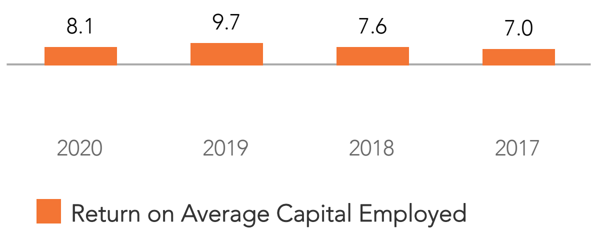
OFFSHORE

ENERGY. COMMITTED.

# ANNUAL REPORT 2020

### RETURN ON AVERAGE CAPITAL EMPLOYED

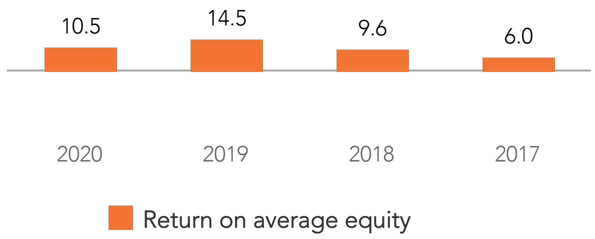
Return on average capital employed (ROACE) is a measure of the return generated on capital invested in the Company. The measure provides a guide for long-term value creation by the Company. ROACE is calculated as Underlying EBIT divided by the annual average of: i) total equity, ii) total borrowings and lease liabilities, iii) non-current provisions and iv) deferred tax liabilities minus the cash and cash equivalents.




2020 ROACE stood at 8.1%, which is in line with the past three-year average of 8.1%.

### RETURN ON AVERAGE EQUITY

Return on average equity (ROAE) measures the performance of the Company based on the average equity attributable to the shareholders of the parent company. ROAE is calculated as Underlying profit attributable to shareholders divided by the annual average of equity attributable to shareholders of the parent company.




2020 ROAE stood at 10.5%, which is in line with the past three-year average of 10.0%.

## 4.1.5 OUTLOOK AND GUIDANCE

The challenges seen in 2020 will undoubtedly continue in 2021. Clients are restructuring and have cut their budgets significantly. However strong fundamentals of deepwater projects in quality resource areas allow these to rank favorably in capital allocation. The investments made over many years to transform the Company for the future underpinned by the cashflow foundation of the long-term backlog leave the company well positioned to deliver its strategy, notwithstanding the continued challenges associated with the pandemic.

The Company's 2021 Directional revenue guidance is around US$2.6 billion, of which around US$1.6 billion is expected from the Lease and Operate segment and around US$1 billion from the Turnkey segment. Directional 2021 EBITDA guidance is around US$900 million for the Company.

This guidance includes Directional revenues and EBITDA of US$77 million related to the expected cash receipts in 2021 from the Deep Panuke contract, which were both excluded from the 2020 outlook and underlying results. It also considers the currently foreseen COVID-19 impacts on projects and fleet operations. The Company highlights that the direct and indirect impact of the pandemic could continue to have a material impact on the Company's business and results and the realization of the guidance for 2021.