



**OFFSHORE**

ENERGY. COMMITTED.

# ANNUAL REPORT 2021

## 4 FINANCIAL INFORMATION 2021

### Guyana withholding tax

The Company's construction and lease activities are subject of Guyanese withholding tax. The increase of the withholding tax charge in 2021 compared with 2020 relates mainly to the level of construction activities. In 2021, the Company provided specific construction and engineering work subject of the Guyanese withholding tax related mainly to *Liza Unity* (FPSO) approaching finalization of the project (e.g. readiness for operation), while the Company did not incur similar level of activities subject of the withholding tax in 2020.

### 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 significant 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 decrease of US\$33 million in respect of ongoing tax audits and in respect of the Company's review of its uncertain tax positions. This decrease is primarily in relation to uncertain tax positions 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\$2.18 (2020: US\$1.00); the fully diluted earnings per share amounted to US\$2.16 (2020: US\$1.00).

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 potential dilutive shares into ordinary shares.

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

#### Earnings per share

	2021	2020
Earnings attributable to shareholders (in thousands of US\$)	400,297	190,641
Number of shares outstanding at January 1 (excluding treasury shares)	185,314,742	196,227,113
Average number of treasury shares transferred to employee share programs	1,247,857	914,487
Average number of shares repurchased / cancelled	(2,845,444)	(7,331,229)
<b>Weighted average number of shares outstanding</b>	<b>183,717,155</b>	<b>189,810,371</b>
Impact shares to be issued	-	-
<b>Weighted average number of shares (for calculations basic earnings per share)</b>	<b>183,717,155</b>	<b>189,810,371</b>
Potential dilutive shares from stock option scheme and other share-based payments	1,927,813	1,651,613
<b>Weighted average number of shares (diluted)</b>	<b>185,644,968</b>	<b>191,461,984</b>
Basic earnings per share in US\$	2.18	1.00
Fully diluted earnings per share in US\$	2.16	1.00

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 the issuance of Value Creation Stake shares for the Management Board, Ownership Shares for the Company's senior management and the Matching Shares and RSUs that have vested on January 1, 2022 (see note 4.3.6 Employee Benefit Expenses).

#### 4.3.12 DIVIDENDS PAID AND PROPOSED

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 proposes to pay out a dividend of US\$1 per share, equivalent to c.US\$180<sup>1</sup>million, to be paid out of retained earnings. This dividend will be proposed at the Annual General Meeting on April 6, 2022. This represents an increase of 13% compared to the US\$0.8854 dividend per share paid in 2021.

#### 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 2021	31 December 2020
Property, plant and equipment excluding leases	351	490
Right-of-use assets	45	52
<b>Total</b>	<b>396</b>	<b>542</b>

<sup>1</sup> Total dividend amount depends on number of shares entitled to dividend as of Ex-dividend date. The amount disclosed is based on the number of shares outstanding less the treasury shares held at December 31, 2021.