



**OFFSHORE**

ENERGY. COMMITTED.



# ANNUAL REPORT 2019

Details of the withholding taxes and other taxes are as follows:

#### Withholding taxes per country

	2019	2018
Withholding Tax and Overseas Taxes (per location)	Withholding tax	Withholding tax
Angola	(1)	-
Equatorial Guinea	(0)	-
Brazil	(4)	(4)
Guyana	(15)	(5)
Other <sup>1</sup>	(2)	(2)
<b>Total withholding and overseas taxes</b>	<b>(21)</b>	<b>(11)</b>

<sup>1</sup> Mainly includes Nigeria and India

#### TAX RETURNS AND TAX CONTINGENCIES

The Company files federal and local tax returns in several jurisdictions throughout the world. Tax returns in the major jurisdictions in which the Company operates are generally subject to examination for periods ranging from three to six years. Tax authorities in certain jurisdictions are examining tax returns and in some cases have issued assessments. The Company believes there is a sound basis for its tax positions in those jurisdictions. The Company provides for taxes that it considers probable of being payable as a result of these audits and for which a reasonable estimate may be made. While the Company cannot predict or provide assurance as to the final outcome of these proceedings, the Company does not expect the ultimate liability to have a material effect on its consolidated statement of financial position or results of operations, although it could have a material adverse effect on its consolidated cash flows.

Each year management completes a detailed review of uncertain tax positions across the Company and makes provisions based on the probability of the liability arising. The principal risks that arise for the Company are in respect of permanent establishment, transfer pricing and other similar international tax issues. In common with other international groups, the difference in alignment between the Company's global operating model and the jurisdictional approach of tax authorities often leads to uncertainty on tax positions.

As a result of the above, in the period, the Company recorded a net tax increase of US\$42 million in respect of ongoing tax audits and in respect of the Company's review of its uncertain tax positions. This amount is primarily in relation to uncertain tax positions concerning various taxes other than corporate income tax. However it is possible that the ultimate resolution of the tax exposures could result in tax charges that are materially higher or lower than the amount provided.

The Company conducts operations through its various subsidiaries in a number of countries throughout the world. Each country has its own tax regimes with varying nominal rates, deductions and tax attributes. From time to time, the Company may identify changes to previously evaluated tax positions that could result in adjustments to its recorded assets and liabilities. Although the Company is unable to predict the outcome of these changes, it does not expect the effect, if any, resulting from these adjustments to have a material effect on its consolidated statement of financial position, results of operations or cash flows.

#### 4.3.11 EARNINGS/(LOSS) PER SHARE

The basic earnings per share for the year amounted to US\$1.84 (2018: US\$1.04); the fully diluted earnings per share amounted to US\$1.84 (2018: US\$1.04).

Basic earnings / (loss) per share amounts are calculated by dividing net profit / (loss) for the year attributable to shareholders of the Company by the weighted average number of shares outstanding during the year.

Diluted earnings / (loss) per share amounts are calculated by dividing the net profit / loss attributable to shareholders of the Company by the weighted average number of shares outstanding during the year plus the weighted average number of shares that would be issued on the conversion of all the dilutive potential shares into ordinary shares.



## 4 FINANCIAL STATEMENTS 2019

The following reflects the share data used in the basic and diluted earnings per share computations:

### Earnings per share

	2019	2018
Earnings attributable to shareholders (in thousands of US\$)	365,896	212,045
Number of shares outstanding at January 1 (excluding treasury shares)	204,725,425	203,417,031
Average number of treasury shares transferred to employee share programs	1,421,227	853,579
Average number of shares repurchased	(7,576,677)	-
<b>Weighted average number of shares outstanding</b>	<b>198,569,975</b>	<b>204,270,610</b>
Impact shares to be issued	5,000	-
<b>Weighted average number of shares (for calculations basic earnings per share)</b>	<b>198,574,975</b>	<b>204,270,610</b>
Potential dilutive shares from stock option scheme and other share-based payments	5,333	34,813
<b>Weighted average number of shares (diluted)</b>	<b>198,580,308</b>	<b>204,305,423</b>
Basic earnings per share	US\$1.84	US\$1.04
Fully diluted earnings per share	US\$1.84	US\$1.04

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements, except for issuing of Value Creation Stake shares for the Management Board and matching shares for the Company's Senior Management (see note 4.3.6 Employee Benefit Expenses).

### 4.3.12 DIVIDENDS PAID AND PROPOSED AND SHARE REPURCHASE PROGRAM

The Company's dividend policy is to maintain a stable dividend, which grows over time. Determination of the dividend is based on the Company's assessment of its underlying cash flow position. As part of the Company's regular planning process, following review of its cash flow position and forecast, the Company has concluded that the outlook for cash flow generation has improved given the increase in the quantum of the Lease and Operate backlog and its duration. Based on this, a dividend of US\$150 million (which equals c. US\$0.76 per share, based on the number of shares outstanding at December 31, 2019), to be paid out of retained earnings, will be proposed at the Annual General Meeting on April 8, 2020. This represents an increase of c. 100% compared to the dividend paid in 2019.

The Company has invested equity in projects, which are under construction or recently completed. Most of this equity investment will be returned to the Company following drawdown of non-recourse project finance facilities in the near future. After having reviewed the current liquidity position including the return of this investment, taking account of future growth requirements and the resulting cash flow outlook, the Company has determined that it currently has the capacity to repurchase shares. Consequently, on February 13, 2020 the Company will commence a EUR150 million share repurchase program.

### 4.3.13 PROPERTY, PLANT AND EQUIPMENT

The line item 'Property, plant and equipment' consists of property, plant and equipment owned by the Company and right-of-use assets:

#### Property, plant and equipment (summary)

	31 December 2019	31 December 2018
Property, plant and equipment excluding leases	890	1,072
Right-of-use assets	115	126
<b>Total</b>	<b>1,005</b>	<b>1,198</b>