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February 14, 2023

## Consolidated Financial Results for the Year Ended December 31, 2022 (IFRS)

Company name: MODEC, INC.  
 Listing: Tokyo Stock Exchange  
 Securities code: 6269  
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 Scheduled date of annual general meeting of shareholders: March 28, 2023  
 Scheduled date to commence dividend payments: —  
 Scheduled date to file annual securities report: March 28, 2023  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions.)

### 1. Consolidated financial results for the year ended December 31, 2022 (from January 1, 2022 to December 31, 2022)

#### (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, 2022	363,593	(18.9)	9,997	-	7,277	-	5,460	-
December 31, 2021	448,510	42.5	(36,512)	-	(39,597)	-	(41,394)	-

	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, 2022	4,960	-	37,606	-	88.00	87.96
December 31, 2021	(41,860)	-	(33,780)	-	(742.75)	(742.75)

	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, 2022	5.9	1.8	2.7
December 31, 2021	(52.7)	(10.4)	(8.1)

Reference: Share of profit (loss) of investments accounted for using equity method

Year ended December 31, 2022: 16,833 million yen; Year ended December 31, 2021: 3,370 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, 2022	416,206	111,625	107,712	25.9	1,910.82
December 31, 2021	393,971	63,802	61,247	15.5	1,086.67

### (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	million yen	million yen	million yen	million yen
December 31, 2022	(27,722)	(7,544)	(6,504)	65,376
December 31, 2021	17,509	(25,364)	30,588	93,173

Note: The original consolidated financial statements of MODEC, INC. and its subsidiaries (hereinafter "the Company") for the years ended December 31, 2022 and 2021 are presented in functional currency of the Company, US dollars. The amounts presented for consolidated operating results, consolidated financial position and consolidated cash flows are converted to Japanese yen, respectively, as follows:

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

December 31, 2021 US\$1.00 = 115.01 Japanese yen at the TTM rate of Sumitomo Mitsui Banking Corporation as of December 30, 2021.

The percentage indicating year-on-year changes is calculated on Japanese yen basis presented above.

Consolidated operating results, consolidated financial position and consolidated cash flow information in US dollars are presented in page 5 of this material.

### 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, 2021	-	15.00	-	0.00	15.00	846	-	1.1
Year ended	-	0.00	-	0.00	0.00	-	-	-
December 31, 2022	-	0.00	-	0.00	0.00	-	-	-
Year ending	-	-	-	-	-		-	
December 31, 2023 (Forecast)	-	-	-	-	-		-	

### 3. Consolidated earnings forecast for 2023 (from January 1, 2023 to December 31, 2023)

(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	398,130	9.5	7,962	(20.4)	9,289	27.7	5,971	20.4	105.94

Note: The original consolidated earnings forecast of the Company is presented in functional currency of the Company, US dollars. The amounts in Japanese yen presented for the consolidated earnings forecast for 2023 is converted using US\$1.00 = 132.71 Japanese yen at the TTM rate of Sumitomo Mitsui Banking Corporation as of December 30, 2022.

The consolidated earnings forecast in US dollars are presented in page 5 of this material.

**\* 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, 2022	56,408,000 shares
As of December 31, 2021	56,408,000 shares

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

As of December 31, 2022	38,217 shares
As of December 31, 2021	45,100 shares

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

Year ended December 31, 2022	56,367,747 shares
Year ended December 31, 2021	56,359,561 shares

**[Reference] Overview of non-consolidated financial results****1. Non-consolidated financial results for the year ended December 31, 2022 (from January 1, 2022 to December 31, 2022)****(1) Non-consolidated operating results**

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended								
December 31, 2022	269,663	(24.7)	(2,747)	-	29,192	-	5,112	-
December 31, 2021	358,045	54.6	(5,535)	-	(4,052)	-	(67,621)	-

	Basic earnings per share	Diluted earnings per share
Year ended	yen	yen
December 31, 2022	90.69	-
December 31, 2021	(1,199.82)	-

**(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, 2022	241,328	21,532	8.9	381.98
December 31, 2021	263,987	16,389	6.2	290.78

Reference: Equity as of December 31, 2022: 21,532 million yen; as of December 31, 2021: 16,389 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 functional currency of the Company, US dollars.
  - 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 an on-line financial result presentation for institutional investors and analysts on February 15th, 2023. The material used for the financial result presentation will be posted on the Company's web site immediately following the session.

**[Reference] Consolidated financial results for the year ended December 31, 2022 and consolidated earnings forecast for the year ending December 31, 2023 presented in functional currency of the Company, US dollars**

(US dollar amounts are rounded down to thousands.)

**1. Consolidated financial results for the year ended December 31, 2022 (from January 1, 2022 to December 31, 2022)**

**(1) Consolidated operating results**

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit	
	US\$ thousand	%	US\$ thousand	%	US\$ thousand	%	US\$ thousand	%
Year ended								
December 31, 2022	2,739,762	(29.7)	75,330	—	54,835	—	41,143	—
December 31, 2021	3,899,748	42.5	(317,552)	-	(344,300)	-	(359,920)	-

	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share		Diluted earnings per share	
	US\$ thousand	%	US\$ thousand	%	US\$		US\$	
Year ended								
December 31, 2022	37,377	—	283,372	—	0.66		0.66	
December 31, 2021	(363,975)	-	(293,720)	-	(6.46)		(6.46)	

	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, 2022		5.6		1.7		2.7
December 31, 2021		(52.7)		(10.4)		(8.1)

Reference: Share of profit (loss) of investments accounted for using equity method

Year ended December 31, 2022: US\$126,845 thousand; Year ended December 31, 2021: US\$29,309 thousand

**(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	
	US\$ thousand		US\$ thousand		US\$ thousand		%		US\$	
As of										
December 31, 2022	3,136,213		841,121		811,640		25.9		14.40	
December 31, 2021	3,425,542		554,759		532,541		15.5		9.45	

**(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	
	US\$ thousand		US\$ thousand		US\$ thousand		US\$ thousand	
Year ended								
December 31, 2022	(208,895)		(56,846)		(49,013)		492,625	
December 31, 2021	152,239		(220,544)		265,965		810,131	

**2. Consolidated earnings forecast for 2023 (from January 1, 2023 to December 31, 2023)**

(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	3,000,000	9.5	60,000	(20.4)	70,000	27.7	45,000	20.4	0.80	

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## 1. Qualitative information on financial results

### (1) Results of operations

In 2022 the recovery of personal consumption and corporate profits were observable in Japanese economy as economic and social activities became normalized while the impact of COVID-19 continued. However, Japanese economy still faces the growing uncertainties due to the rapid depreciation of Japanese yen and rising raw material prices. On the other hand, the global economy was generally on a recovery trend since it becomes normalized although slowdown in recovery in some countries were observable due to the impact of prolonged Russian invasion of Ukraine and the spread of COVID-19 in China.

Oil price temporarily rose to the lower US\$120s a barrel driven by the EU embargo on Russian crude oil. Since then, it fell to mid US\$70s a barrel due to the concern about an economic recession because of slowdown in Chinese economy and monetary tightening in major countries. Under these circumstances coexisting with the decarbonization trend and maintaining stable energy supply remains an essential issue, and the Group expects the oil companies to maintain the deep-sea oilfield development projects. In addition, regarding the Group's main business of floating, production, storage and offloading systems for oil and gas productions the Group expects continued steady growth especially in the ultra-deep water large-scale projects in which the Group has a competitive advantage.

Under these circumstances, for this year's consolidated operating results the total consolidated orders were US\$1,462,207 thousand (49.6% decrease from previous year) due to variation orders of FPSO construction projects. The consolidated revenue was US\$2,739,762 thousand (29.7% decrease from previous year) due to progress in the construction of FPSOs.

In terms of profit the operating profit was US\$75,330 thousand (operating loss of US\$317,552 thousand in previous year) despite the factors to lowering profit such that the effect of lower profitability of construction projects due to the spread of COVID-19 pandemic from previous year continued to affect this year and FPSOs operating in Brazil incurred additional repair costs.

Meanwhile foreign currency exchange loss due to higher US dollars and the recognition of loss allowance for expected credit loss for the additional loan to associate company which owns an FPSO resulted in increase of finance costs. As a result, the profit before tax for this year was US\$54,835 thousand (loss before tax of US\$344,300 thousand in previous year). From these the profit attributable to owners of the parent for this year was US\$37,377 thousand (loss of US\$363,975 thousand in previous year). At the end of this year the forecast of dividend for year ending December 31, 2023 is not determined.

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, operating results of segments are not presented.

### (2) Financial position

#### ① Financial position

in thousands of US dollars

	December 31, 2021	December 31, 2022	Increase (decrease)
Total assets	3,425,542	3,136,213	(289,328)
Total liabilities	2,870,782	2,295,092	(575,690)
Total equity	554,759	841,121	286,362

At the end of this year total assets decreased by US\$289,328 thousand to US\$3,136,213 thousand from the end of previous year primarily due to decrease in cash and cash equivalents and contract assets.

Total liabilities decreased by US\$575,690 thousand to US\$2,295,092 thousand from the end of previous year primarily due to decrease in trade and other payables.

Total equity increased by US\$286,362 thousand to US\$841,121 thousand from the end of previous year primarily due to increase in other components of equity.

#### ② Factors significantly affecting financial position

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

In FPSO sales project to customer since the Group receives construction funds in advance in accordance

with the progress of construction, the Group does not need to raise the operating funds. On the other hand, in lease and charter projects since project company jointly established by the Group, trading companies and others becomes a purchaser of construction project, the Group is required to bear the construction costs proportionate to investment percentage.

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 raises funds utilizing project finance for the investment funds of FPSOs for lease and charter projects. With the 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 employing the strategy of 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 enhances 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

	December 31, 2021	December 31, 2022	Increase (decrease)
Cash flows from operating activities	152,239	(208,895)	(361,135)
Cash flows from investing activities	(220,544)	(56,846)	163,697
Cash flows from financing activities	265,965	(49,013)	(314,978)
Effect of changes in exchange rates on cash and cash equivalents	(4,679)	(2,750)	1,928
Net increase in cash and cash equivalents	192,981	(317,505)	(510,487)
Cash and cash equivalents at beginning of year	617,149	810,131	192,981
Cash and cash equivalents at end of year	810,131	492,625	(317,505)

(Cash flow from operating activities)

Cash flow from operating activities is outflow of US\$208,895 thousand which is US\$361,135 thousand decrease compared to previous year. This is mainly due to difference in timing between collections of trade receivable and disbursements of trade payable related to the construction projects of FPSOs.

(Cash flow from investing activities)

Cash flow from investing activities is outflow of US\$56,846 thousand which is mainly from purchase of investments accounted for using equity method of US\$96,383 thousand and lending of long-term loans of US\$24,103 thousand.

(Cash flow from financing activities)

Cash flow from financing activities is outflow of US\$49,013 thousand which is mainly from repayments of long-term borrowings of US\$31,620 thousand and payments of lease liabilities of US\$21,463 thousand.



#### (4) Forecast information

Since oil price remains at around US\$80.00 a barrel as tightening of oil supply, oil companies are expected to continue to develop oil fields focusing in deep-sea level.

With regard to forecasted consolidated operating results for the year ending December 31, 2023, revenue is expected at US\$3,000,000 thousand (398,130 million yen at the exchange rate of 132.71 yen per US dollar, hereinafter the same) due to the progress of FPSO construction projects. With regard to profit due to providing construction projects and charter services operating profit is forecasted at US\$60,000 thousand (7,962 million yen), profit before tax at US\$70,000 thousand (9,289 million yen) and profit attributable to owners of parent at US\$45,000 thousand (5,971 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, 2021	December 31, 2022
Assets		
Current assets		
Cash and cash equivalents	810,131	492,625
Trade and other receivables	379,394	478,083
Contract assets	704,730	257,328
Loans receivable	14,176	—
Other financial assets	14,171	37,288
Other current assets	138,134	141,820
Total current assets	2,060,740	1,407,147
Non-current assets		
Property, plant and equipment	51,366	64,314
Intangible assets	80,845	70,213
Investments accounted for using equity method	739,046	1,114,066
Loans receivable	398,562	365,032
Other financial assets	13,278	13,603
Deferred tax assets	54,941	65,016
Other non-current assets	26,760	36,819
Total non-current assets	1,364,801	1,729,066
Total assets	3,425,542	3,136,213

in thousands of US dollars

	December 31, 2021	December 31, 2022
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	1,356,472	921,708
Contract liabilities	405,807	499,383
Bonds and borrowings	426,867	19,084
Income taxes payable	40,564	38,389
Provisions	237,013	109,704
Other financial liabilities	94,549	99,219
Other current liabilities	103,483	76,954
Total current liabilities	2,664,758	1,764,443
Non-current liabilities		
Bonds and borrowings	55	374,293
Deferred tax liabilities	8	1,283
Defined benefit liability	54,693	43,959
Provisions	80,597	56,675
Other financial liabilities	23,584	37,127
Other non-current liabilities	47,084	17,310
Total non-current liabilities	206,024	530,649
Total liabilities	2,870,782	2,295,092
Equity		
Share capital	282,292	282,292
Capital surplus	280,711	280,686
Retained earnings	85,957	131,004
Treasury shares	(1,291)	(1,092)
Other components of equity	(115,129)	118,748
Equity attributable to owners of parent	532,541	811,640
Non-controlling interests	22,218	29,481
Total equity	554,759	841,121
Total liabilities and equity	3,425,542	3,136,213

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

in thousands of US dollars

	2021	2022
Revenue	3,899,748	2,739,762
Cost of sales	(4,125,283)	(2,671,503)
Gross profit (loss)	(225,534)	68,259
Selling, general and administrative expenses	(145,963)	(153,101)
Share of profit of investments accounted for using equity method	29,309	126,845
Other income	24,680	33,384
Other expenses	(44)	(57)
Operating profit (loss)	(317,552)	75,330
Finance income	55,438	64,389
Finance costs	(82,185)	(84,884)
Profit (loss) before tax	(344,300)	54,835
Income tax expense	(15,620)	(13,691)
Profit (loss) for the period	(359,920)	41,143

Profit attributable to		
Owners of parent	(363,975)	37,377
Non-controlling interests	4,055	3,766
Profit (loss) for the period	(359,920)	41,143

in US dollars

Earnings per share		
Basic earnings (loss) per share	(6.46)	0.66
Diluted earnings (loss) per share	(6.46)	0.66

Consolidated statement of comprehensive income

in thousands of US dollars

	2021	2022
Profit (loss) for the period	(359,920)	41,143
Other comprehensive Income		
Items that will not be reclassified subsequently to profit or loss		
Remeasurements of defined benefit liability	5,340	8,378
Total items that will not be reclassified subsequently to profit or loss	5,340	8,378
Items that may be reclassified subsequently to profit or loss		
Effective portion of cash flow hedges	(26,551)	6,962
Exchange differences on translation of foreign operations	(9,492)	212
Share of other comprehensive income of investments accounted for using equity method	96,902	226,675
Total items that may be reclassified subsequently to profit or loss	60,858	233,850
Total other comprehensive income, net of tax	66,199	242,228
Total comprehensive income for the period	(293,720)	283,372

Total comprehensive income attributable to		
Owners of parent	(297,650)	278,925
Non-controlling interests	3,929	4,447
Total comprehensive income	(293,720)	283,372

(3) Consolidated statement of changes in equity  
2021

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, 2021	282,292	280,742	463,852	(1,553)	—	(161,648)
Loss for the period	—	—	(363,975)	—	—	—
Other comprehensive income	—	—	—	—	5,060	70,781
Total comprehensive income for the period	—	—	(363,975)	—	5,060	70,781
Dividends to owners of parent	—	—	(18,980)	—	—	—
Dividends to non-controlling interests	—	—	—	—	—	—
Share-based payment transactions	—	(30)	—	262	—	—
Transfer from other components of equity to retained earnings	—	—	5,060	—	(5,060)	—
Total transactions with owners	—	(30)	(13,919)	262	(5,060)	—
At December 31, 2021	282,292	280,711	85,957	(1,291)	—	(90,866)

	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, 2021	(14,745)	(176,394)	848,940	18,908	867,849
Loss for the period	—	—	(363,975)	4,055	(359,920)
Other comprehensive income	(9,517)	66,325	66,325	(125)	66,199
Total comprehensive income for the period	(9,517)	66,325	(297,650)	3,929	(293,720)
Dividends to owners of parent	—	—	(18,980)	—	(18,980)
Dividends to non-controlling interests	—	—	—	(620)	(620)
Share-based payment transactions	—	—	231	—	231
Transfer from other components of equity to retained earnings	—	(5,060)	—	—	—
Total transactions with owners	—	(5,060)	(18,748)	(620)	(19,368)
At December 31, 2021	(24,262)	(115,129)	532,541	22,218	554,759

	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

## (4) Consolidated statement of cash flows

in thousands of US dollars

	2021	2022
Cash flows from operating activities		
Profit (loss) before tax	(344,300)	54,835
Depreciation and amortization	41,189	39,606
Increase (decrease) in provisions	143,009	(152,571)
Increase (decrease) in defined benefit liability	(3,842)	(10,741)
Share of profit of investments accounted for using equity method	(29,309)	(126,845)
Finance income and finance costs	26,747	20,495
Decrease (increase) in trade and other receivables	(88,454)	(91,633)
Decrease (increase) in contract assets	(83,252)	447,452
Decrease (increase) in other current assets	187,111	7,497
Increase (decrease) in trade and other payables	301,257	(437,736)
Increase (decrease) in contract liabilities	(84,513)	89,660
Other	9,851	(89,580)
Subtotal	75,493	(249,559)
Interest received	32,841	39,631
Dividends received	67,233	46,229
Interest paid	(5,235)	(16,898)
Income taxes paid	(18,093)	(28,298)
Net cash provided by (used in) operating activities	152,239	(208,895)
Cash flows from investing activities		
Net decrease (increase) in short-term loans receivable	(9,301)	(8,295)
Payments for long-term loans receivable	(105,306)	(24,103)
Receipts of long-term loans receivable	—	60,604
Purchase of property, plant and equipment and intangible assets	(29,362)	(6,883)
Proceeds from capital reduction of investments accounted for using equity method	—	9,749
Proceeds from liquidation of investments accounted for using equity method	—	8,464
Purchase of investments accounted for using equity method	(76,573)	(96,383)
Net cash used in investing activities	(220,544)	(56,846)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(29,000)	—
Proceeds from long-term borrowings	160,000	—
Repayments of long-term borrowings	(54,249)	(31,620)
Proceeds from issuance of corporate bond	225,000	—
Payments of lease liabilities	(22,150)	(21,463)
Net decrease (increase) in treasury shares	262	—
Capital contribution to newly established subsidiary from non-controlling shareholder	—	3,500
Dividends paid	(18,994)	(19)
Dividends paid to non-controlling interests	(620)	(684)
Receipt of government grants	2,737	707
Proceeds from settlement of derivative contracts	2,979	568
Net cash provided by (used in) financing activities	265,965	(49,013)
Effect of changes in exchange rates on cash and cash equivalents	(4,679)	(2,750)
Net increase (decrease) in cash and cash equivalents	192,981	(317,505)
Cash and cash equivalents at beginning of year	617,149	810,131
Cash and cash equivalents at end of year	810,131	492,625



(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.

(Additional information)

Update of material uncertainties related to the Company's ability to continue as a going concern:

At the end of previous year there were breaches of the financial covenants with regard to the Company as the borrower of loans and bonds. At the end of this year there are no breaches of financial covenants since they were renegotiated with financial institutions.

Accordingly, the Company has determined that there are no material uncertainties related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

Therefore, there are no disclosures included this year about material uncertainties related to the Company's ability to continue as a going concern in 1. Qualitative information on financial results.

(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

	2021	2022
Brazil	2,818,628	1,659,707
Senegal	517,646	490,056
Ghana	199,138	166,912
Mexico	157,016	155,088
Guyana	— (Note) 2	115,254
Cote d'Ivoire	64,157	— (Note) 2
Others	143,161	152,743
Total	3,899,748	2,739,762

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, 2021	December 31, 2022
Netherlands	720,518	1,101,747
Singapore	45,434	60,418
United States	64,457	56,180
Japan	46,215	38,515
Others	21,337	28,505
Total	897,962	1,285,368

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	2021	2022
Equinor Brasil Energia Ltda.	1,105,552	660,690
Woodside Energy (Senegal) B.V.	517,646	490,056
BUZIOS5 MV32 B.V.	538,220	— (Note)
MARLIM1 MV33 B.V.	496,444	— (Note)

Note: Not presented as less than 10% of consolidated revenue.

(Earnings per share)

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

	2021	2022
Profit used in basic earnings per share calculation (in thousands of US dollars)	(363,975)	37,377
Adjustment for profit (in thousands of US dollars)	-	-
Profit used in diluted earnings per share calculation (in thousands of US dollars)	(363,975)	37,377
Weighted average number of ordinary shares used in basic earnings per share calculation (in thousands of shares)	56,359	56,367
Effect of dilutive potential ordinary shares	-	26
Share-based compensation (in thousands of shares)	-	-
Weighted average number of ordinary shares used in diluted earnings per share calculation (in thousands of shares)	56,359	56,394

Note:

1. The Company's ordinary shares owned by trust are excluded from weighted average number of shares outstanding in determining basic earnings (loss) per share. The weighted average number of treasury shares owned by trust and excluded in determining basic earnings per share are 39 thousand shares in 2022 and 47 thousand shares in 2021.
2. Share-based compensation of 24 thousand shares in 2021 is not included in potential ordinary shares since it has an anti-dilutive effect.

(Subsequent events)

There are no significant or material reportable events.