



**2023** ANNUAL REPORT

**BM**  
**OFFSHORE**



### Contract liabilities

Current contract liabilities of US\$74 million (2022: US\$42 million) comprise the amounts of those individual contracts for which the total installments invoiced exceed the revenue recognized over time. Contract liabilities are reported in trade and other payables (see note 4.3.25 Trade and Other Payables).

As at December 31, 2023, current contract liabilities relate to one of the Company's renewable projects and other minor construction projects.

Non-current contract liabilities of US\$22 million (2022: nil) have been recognized as at December 31, 2023, following the reassessment of the demobilization performance obligations and associated remeasurement of future demobilization costs in finance lease contracts. This reassessment triggered an increase in the contract liability for demobilization costs. Therefore, as explained in B. Critical Accounting Policies – (f) Demobilization obligations, these future obligations have been recognized during the period through contract liability, for the present value of the change.

The Company recognized revenue of US\$31 million during the period, which was included in the contract liabilities as per December 31, 2022.

### 4.3.4 OTHER OPERATING INCOME AND EXPENSE

	2023	2022
Gains from sale of financial participations, property, plant and equipment	0	9
Other operating income	3	28
<b>Total other operating income</b>	<b>3</b>	<b>37</b>
Other operating expenses	(2)	(6)
Impairment of other assets and onerous contracts	-	(2)
Restructuring expenses	(11)	0
<b>Total other operating expense</b>	<b>(13)</b>	<b>(8)</b>
<b>Total</b>	<b>(10)</b>	<b>28</b>

In 2023, the total other operating income and expense mainly includes a restructuring expense in the amount of US\$11 million corresponding to severance costs relating to the implementation of an optimization plan for the Company's support functions' activities, aiming to improve the global performance and cost efficiency. The restructuring impacted approximately 106 employees.

For comparison, in 2022, the total other operating income and expense mainly included US\$9 million gain realized from the disposal of the SBM Installer and an insurance recovery of US\$27 million in respect of one of the Brazilian units.

### 4.3.5 EXPENSES BY NATURE

The table below sets out expenses by nature for all items included in EBIT for the years 2023 and 2022:

	Note	2023	2022
Expenses on construction contracts		(2,130)	(2,367)
Employee benefit expenses	4.3.6	(842)	(740)
Vessels operating costs		(512)	(412)
Depreciation, amortization and impairment		(94)	(189)
Selling expenses		(10)	(4)
Other costs		(232)	(218)
<b>Total expenses</b>		<b>(3,820)</b>	<b>(3,930)</b>

In 2023 'Expenses on construction contracts' slightly decreased compared to the previous year. Despite having five FPSO's under construction during the period and the start of FPSO FEED work for the Whiptail development project (compared to five FPSO's in 2022), the reduction is a result of lower progress on Turnkey Brazilian projects and the completion of FPSO