



OFFSHORE

ENERGY. COMMITTED.

ANNUAL REPORT 2020

4.1.3 FINANCIAL REVIEW DIRECTIONAL

in US\$ million	Directional	
	FY 2020	FY 2019
Revenue	2,368	2,171
Lease and Operate	1,699	1,315
Turnkey	669	856
EBITDA	1,021	921
Lease and Operate	1,108	842
Turnkey	(9)	53
Other	(78)	26
Underlying EBITDA	944	832
Lease and Operate	1,031	842
Turnkey	(9)	53
Other	(78)	(63)
Profit/(loss) attributable to shareholders	38	235
Underlying profit attributable to shareholders	125	171

in US\$ billion	Directional	
	FY 2020	FY 2019
Backlog	21.6	20.7

UNDERLYING PERFORMANCE – DIRECTIONAL

Non-recurring items in 2020 impacted the Directional profit attributable to shareholders by US\$(87) million as follows:

- Accelerated Directional Revenue and EBITDA recognized for US\$77 million following the early redelivery of the Deep Panuke MOPU and the final settlement signed with the client in July 2020, which triggered the end of the lease period of the unit. Considering the associated depreciation of the vessel, this transaction only negligibly impacted the gross margin and the Directional profit attributable to shareholders.
- A full impairment of US\$(57) million of the SBM Installer installation vessel.
- Other impairments of US\$(29) million (individually not material) relating to: (i) partial impairment of two units and (ii) increased impairment loss on financial assets.

For additional information regarding impairments recognized refer to notes: 4.3.13 Property, Plant and Equipment and 4.3.8 Net Impairment Gains/(Losses) on Financial and Contract Assets.

For reference, non-recurring items for 2019 impacted the Directional profit attributable to shareholders by US\$65 million as follows:

- A US\$90 million impact on EBITDA related to the gain that arose on the acquisition of the minority ownership in five Brazilian FPSOs from Constellation on November 22, 2019. Refer to note 4.3.1 Financial Highlights for full detail on this transaction.
- A total impairment of US\$(25) million relating to two, individually not material, impairments of property, plant and equipment.

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 2020 reflects the following key assumptions:

- The *Liza Destiny* (FPSO) contract covers 10 years of lease and operate. Based on previous discussions with the client, it was expected that the client would purchase the unit after a period of up to two years of operations, which as a result was reflected in previous pro-forma backlog at December 31, 2018 and 2019. Considering ongoing discussions with the client