



OFFSHORE

ENERGY. COMMITTED.



ANNUAL REPORT 2019

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) | - |
| Weighted average number of shares outstanding | 198,569,975 | 204,270,610 |
| Impact shares to be issued | 5,000 | - |
| Weighted average number of shares (for calculations basic earnings per share) | 198,574,975 | 204,270,610 |
| Potential dilutive shares from stock option scheme and other share-based payments | 5,333 | 34,813 |
| Weighted average number of shares (diluted) | 198,580,308 | 204,305,423 |
| 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 |
| Total | 1,005 | 1,198 |