

2022 ANNUAL REPORT



TRUE.
BLUE.
TRANSITION.

4 FINANCIAL INFORMATION 2022

4.1.4 FINANCIAL REVIEW IFRS

in US\$ million	IFRS	
	FY 2022	FY 2021
Revenue	4,913	3,747
Lease and Operate	1,414	1,270
Turnkey	3,499	2,477
Underlying Revenue	4,913	3,822
Lease and Operate	1,414	1,345
Turnkey	3,499	2,477
EBITDA	1,209	823
Lease and Operate	719	636
Turnkey	569	271
Other	(80)	(84)
Underlying EBITDA	1,209	906
Lease and Operate	719	711
Turnkey	569	271
Other	(80)	(76)
Profit/(loss) attributable to shareholders	450	400
Underlying profit attributable to shareholders	450	405

UNDERLYING PERFORMANCE

Underlying IFRS Revenue and EBITDA are adjusted for the non-recurring events during a financial period to enable comparison of normal business activities for the current period in relation to the comparative period.

During 2022, IFRS Revenue, EBITDA and profit attributable to shareholders were not impacted by any non-recurring transaction. Therefore, Underlying IFRS Revenue, EBITDA and profit attributable to shareholders have not been adjusted. For reference, in 2021:

- the Underlying IFRS Revenue and EBITDA included US\$75 million related to the final cash received in 2021 under the final settlement signed with the client following the redelivery of the Deep Panuke MOPU in July 2020. Considering the associated depreciation of the vessel, this transaction only negligibly impacted the Underlying Directional gross margin and profit attributable to shareholders.
- The EBITDA based on IFRS accounting policies and profit attributable to shareholders were impacted by US\$(8) million relating to the penalty order against the Company issued by Swiss public prosecutor in November 2021.

PROFITABILITY

Accounting treatment of projects under construction

In contrast to Directional, the construction of FPSO *Prosperity* and the FPSO *ONE GUYANA* and finalized EPC works on FPSO *Liza Unity* contributed to both IFRS Turnkey revenue and gross margin over the period. This is because these contracts are classified as finance leases as per IFRS 16 and are therefore accounted for as a direct sale under IFRS.

The same treatment applied to the construction of FPSO *Sepetiba*, FPSO *Almirante Tamandaré* and FPSO *Alexandre de Gusmão* which fully contributed to both IFRS Turnkey revenue and gross margin over the period given these contracts are classified as finance lease. Under Directional, the contribution to Turnkey revenue and gross margin for these projects is limited to the portion of the sale to partners in the special purpose entity owning the units (i.e. respectively 35.5%, 45% and 45%).

Revenue

Total Underlying IFRS revenue increased by 29% to US\$4,913 million compared with US\$3,822 million in 2021.

This increase was mainly driven by the Turnkey segment, with five FPSOs under construction and completion of FPSO *Liza Unity* qualifying for finance lease accounting in the current period, slightly offset by a lower contribution from offshore installation services following the sale of the SBM Installer, which occurred early 2022.