowance for bad debt	-954	-2,102
Change in receivables	-55,093	15,185
Exchange rate movements	-10,958	4,053
Balance at 31 December	**194,070**	**261,075**

20. Other current liabilities

	2020	2019
Balance at 1 January	**111,313**	**104,763**
Change in current liabilities	-9,660	3,686
Exchange rate movements	-3,043	2,864
Balance at 31 December	**98,609**	**111,313**

21. Other non-cash expenses

The other non-cash expenses include the impairment of trade and other receivables (refer to note 6) and the impairment of software (refer to note 2).

22. Transactions with related parties

The Board of Directors, the Supervisory Board, majority shareholder and participations are considered to be related parties. For information about the Directors' remuneration reference is made to note 13. Transactions with related parties were made on terms equivalent to those that prevail in arm's length transactions. Included under other operating expenses is an amount of EUR 0.1 million (2019: EUR 0.1 million) paid as consultancy fee to the majority shareholder of Brunel International N.V.

23. Segment reporting

x EUR 1,000, unless stated otherwise

Operating segments have been identified on the basis of internal reports about components of the group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. Information reported to the group's chief operating decision maker is focused at components engaged in providing services in a particular economic environment from those of other segments. A geographical segment is engaged in providing services in a particular economic environment which are subject to risks and returns that are different from those segments operating in other economic environments.

The main regions are: DACH (Germany, Austria, Switzerland and Czech Republic), the Netherlands, Americas, Australasia, Europe and Africa, Middle East and India, Russia and Caspian area and South East Asia. This is the basis on which internal reports are provided to the chief operating decision maker for assessing performance and determining the allocation of resources within the Group. All regions exceeding 10% of total revenue, EBIT or assets are reported separately. Unallocated relates to the corporate assets and corporate costs that do not relate to a specific segment. The remaining regions are combined in Rest of World.

In October 2019, the management decided to stop Brunel Industrial Services (BIS) in Texas, US. Subtotals exclude operations in BIS that is presented separately below, given that since that date the internal reports shared with the chief operating decision maker changed.

Reportable segments

	Revenue		Contribution margin		Operating profit	
	2020	2019	2020	2019	2020	2019
Segments						
DACH region	230,495	284,324	74,856	92,616	17,019	27,144
Netherlands	190,588	206,779	51,286	55,726	11,815	9,718
Australasia	110,444	118,963	9,746	9,827	175	-1,612
Middle East and India	113,415	117,407	18,516	20,831	9,384	11,048
Americas	88,297	104,089	10,632	13,370	-2,200	-810
Rest of World	158,300	167,813	26,942	27,170	3,733	1,330
Unallocated	-	-	-	-	-9,631	-7,205
Subtotal	**891,539**	**999,375**	**191,978**	**219,540**	**30,295**	**39,613**
BIS	1,029	41,742	-584	-10,126	-1,477	-22,197
Total	**892,568**	**1,041,117**	**191,394**	**209,414**	**28,818**	**17,416**

In the segment Rest of World a revenue of EUR 23.7 million (2019: EUR 22.3 million) is generated in the Netherlands that is part of the Europe and Africa region.

	Balance sheet total		Non-current assets		Investment in IA and PPE	
	2020	2019	2020	2019	2020	2019
Segments						
DACH region	96,144	99,831	20,623	18,133	2,407	1,128
Netherlands	65,724	68,150	18,502	20,830	727	207
Australasia	33,315	40,360	8,155	8,771	198	817
Middle East and India	66,256	70,872	7,220	10,951	66	239
Americas	28,088	34,920	3,423	4,055	93	331
Rest of World	85,611	99,410	6,647	8,936	380	396
Unallocated	48,659	11,450	14,791	16,647	3,339	2,660
Subtotal	**423,797**	**424,993**	**79,361**	**88,323**	**7,210**	**5,778**
BIS	2,245	12,484	-	607	-	767
Total	**426,042**	**437,477**	**79,361**	**88,930**	**7,210**	**6,545**

	Tax expense		Current and Long-term liabilities		Depreciation and Amortisation	
	2020	2019	2020	2019	2020	2019
Segments						
DACH region	7,362	9,228	36,274	38,351	5,907	5,843
Netherlands	2,931	2,397	53,331	54,517	5,052	5,352
Australasia	30	-226	7,112	9,794	964	1,287
Middle East and India	576	765	39,937	37,971	1,654	2,094
Americas	868	3,185	5,690	7,290	624	677
Rest of World	1,800	1,369	30,627	33,871	2,653	2,778
Unallocated	-2,592	-625	-21,750	-23,056	3,963	4,059
Subtotal	**10,975**	**16,093**	**151,221**	**158,738**	**20,817**	**22,090**
BIS	-	213	43	4,904	-	1,515
Total	**10,975**	**16,306**	**151,264**	**163,642**	**20,817**	**23,605**

Employees

The total number of direct and indirect employees with the group companies is set out below:

Average workforce

	2020		2019	
	Direct	Indirect	Direct	Indirect
DACH region	2,148	454	2,697	513
Netherlands	1,899	337	2,242	409
Australasia	999	80	922	85
Middle East and India	2,348	135	3,215	137
Americas	750	108	861	127
Rest of World	2,068	265	1,856	287
Unallocated	-	60	-	53
Subtotal	**10,212**	**1,439**	**11,793**	**1,611**
BIS	15	3	253	20
Total workforce	**11,669**		**13,677**	

Workforce at 31 December

	2020		2019	
	Direct	Indirect	Direct	Indirect
DACH region	1,960	385	2,603	512
Netherlands	1,836	309	2,136	379
Australasia	935	76	974	84
Middle East and India	2,060	124	2,621	139
Americas	698	105	856	124
Rest of World	1,948	253	2,090	289
Unallocated	-	62	-	57
Subtotal	**9,437**	**1,314**	**11,280**	**1,584**
BIS	-	-	72	12
Total workforce	**10,751**		**12,948**	

BIS

On 22 October 2019, Brunel has decided to stop the activities of Brunel Industrial Services (BIS) in Texas, US. All existing commitments have been delivered and finalised in 2020, and the activities are stopped. Brunel has no similar contracts anywhere else in the world.

Other segment information

Other segment information provides an overview of the activities with regard to the group's global vertical approach. Considering the size of the verticals Life Sciences and Renewable Energy these are grouped under Engineering.

Revenue	2020	2019
Oil and gas	369,226	462,055
Automotive	75,983	113,150
Engineering	202,641	223,764
Mining	50,306	59,665
Infrastructure	57,385	58,308
Other	137,027	124,174
Total	**892,568**	**1,041,117**

COMPANY BALANCE SHEET AS AT 31 DECEMBER 2020

x EUR 1,000, before profit appropriation

	31 December 2020		31 December 2019	
Non-current assets				
Other intangible assets (24)	7,562		9,295	
Property, plant and equipment (25)	315		137	
Right-of-use assets (26)	4,054		4,676	
Investments accounted for using the equity method (27)	195,599		262,402	
Deferred tax income assets	5,836		6,054	
Total non-current assets		**213,366**		**282,564**
Current assets				
Trade and other receivables (28)	40,772		45,416	
Income tax receivables	254		547	
Cash and cash equivalents (29)	28,117		786	
Total current assets		**69,143**		**46,749**
Total assets		**282,509**		**329,313**
Non-current liabilities				
Lease liabilities (26)	3,314		3,958	
Total non-current liabilities		**3,314**		**3,958**
Current liabilities				
Lease liabilities (26)	750		723	
Other current liabilities (30)	5,809		46,402	
Total current liabilities		**6,559**		**47,125**
Total liabilities		**9,873**		**51,083**
Net assets		**272,636**		**278,230**
Shareholders' equity (31)				
Share capital	1,517		1,517	
Share premium	86,145		86,145	
General reserve	175,869		179,342	
Translation reserve	-6,485		7,401	
Unappropriated result	15,590		3,825	
Total shareholders' equity		**272,636**		**278,230**

COMPANY PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020

x EUR 1,000

	2020		2019	
Revenue (32)	15,499		15,951	
Cost of sales		-		-
Gross Profit		**15,499**		**15,951**
Indirect personnel expenses	-10,348		-9,982	
Depreciation and amortisation (24-26)	-4,374		-4,604	
Other expenses (34)	-10,197		-8,800	
Total operating costs		**-24,919**		**-23,385**
Operating loss		**-9,420**		**-7,434**
Exchange differences	-119		-5	
Interest income	130		77	
Interest expenses	-40		-82	
Financial income and expense		**-29**		**-10**
Share of profit of investments accounted for using the equity method (35)	21,819		9,607	
Result before tax		**12,370**		**2,163**
Tax	3,220		1,662	
Net result		**15,590**	**3,825**	

x EUR 1,000, unless stated otherwise

General

The annual accounts of Brunel International N.V. have been prepared using the option of section 362, subsection 8, of Book 2 of Dutch Civil Code, meaning that the accounting principles used are the same as for the consolidated annual accounts. Foreign currency has been translated, assets and liabilities have been valued, and net income has been determined, in accordance with the accounting principles for the valuation of assets and liabilities and determination of profit on pages 114 until 121.

Financial assets
Subsidiaries of Brunel International N.V. are presented using the equity method. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. Brunel International N.V.'s investment in subsidiaries includes goodwill identified on acquisition. This equity method includes the carrying amount of the investment together with all other long-term interests.

Revenue
Brunel International N.V. provides management services, business IT management, design, implementation and support services. Revenue from providing services is recognised in the accounting period in which the services are rendered.

24. Other intangible assets

This concerns software. Movements during the year:

	2020	2019
At cost at 1 January	**27,916**	**25,315**
Accumulated amortisation	-18,621	-14,796
Balance at 1 January	**9,295**	**10,519**
Changes in carrying amount		
Additions	3,096	2,601
Impairment	-1,135	-
Amortisation	-3,694	-3,825
Balance at 31 December	**7,562**	**9,295**
At cost at 31 December	**31,012**	**27,916**
Accumulated amortisation and impairment	-23,450	-18,621
Balance at 31 December	**7,562**	**9,295**

In 2020 no software that was fully amortised has been written off from both the at cost value and the accumulated amortisation (2019: nihil). In 2020 a part of the software was impaired. Previously the group developed a platform with the intention to build a candidate and customer journey. The group has decided not to continue with this platform and the remaining book value related to the platform has been impaired.

25. Property, plant and equipment

Movements during the year:

	2020	2019
At cost at 1 January	**361**	**302**
Accumulated depreciation	-224	-170
Balance at 1 January	**137**	**132**
Changes in carrying amount		
Additions	242	59
Depreciation	-64	-54
Balance at 31 December	**315**	**137**
At cost at 31 December	**603**	**361**
Accumulated depreciation	-288	-224
Balance at 31 December	**315**	**137**

In 2020 no property, plant and equipment that was fully depreciated has been written off from both the at cost value and the accumulated depreciation (2019: nihil).

26. Leases

Movements during the year:

This note provides information for leases where the company is a lessee.

Amounts recognised in the balance sheet
The company balance sheet shows the following amounts relating to leases:

Right-of-use asset	**2020**	**2019**
Right of use asset - Property	3,833	4,470
Right of use asset - Cars	221	206
Total	**4,054**	**4,676**
Lease liability		
Current	750	723
Non-current	3,314	3,958
Total	**4,064**	**4,682**

Additions to the right-of-use assets during 2020 amount to EUR 0.1 million (2019: 0.1 million)

Amounts recognised in the profit and loss account
The profit and loss account shows the following amounts related to leases:

Depreciation charge of right-of-use assets	2020	2019
Depreciation	-617	-725
Interest expense	-22	-28
Expense relating to Short-term and low-value leases (included other expenses)	-88	-109

The total cash outflow for leases in 2020 was EUR 0.1 million (2019: EUR 0.1 million).

27. Investments accounted for using the equity method

The investments accounted for using the equity method consist of the following:

	2020	2019
Subsidiaries	194,931	259,733
Funding of group companies	668	2,669
Balance at 31 December	**195,599**	**262,402**

Subsidiaries

Movements during the year:

	2020	2019
Balance at 1 January	**259,733**	**258,085**
Capital contributions	1,200	-
Profit for the year	21,819	9,607
Dividend payment	-63,175	-13,000
Intercompany sale of shares	-3,634	-
Acquisition of non-controlling interest	-7,156	-
Reclass negative participations to funding of group companies	398	-
Exchange rate movements	-14,254	5,041
Balance at 31 December	**194,931**	**259,733**

Funding of group companies

Movements during the year:

	2020	2019
Balance at 1 January	**2,669**	**2,362**
Reclass negative participations to funding of group companies	-398	-
Additions	-	400
Repayments	-1,589	-
Exchange rate movements	-14	-93
Balance at 31 December	**668**	**2,669**

The interest rate for funding of group companies is based on the group's global transfer pricing policy. The interest rate is around 5%. There are no repayment schedules as this depends on the cash flow of the group company. The fair value approximates the book value.

28. Trade and other receivables

Trade and other receivables consist of the following:

	2020	2019
Group companies	38,579	42,002
Other receivables	2,193	3,414
Balance at 31 December	**40,772**	**45,416**

All trade and other receivables fall due within one year. The fair value approximates the book value.

29. Cash and cash equivalents

Cash at bank and in hand are freely disposable. The fair value approximates the book value.

30. Other current liabilities

The other current liabilities consist of the following:

	2020	2019
Group companies	2,748	43,956
Other current liabilities	3,061	2,446
Balance at 31 December	**5,809**	**46,402**

All current liabilities fall due within one year. The fair value approximates the book value.

31. Shareholders' equity

Composition of and changes in shareholders' equity:

	Share Capital	Share Premium	General Reserve	LEGAL RESERVES Translation reserve	Developed Software	Unapro-priated result	Total 2020	Total 2019
Balance at 1 January 2020	1,517	86,145	178,822	7,401	520	3,825	278,230	282,766
Exchange differences result				-13,886			-13,886	4,998
Actuarial gains/-losses			-142				-142	-344
Liquidation loss on non-controlling interests								-370
Release of legal reserve for developed software			520		-520			
Acquisition of non-controlling interests			-7,156				-7,156	
Result financial year						15,590	15,590	3,825
Cash dividend (10)								-12,645
Appropriation of result			3,825			-3,825		-
Balance at 31 December 2020	**1,517**	**86,145**	**175,869**	**-6,485**	**-**	**15,590**	**272,636**	**278,230**

A legal reserve was recognised in connection with the capitalised cost of the internally developed software. In 2020 the software related to the legal reserve is impaired (refer to Note 24).

In the year under review no dividend was paid. The proposed dividend for 2020 will be EUR 0.30 per share.

32. Revenue

The revenue in the company profit and loss account relates to management fees charged to group entities.

33. Direct and indirect personnel expenses

Salaries, social security charges and pension expenses amounted to EUR 6.1 million, EUR 0.6 million and EUR 0.3 million, respectively for 2020 (2019: expenses of EUR 4.8 million, EUR 0.5 million and EUR 0.2 million, respectively). At the end of 2020 Brunel International N.V. employed 62 people (2019: 57), all in the Netherlands. On average during the year Brunel International N.V. employed 61 people (2019: 53). Besides the Board of Directors and their personal assistants, these concern the group finance, legal, IT and HR department.

34. Other expenses

The 2020 other expenses amount to EUR 10.2 million (2019: EUR 8.8 million) and comprise IT expenses, marketing expenses, office and other overhead costs.

35. Share of profit of investments accounted for using the equity method

	2020	2019
Profit group companies	21,819	9,607

Other

Disclosures of director's remuneration and audit fees are included in notes 13 and 16 to the consolidated annual accounts.

Guarantees

The company has guaranteed the liabilities for its Dutch participations Brunel Nederland B.V. and Brunel Energy Holding B.V. Brunel International N.V. has guaranteed towards Brunel GmbH its receivable on Brunel Car Synergies GmbH. At 31 December 2020 this receivable amounts to EUR 2.0 million (2019: EUR 2.0 million). Brunel International N.V. has guaranteed towards Liberty Mutual Surety Europe B.V. EUR 4.2 million (2019: EUR 3.5 million) and towards HSBC Bank (China) Company Ltd EUR 1.4 million (2019: EUR 0.0 million). No other guarantees have been provided (2019: EUR 0.0 million). Brunel International N.V. has issued a letter of credit towards HSBC for the credit facility of Brunel India Private Ltd. The letter of credit amounts to EUR 3.2 million (2019: EUR 3.5 million) and is undrawn as per year-end 2020.

Brunel International N.V. is part of the Dutch fiscal unity for corporate income taxes, as well as for value-added taxes. As a consequence, the company bears joint and several liabilities for the debts with respect to corporate income taxes and value-added taxes of the fiscal unity. The company settles corporate income taxes, based on the fiscal results before taxes of the subsidiaries belonging to the fiscal unity.

Events after balance sheet date

No events of interest to the group as a whole took place after the balance sheet date.

Amsterdam, 12 February 2021

The board of directors

J.T. Andringa
P.A. de Laat
A.G. Maude

The supervisory board

A. Schouwenaar
J.J.B.M. Spee
J.A. van Barneveld
K. Koelemeijer

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Other information

Profit appropriation according to the articles of association

Article 26.2 The board of directors determines the part of the Company's profits which will be added to the reserves, subject to the approval of the holder of the priority share*.

Article 26.3 The remaining part of the Company's profits is at the disposal of the shareholders for distribution of profit.

Priority share

The priority share, which has a par value of EUR 10,000, has been issued to Stichting Prioriteit Brunel, subject to the condition precedent that the majority shareholder loses its majority share in Brunel International N.V.'s share capital. The priority share will be fully paid up as soon as the issue becomes unconditional. The protective stipulations are included in the articles of association of Brunel International N.V. and are posted on the company's website.

* Pursuant to Article 4.3, as long as the priority share is not subscribed, the rights attached to this share are exercised by the general meeting of shareholders

Independent auditor's report

To: the general meeting and the supervisory board of Brunel International N.V.

Report on the financial statements 2020

Our opinion

In our opinion:

- the consolidated financial statements of Brunel International N.V. together with its subsidiaries ('the group') give a true and fair view of the financial position of the group as at 31 December 2020 and of its result and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code;
- the company financial statements of Brunel International N.V. ('the Company') give a true and fair view of the financial position of the Company as at 31 December 2020 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2020 of Brunel International N.V., Amsterdam. The financial statements include the consolidated financial statements of the group and the company financial statements.

The consolidated financial statements comprise:

- the consolidated balance sheet as at 31 December 2020;
- the following statements for 2020: the consolidated profit and loss account, the consolidated statement of comprehensive income, consolidated statement of changes in equity and the consolidated cash flow statement; and
- the notes, comprising significant accounting policies and other explanatory information.

The company financial statements comprise:

- the company balance sheet as at 31 December 2020;
- the company profit and loss account for the year then ended;
- the notes, comprising the accounting policies applied and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is EU-IFRS and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code for the consolidated financial statements and Part 9 of Book 2 of the Dutch Civil Code for the company financial statements.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section 'Our responsibilities for the audit of the financial statements' of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of Brunel International N.V. in accordance with the European Union Regulation on specific requirements regarding statutory audit of public-interest entities, the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence requirements in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

Our audit approach

Overview and context

Brunel International N.V. provides secondment, project management, recruitment and consultancy services. The group comprises components in several regions throughout the world and therefore we considered our group audit scope and approach as set out in the section 'The scope of our group audit'. We paid specific attention to the areas of focus, driven by the operations of the group, as set out below.

The global outbreak of the COVID-19 pandemic characterised the financial year 2020. Government measures to contain the spread of COVID-19, as implemented in the various regions in which the group operates, had a negative impact on revenues. Cost reductions offset the decline in revenues, resulting in increased profitability. The risk of valuation of accounts receivable, accrued income, goodwill and deferred tax assets increased due to the economic uncertainty attached to the impact and duration of the pandemic. This affected our audit procedures in relation to these areas.

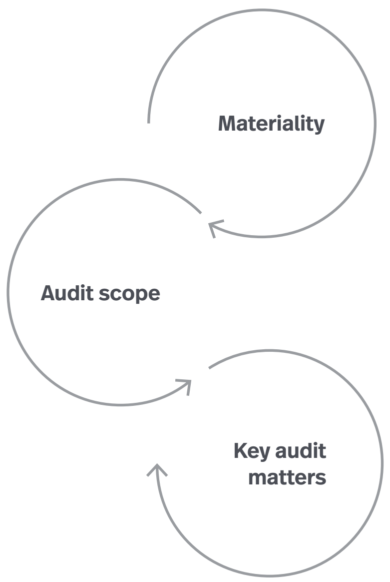
As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the board of directors made important judgements, for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. In the paragraph 'Critical accounting estimates, assumptions and judgments' of the notes to the consolidated accounts, the

Company describes the areas of judgement in applying accounting policies and the key sources of estimation uncertainty. Given the significant estimation uncertainty and the related higher inherent risks of material misstatement in the valuation of accounts receivable and accrued income balances, we considered this matter as a key audit matter as set out in the section 'Key audit matters' of this report. Furthermore, we identified compliance with laws and regulations relating to temporary employment as a key audit matter considering its complexity and potential magnitude of a related misstatement.

An area of focus was the application of the EU-IFRS standard IAS 20 'Accounting for Government Grants and Disclosure of Government Assistance' to grants received from the local government to deal with the negative impact of the COVID-19 pandemic, mainly in Germany. Given that there are no significant judgements, uncertainties and complexities in applying the requirements of the grants received and application of this standard, this is not considered to be a key audit matter.

Furthermore, the impact of the COVID-19 pandemic on the group's ability to continue as a going concern was an area of focus. Given the strong cash flows and cash position of the group together with the absence of external debts, this is also not considered to be a key audit matter. We ensured that the audit teams at both group and component level included the appropriate skills and competences which are needed for the audit of an international company in the business services industry. We therefore included experts and specialists in the areas of corporate income tax, IT audit, valuations and employee benefits in our team.

The outline of our audit approach was as follows:



Materiality
• Overall materiality: €4.0 million (2019: €1.8 million)
Audit scope
• We conducted audit work on 13 components (2019: 14 components). • Due to travel restrictions we have not been able to perform site visits and therefore video calls were conducted throughout the year with our component auditors in Germany, Australia, Qatar, Kuwait, India, Singapore, Belgium and the United States ('US'). Audit coverage: 78% of consolidated revenue, 77% of consolidated total assets and 75% of consolidated operating profit.
Key audit matters
• Valuation of accounts receivable and accrued income balances • Compliance with laws and regulations relating to temporary employment

Materiality

The scope of our audit is influenced by the application of materiality, which is further explained in the section 'Our responsibilities for the audit of the financial statements'.

Based on our professional judgement we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and to evaluate the effect of identified misstatements, both individually and in aggregate, on the financial statements as a whole and on our opinion.

We also take misstatements and/or possible misstatements into account that, in our judgement, are material for qualitative reasons.

We agreed with the supervisory board that we would report to them misstatements identified during our audit above €200,000 (2019: €90,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Overall group materiality	€4.0 million (2019: €1.8 million)
Basis for determining materiality	We used our professional judgement to determine overall materiality. As a basis for our judgement we used 0.5% of revenue.
Rationale for benchmark applied	We concluded that profitability measures, which were used as the benchmark in prior years, are not the most appropriate benchmark for determining materiality for the Brunel audit anymore. Profitability measures continue to be volatile over the recent years and are therefore not reflective of the scale of operations of the group. We therefore changed the benchmark to revenue as this is an important benchmark used in the annual report. We used a percentage of 0.5% of revenue to reach an appropriate level of materiality based on our analysis of the common information needs of users of the financial statements.
Component materiality	To each component in our audit scope, we, based on our judgement, allocate materiality that is less than our overall group materiality. The range of materiality allocated across components was between €0.4 million and €3.9 million (2019: €0.3 million and €1.7 million).

The scope of our group audit

Brunel International N.V. is the parent company of a group of entities. The financial information of this group is included in the consolidated financial statements of Brunel International N.V.

We tailored the scope of our audit to ensure that we, in aggregate, provide sufficient coverage on the financial statements for us to be able to give an opinion on the financial statements as a whole, taking into account the management structure of the group, the nature of operations of its components, the accounting processes and controls, and the markets in which the components of the group operate. In establishing the overall group audit strategy and plan, we determined the type of work required to be performed at component level by the group engagement team and by each component auditor.

The group audit primarily focussed on the significant components: Brunel Nederland B.V. and Brunel GmbH. We subjected the two components Brunel Nederland B.V. and Brunel GmbH to audits of their complete financial information, as those components are individually financially significant to the group. Nine other components were selected for audits of their complete financial information based on discussions with management to achieve an appropriate coverage on financial line items in the consolidated financial statements and our risk assessment. Additionally, we selected two components for specified audit procedures to achieve appropriate coverage on financial line items in the consolidated financial statements.

In total, in performing these procedures, we achieved the following coverage on the financial line items:

Revenue	78%
Total assets	77%
Operating profit	75%

None of the remaining components represented more than 3% of total group revenue or total group assets. For those remaining components we performed, among other things, analytical procedures to corroborate our assessment that there were no significant risks of material misstatement within those components.

The group's accounting process is structured around regional and national accounting offices. These offices maintain the accounting records and controls for the group entities and report on behalf of local management to the Corporate Finance and Control team in Amsterdam through an integrated consolidation system.

The group engagement team performed the audit work for the Brunel International N.V. and Brunel Nederland B.V. entities. For the other components we used component auditors who are familiar with the local laws and regulations in each of the territories to perform the audit work locally.

Where component auditors performed the work, we determined the level of involvement we needed to have in their audit work to be able to conclude whether we had obtained sufficient and appropriate audit evidence as a basis for our opinion on the consolidated financial statements as a whole.

We issued instructions to the component audit teams in our audit scope. These instructions included amongst others our risk analysis, materiality and scope of the work. We explained to the component audit teams the structure of the group, the main developments that are relevant for the component auditors, the risks identified, the materiality levels to be applied and our global audit approach. We had individual video calls with each of the component audit teams throughout the year and upon conclusion of their work. During these calls, we discussed the significant accounting and audit issues identified by the component auditors, their reports, the findings of their procedures and other matters, which could be of relevance for the consolidated financial statements. For the significant component Brunel GmbH we remotely performed a detailed review of selected working papers of the component auditor.

The group engagement team normally visits the component teams and local management on a rotational basis, taking into consideration significance and specific country risks. In the current year, site visits could not be conducted in person due to the continued travel restrictions imposed by local and foreign governments to reduce the spread of COVID-19. In lieu of visiting the group's operations in Germany, Qatar, Kuwait and Australia as planned, we conducted a series of video calls with the component teams and local management to discuss business and market developments, laws and regulations, internal controls, IT systems and fraud and bribery risks.

The group engagement team performed the audit work on the global IT processes and controls, the group consolidation, financial statement disclosures and a number of complex items at the head office. These included, valuation of goodwill, valuation of deferred tax assets and share appreciation rights.

By performing the procedures above at component level, combined with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence on the group's financial information, as a whole, to provide a basis for our opinion on the financial statements.

Our focus on the risk of fraud and non-compliance with laws and regulations

Our objectives

The objectives of our audit are:

In respect to fraud:

- to identify and assess the risks of material misstatement of the financial statements due to fraud;
- to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate audit responses; and

- to respond appropriately to fraud or suspected fraud identified during the audit.

In respect to non-compliance with laws and regulations:

- to identify and assess the risk of material misstatement of the financial statements due to non-compliance with laws and regulations; and
- to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether due to fraud or error when considering the applicable legal and regulatory framework.

The primary responsibility for the prevention and detection of fraud and non-compliance with laws and regulations lies with the board of directors with the oversight of the supervisory board.

Our risk assessment

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated the fraud risk factors to consider whether those factors indicated a risk of material misstatement due to fraud.

In addition, we performed procedures to obtain an understanding of the legal and regulatory frameworks that are applicable for the group. We identified provisions of those laws and regulations, generally recognized to have a direct effect on the determination of material amounts and disclosures in the financial statements such as the financial reporting framework, taxation, employment and pension laws and regulations.

As in all of our audits, we addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by management that may represent a risk of material misstatement due to fraud. We refer to the key audit matter 'Valuation of accounts receivable and accrued income', which includes an example of our approach related to areas of higher risk due to accounting estimates where management makes significant judgements.

We refer to the key audit matter 'Compliance with laws and regulations relating to temporary employment' with respect to the potential non-compliance of the group with employment regulations applicable to temporary workers.

Our response to the risks identified

We performed the following audit procedures to respond to the assessed risks:

- We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness of internal controls that mitigate fraud risks.
- We performed data analysis of high-risk journal entries and evaluated key estimates and judgements for bias by management, including retrospective reviews of prior year's estimates. Where we identified instances of unexpected journal entries or other risks through our data analytics, we performed additional audit procedures to address each identified risk. These procedures also included testing of transactions back to source information.
- Assessed the policies and procedures regarding other functions (side functions) of key management outside of the organisation.
- Assessment of matters reported on the group's whistleblowing and complaints procedures and results of management's investigation of such matters.
- Evaluated the selection and a pplication of accounting policies.
- With respect to the risk of bribery and corruption across various countries, we conducted specific audit procedures determined by a risk-based process (including among others evaluating and testing of the third-party involvement process, the tender process and procedures over cash withdrawals and cash disbursements).
- We assessed if there are transactions outside the normal course of the business and evaluated the business rationale for these transactions.
- We maintained an appropriate level of professional scepticism throughout the audit process.
- We incorporated an element of unpredictability in our audit.
- We considered the outcome of our other audit procedures and evaluated whether any findings or misstatements were indicative of fraud. If so, we revaluated our assessment of fraud risk and its resulting impact on our audit procedures.
- We obtained audit evidence regarding compliance with the provisions of those laws and regulations generally recognized to have a direct effect on the determination of material amounts and disclosures in the financial statements.
- As to the other laws and regulations, we inquired with the board of directors and the supervisory board as to whether the entity is in compliance with such laws and regulations and inspected correspondence, if any, with relevant licensing and regulatory authorities.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements. We have communicated the key audit matters to the supervisory board. The key audit matters are not a comprehensive reflection of all matters identified by our audit and that we discussed. In this section, we described the key audit matters and included a summary of the audit procedures we performed on those matters.

We addressed the key audit matters in the context of our audit of the financial statements as a whole, and in forming our opinion thereon. We do not provide separate opinions on these matters or on specific elements of the financial statements. Any comment or observation we made on the results of our procedures should be read in this context.

Last year we reported the key audit matter 'Valuation of accounts receivable, accrued income and contract assets relating to Brunel Industrial Services' due to the significant losses incurred in Brunel Industrial Services ('BIS') in 2019 and the decision of the board of directors to cease operations of BIS in October 2019.

The wind down of the BIS activities was an area of focus for our 2020 audit. As the wind down procedures were substantially completed by 31 December 2020, there are no significant judgements or estimates remaining in the valuation of accounts receivable, accrued income or contract assets of BIS. As such, this matter is not considered to be a key audit matter.

The key audit matter relating to the valuation of deferred tax assets in the US, as reported in the prior year, has not been included for this year considering that the risk of material misstatement has decreased following the impairment taken in previous year. Although the profitability of the US remains an area of attention, we do not consider this to be a key audit matter anymore.

As described in the 'Overview and context' section of this report, the economic instability caused by the COVID-19 pandemic and related continuing lock-down measures taken by various governments creates an increased risk of customer default. As such, valuation of accounts receivable and accrued income has been added as a key audit matter in the current year.

Key audit matter	Our audit work and observations
Valuation of accounts receivable and accrued income REFER TO NOTE 6 IN THE FINANCIAL STATEMENTS Approximately 42% (2019: 55%) of the Group's total assets relates to accounts receivable (€131 million; 2019: €174 million) and accrued income (€50 million; 2019: €68 million). The accounts receivable and accrued income balances were important to our audit given their magnitude and the fact that globally the COVID-19 pandemic has resulted in negative growth forecasts and unfavourable macroeconomic conditions. In addition, a substantial part of Brunel's customers operates in the Oil and Gas industry, which experienced a drop in oil prices in 2020. Some of Brunel's customers might experience higher than normal financial challenges. Due to this increased risk, management must apply judgement as to the future collectability of accounts receivable and accrued income balances, and as to whether any balances are required to be impaired. Furthermore, judgement is required in adjusting the expected credit loss model for macroeconomic factors. This increased judgement leads to a higher risk of overstatement of the accounts receivable and accrued income balances.	Our audit procedures mainly comprised of substantive procedures. We have assessed the adequacy of the loss allowance for accounts receivable and accrued income by obtaining an understanding of the expected credit loss model developed by management. We assessed the model against the requirements of IFRS 9 and tested the historical data used as inputs in the model for reliability. We evaluated write-offs of accounts receivable and accrued income during the year compared to the loss allowance raised at the end of the previous financial year. We performed a sensitivity analysis over the adjustments made for macroeconomic conditions. To the extent material, we challenged these adjustments against independent, external economic forecasts for each region in which the group operates. We reviewed the aging analysis for long outstanding balances to determine if customer specific loss allowances may be required. We tested the aged positions by reviewing correspondence with customers where we specifically focussed on management's assessment of potential disputes and creditworthiness of these customers, combined with publicly available information. Our procedures also included substantive testing on payments received during the year and after year-end, testing on credit notes and reconciliation of accrued income positions with timesheets and client contracts. These procedures also provide evidence on the valuation of the balances. We noted no material findings based on our procedures performed.
Compliance with laws and regulations relating to temporary employment Globally there is an increasing trend by governments and regulatory authorities to protect the rights of employees and regulate the use of temporary labour and foreign employees. Brunel operates worldwide and has to comply with different laws and regulations in around 40 countries. Given the large number of territories and the variety of regulatory environments, there is higher complexity for the group to comply with the laws and regulations relating to temporary employment. Furthermore, due to the nature of the business, errors in the payments of wage tax and other payroll related charges may have a material impact on the financial statements. Hence, we focused on this risk of error due to non-compliance with applicable laws and regulations for temporary labour.	We evaluated controls on group level that were implemented to monitor compliance with laws and regulations. We combined testing on the effectiveness of local internal controls with substantive testing on the accuracy and completeness of gross versus net salary calculations, the accuracy of filings and payments for wage tax and other payroll related charges to fiscal authorities. We involved payroll specialists at local level to perform these audit procedures and tested whether applicable local taxes and other charges were paid to the local tax authorities. We also obtained and read correspondence with local fiscal authorities and tested the reconciliation between the salary administration and the finance administration in the different territories. We noted no material findings based on procedures performed.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- the CEO statement, corporate profile, financial highlights, report from the supervisory board, report from the board of directors, the Brunel share, other information, group financial record and worldwide offices;
- the other information pursuant to Part 9 of Book 2 of the Dutch Civil Code;

Based on the procedures performed as set out below, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information that is required by Part 9 of Book 2 and the sections 2:135b and 2:145 subsection 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 of Book 2 and section 2:135b subsection 7 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those performed in our audit of the financial statements.

The board of directors is responsible for the preparation of the other information, including the directors' report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code and the remuneration report in accordance with the sections 2:135b and 2:145 subsection 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Our appointment

We were appointed as auditors of Brunel International N.V. on 15 August 2013 by the supervisory board following the passing of a resolution by the shareholders at the annual meeting held on 15 August 2013. Our appointment has been renewed annually by shareholders representing a total period of uninterrupted engagement appointment of eight years.

No prohibited non-audit services

To the best of our knowledge and belief, we have not provided prohibited non-audit services as referred to in Article 5(1) of the European Regulation on specific requirements regarding statutory audit of public-interest entities.

Services rendered

The services, in addition to the audit, that we have provided to the Company and its controlled entities, for the period to which our statutory audit relates, are disclosed in note 16 to the financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the board of directors and the supervisory board for the financial statements

The board of directors is responsible for:

- the preparation and fair presentation of the financial statements in accordance with EU-IFRS and with Part 9 of Book 2 of the Dutch Civil Code; and for

- such internal control as the board of directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the board of directors is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the board of directors should prepare the financial statements using the going-concern basis of accounting unless the board of directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The board of directors should disclose events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high but not absolute level of assurance, which makes it possible that we may not detect all material misstatements. Misstatements may arise due to fraud or error. They are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion. A more detailed description of our responsibilities is set out in the appendix to our report.

Amsterdam, 12 February 2021

PricewaterhouseCoopers Accountants N.V.
Original has been signed by
drs. R.P.R. Jagbandhan RA

Appendix to our auditor's report on the financial statements 2020 of Brunel International N.V.

In addition to what is included in our auditor's report, we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal control.

- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors.

- Concluding on the appropriateness of the board of directors' use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Considering our ultimate responsibility for the opinion on the consolidated financial statements, we are responsible for the direction, supervision and performance of the group audit. In this context, we have determined the nature and extent of the audit procedures for components of the Group to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole. Determining factors are the geographic structure of the Group, the significance and/or risk profile of group entities or activities, the accounting processes and controls, and the industry in which the group operates. On this basis, we selected group entities for which an audit or review of financial information or specific balances was considered necessary.

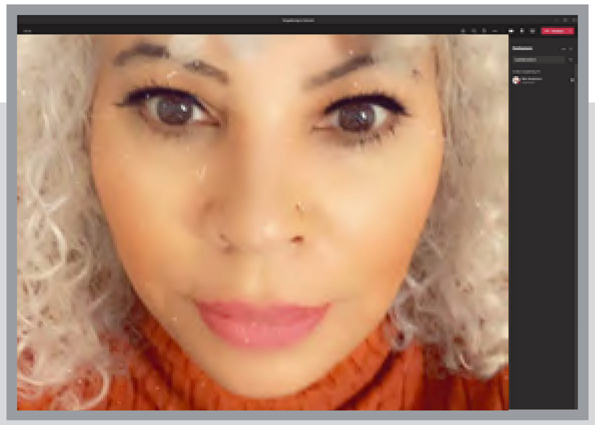
We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. In this respect, we also issue an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the supervisory board, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Angelina Brathwaite

TORONTO, CANADA



14 years and counting with Brunel Canada

It was a brisk sunny day when I walked into the Toronto Brunel office April 24, 2006 and to know that I am still here in 2020 is a blessing.

I have been fortunate to have a career that aligns with my personal values and ambitions. Over the years I have worked with tier one companies, entrepreneurs, awesome candidates, great leaders and of course wonderful colleagues.

Working with and for Brunel I have experienced some great highs, some lows, joys, sadness, lots of laughter and lots of successes. I would not trade these moments for anything because through it all I have grown in my personal and professional life while helping others achieve their life career goals.

With wisdom comes understanding. Understanding to be flexible, agile, adaptable and collaborative. Brunel has given me and my colleagues the opportunity to stretch these skill sets. It is an environment that promotes individuality while maintaining Brunel's deep-rooted cultural values of eagerness, with a results-driven approach and operational excellence.

I have always been grateful for being part of the Brunel family and this has been further enhanced by the Covid experience. To know that our managers, our colleagues and CEO have pivoted our business to ensure continuity for our livelihood, our shareholders, our clients and our candidates is truly amazing.

I look forward to the next chapter of my career with Brunel! Thank you to everyone who has been a part of this wonderful journey, without you there would be no me.

NAME ANGELINA BRATHWAITE
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YEARS WITH BRUNEL 14
OFFICE TORONTO, CANADA

45 years of Brunel

10

Group financial record

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Profit (in EUR million)											
Net revenue	892.6	1,041.1	914.6	790.1	884.9	1,228.9	1,386.6	1,283.4	1,236.5	972.4	720.9
Gross profit	191.4	209.4	208.9	182.7	187.1	230.0	249.0	230.7	223.4	189.5	152.0
Operating profit	28.8	17.4	34.1	17.9	26.8	56.1	74.7	72.3	70.0	60.9	37.3
Result before tax	28.5	16.4	32.4	14.6	24.2	56.7	75.4	72.5	69.4	61.7	38.4
Group result after tax	17.5	0.1	21.5	7.8	10.6	37.6	48.9	49.9	44.5	39.7	25.6
Net income attributable to equity holders of the parent	15.6	3.8	20.6	7.6	10.1	37.1	48.4	49.5	44.1	39.4	25.2
Cash flow (net profit + depreciations / impairment)	36.4	27.4	28.0	15.6	18.4	45.5	56.7	55.9	48.9	43.4	29.2
Depreciation and amortisation	20.8	23.6	7.4	8.0	8.3	8.4	7.8	6.0	4.5	3.7	3.6
Additions to tangible fixed assets	3.6	3.7	2.0	2.9	1.4	4.1	3.1	2.6	2.8	2.7	2.3
Workforce											
Average number over the year	11,669	13,677	13,499	11,086	10,796	12,495	13,725	13,073	11,219	9,545	7,656
Balance sheet information (in EUR million)											
Non-current assets	79.4	88.9	43.3	41.2	36.0	40.7	41.4	36.0	37.7	31.4	27.6
Working capital	228.4	225.3	246.4	232.5	259.7	310.4	290.8	246.1	228.1	202.8	175.0
Group equity	274.8	273.8	283.4	269.0	293.7	347.7	328.3	278.1	264.2	232.9	202.2
Balance sheet total	**426.0**	**437.5**	**395.5**	**378.9**	**399.7**	**479.4**	**492.6**	**438.5**	**419.5**	**381.4**	**294.2**
Ratios (%)											
Change in revenue on previous year	-14.3%	13.8%	15.8%	-10.7%	-28.0%	-11.4%	8.0%	3.8%	27.2%	34.9%	-2.4%
Gross profit / net revenue	21.4%	20.1%	22.8%	23.1%	21.1%	18.7%	18.0%	18.0%	18.1%	19.5%	21.1%
Operating profit / net revenue	3.2%	1.7%	3.7%	2.3%	3.0%	4.6%	5.4%	5.6%	5.7%	6.6%	5.2%
Group result / net revenue	2.0%	0.0%	2.4%	1.0%	1.2%	3.1%	3.5%	3.9%	3.6%	4.4%	3.6%
Group equity / total assets	64.5%	62.6%	71.7%	71.0%	73.5%	72.5%	66.5%	63.4%	62.9%	61.0%	68.7%
Current assets / current liabilities	2.90	2.67	3.33	3.21	3.50	3.42	2.81	2.57	2.48	2.38	2.91
Shares (in EUR)											
Earnings per share	0.31	0.08	0.41	0.15	0.20	0.75	0.99	1.02	0.93	0.85	0.55
Shareholders' equity per share	5.39	5.50	5.59	5.33	5.81	6.96	6.64	5.71	5.45	4.95	4.35
Dividend per share	0.30	-	0.25	0.15	0.40	1.50	0.70	0.55	0.50	0.45	0.40
Highest price	9.13	14.46	16.55	16.87	19.69	20.65	26.00	23.25	19.57	17.48	14.82
Lowest price	4.58	8.09	10.23	10.85	13.45	12.95	12.73	15.50	11.61	10.00	9.73
Closing price at 31 December	**7.30**	**9.01**	**10.92**	**15.20**	**15.39**	**16.80**	**13.60**	**22.25**	**18.30**	**11.39**	**14.75**

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Jon Proctor

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Our successful growth in China

Hi, I'm Jon Proctor the Managing Director for Brunel in Asia, based in Singapore and I've been with Brunel for 8 years.

In those 8 years, there's a lot to be proud of. One thing that comes to mind, is our growth in China. 3 years ago, we recognized that there was a shift of opportunities from traditional Oil and Gas hubs like Korea and Singapore to locations in China. On the back of this shift, we decided to invest in other 3rd tier cities to take advantage of these new opportunities.

Now we are in 6 locations in China, and certainly the first of our main competitors to make this investment. We are very much seeing the growth and benefits of being across different locations in China - not only in Oil and gas, but also in our diversified verticals.

I'm very pleased with the success that we've achieved thus far and I'm very optimistic about what the future holds for Brunel in China. With that I would like to thank Brunel, and wish Brunel a 45th birthday. I look forward to celebrating with everybody in the near future.

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Brett Sinclair

MUMBAI, INDIA

A caring company - Brunel

I am proud to have some great moments and worked on some successful projects with Brunel. All the assignments offered by them have made my tenure fulfilled at Brunel.

There has been no downtime associated with any of the projects so far, which is always good.

I have always got a chance to learn something new while being employed in the companies aided by the Brunel India team. For instance, it enabled me to run some tools and equipment that I had not run before, which I enjoyed immensely.

Another feature that makes me happy to work with Brunel is their staff. They always quickly address any questions you ask them and genuinely seem to care about their employees. I would say Brunel is an excellent company to work for in our professions.

One adjective that describes Brunel is caring. It transpires during my experience in the terrible Covid-19 outbreak period. I want to highlight that Brunel India team were swift and resourceful. The staff frequently got in touch with me through email or message to ask how I was doing during my extended stay on the rig because of Covid-19 and asked if I needed anything sent to the rig site. I was on-site for 106 days in total and in-country for 116 days. It is a long time to be away from loved ones and family, but the Brunel employees did their best to keep me engaged.

Brunel is a reliable company to work for those who are considering doing business or looking for consultants in the technical fields.

I wish Brunel a happy 45th year and keep up the great work!

Cheers!

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45 years of Brunel

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45 years of Brunel

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