



2023 ANNUAL REPORT



arising in each jurisdiction in which they operate through introducing a global minimum corporate income tax rate set at 15%. The GloBE rules are intended to be implemented as part of an agreed-upon common approach, introduced via domestic tax law and expected to be effective as from January 1, 2024.

The Company is assessing its exposure to Pillar Two legislation in the jurisdictions in which it operates and acknowledges that:

- Pillar Two represents a significant additional layer of tax calculation and reporting to what is already a very complex tax compliance process for most MNEs. It will ultimately require a new global tax calculation in every jurisdiction in which the Company operates.
- There will likely be divergence in rules as countries adopt slightly different versions in domestic legislation, which will add to the complexity of these calculations.
- The tax base that Pillar Two is determined upon is entirely new and calculations will need to be based, in part, on data that the Company currently does not structurally gather within its tax compliance processes.

As indicated above, the assessment process is complex and is based on legislation which is in various degrees of enactment and subject to further interpretation. Taking this into account, the Company has performed a preliminary assessment which uses assumptions on the specific adjustments envisaged in the Pillar Two legislation. Based on the results for the year 2023, the Company estimated that the potential impact would represent between 0.4% and 0.6% on the effective tax rate. For 2023 this impact primarily concerns entities within the jurisdictions of Bermuda and the Cayman Islands. The Company highlights that the disclosed impact is on the basis of certain assumptions, which eventually might deviate from the actual impact due to differences in interpretation, divergence in rules between jurisdictions and further guidance to be issued.

As the situation is still evolving, it leads to uncertainties of the financial impact in periods in which legislation will be in effect. The Company has been reviewing Pillar Two features providing for simplification and/or relief for multinational enterprises that have genuine economic activities in different jurisdictions. The 2021 transition in Swiss tax regimes applicable to Swiss companies of the Company notably has a positive impact in respect of Pillar Two, as bringing those companies firmly within the scope of Swiss taxation. Therefore, the Company continues to monitor the implementation of the Pillar Two model rules in each jurisdiction's legislation and will implement processes and governance for reporting on the financial impact related to Pillar Two in 2024.

4.3.11 EARNINGS/(LOSS) PER SHARE

The basic earnings per share for the year amounts to US\$2.74 (2022: US\$2.53), and the fully diluted earnings per share amounts to US\$2.70 (2022: US\$2.50). 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.

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

Earnings per share

	2023	2022
Earnings attributable to shareholders (in thousands of US\$)	490,821	450,137
Number of shares outstanding at January 1 (excluding treasury shares)	178,054,655	176,622,557
Average number of treasury shares transferred to employee share programs	1,225,505	1,283,909
Average number of shares repurchased / cancelled	(45,044)	-
Weighted average number of shares outstanding	179,235,116	177,906,466
Impact shares to be issued	-	-
Weighted average number of shares (for calculations basic earnings per share)	179,235,116	177,906,466
Potential dilutive shares from stock option scheme and other share-based payments	2,269,314	1,965,043
Weighted average number of shares (diluted)	181,504,430	179,871,509
Basic earnings per share in US\$	2.74	2.53
Fully diluted earnings per share in US\$	2.70	2.50

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, 2024 (see note 4.3.6 Employee Benefit Expenses).

4.3.12 DIVIDENDS PAID AND PROPOSED AND SHARE REPURCHASE PROGRAM

The Company is evolving its shareholder return policy as follows: "The Company's shareholders return policy is to maintain a stable annual cash return to shareholders which grows over time, with flexibility for the Company to make such cash return in the form of a cash dividend and the repurchase of shares. Determination of the annual cash return is based on the Company's assessment of its underlying cash flow position. The Company prioritizes a stable cash distribution to shareholders and funding of growth projects, with the option to apply surplus capital towards incremental cash returns to shareholders." The policy will be presented for discussion at the Annual General Meeting on April 12, 2024.

As a result, following review of its cash flow position and forecast, the Company intends to pay a total cash return to shareholders of US\$220 million in 2024. This represents an increase of 12% compared with the dividend paid in 2023. The cash return is to be composed of a proposed dividend of US\$150 million (equivalent to c. US\$0.83 per share²) combined with a EUR65 million (US\$70 million equivalent³) share repurchase program. Shares repurchased as part of the cash return will be cancelled. The share repurchase program will be launched on March 1, 2024 and the dividend will be proposed at the Annual General Meeting on April 12, 2024. Going forward, the Company intends to maintain a material level of dividend as part of the annual cash return with US\$150 million as a base level.

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 2023	31 December 2022
Property, plant and equipment excluding leases	308	274
Right-of-use assets	77	40
Total	384	314

² Based on the number of shares outstanding at December 31, 2023. Dividend amount per share depends on number of shares entitled to dividend. The proposed ex-dividend date is April 16, 2024.

³ Based on the foreign exchange rate on February 22, 2024.