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February 14, 2024

## Consolidated Financial Results for the Year Ended December 31, 2023 (IFRS)

Company name: MODEC, INC.  
 Listing: Tokyo Stock Exchange  
 Securities code: 6269  
 URL: <http://www.modec.com>  
 Representative: Takeshi Kanamori, Representative Director, President  
 Inquiries: Yasuhiro Takano, Director, Senior Executive Managing Officer  
 Telephone: +81-3-5290-1200  
 Scheduled date of annual general meeting of shareholders: March 27, 2024  
 Scheduled date to commence dividend payments: March 28, 2024  
 Scheduled date to file annual securities report: March 27, 2024  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(US dollar amounts are rounded down to thousands.)

### 1. Consolidated financial results for the year ended December 31, 2023 (from January 1, 2023 to December 31, 2023)

#### (1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Year ended	Revenue		Operating profit		Profit before tax		Profit	
	US\$ thousand	%	US\$ thousand	%	US\$ thousand	%	US\$ thousand	%
December 31, 2023	3,574,924	30.5	192,938	156.1	214,668	291.5	125,955	206.1
December 31, 2022	2,739,762	(29.7)	75,330	—	54,835	—	41,143	—

Year ended	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
	US\$ thousand	%	US\$ thousand	%	US\$	US\$
December 31, 2023	96,536	158.3	104,136	(63.3)	1.55	1.55
December 31, 2022	37,377	—	283,372	—	0.66	0.66

Year ended	Return on equity attributable to owners of parent	Ratio of profit before tax to total assets	Ratio of operating profit to revenue
	%	%	%
December 31, 2023	10.7	6.1	5.4
December 31, 2022	5.6	1.7	2.7

Reference: Share of profit of investments accounted for using equity method

Year ended December 31, 2023: US\$128,677 thousand; Year ended December 31, 2022: US\$126,845 thousand

#### (2) Consolidated financial position

As of	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets	Equity attributable to owners of parent per share
	US\$ thousand	US\$ thousand	US\$ thousand	%	US\$
December 31, 2023	3,887,921	1,035,291	992,817	25.5	14.53
December 31, 2022	3,136,213	841,121	811,640	25.9	14.40

### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
Year ended	US\$ thousand	US\$ thousand	US\$ thousand	US\$ thousand
December 31, 2023	485,886	(210,542)	241,146	1,013,912
December 31, 2022	(208,895)	(56,846)	(49,013)	492,625

Note: The original consolidated financial statements of MODEC, INC. and its subsidiaries (hereinafter "the Company") for the years ended December 31, 2023 and 2022 are presented in US dollars which is the Company's functional currency.

Accordingly, the amounts presented for consolidated financial results above are also presented in US dollars.

For convenience purposes the consolidated financial results converted to Japanese yen in expedient manner are presented on page 5 of this summary information.

### 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to equity attributable to owners of parent (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total			
Year ended	yen	yen	yen	yen	yen	million yen	%	%
December 31, 2022	—	0.00	—	0.00	0.00	—	—	—
Year ended	—	0.00	—	20.00	20.00	1,366	10.0	1.0
December 31, 2023								
Year ending	—	10.00	—	30.00	40.00		16.1	
December 31, 2024 (Forecast)								

### 3. Consolidated earnings forecast for 2024 (from January 1, 2024 to December 31, 2024)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of parent		Basic earnings per share
	US\$ thousand	%	US\$ thousand	%	US\$ thousand	%	US\$ thousand	%	US\$
Full Year	3,900,000	9.1	200,000	3.7	210,000	(2.2)	120,000	24.3	1.76

Note: The consolidated earnings forecast of the Company is prepared in US dollars which is the Company's functional currency. For convenience purposes the consolidated earnings forecast converted to Japanese yen in expedient manner is presented on page 6 of this summary information.

**\* Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Changes in accounting policies and changes in accounting estimates
- (i) Changes in accounting policies required by IFRS: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None

## (3) Number of issued shares (ordinary shares)

- (i) Total number of issued shares at the end of the year (including treasury shares)

As of December 31, 2023	68,345,300 shares
As of December 31, 2022	56,408,000 shares

- (ii) Number of treasury shares at the end of the year

As of December 31, 2023	38,217 shares
As of December 31, 2022	38,217 shares

- (iii) Average number of shares outstanding during the year

Year ended December 31, 2023	62,420,195 shares
Year ended December 31, 2022	56,367,747 shares

**[Reference] Overview of non-consolidated financial results****1. Non-consolidated financial results for the year ended December 31, 2023 (from January 1, 2023 to December 31, 2023)****(1) Non-consolidated operating results**

(Percentages indicate year-on-year changes.)

Year ended	Net sales		Operating profit		Ordinary profit		Profit	
	million yen	%	million yen	%	million yen	%	million yen	%
December 31, 2023	406,179	50.6	6,005	—	6,557	(77.5)	3,269	(36.0)
December 31, 2022	269,663	(24.7)	(2,747)	—	29,192	—	5,112	—

Year ended	Basic earnings per share	Diluted earnings per share
	yen	yen
December 31, 2023	52.38	—
December 31, 2022	90.69	—

**(2) Non-consolidated financial position**

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	million yen	million yen	%	yen
December 31, 2023	303,078	39,890	13.2	583.99
December 31, 2022	241,328	21,532	8.9	381.98

Reference: Equity as of December 31, 2023: 39,890 million yen; as of December 31, 2022: 21,532 million yen

Note: Non-consolidated financial results are based on Japan GAAP.

- \* Consolidated financial results are exempt from audit conducted by certified public accountants or an audit corporation.
- \* Notes for the proper use of earnings forecasts and other special matters
- Accompanying consolidated financial statements and selected notes are presented in US dollars which is the Company's functional currency.
  - The US dollar amounts in the first page of this summary information is not tagged to XBRL data.

- Earnings forecast and other forward-looking statements included in this material are based on information currently available to the Company and are based on assumptions deemed reasonable. They are not meant to be a guarantee of future performance or outcomes. Actual results may differ materially subject to various factors. Please refer to Qualitative information on financial results on the second page of attached material for assumptions and conditions precedent of earnings forecast and notes for utilization.
- The Company will hold financial result briefing for institutional investors and analysts on February 15th, 2024. The material used for the financial result briefing will be posted on the Company's website immediately following the session.

**[Reference] Consolidated financial results for the year ended December 31, 2023 and consolidated earnings forecast for the year ending December 31, 2024 presented in Japanese yen**

(Yen amounts are rounded down to millions.)

**1. Consolidated financial results for the year ended December 31, 2023 (from January 1, 2023 to December 31, 2023)**

**(1) Consolidated operating results**

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended								
December 31, 2023	507,031	39.4	27,364	173.7	30,446	318.4	17,864	227.2
December 31, 2022	363,593	(18.9)	9,997	—	7,277	—	5,460	—

	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
	million yen	%	million yen	%	yen	Yen
Year ended						
December 31, 2023	13,691	176.0	14,769	(60.7)	219.35	219.21
December 31, 2022	4,960	—	37,606	—	88.00	87.96

	Return on equity attributable to owners of parent	Ratio of profit before tax to total assets	Ratio of operating profit to revenue
	%	%	%
Year ended			
December 31, 2023	11.0	6.3	5.4
December 31, 2022	5.9	1.8	2.7

Reference: Share of profit of investments accounted for using equity method

Year ended December 31, 2023: 18,250 million yen; Year ended December 31, 2022: 16,833 million yen

**(2) Consolidated financial position**

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets	Equity attributable to owners of parent per share
	million yen	million yen	million yen	%	yen
As of					
December 31, 2023	551,423	146,835	140,811	25.5	2,061.45
December 31, 2022	416,206	111,625	107,712	25.9	1,910.82

**(3) Consolidated cash flows**

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
	million yen	million yen	million yen	million yen
Year ended				
December 31, 2023	68,913	(29,861)	34,201	143,803
December 31, 2022	(27,722)	(7,544)	(6,504)	65,376

Note: The amounts presented above are converted to Japanese yen in expedient manner from the consolidated financial results on page 1 of this summary information using following exchange rates:

December 31, 2023 at US\$1.00 = 141.83 Japanese yen (TTM rate of Sumitomo Mitsui Banking Corporation as of December 29, 2023)

December 31, 2022 at US\$1.00 = 132.71 Japanese yen (TTM rate of Sumitomo Mitsui Banking Corporation as of December 30, 2022)

The percentages indicating year-on-year changes for the consolidated operating results are calculated on Japanese yen basis presented above.

## 2. Consolidated earnings forecast for 2024 (from January 1, 2024 to December 31, 2024)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of parent		Basic earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full Year	553,137	9.1	28,366	3.7	29,784	(2.2)	17,019	24.3	249.15

Note: The amounts presented above are converted to Japanese yen in expedient manner from the consolidated earnings forecast on page 2 of this summary information at US\$1.00 = 141.83 Japanese yen at the TTM rate of Sumitomo Mitsui Banking Corporation as of December 29, 2023.

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## 1. Qualitative information on financial results

### (1) Results of operations

In 2023 the Japanese economy maintained a recovery trend since the normalization of economic and social activities progressed and the demand of inbound tourists rebounded. On the other hand, the outlook of global economy was highly uncertain. While the US economy was generally firm, continued stagnation in Europe and weakened recovery in China lead to overall slower economic trend. In addition, geopolitical risks such as the Russia-Ukraine issue remained.

Oil price temporarily reached a high in the range of US\$90s per barrel since Saudi Arabia extended its additional voluntary cutback of oil production. But at the year-end oil price settled at the range of US\$70s per barrel since concern was heightened about the weak demand due to slowdown of Chinese economy. Coexisting with the decarbonization trend and maintaining stable energy supply remains an important issue, and the oil companies are continuing the deep-sea oilfield development projects. In that context the Company expects steady demand for the Company's main business relating to the floating, production, storage and offloading systems for oil and gas productions especially in the ultra-deep water large-scale projects in which the Company has a competitive advantage.

Under these circumstances, for this year's consolidated operating results the total consolidated orders were US\$8,740,646 thousand (497.8% increase from previous year) due to the new orders of construction projects obtained for ExxonMobil Guyana's Uaru project for which the FPSO will be deployed in the Stabroek block field off the coast of Guyana and Equinor Brasil Energia for which the FPSO will be deployed in the BM-C-33 block field off the coast of Brazil. The consolidated revenue was US\$3,574,924 thousand (30.5% increase from previous year) due to progress in construction of FPSOs. In terms of profit the operating profit was US\$192,938 thousand (156.1% increase from previous year). This is due to the revenue recognized from the progress of construction projects and share of profit of investments accounted for using equity method even though the costs incurred for the asset integrity improvement of FPSOs and FSO operating in Brazil had the effect of lowering profit.

In addition, due to increase in finance income contributed by the revenue recognized from the reversal of loss allowance for expected credit loss for the loan to equity-accounted investee, the profit before tax for this year was US\$214,668 thousand (291.5% increase from previous year). As a result, the profit attributable to owners of parent for this year was US\$96,536 thousand (158.3% increase from previous year).

The Group is solely engaged in construction of floating, production, storage and offloading systems for oil and gas productions and providing various related services as single business; therefore, operating results of segments are not presented.

### (2) Financial position

#### ① Financial position

in thousands of US dollars

	December 31, 2022	December 31, 2023	Increase (decrease)
Total assets	3,136,213	3,887,921	751,707
Total liabilities	2,295,092	2,852,630	557,538
Total equity	841,121	1,035,291	194,169

At the end of this year total assets increased by US\$751,707 thousand to US\$3,887,921 thousand from the end of previous year primarily due to increase in cash and cash equivalents.

Total liabilities increased by US\$557,538 thousand to US\$2,852,630 thousand from the end of previous year primarily due to increase in trade and other payables.

Total equity increased by US\$194,169 thousand to US\$1,035,291 thousand from the end of previous year primarily due to profit for the period and issuance of new shares.

#### ② Factors significantly affecting financial position

##### i) Fund requirements during construction period

In FPSO sales project to customer the Group receives construction funds in advance in accordance with the progress of construction, therefore the Group does not need to raise the operating funds. On the other hand, in lease and charter projects the Group, trading companies and others jointly establish a



project company, i.e. associate company of the Group, which becomes a purchaser of construction project. Therefore, the Group is required to bear the construction costs proportionate to investment percentage of the project company.

During construction period the Group raises required funds mainly either in the manner that the Company borrows short-term funds and lends it to associate company or in the manner that associate company borrows funds supported by financial guarantee of the Company.

ii) Managing total risk

In order to reduce the heavy financial burden of large project and related risks the Group utilizes project finance to raise funds for the investment of FPSOs for lease and charter projects. By utilizing project finance scheme associate company is able to raise long-term fund without the Company's financial guarantee, and that gives the effect of shutting down project's various risks from the Company.

The Group's policy is to develop business by controlling total risks utilizing project finance together with inviting trading companies and others to project as business partners.

(3) Cash flows

The Group's funding sources are mainly cash flows from operating activities and borrowings from financial institutions. In construction project of FPSOs due to difference in timing between collection of construction revenues and disbursement of construction costs receivable and payable related to the construction project temporarily fluctuate significantly, and that affects operating cash flows significantly. The Group tries to enhance fund efficiency by managing the balances of receivable and payable related to these construction projects. In addition, the Group enhances fund efficiency by employing Cash Management System to accommodate funds among Group companies.

in thousands of US dollars

	2022	2023	Increase (decrease)
Cash flows from operating activities	(208,895)	485,886	694,782
Cash flows from investing activities	(56,846)	(210,542)	(153,695)
Cash flows from financing activities	(49,013)	241,146	290,159
Effect of changes in exchange rates on cash and cash equivalents	(2,750)	4,795	7,546
Net increase (decrease) in cash and cash equivalents	(317,505)	521,286	838,792
Cash and cash equivalents at beginning of year	810,131	492,625	(317,505)
Cash and cash equivalents at end of year	492,625	1,013,912	521,286

(Cash flows from operating activities)

Cash flows from operating activities are inflow of US\$485,886 thousand which is US\$694,782 thousand increase compared to previous year. This is primarily due to difference in timing between collections of trade receivable and disbursements of trade payable related to the construction projects of FPSOs.

(Cash flows from investing activities)

Cash flows from investing activities are outflow of US\$210,542 thousand which is primarily due to purchase of investments accounted for using equity method of US\$229,821 thousand.

(Cash flows from financing activities)

Cash flows from financing activities are inflow of US\$241,146 thousand which is primarily due to proceeds from issuance of bonds of US\$195,518 thousand and proceeds from issuance of new shares of US\$107,549 thousand.

#### (4) Forecast information

Since oil price is fluctuating relatively higher level between US\$70 to around US\$80 a barrel, oil companies are expected to continue to develop focusing deep-sea level oil fields.

Regarding the forecasted consolidated operating results for the year ending December 31, 2024, revenue is expected at US\$3,900,000 thousand (553,137 million yen at the exchange rate of 141.83 yen per US dollar, hereinafter the same) due to the progress of FPSO construction projects. Regarding the profit, construction projects and providing charter services are expected to generate operating profit of US\$200,000 thousand (28,366 million yen), profit before tax of US\$210,000 thousand (29,784 million yen) and profit attributable to owners of parent of US\$120,000 thousand (17,019 million yen).

## **2. Basis of selecting accounting standard**

The Group voluntarily adopted International Financial Reporting Standards (IFRS) for its consolidated financial statements starting with the annual financial statements for the year ended December 31, 2021. The purpose of adoption is to enhance the comparability of financial information internationally and improve the management and governance of the Group by unifying the accounting standards of Group companies.

### 3. Consolidated financial statements and selected notes

#### (1) Consolidated statement of financial position

in thousands of US dollars

	December 31, 2022	December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	492,625	1,013,912
Trade and other receivables	478,083	592,163
Contract assets	257,328	185,585
Loans receivable	—	27,370
Other financial assets	37,288	57,806
Other current assets	141,820	158,712
Total current assets	1,407,147	2,035,550
Non-current assets		
Property, plant and equipment	64,314	50,042
Intangible assets	70,213	49,483
Investments accounted for using equity method	1,114,066	1,374,188
Loans receivable	365,032	348,636
Other financial assets	13,603	13,163
Deferred tax assets	65,016	16,489
Other non-current assets	36,819	367
Total non-current assets	1,729,066	1,852,371
Total assets	3,136,213	3,887,921

in thousands of US dollars

	December 31, 2022	December 31, 2023
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	921,708	1,189,228
Contract liabilities	499,383	590,278
Borrowings	19,084	57,799
Income taxes payable	38,389	70,147
Provisions	109,704	126,268
Other financial liabilities	99,219	150,826
Other current liabilities	76,954	59,551
Total current liabilities	1,764,443	2,244,101
Non-current liabilities		
Bonds and borrowings	374,293	512,954
Deferred tax liabilities	1,283	—
Defined benefit liability	43,959	45,091
Provisions	56,675	24,288
Other financial liabilities	37,127	19,399
Other non-current liabilities	17,310	6,794
Total non-current liabilities	530,649	608,529
Total liabilities	2,295,092	2,852,630
Equity		
Share capital	282,292	190,495
Capital surplus	280,686	187,112
Retained earnings	131,004	522,260
Treasury shares	(1,092)	(1,092)
Other components of equity	118,748	94,042
Equity attributable to owners of parent	811,640	992,817
Non-controlling interests	29,481	42,473
Total equity	841,121	1,035,291
Total liabilities and equity	3,136,213	3,887,921

(2) Consolidated statement of profit or loss and consolidated statement of comprehensive income  
 Consolidated statement of profit or loss

in thousands of US dollars

	2022	2023
Revenue	2,739,762	3,574,924
Cost of sales	(2,671,503)	(3,324,543)
Gross profit	68,259	250,380
Selling, general and administrative expenses	(153,101)	(188,538)
Share of profit of investments accounted for using equity method	126,845	128,677
Other income	33,384	2,513
Other expenses	(57)	(94)
Operating profit	75,330	192,938
Finance income	64,389	90,834
Finance costs	(84,884)	(69,104)
Profit before tax	54,835	214,668
Income tax expense	(13,691)	(88,712)
Profit for the period	41,143	125,955

Profit attributable to		
Owners of parent	37,377	96,536
Non-controlling interests	3,766	29,419
Profit for the period	41,143	125,955

in US dollars

Earnings per share		
Basic earnings per share	0.66	1.55
Diluted earnings per share	0.66	1.55

Consolidated statement of comprehensive income

in thousands of US dollars

	2022	2023
Profit for the period	41,143	125,955
Other comprehensive Income		
Items that will not be reclassified subsequently to profit or loss		
Remeasurements of defined benefit liability	8,378	1,321
Total items that will not be reclassified subsequently to profit or loss	8,378	1,321
Items that may be reclassified subsequently to profit or loss		
Effective portion of cash flow hedges	6,962	5,223
Exchange differences on translation of foreign operations	212	(5,597)
Share of other comprehensive income of investments accounted for using equity method	226,675	(22,766)
Total items that may be reclassified subsequently to profit or loss	233,850	(23,140)
Total other comprehensive income, net of tax	242,228	(21,818)
Total comprehensive income for the period	283,372	104,136

Total comprehensive income attributable to		
Owners of parent	278,925	73,394
Non-controlling interests	4,447	30,741
Total comprehensive income	283,372	104,136

(3) Consolidated statement of changes in equity  
2022

in thousands of US dollars

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	
					Remeasurements of defined benefit liability	Effective portion of cash flow hedges
At January 1, 2022	282,292	280,711	85,957	(1,291)	—	(90,866)
Profit for the period	—	—	37,377	—	—	—
Other comprehensive income	—	—	—	—	7,669	233,656
Total comprehensive income for the period	—	—	37,377	—	7,669	233,656
Capital contribution to newly established subsidiary	—	—	—	—	—	—
Dividends to non-controlling interests	—	—	—	—	—	—
Share-based payment transactions	—	(24)	—	198	—	—
Transfer from other components of equity to retained earnings	—	—	7,669	—	(7,669)	—
Total transactions with owners	—	(24)	7,669	198	(7,669)	—
At December 31, 2022	282,292	280,686	131,004	(1,092)	—	142,790

	Equity attributable to owners of parent			Non-controlling interests	Total equity
	Other components of equity		Total equity attributable to owners of parent		
	Exchange differences on translation of foreign operations	Total other components of equity			
At January 1, 2022	(24,262)	(115,129)	532,541	22,218	554,759
Profit for the period	—	—	37,377	3,766	41,143
Other comprehensive income	221	241,547	241,547	681	242,228
Total comprehensive income for the period	221	241,547	278,925	4,447	283,372
Capital contribution to newly established subsidiary	—	—	—	3,500	3,500
Dividends to non-controlling interests	—	—	—	(684)	(684)
Share-based payment transactions	—	—	173	—	173
Transfer from other components of equity to retained earnings	—	(7,669)	—	—	—
Total transactions with owners	—	(7,669)	173	2,815	2,989
At December 31, 2022	(24,041)	118,748	811,640	29,481	841,121

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	
					Remeasurements of defined benefit liability	Effective portion of cash flow hedges
At January 1, 2023	282,292	280,686	131,004	(1,092)	—	142,790
Profit for the period	—	—	96,536	—	—	—
Other comprehensive income	—	—	—	—	1,565	(19,237)
Total comprehensive income for the period	—	—	96,536	—	1,565	(19,237)
Issuance of new shares	53,572	53,976	—	—	—	—
Reduction of share capital	(145,370)	145,370	—	—	—	—
Transfer from capital surplus to retained earnings	—	(293,154)	293,154	—	—	—
Dividends to non-controlling interests	—	—	—	—	—	—
Share-based payment transactions	—	232	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	1,565	—	(1,565)	—
Total transactions with owners	(91,797)	(93,573)	294,719	—	(1,565)	—
At December 31, 2023	190,495	187,112	522,260	(1,092)	—	123,552

	Equity attributable to owners of parent			Non-controlling interests	Total equity
	Other components of equity		Total equity attributable to owners of parent		
	Exchange differences on translation of foreign operations	Total other components of equity			
At January 1, 2023	(24,041)	118,748	811,640	29,481	841,121
Profit for the period	—	—	96,536	29,419	125,955
Other comprehensive income	(5,469)	(23,141)	(23,141)	1,322	(21,818)
Total comprehensive income for the period	(5,469)	(23,141)	73,394	30,741	104,136
Issuance of new shares	—	—	107,549	—	107,549
Reduction of share capital	—	—	—	—	—
Transfer from capital surplus to retained earnings	—	—	—	—	—
Dividends to non-controlling interests	—	—	—	(17,750)	(17,750)
Share-based payment transactions	—	—	232	—	232
Transfer from other components of equity to retained earnings	—	(1,565)	—	—	—
Total transactions with owners	—	(1,565)	107,782	(17,750)	90,032
At December 31, 2023	(29,510)	94,042	992,817	42,473	1,035,291



## (4) Consolidated statement of cash flows

in thousands of US dollars

	2022	2023
Cash flows from operating activities		
Profit before tax	54,835	214,668
Depreciation and amortization	39,606	40,690
Increase (decrease) in provisions	(152,571)	(16,938)
Increase (decrease) in defined benefit liability	(10,741)	1,130
Share of profit of investments accounted for using equity method	(126,845)	(128,677)
Finance income and finance costs	20,495	(21,730)
Decrease (increase) in trade and other receivables	(91,633)	(104,945)
Decrease (increase) in contract assets	447,452	71,743
Decrease (increase) in other current assets	7,497	(13,738)
Increase (decrease) in trade and other payables	(437,736)	260,298
Increase (decrease) in contract liabilities	89,660	77,921
Increase (decrease) in other current liabilities	(23,110)	(21,976)
Other	(66,469)	24,117
Subtotal	(249,559)	382,561
Interest received	39,631	44,258
Dividends received	46,229	96,712
Interest paid	(16,898)	(22,310)
Income taxes paid	(28,298)	(15,335)
Net cash provided by (used in) operating activities	(208,895)	485,886
Cash flows from investing activities		
Net decrease (increase) in short-term loans receivable	(8,295)	—
Payments for long-term loans receivable	(24,103)	—
Receipts of long-term loans receivable	60,604	20,527
Purchase of property, plant and equipment and intangible assets	(6,883)	(7,469)
Purchase of investments accounted for using equity method	(96,383)	(229,821)
Proceeds from liquidation of investments accounted for using equity method	8,464	6,221
Proceeds from capital reduction of investments accounted for using equity method	9,749	—
Net cash used in investing activities	(56,846)	(210,542)
Cash flows from financing activities		
Proceeds from issuance of bonds	—	195,518
Repayments of long-term borrowings	(31,620)	(19,084)
Payments of lease liabilities	(21,463)	(25,274)
Proceeds from issuance of new shares	—	107,549
Capital contribution to newly established subsidiary from non-controlling shareholder	3,500	—
Dividends paid	(19)	(10)
Dividends paid to non-controlling interests	(684)	(17,750)
Receipt of government grants	707	197
Proceeds from settlement of derivative contracts	568	—
Net cash provided by (used in) financing activities	(49,013)	241,146
Effect of changes in exchange rates on cash and cash equivalents	(2,750)	4,795
Net increase (decrease) in cash and cash equivalents	(317,505)	521,286
Cash and cash equivalents at beginning of year	810,131	492,625
Cash and cash equivalents at end of year	492,625	1,013,912

(5) Selected notes to the consolidated financial statements

(Note to ability to continue as a going concern)

There are no material uncertainties that require disclosure.

(Operating segments)

(1) General information of reportable segments

An operating segment is a component of the Group for which discrete financial information is available and whose operating results are regularly reviewed by the Group's management to make decisions about resources to be allocated to the segment and assess its performance. The Group is solely engaged in construction of floating, production, storage and offloading systems for oil and gas productions and various related services as single business; therefore, general information of reportable segments is not presented.

(2) Information about products and services

The Group is solely engaged in construction of floating, production, storage and offloading systems for oil and gas productions and various related services as single business; therefore, information about products and services is not presented.

(3) Information about geographical areas

Revenues from external customers by geographical areas are as follows:

in thousands of US dollars

	2022	2023
Brazil	1,659,707	1,896,033
Guyana	115,254	823,745
Senegal	490,056	450,161
Ghana	166,912	97,720
Cote d'Ivoire	— (Note) 2	97,627
Mexico	155,088	84,307
Others	152,743	125,328
Total	2,739,762	3,574,924

Note:

1. Revenue is categorized based on the ultimate destination of products and services.
2. Amounts not subject to disclosure.

Carrying amounts of non-current assets by geographical areas are as follows:

in thousands of US dollars

	December 31, 2022	December 31, 2023
Netherlands	1,101,747	1,363,281
Singapore	60,418	52,003
United States	56,180	32,364
Japan	38,515	9,670
Others	28,505	16,758
Total	1,285,368	1,474,078

Note: Financial instruments other than investments accounted for using equity method, deferred tax assets and rights arising under insurance contracts are excluded.

(4) Information about major customers

Customers represent more than 10% of consolidated revenue are as follows:

in thousands of US dollars

Customer's name	2022	2023
Esso Exploration and Production Guyana Limited	— (Note)	821,739
Equinor Brasil Energia Ltda.	660,690	532,478
Equinor Energy do Brasil Ltda.	— (Note)	516,626
Woodside Energy (Senegal) B.V.	490,056	450,161

Note: Amounts not subject to disclosure.

(Earnings per share)

Share data used in basic earnings per share and diluted earnings per share calculations are as follows:

	2022	2023
Profit used in basic earnings per share calculation (in thousands of US dollars)	37,377	96,536
Adjustment for profit (in thousands of US dollars)	—	—
Profit used in diluted earnings per share calculation (in thousands of US dollars)	37,377	96,536
Weighted average number of ordinary shares used in basic earnings per share calculation (in thousands of shares)	56,367	62,420
Effect of dilutive potential ordinary shares		
Share-based compensation (in thousands of shares)	26	39
Weighted average number of ordinary shares used in diluted earnings per share calculation (in thousands of shares)	56,394	62,459

Note: The Company's ordinary shares owned by trust are excluded from weighted average number of ordinary shares used in determining basic earnings per share. The weighted average number of ordinary shares owned by trust and excluded are 37 thousand shares in 2023 (39 thousand shares in 2022).

(Subsequent events)

There are no significant or material reportable events.