



OFFSHORE

ENERGY. COMMITTED.



ANNUAL REPORT 2019

4.3.22 NET CASH AND CASH EQUIVALENT

	31 December 2019	31 December 2018
Cash and bank balances	82	81
Short-term investments	424	637
Cash and cash equivalent	506	718
Net cash and cash equivalent	506	718

The cash and cash equivalents dedicated to debt and interest payments (restricted) amounted to US\$188 million as per December 31, 2019 (2018: US\$188 million). Short-term investment deposits are made for varying periods of up to one year, usually less than three months, depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates.

The cash and cash equivalents held in countries with restrictions on currency outflow (Angola, Brazil, Equatorial Guinea, Ghana and Nigeria) amounts to US\$42 million (2018: US\$50 million). These restrictions do not limit the liquidity of the cash balances.

Further disclosure about the fair value measurement is included in note 4.3.29 Financial Instruments – Fair Values and Risk Management.

4.3.23 EQUITY ATTRIBUTABLE TO SHAREHOLDERS

For a consolidated overview of changes in equity reference is made to the Consolidated Statement of Changes in Equity.

ISSUED SHARE CAPITAL

The authorized share capital of the Company is two hundred million euros (EUR200,000,000). This share capital is divided into four hundred million (400,000,000) ordinary shares with a nominal value of twenty-five eurocents (EUR0.25) each and four hundred million (400,000,000) protective preference shares, with a nominal value of twenty-five eurocents (EUR0.25) each. The protective preference shares can be issued as a protective measure as described in note 3.5 Corporate Governance.

During the financial year the movements in the outstanding number of ordinary shares are as follows:

number of shares	2019	2018
Outstanding at 1 January	205,671,305	205,671,305
Treasury shares cancelled	(7,000,000)	-
Outstanding 31 December	198,671,305	205,671,305

TREASURY SHARES

The Company completed its share repurchase program under authorization granted by the AGM of the Company held on April 11, 2018. In the period between February 14, 2019 and May 20, 2019 a total number of 10,422,259 shares totaling EUR175 million were repurchased. As a result, the Company decided to cancel 7,000,000 shares in 2019.

A total number of 2,444,192 treasury shares are still reported in the outstanding ordinary shares as at December 31, 2019 and held predominantly for employee share programs. During 2019, a total of 1,923,947 shares were transferred to employee share programs (including the balance of the treasury shares from the 2016 share repurchase).

Within equity, an amount of US\$1,206 million (2018: US\$1,116 million) should be treated as legal reserve (please refer to note 4.5.5 Shareholders' Equity).

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ORDINARY SHARES

Of the ordinary shares, 1,513,936 shares were held by members of Management Board, in office as at December 31, 2019 (December 31, 2018: 1,061,910) as detailed below:

Ordinary shares held in the Company by the Management Board

	Shares subject to conditional holding requirement	Other shares	Total shares at 31 December 2019	Total shares at 31 December 2018
Bruno Chabas	368,448	607,462	975,910	793,588
Philippe Barril	278,428	-	278,428	165,047
Erik Lagendijk	143,984	-	143,984	69,351
Douglas Wood	115,614	-	115,614	33,924
Total	906,474	607,462	1,513,936	1,061,910

Of the Supervisory Board members, only Sietze Hepkema holds shares in the Company (256,333 shares as at December 31, 2019), resulting from his previous position as member of the Management Board.

OTHER RESERVES

The other reserves comprises the hedging reserve, actuarial gains/losses, the foreign currency translation reserve and IFRS 2 reserves. The movement and breakdown of the other reserves can be stated as follows (all amounts are expressed net of deferred taxes):

	Hedging reserve Forward currency contracts	Hedging reserve Interest rate swaps	Actuarial gain/(loss) on defined benefit provisions	Foreign currency translation reserve	IFRS 2 Reserves	Total other reserves
Balance at 1 January 2018	51	(77)	6	(62)	18	(65)
Cash flow hedges						
Change in fair value	(63)	39	-	-	-	(23)
Transfer to financial income and expenses	0	5	-	-	-	5
Transfer to construction contracts and property, plant and equipment	(14)	-	-	-	-	(14)
Transfer to operating profit and loss	7	-	-	-	-	7
IFRS 2 share based payments						
IFRS 2 vesting costs for the year	-	-	-	-	17	17
IFRS 2 vested share based payments	-	-	-	-	(14)	(14)
Actuarial gain/(loss) on defined benefit provision						
Change in defined benefit provision due to changes in actuarial assumptions	-	-	(4)	-	-	(4)
Foreign currency variations						
Foreign currency variations	-	-	-	(17)	-	(17)
Balance at 31 December 2018	(19)	(33)	2	(79)	21	(108)
Cash flow hedges						
Change in fair value	17	(79)	-	-	-	(62)
Transfer to financial income and expenses	3	3	-	-	-	6
Transfer to construction contracts and property, plant and equipment	(5)	-	-	-	-	(5)
Transfer to operating profit and loss	(34)	-	-	-	-	(34)
IFRS 2 share based payments						
IFRS 2 vesting costs for the year	-	-	-	-	17	17
IFRS 2 vested share based payments	-	-	-	-	(21)	(21)
Actuarial gain/(loss) on defined benefit provision						
Change in defined benefit provision due to changes in actuarial assumptions	-	-	1	-	-	1
Foreign currency variations						
Foreign currency variations	-	-	-	(22)	-	(22)
Mergers and acquisitions	-	(10)	-	-	-	(10)
Balance at 31 December 2019	(38)	(119)	3	(101)	17	(238)

The hedging reserve consists of the effective portion of cash flow hedging instruments related to hedged transactions that have not yet occurred, net of deferred taxes. The decreased marked-to-market value of interest rate swaps mainly arises from decreasing market interest rates whereas the increased marked-to-market value of forward currency contracts is mainly driven by the appreciation of the US\$ exchange rate versus the hedged currencies.

Actuarial gain/(loss) on defined benefits provisions includes the impact of the remeasurement of defined benefit provisions.

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.