



OFFSHORE

ENERGY. COMMITTED.

ANNUAL REPORT 2021

4.1.4 FINANCIAL REVIEW IFRS

in US\$ million	IFRS	
	FY 2021	FY 2020
Revenue	3,747	3,496
Lease and Operate	1,270	1,761
Turnkey	2,477	1,735
Underlying Revenue	3,822	3,419
Lease and Operate	1,345	1,684
Turnkey	2,477	1,735
EBITDA	823	1,043
Lease and Operate	636	1,007
Turnkey	271	114
Other	(84)	(78)
Underlying EBITDA	906	966
Lease and Operate	711	930
Turnkey	271	114
Other	(76)	(78)
Profit/(loss) attributable to shareholders	400	191
Underlying profit attributable to shareholders	405	277

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 2021 the IFRS EBITDA and profit attributable to shareholders is impacted by US\$(8) million relating to the penalty order against the Company issued by Swiss public prosecutor in November 2021.

In addition, the 2021 Underlying IFRS Revenue and EBITDA includes US\$75 million related to final cash received for the period under the final settlement signed with the client following the redelivery of the Deep Panuke MOPU in July 2020. This amount was excluded from the Underlying 2020 Revenue and EBITDA. Considering the associated depreciation of the vessel, this transaction only negligibly impacted the Underlying IFRS gross margin and the profit attributable to shareholders.

For reference, the difference between profit attributable to shareholders and Underlying IFRS profit attributable to shareholders was due to the following non-recurring items in 2020:

- A full impairment of US\$(57) million of the SBM Installer installation vessel.
- Other impairments of US\$(29) million (individually not significant) relating to: (i) partial impairment of two units and (ii) increased impairment loss on financial assets.

PROFITABILITY

Preliminary remark

In contrast to Directional, the construction of *Liza Unity* (FPSO) and *Prosperity* (FPSO) 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 Almirante Tamandaré*, *FPSO Alexandre de Gusmão* and the FPSO for the Yellowtail development project under IFRS, except that revenue recognition on these projects was limited to cost incurred over the period as they have not yet reached the gate progress of completion allowing margin recognition under the Company policy (this gate being formalized by an independent project review mitigating uncertainties related to the cost at completion).

With respect to the construction of *FPSO Sepetiba*, it fully contributed to both IFRS Turnkey revenue and gross margin over the period given this contract is classified as finance lease (versus a contribution to Directional Turnkey revenue and gross margin limited to the portion of the sale to partners in the special purpose entity, i.e 35.5%).