



**2023** ANNUAL REPORT

**BM**  
OFFSHORE



As a result, 2023 consolidated net income attributable to shareholders stood at US\$491million, an increase of US\$41 million from the previous year.

## STATEMENT OF FINANCIAL POSITION

in millions of US\$	2023	2022	2021	2020	2019
Total equity	5,531	4,914	3,537	3,462	3,613
Net debt <sup>1</sup>	8,748	7,881	6,681	5,209	4,416
Cash and cash equivalents	543	683	1,021	414	506
Total assets	17,176	15,889	13,211	11,085	10,287

<sup>1</sup> Net debt is calculated as total borrowings (including lease liabilities) less cash and cash equivalents.

Total equity increased from US\$4,914 million at December 31, 2022 to US\$5,531 million. Notwithstanding the dividend distributed to the shareholders of US\$197 million, this increase mainly resulted from (i) the positive result over the current period, (ii) capital contributions from non-controlling interests in special purpose entities and (iii) the increase of the hedging reserves. The movement in hedging reserve is mainly caused by (i) the increase in marked-to-market value of forward currency contracts, mainly driven by the depreciation of the US\$ exchange rate versus the hedged currencies (especially EUR and BRL), partially offset by (ii) the decrease in marked-to-market value of the interest rate swaps, due to decreasing US\$ market interest rates during the year.

Net debt increased by US\$867 million to US\$8,748 million at year-end 2023. While the Company's net debt was positively impacted by (i) the amount of the net cash proceeds of the sale of FPSO *Liza Unity* (with a cash consideration of US\$1,259 million received, primarily used for the full repayment of the US\$1,140 million project financing), (ii) the settlements of interest rate swaps related to the financing of FPSO *Almirante Tamandaré* and FPSO *Alexandre de Gusmão* of US\$154 million and (iii) the Lease and Operate segment's strong operating cash flow, as, in order to fund continued investment growth, the Company drew on project finance facilities for FPSO *Prosperity*, FPSO *ONE GUYANA*, FPSO *Almirante Tamandaré*, FPSO *Alexandre de Gusmão*, the Revolving Credit Facility RCF and the new Revolving Credit Facility for MPF hull financing.

In line with its aim to diversify its sources of debt and equity funding and to accelerate equity cash flow from the backlog, in 2023, the Company finalized the funding loan agreement and received US\$125 million from CMFL in relation to FPSO *Cidade de Ilhabela*.

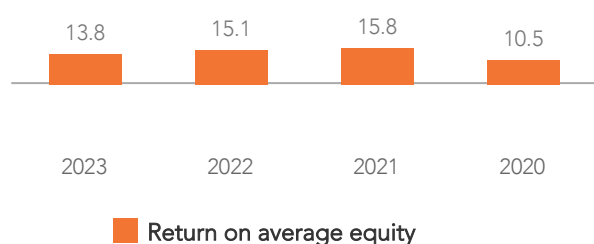
Almost half of the Company's debt, as of December 31, 2023, consisted of non-recourse project financing (US\$4 billion) in special purpose investees. The remainder (US\$5.2 billion) comprised (i) borrowings to support the on-going construction of FPSO *ONE GUYANA*, FPSO *Almirante Tamandaré*, FPSO *Alexandre de Gusmão*, which will become non-recourse following project execution finalization and release of the related parent company guarantee, (ii) a project loan on FPSO *Sepetiba* (the Company is currently going through the process of releasing the corporate guarantee, after which this project loan will become non-recourse), (iii) the Company's RCF, which was drawn for US\$550 million as at December 31, 2023, and (iv) the new US\$210 million Revolving Credit Facility for MPF hull financing, completed and fully drawn in December 2023. Cash and cash equivalents amounted to US\$543 million (December 31, 2022: US\$683 million). Lease liabilities totaled US\$85 million as of December 31, 2023.

Total assets increased to US\$17.2 billion as of December 31, 2023, compared with US\$15.9 billion at year end 2022. This primarily resulted from (i) the increase of contract assets related to the FPSO projects under construction at the end of the year, (ii) the increase in inventory balance for the new multipurpose hull for use on a future FPSO project and (iii) the increase of finance lease receivables following first oil of FPSO *Prosperity* during the current period partially offset by (iv) the decrease of finance lease receivables following the sale of FPSO *Liza Unity* during the current period and (v) a reduction of the gross amount of the finance lease receivables, in line with the repayment schedules.

### 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.

## 4 FINANCIAL INFORMATION 2023



2023 ROAE stood at 13.8%, in line with the past three-year average of 13.8%.

### 4.1.4 FINANCIAL REVIEW DIRECTIONAL

in US\$ million	Directional	
	FY 2023	FY 2022
<b>Directional Revenue</b>	<b>4,532</b>	<b>3,288</b>
Directional Lease and Operate revenue	1,954	1,763
Directional Turnkey revenue	2,578	1,525
<b>Directional EBITDA</b>	<b>1,319</b>	<b>1,010</b>
Directional Lease and Operate EBITDA	1,124	1,080
Directional Turnkey EBITDA	296	7
Other	(101)	(77)
<b>Directional Profit/(loss) attributable to shareholders</b>	<b>524</b>	<b>115</b>

in US\$ billion	Directional	
	FY 2023	FY 2022
Pro-forma Directional backlog	30.3	30.5

### BACKLOG – DIRECTIONAL

Change in ownership scenarios and lease contract duration have the potential to significantly impact the Company's future cash flows, net debt balance as well as the profit and loss statement. The Company therefore provides a pro-forma Directional backlog based on the best available information regarding ownership scenarios and lease contract duration for the various projects.

The pro-forma Directional backlog at the end of 2023 reflects the following key assumptions:

- The FPSO *Liza Destiny* contract covers the basic contractual term of 10 years of lease.
- The FPSOs *Prosperity* and *ONE GUYANA* contracts covers a maximum period of lease of two years, within which the FPSO ownership will transfer to the client.
- 10 years of operations and maintenance is considered for FPSOs *Liza Destiny*, *Liza Unity*, *Prosperity* and *ONE GUYANA* following signature of the Operations and Maintenance Enabling Agreement ('OMEA') in 2023.
- The impact of the subsequent sale of FPSOs *Prosperity* and *ONE GUYANA* is reflected in the Turnkey backlog at the end of the maximum two-year period.
- With respect to FPSO for the Whiptail development project, for which the full construction, installation and operations contracts award is subject to necessary government approvals and final work order to be received from the client, the amount included in the pro-forma backlog is limited to the value of the initial limited release of funds to the Company to begin FEED activities and secure a Fast4Ward® hull.
- The 13.5% equity divestment in *FPSO Sepetiba* to CMFL has not yet been reflected in the backlog as the transaction remains subject to various approvals, which include the consent from co-owners, lenders and export credit agencies.

The pro-forma Directional backlog at the end of December 2023 slightly decreased by US\$0.2 billion to a total of US\$30.3 billion. This was mainly the result of (i) the signed 10-year OMEA for the Guyana FPSO fleet and (ii) the awarded initial scope to begin FEED activities and secure a Fast4Ward® hull for the FPSO for the Whiptail development project, offset by turnover for the period which consumed approximately US\$4.5 billion of backlog (including the sale of FPSO *Liza Unity* completed in