2025 ANNUAL REPORT

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4.1.5 ALTERNATIVE PERFORMANCE MEASURES

ESMA defines an alternative performance measure (APM) as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework (IFRS).

In addition to measures defined in IFRS, the Company continuously analyzes the performance of its activities based on APMs applicable to IFRS and to Directional reporting.

The Company provides a full reconciliation of Directional reporting and IFRS figures for items relating to the consolidated income statement, the consolidated statement of financial position and the consolidated cash flow statement in 4.3.2 Operating Segments and Directional Reporting. Refer to 4.1.1 Financial Overview for the background and purpose of Directional reporting.

APMs may be viewed under the following two categories:

1. **APMs applicable to IFRS and Directional reporting**: The Company uses these APMs in order to enhance investors' understanding of its financial reporting, and to facilitate meaningful comparison of the results between periods. The Company provides these APMs based on IFRS and Directional reporting.

APM	Definition	Purpose
Operating profit/(loss) (EBIT)	Earnings before interest and tax. EBIT is calculated based on Profit/(loss) excluding net financing costs, income tax expense, as well as share of profit/(loss) of equity-accounted investees and is presented in the consolidated income statement.	Used to monitor earnings trend.
EBITDA	Earnings before interest, tax, depreciation and amortization. EBITDA is calculated based on EBIT excluding depreciation, amortization and impairment and is derived from the consolidated income statement.	Indicator of the Company's overall profitability.
Net debt	Net debt is calculated as total borrowings (including lease liabilities) less cash and cash equivalents. Reconciliation on an annual basis is provided under Capital risk management in note 4.3.27 Financial Instruments – Fair Values and Risk Management of the annual consolidated financial statements.	Indicator of the Company's level of debt.
Directional EBIT	EBIT calculation based on Directional reporting instead of IFRS. Refer to 4.3.2 Operating Segments and Directional Reporting for further detail.	Used to monitor earnings trend based on Directional reporting, as monitored by the Management Board.
Directional EBITDA	EBITDA calculation based on Directional reporting instead of IFRS. Refer to 4.3.2 Operating Segments and Directional Reporting for further detail.	Indicator of the Company's overall profitability based on Directional reporting, as monitored by the Management Board.
Directional net debt	Net debt calculation based on Directional reporting instead of IFRS. Refer to 4.3.2 Operating Segments and Directional Reporting for further detail.	Indicator of the Company's level of debt based on Directional reporting, as monitored by the Management Board.

EBITDA (IFRS) is reconciled to the consolidated income statement as follows:

in US$ million	Notes	FY 2025	FY 2024
Profit/(loss)		**1,109**	**211**
Add: Income tax expense	4.3.10	117	73
Profit/(loss) before tax		**1,226**	**284**
Less: Share of profit/(loss) of equity accounted investees	4.3.29	4	(19)
Add: Net financing costs	4.3.9	571	663
Operating profit/(loss) (EBIT)		**1,801**	**929**
Add: Depreciation, amortization and impairment	4.3.5	51	113
EBITDA		**1,852**	**1,041**

Directional EBIT and Directional EBITDA are reconciled in this report in note 4.3.2 Operating Segments and Directional Reporting.

Directional net debt and net debt are reconciled as follows:

	Notes	FY 2025	FY 2024
Total Borrowings and lease liabilities	4.3.23	9,155	8,943
Less: Cash and cash equivalents	4.3.21	(1,086)	(806)
Net debt	4.3.27	**8,068**	**8,137**
Impact of lease accounting treatment	4.3.2	-	-
Impact of consolidation methods	4.3.2	(2,418)	(2,418)
Directional net debt		**5,650**	**5,719**

2. **APMs specific to Directional reporting**: In addition to the APMs applicable for IFRS and Directional reporting, the Company uses forecast measures specific to Directional reporting.

APM	Definition	Purpose
Pro-forma Directional backlog	Represents a pro-forma view of the outstanding performance obligations to its clients on awarded contracts under Directional reporting. As such, this measure includes unsatisfied performance obligations on ongoing construction contracts, lease contracts treated as operating leases which according to IFRS are finance leases, and ongoing multiple-year operating contracts consolidated on a percentage of ownership basis. As a forecast measure, it is not reconcilable to the consolidated financial statements.	A key performance indicator used to monitor the Company's future earnings trend according to Directional reporting measures.
Pro-forma Directional net cash backlog	Reflects a pro-forma management view of the foreseeable net cash flows and operating performance related to the pro-forma Directional backlog, after contingency, direct overheads, tax and debt service. Directional EBITDA is used as a proxy for underlying operating performance and therefore does not include any assumptions in relation to working capital movements. As a forecast measure, it is not reconcilable to the consolidated financial statements.	A key performance indicator used to monitor the Company's future cash flow and liquidity risk according to Directional reporting measures.