



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 984 329 075  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: ROSENBERG WORLEY AS  
Forretningsadresse: Bangarvågsgata 15  
4077 HUNDVÅG

### Regnskapsår

Årsregnskapets periode: 01.07.2020 - 30.06.2021

### Konsern

Mørselskap i konsern: Ja  
Konsernregnskap lagt ved: Ja

### Regnskapsregler

Regler for små foretak benyttet: Nei  
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler  
Benyttet ved utarbeidelsen av årsregnskapet til konsernet: -

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Jan Trygve Narvestad  
Dato for fastsettelse av årsregnskapet: 19.10.2021

### Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert  
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

*Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.*

Brønnøysundregistrene, 10.02.2023



## Resultatregnskap

| Beløp i: NOK  | Note | 2021                 | 2020                 |
|---|------|----------------------|----------------------|
| <b>RESULTATREGNSKAP</b>                                       |      |                      |                      |
| <b>Inntekter</b>  |      |                      |                      |
| Revenue   | 2, 3 | 6 218 422 273        | 4 557 526 211        |
| Other income  |      | 5 000                |                      |
| <b>Sum inntekter</b>  |      | <b>6 218 427 273</b> | <b>4 557 526 211</b> |
| <b>Kostnader</b>  |      |                      |                      |
| Raw materials and consumables used                            |      | 4 624 013 337        | 3 079 189 534        |
| Employee benefits expense                                     | 4, 5 | 927 712 061          | 840 617 570          |
| Depreciation of tangible and intangible assets                | 6, 7 | 27 612 421           | 18 122 910           |
| Nedskrivning av varige driftsmidler og immaterielle eiendeler | 6, 7 |                      |                      |
| Other expenses  | 3, 4 | 395 696 308          | 284 637 490          |
| <b>Sum kostnader</b>  |      | <b>5 975 034 127</b> | <b>4 222 567 502</b> |
| <b>Driftsresultat</b>   |      | <b>243 393 145</b>   | <b>334 958 708</b>   |
| <b>Finansinntekter og finanskostnader</b>                     |      |                      |                      |
| Renteinntekt fra foretak i samme konsern                      | 3    | 8 426 503            | 10 783 233           |
| Annen renteinntekt  |      | 56 203               | 1 091 124            |
| <b>Sum finansinntekter</b>                                    |      | <b>8 482 706</b>     | <b>11 874 357</b>    |
| Annen rentekostnad  |      | 451 131              | 226 887              |
| <b>Sum finanskostnader</b>                                    |      | <b>451 131</b>       | <b>226 887</b>       |
| <b>Netto finans</b>   |      | <b>8 031 575</b>     | <b>11 647 470</b>    |
| <b>Ordinært resultat før skattekostnad</b>                    |      | <b>251 424 720</b>   | <b>346 606 178</b>   |
| Income tax expense  | 8    | 55 854 503           | 76 754 001           |
| <b>Ordinært resultat etter skattekostnad</b>                  |      | <b>195 570 217</b>   | <b>269 852 177</b>   |
| <b>Årsresultat</b>  |      | <b>195 570 217</b>   | <b>269 852 177</b>   |
| <b>Årsresultat etter minoritetsinteresser</b>                 |      | <b>195 570 217</b>   | <b>269 852 177</b>   |
| <b>Totalresultat</b>  |      | <b>195 570 217</b>   | <b>269 852 177</b>   |



## Resultatregnskap

| <b>Beløp i: NOK</b>                      | <b>Note</b> | <b>2021</b>        | <b>2020</b>        |
|--|-------------|--------------------|--------------------|
| <b>Overføringer og disponeringer</b>     |             |                    |                    |
| Ordinært utbytte                         | 9           | 90 000 000         |                    |
| Other equity                             | 9           | 105 570 217        | 269 852 177        |
| <b>Sum overføringer og disponeringer</b> |             | <b>195 570 217</b> | <b>269 852 177</b> |



## Balanse

| Beløp i: NOK                                   | Note  | 2021                 | 2020                 |
|--|-------|----------------------|----------------------|
| <b>BALANSE - EIENDELER</b>                     |       |                      |                      |
| <b>Anleggsmidler</b>                           |       |                      |                      |
| <b>Immaterielle eiendeler</b>                  |       |                      |                      |
| Software licences                              | 6     | 7 044 828            | 6 426 256            |
| Utsatt skattefordel                            | 8     |                      |                      |
| <b>Sum immaterielle eiendeler</b>              |       | <b>7 044 828</b>     | <b>6 426 256</b>     |
| <b>Varige driftsmidler</b>                     |       |                      |                      |
| Buildings and land                             | 7     | 32 737 817           | 20 501 427           |
| Machinery and equipment                        | 7     | 38 304 845           | 26 457 923           |
| Ships  | 7     |                      |                      |
| Equipment and other movables                   | 7     | 31 550 060           | 19 813 394           |
| <b>Sum varige driftsmidler</b>                 |       | <b>102 592 722</b>   | <b>66 772 744</b>    |
| <b>Finansielle anleggsmidler</b>               |       |                      |                      |
| Investering i datterselskap                    | 10    | 11 849 676           | 11 849 676           |
| Investering i annet foretak i samme konsern    | 3, 10 |                      |                      |
| Lån til foretak i samme konsern                | 3     |                      |                      |
| Other long-term receivables                    | 5     | 4 159 300            | 2 024 403            |
| <b>Sum finansielle anleggsmidler</b>           |       | <b>16 008 976</b>    | <b>13 874 079</b>    |
| <b>Sum anleggsmidler</b>                       |       | <b>125 646 525</b>   | <b>87 073 078</b>    |
| <b>Omløpsmidler</b>                            |       |                      |                      |
| <b>Varer</b>                                   |       |                      |                      |
| <b>Fordringer</b>                              |       |                      |                      |
| Accounts receivables                           | 3, 11 | 817 264 691          | 698 058 224          |
| Other short-term receivables                   | 3     | 130 184 209          | 66 679 870           |
| Konsernfordringer                              | 3     | 919 237 422          | 696 004 866          |
| <b>Sum fordringer</b>                          |       | <b>1 866 686 322</b> | <b>1 460 742 960</b> |
| <b>Bankinnskudd, kontanter og lignende</b>     |       |                      |                      |
| Cash and cash equivalents                      | 12    | 16 762 287           | 7 259 834            |
| <b>Sum bankinnskudd, kontanter og lignende</b> |       | <b>16 762 287</b>    | <b>7 259 834</b>     |



## Balanse

| Beløp i: NOK                             | Note   | 2021                 | 2020                 |
|--|--------|----------------------|----------------------|
| Sum omløpsmidler                         |        | 1 883 448 609        | 1 468 002 794        |
| <b>SUM EIENDELER</b>                     |        | <b>2 009 095 135</b> | <b>1 555 075 873</b> |
| <b>BALANSE - EGENKAPITAL OG GJELD</b>    |        |                      |                      |
| <b>Egenkapital</b>                       |        |                      |                      |
| <b>Innskutt egenkapital</b>              |        |                      |                      |
| Share capital                            | 9, 13  | 36 907 710           | 36 907 710           |
| <b>Sum innskutt egenkapital</b>          |        | <b>36 907 710</b>    | <b>36 907 710</b>    |
| <b>Opptjent egenkapital</b>              |        |                      |                      |
| Other equity                             | 9, 14  | 163 271 215          | 307 725 997          |
| Result brought forward (aut)             |        |                      |                      |
| <b>Sum opptjent egenkapital</b>          |        | <b>163 271 215</b>   | <b>307 725 997</b>   |
| <b>Sum egenkapital</b>                   |        | <b>200 178 925</b>   | <b>344 633 707</b>   |
| <b>Gjeld</b>                             |        |                      |                      |
| <b>Langsiktig gjeld</b>                  |        |                      |                      |
| Pensjonsforpliktelser                    | 5      | 4 159 300            | 2 024 403            |
| Utsatt skatt                             | 8      | 86 667 296           | 46 607 761           |
| Other provisions                         | 15     | 109 952 998          | 79 455 765           |
| <b>Sum avsetninger for forpliktelser</b> |        | <b>200 779 594</b>   | <b>128 087 929</b>   |
| <b>Annen langsiktig gjeld</b>            |        |                      |                      |
| Other non-current liabilities            | 16     | 169 180              | 301 683              |
| <b>Sum annen langsiktig gjeld</b>        |        | <b>169 180</b>       | <b>301 683</b>       |
| <b>Sum langsiktig gjeld</b>              |        | <b>200 948 773</b>   | <b>128 389 612</b>   |
| <b>Kortsiktig gjeld</b>                  |        |                      |                      |
| Liabilities to financial institutions    | 16     | 122 173              | 117 475              |
| Leverandørgjeld                          | 3      | 630 029 595          | 378 427 728          |
| Tax payable                              | 8      | 11 633 783           | 32 518 273           |
| Public duties payable                    |        | 53 488 941           | 41 616 268           |
| Utbytte                                  | 9      | 90 000 000           |                      |
| Other current liabilities                | 3, 11, | 822 692 944          | 629 372 809          |



## Balanse

| <b>Beløp i: NOK</b>             | <b>Note</b> | <b>2021</b>          | <b>2020</b>          |
|---------------------------------|-------------|----------------------|----------------------|
|                                 | 15          |                      |                      |
| <b>Sum kortsiktig gjeld</b>     |             | <b>1 607 967 437</b> | <b>1 082 052 553</b> |
| <b>Sum gjeld</b>                |             | <b>1 808 916 210</b> | <b>1 210 442 165</b> |
| <b>SUM EGENKAPITAL OG GJELD</b> |             | <b>2 009 095 135</b> | <b>1 555 075 872</b> |



Rosenberg Worley AS

## **Annual report 2020/2021**

### **Board of Directors report**

#### **Annual accounts**

**Income statement**

**Balance sheet**

**Cash flow statement**

**Notes**

### **Auditors report**



## Board of Directors' report fiscal year 2021 Rosenberg Worley AS

The report covers the activities during the fiscal year 2021, running from 1 July 2020 to 30 June 2021.

### **The Company's activities**

Rosenberg Worley AS is one of the leading suppliers to the Norwegian energy industry operating on the Norwegian Continental Shelf (NCS). From its base in Stavanger the Company takes on a wide range of projects including engineering and construction of modules and platform deck structures, maintenance and modifications to existing facilities, subsea templates and installations, and the fabrication of structures and pipes. The Company offers a wide range of services, such as early phase concept development, design, fabrication, testing, installation & hook-up, commissioning, operation and maintenance.

The Company's shareholder is Worley Norway AS. Worley Norway AS is a fully owned subsidiary of Worley Limited, one of the leading professional service companies in the world. Worley Limited is listed on the Australian Stock Exchange (ASX) with ticker WOR. For more information see also [www.worley.com](http://www.worley.com).

### **Going concern**

In accordance with section 3-3a of the Norwegian Accounting Act, it is confirmed that the financial statements have been prepared on a going concern assumption and that the conditions for this assumption are in place. The fiscal year 2021 resulted in a profit for Rosenberg Worley AS and the Company is in a satisfactory financial position at year end. The assessment is based upon the Company's financial prognosis for the next two fiscal years, as well as the long-term expectations for the years ahead.

### **Working environment and safety**

We have had an ongoing strong emphasis on safety and preventive measures to ensure that we avoid accidents and personal injury throughout fiscal year 2021.

The Covid-19 crisis have given us challenges, however we have seen a low amount of cases in Rosenberg. We have throughout the whole period kept dedicated personnel in our Covid team in order to keep business running as normal as possible.

To contribute to strong HSE performance, we focus on genuine efforts to continuously improve our safety culture through fiscal year 2022 and reduce the TRIF by continue to do our behavior-based safety program and use focus group sessions with operators and line management. We have implemented the Life Saving Rules together with behavioral tools as Take 5 for safety.

The Company is an Inclusive Workplace ("IA-bedrift") and works energetically to follow up employees with health problems. The committee's efforts and cooperation with the Norwegian Labour and Welfare Organization (NAV) has been a success, a fact reflected in low levels of absence due to illness. Absence due to illness amounted to 3.8 percent for the Company in fiscal year 2021, which is an improvement compared to fiscal year 2020.

### **Equal opportunities**

Rosenberg Worley AS is working actively to promote the objectives of the Norwegian Equal Opportunities Act within our operation, and the Company's objective is to be a workplace free of any discrimination. Our main office building is designed to accommodate universal access.

We believe in the benefits of a diverse and inclusive workplace and the ratio of women to men is 18% for the whole Company, an increase of 0,4% compared to last year. Women also hold 22% of



the leadership roles in our organization.

We continue to invest in leadership development of our female talents, and 22 women completed our leadership training programs this year. For our sponsorship program we prioritized women only and 6 women participated.

The Board comprises 1 woman and 5 men. We have 40 nationalities amongst our workforce.

### **The external environment**

Except for one minor discharge to the sea, there have been no incidents with undesirable environmental emissions or discharges. The Company adheres to applicable regulations and works continuously to minimize any environmental impact. Waste from production is segregated to maximize recycling. We continuously seek to minimize use of hazardous substances, and any hazardous waste is handled in accordance with statutory requirements.

### **Financial performance**

The Board of Directors believes that the annual report provides an accurate overview of the Company's assets, liabilities, and its financial development in fiscal year 2021.

Revenue for fiscal year 2021 was NOK 6,218 million. Profit before tax was NOK 251 million. Revenue for fiscal year 2020 was NOK 4,558 million and profit before tax was NOK 347 million.

The company has during the year declared and paid dividend based on the Annual accounts for FY2020, a total of NOK 250.025 million to Worley Norway AS as decided in board meeting on December 14, 2020.

This year the level of activity increased substantially due to growth in existing contracts and award of new contracts.

Bank deposits amounted to NOK 16.8 million as of 30 June 2021. Liquidity is considered to be acceptable.

The Company is involved in long-term construction contracts which give rise to estimation uncertainty. Estimation uncertainty related to revenue, variations and cost to complete is evaluated and measured at the best estimate.

Over the course of the year, the Company has been engaged in minor research and development work, primarily related to internal improvement processes and methods.

Rosenberg Worley's strategic goals for fiscal year 2021 were to be a leader in the HSE field, deliver on existing contracts, win contracts, operate within budgets, be a good employer and have satisfied customers. A summary of the year shows that the Company has made good progress against all targets.

### **The market and future development**

It is the Board's opinion that the Company's financial position is satisfactory. The Company's equity-to-assets ratio is 10 percent.

The Company has positioned itself as an important Engineering, Procurement & Construction (EPC) player on the NCS and will continue initiatives for development. The Worley Group's ownership has strengthened the Company's ability to be awarded and execute contracts, also outside of Norway.



The Company has during the last years made significant improvements to its cost base and operational efficiency and has implemented continuous improvement as means of increasing competitiveness and enhancing business performance. A key focus area has also been to strengthen communication of our capabilities and to further improve client relationships. This is now reflected in an increased number of clients and potential bid opportunities.

The COVID situation and oil price development has made a great impact also on the Norwegian oil and gas investment climate resulting in greater market uncertainty. In response to this, the Norwegian government launched a tax reform aiming at stimulating project activity that could mitigate the potential layoffs in the oil service industry. In this situation Rosenberg have a high backlog that can offset the near-term lower market activity. As a result of the tax reform a large number of projects are being matured for sanctioning during 2022, providing good medium term activity outlook.

The company has increased the focus on the energy transition & renewables and is actively engaged in technology qualification programs for offshore wind solutions as well as positioning work for EPC delivery of offshore substations.

#### **Financial risk**

The Company is exposed to liquidity risk, credit risk, interest rate risk and foreign exchange risk in its ordinary business activities and aims towards acceptable risk in these areas. Derivatives are used to hedge financial risk where relevant. The Company had no open contracts at fiscal year-end.

#### **Net profit for the period and allocation of profit**

The Board proposes that the net profit after tax of NOK 195,570,217 allocated as follows:

|                             |                 |
|-----------------------------|-----------------|
| Dividend                    | NOK 90,000,000  |
| Transferred to other equity | NOK 105,570,217 |
| Total allocated             | NOK 195,570,217 |

The Company's free equity was NOK 163,271,215 per 30.06.2021.



Stavanger, 19 October 2021  
The Board of Rosenberg Worley AS

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Vinayak Pai  
Chair of the Board

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Bradley Andrews  
Member of the Board

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Erwin Geene  
Member of the Board

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Helga Skjeie  
Member of the Board

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Nicholas Neill Staurland  
Member of the Board

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Anders Hanevik  
Member of the Board

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Jan Trygve Narvestad  
Managing Director



## Income statement

Rosenberg Worley AS

| Amounts in NOK  | Note | FY2021               | FY2020               |
|---|------|----------------------|----------------------|
| <b>Operating income and operating expenses</b>                    |      |                      |                      |
| Revenue   | 2, 3 | 6 218 422 273        | 4 557 526 211        |
| Other operating income  |      | 5 000                | 0                    |
| <b>Total operating income</b>                                     |      | <b>6 218 427 273</b> | <b>4 557 526 211</b> |
| Cost of materials   |      | 4 624 013 337        | 3 079 189 534        |
| Personnel expenses  | 4, 5 | 927 712 061          | 840 617 570          |
| Depreciation of tangible and intangible assets                    | 6, 7 | 27 612 421           | 18 122 910           |
| Other operating expenses  | 3, 4 | 395 696 308          | 284 637 490          |
| <b>Total operating expenses</b>                                   |      | <b>5 975 034 127</b> | <b>4 222 567 502</b> |
| <b>Operating profit</b>   |      | <b>243 393 145</b>   | <b>334 958 708</b>   |
| <b>Financial income and expenses</b>                              |      |                      |                      |
| Interest income from group companies                              | 3    | 8 426 503            | 10 783 233           |
| Other interest income   |      | 56 203               | 1 091 124            |
| Other interest expenses   |      | 451 131              | 226 887              |
| <b>Net financial items</b>  |      | <b>8 031 575</b>     | <b>11 647 470</b>    |
| <b>Profit (+) / loss (-) before income tax expense</b>            |      | <b>251 424 720</b>   | <b>346 606 178</b>   |
| Tax on ordinary result  | 8    | 55 854 503           | 76 754 001           |
| <b>Ordinary result after tax</b>                                  |      | <b>195 570 217</b>   | <b>269 852 177</b>   |
| <b>Annual net profit (+) / loss (-)</b>                           |      | <b>195 570 217</b>   | <b>269 852 177</b>   |
| <b>Net profit or loss for the year is distributed as follows:</b> |      |                      |                      |
| Allocated to dividend   | 9    | 90 000 000           | 0                    |
| Other equity  | 9    | 105 570 217          | 269 852 177          |
| <b>Total distributed</b>  |      | <b>195 570 217</b>   | <b>269 852 177</b>   |



## Balance Sheet

Rosenberg Worley AS

| Amounts in NOK                      | Note  | 30.06.2021           | 30.06.2020           |
|-------------------------------------|-------|----------------------|----------------------|
| <b>Assets</b>                       |       |                      |                      |
| <b>Fixed assets</b>                 |       |                      |                      |
| <b>Intangible assets</b>            |       |                      |                      |
| Software licences                   | 6     | 7 044 828            | 6 426 256            |
| <b>Total intangible assets</b>      |       | <b>7 044 828</b>     | <b>6 426 256</b>     |
| <b>Tangible assets</b>              |       |                      |                      |
| Buildings and land                  | 7     | 32 737 817           | 20 501 427           |
| Machinery and equipment             | 7     | 38 304 845           | 26 457 923           |
| Equipment and other movables        | 7     | 31 550 060           | 19 813 394           |
| <b>Total tangible assets</b>        |       | <b>102 592 722</b>   | <b>66 772 744</b>    |
| <b>Financial fixed assets</b>       |       |                      |                      |
| Investments in subsidiaries         | 10    | 11 849 676           | 11 849 676           |
| Other long-term receivables         | 5     | 4 159 300            | 2 024 403            |
| <b>Total financial fixed assets</b> |       | <b>16 008 976</b>    | <b>13 874 079</b>    |
| <b>Total fixed assets</b>           |       | <b>125 646 525</b>   | <b>87 073 078</b>    |
| <b>Current assets</b>               |       |                      |                      |
| <b>Debtors</b>                      |       |                      |                      |
| Accounts receivables                | 3, 11 | 817 264 691          | 698 058 224          |
| Short-term group deposits           | 3     | 919 237 422          | 696 004 866          |
| Other short-term receivables        | 3     | 130 184 209          | 66 679 870           |
| <b>Total receivables</b>            |       | <b>1 866 686 322</b> | <b>1 460 742 960</b> |
| Cash and bank deposits              | 12    | 16 762 287           | 7 259 834            |
| <b>Total current assets</b>         |       | <b>1 883 448 609</b> | <b>1 468 002 794</b> |
| <b>Total assets</b>                 |       | <b>2 009 095 135</b> | <b>1 555 075 873</b> |



### Balance Sheet

Rosenberg Worley AS

| Amounts in NOK                                | Note      | 30.06.2021           | 30.06.2020           |
|---|-----------|----------------------|----------------------|
| <b>Equity and liabilities</b>                 |           |                      |                      |
| <b>Paid-up equity</b>                         |           |                      |                      |
| Share capital                                 | 9, 13     | 36 907 710           | 36 907 710           |
| <b>Total paid-up equity</b>                   |           | <b>36 907 710</b>    | <b>36 907 710</b>    |
| <b>Retained earnings</b>                      |           |                      |                      |
| Other equity                                  | 9, 14     | 163 271 215          | 307 725 997          |
| <b>Total retained earnings</b>                |           | <b>163 271 215</b>   | <b>307 725 997</b>   |
| <b>Total equity</b>                           |           | <b>200 178 925</b>   | <b>344 633 707</b>   |
| <b>Liabilities</b>                            |           |                      |                      |
| <b>Provisions for liabilities</b>             |           |                      |                      |
| Pension liabilities                           | 5         | 4 159 300            | 2 024 403            |
| Deferred tax                                  | 8         | 86 667 296           | 46 607 761           |
| Other provisions                              | 15        | 109 952 998          | 79 455 765           |
| <b>Total provisions</b>                       |           | <b>200 779 594</b>   | <b>128 087 929</b>   |
| <b>Other non-current liabilities</b>          |           |                      |                      |
| Other non-current liabilities                 | 16        | 169 180              | 301 683              |
| <b>Total of other non-current liabilities</b> |           | <b>169 180</b>       | <b>301 683</b>       |
| <b>Current debt</b>                           |           |                      |                      |
| Liabilities to financial institutions         | 16        | 122 173              | 117 475              |
| Trade creditors                               | 3         | 630 029 595          | 378 427 728          |
| Tax payable                                   | 8         | 11 633 783           | 32 518 273           |
| Public duties payable                         |           | 53 488 941           | 41 616 268           |
| Dividend                                      | 9         | 90 000 000           | 0                    |
| Other current liabilities                     | 3, 11, 15 | 822 692 944          | 629 372 809          |
| <b>Total current liabilities</b>              |           | <b>1 607 967 437</b> | <b>1 082 052 553</b> |
| <b>Total liabilities</b>                      |           | <b>1 808 916 210</b> | <b>1 210 442 165</b> |
| <b>Total equity and liabilities</b>           |           | <b>2 009 095 135</b> | <b>1 555 075 872</b> |



**Balance Sheet**

Rosenberg Worley AS

Stavanger, 19 October 2021

The board of Rosenberg Worley AS

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Vinayak Pai

Chair of the Board



Bradley Andrews

Member of the Board



Erwin Geene

Member of the Board



Nicholas Neill Staurland

Member of the Board



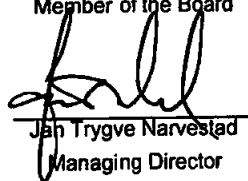
Helga Skjeie

Member of the Board



Anders Hanevik

Member of the Board



Jan Trygve Narvestad

Managing Director



## Cash flow statement

Rosenberg Worley AS

| Amounts in NOK   | FY2021                     | FY2020                     |
|--|----------------------------|----------------------------|
| <b>Cash flows from operating activities</b>            |                            |                            |
| Profit/loss before tax                                 | 251 424 720                | 346 606 178                |
| Taxes paid   | 36 109 889                 | 0                          |
| Depreciation and amortization                          | 27 612 421                 | 18 122 910                 |
| Changes in trade receivables                           | -119 206 467               | -267 293 029               |
| Changes in trade payables                              | 251 601 867                | 34 734 024                 |
| Changes in other accruals                              | 171 616 133                | 210 842 031                |
| <b>Net cash flows from operating activities</b>        | <b><u>546 938 785</u></b>  | <b><u>343 012 114</u></b>  |
| <b>Cash flows from investment activities</b>           |                            |                            |
| Purchase of fixed assets                               | 64 050 971                 | 48 732 024                 |
| Proceeds from short term group deposits                | -223 232 556               | -200 372 466               |
| <b>Net cash flows from investment activities</b>       | <b><u>-287 283 527</u></b> | <b><u>-249 104 490</u></b> |
| <b>Cash flows from financing activities</b>            |                            |                            |
| Proceeds from long term loan                           | 0                          | -46 274 715                |
| Proceeds from short term loans                         | 127 805                    | 122 215                    |
| Payment of Group contribution/dividend                 | 250 025 000                | 160 000 000                |
| <b>Net cash flows from financing activities</b>        | <b><u>-250 152 805</u></b> | <b><u>-113 847 500</u></b> |
| <b>Net change in cash and cash equivalents</b>         | <b><u>9 502 453</u></b>    | <b><u>-19 939 876</u></b>  |
| Cash and cash equivalents at 01.07                     | <u>7 259 834</u>           | <u>27 199 710</u>          |
| <b>Cash and cash equivalents at financial year end</b> | <b><u>16 762 287</u></b>   | <b><u>7 259 834</u></b>    |



## Notes to the accounts for FY2021

Rosenberg Worley AS

*Amounts in NOK*

### Note 1 - Accounting principles

The annual report is prepared according to the Norwegian Accounting Act and Norwegian generally accepted accounting principles. The financial year FY2021 runs from 1 July 2020 until 30 June 2021.

#### Foreign currency translation

Transactions in foreign currency are recognized using the exchange rate on the transaction date. Monetary items and liabilities in foreign currency are re-valued using the exchange rate on the balance sheet date. Non-monetary items measured at historical exchange rate expressed in foreign currency are re-valued using the exchange rate on the transaction date. Non-monetary items measured at fair value in foreign currency are re-valued using the exchange rate on the balance sheet date. Changes in exchange rates are recognized in the income statement during the year as Cost of materials.

#### Sales revenue

Revenue from sales of goods is recognized at the time of delivery. Revenue from long term construction contracts is recognized in accordance with the projects' percentage of completion, when the outcome can be estimated reliably. The percentage of completion is measured based on estimated progress. When outcome cannot be estimated reliably, revenue is recognized based on the project costs incurred with a zero profit margin. When projects with an expected loss are identified the total estimated loss is recognized in the income statement immediately.

#### Income tax

The tax expense consists of tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on differences between the book value and tax value of assets and liabilities. Deferred tax is calculated as 22 percent of temporary differences and tax losses carried forward. Deferred tax assets are recorded in the balance sheet when it is likely that the tax assets will be utilized. Taxes are recognized directly in equity to the extent that they relate to equity transactions.

#### Balance sheet classification

Current assets are assets expected to be converted to cash, sold or consumed within one year from balance sheet date. Current liabilities are obligations expected to be settled within one year from balance sheet date. Assets and liabilities that are not classified as current are fixed assets and long term liabilities, respectively.

Current assets are valued at the lower of acquisition cost and fair value. Short term creditors are recognized at nominal value.

Fixed assets are valued at acquisition cost less impairment, depreciation and amortization. Long term liabilities are recognized at nominal value.

#### Property, plant and equipment

Property, plant and equipment is capitalized and depreciated over the estimated useful economic life. Direct maintenance costs are expensed as incurred, whereas improvements and upgrading are capitalized at cost and depreciated alongside the asset. If the carrying value of a non-current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net selling price and the value in use. Value in use is the net present value of future cash flows.



## Notes to the accounts for FY2021

### Rosenberg Worley AS

*Amounts in NOK*

#### **Subsidiaries**

Subsidiaries are valued using the cost method. If the carrying value exceeds the estimated recoverable amount, the asset will be written down unless the reduction in value is considered temporary and a write down is not deemed necessary by generally accepted accounting principles. Write downs may be reversed if the causes of the initial write down are no longer present.

Dividends and other distributions are recognized when approval by the General Meeting is considered highly probable. If dividends exceed retained earnings after acquisition, the exceeding amount represents reimbursement of invested capital, and the distribution will be subtracted from the value of the acquisition in the balance sheet.

#### **Trade and other receivables**

Trade receivables and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful receivables. Provisions for doubtful receivables are made on the basis of individual assessments.

#### **Pensions**

The Company has a defined contribution pension plan and an early retirement scheme (AFP). AFP is accounted for as if it was a defined contribution plan. Pension premium are recognized as pension cost and classified as a part of the staff cost.

#### **Leasing**

The Company has entered into lease agreements as a lessee. Lease agreements are classified as finance or operating leases on the basis of a specific assessment of each lease.

For finance lease, an amount equivalent to the lower of the fair value and the present value of the minimum lease payment is reported on the balance sheet at beginning of the lease period. The same depreciation period is used as for the Company's other depreciable assets.

Lease agreements are classified as operating leases when the lessor has the substantial risk related to the asset. Operating leases are expensed on a straight-line basis over the period of the lease.

#### **Warranty**

Obligations for future warranty work related to delivered projects and sales are estimated and accrued on the balance sheet date based on the Company's best estimate. The liability is accrued in the balance sheet and changes are recognized in the income statement.

#### **Financial market risk**

The Company is exposed to liquidity risk, credit risk, interest rate risk and foreign exchange risk during their ordinary business activities, and aims towards acceptable risk in these areas. Derivatives are used to hedge risk where relevant. The Company had no open contracts at financial year end.

#### **Cash flow statement**

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term liquid deposits.

#### **Intercompany balances and transactions**

The Company makes many transactions with Group Companies and associates. All transactions are a part of ordinary business transactions unless specified otherwise.



## Notes to the accounts for FY2021

### Rosenberg Worley AS

Amounts in NOK

#### Note 2 - Sales revenue

Revenue is generated through field development, engineering, construction, operation, maintenance and modifications, which is considered as one segment. All revenue is generated in Norway.

#### Note 3 - Related parties

|   | FY2021             | FY2020             |
|---|--------------------|--------------------|
| <b>Sales</b>                                |                    |                    |
| Subsidiaries                                | 63 350             | 80 850             |
| Associated companies                        | 25 139 350         | 95 845 576         |
| <b>Sales to group companies</b>             | <b>25 202 700</b>  | <b>95 926 426</b>  |
| <b>Purchases</b>                            |                    |                    |
| Subsidiaries                                | 47 361 405         | 39 333 036         |
| Associated companies                        | 172 021 673        | 101 947 408        |
| <b>Purchases from group companies</b>       | <b>219 383 078</b> | <b>141 280 444</b> |
| <b>Interest income</b>                      |                    |                    |
| Subsidiaries                                | 1 096              | 0                  |
| Parent company                              | 0                  | 410 767            |
| Associated companies                        | 8 425 407          | 10 372 466         |
| <b>Interest income from group companies</b> | <b>8 426 503</b>   | <b>10 783 233</b>  |
|   | <b>FY2021</b>      | <b>FY2020</b>      |
| <b>Receivables</b>                          |                    |                    |
| Receivables subsidiaries                    | 857 313            | 655 000            |
| Receivables associated companies            | 3 302 934          | 12 430 000         |
| Loan to parent company                      | 0                  | 0                  |
| Short term deposits to associated companies | 918 001 811        | 685 001 811        |
| <b>Total</b>                                | <b>922 162 057</b> | <b>698 086 811</b> |
| <b>Payables</b>                             |                    |                    |
| Payables subsidiaries                       | 1 548 406          | 446 188            |
| Payables associated companies               | 130 422 789        | 16 484 294         |
| Accrued cost against subsidiaries           | 4 160 421          | 2 029 668          |
| Accrued cost against associated companies   | 4 818 245          | 4 579 663          |
| <b>Total</b>                                | <b>140 949 860</b> | <b>23 539 813</b>  |



## Notes to the accounts for FY2021

Rosenberg Worley AS

Amounts in NOK

### Note 4 - Staff costs, number of employees, remuneration, loans to employees and auditor's fee

| Staff costs           | FY2021             | FY2020             |
|-----------------------|--------------------|--------------------|
| Salaries              | 762 206 881        | 700 669 964        |
| Payroll tax           | 108 203 011        | 99 404 143         |
| Pension costs         | 29 568 669         | 25 000 077         |
| Other payments        | 27 733 501         | 15 543 385         |
| <b>Total</b>          | <b>927 712 061</b> | <b>840 617 569</b> |
| Full-time equivalents | 980                | 910                |

#### Management & Board remuneration

|                    | Managing Director |
|--------------------|-------------------|
| Salary             | 3 230 891         |
| Pension expenses   | 450 000           |
| Other remuneration | 1 429 665         |

The Managing Director has a bonus agreement.

The Managing Director is entitled to severance pay for 12 months, including 3 months termination period.

In addition to be included in the standard pension plan, the Managing Director is part of the Company's supplemental pension scheme for executive management.

No remuneration was paid to members of the Board.

| Auditor fee (excluding VAT) | FY2021  | FY2020  |
|-----------------------------|---------|---------|
| Statutory audit fee         | 690 000 | 625 615 |
| Non-audit services          | 19 520  | 24 200  |

### Note 5 - Pensions

The company is obliged to have a company pension plan in line with the Norwegian Act on Compulsory Occupational Pensions, and the Company has a pension plan that meets these requirements.

The company has a defined contribution pension plan. All employees are offered participation. There were 991 members as of 30 June 2021.

In addition, the Company has a supplemental pension scheme for executive management accounted for as a defined contribution plan. The pension plan is recognized as both Pension liabilities and Other long-term receivables.



## Notes to the accounts for FY2021

### Rosenberg Worley AS

Amounts in NOK

#### Note 6 - Intangible assets

|  | Software licenses |
|--|-------------------|
| Aquisition cost at 01.07                             | 9 833 931         |
| Disposals  | 0                 |
| Purchased intangibles                                | 4 418 908         |
| <b>Acquisition cost 30.06</b>                        | <b>14 252 839</b> |
| Acc.amortization 30.06                               | 7 208 011         |
| Acc.write-downs 30.06                                | 0                 |
| <b>Acc.depreciation and write-downs as at 30.06.</b> | <b>7 208 011</b>  |
| <b>Net carrying amount 30.06</b>                     | <b>7 044 828</b>  |
| Depreciation for the year                            | 3 800 336         |

Straight-line amortization is used for all the fixed assets. The economic lifetime is estimated to 3-5 years.

#### Note 7 - Tangible assets

|                                     | Land, buildings and other real property | Machinery and plan | Fixture, fittings, tools and office equipment | Under construction | Total              |
|-------------------------------------|---|--------------------|---|--------------------|--------------------|
| Acquisition cost 01.07              | 85 582 624                              | 71 134 995         | 58 697 339                                    | 0                  | 215 414 958        |
| Reclassification and disposals      | 0                                       | -258 856           | -185 000                                      | 0                  | -443 856           |
| Purchased tangibles                 | 13 517 173                              | 12 627 900         | 23 345 302                                    | 10 171 888         | 59 662 263         |
| Disposals                           | 0                                       |                    |   |                    |                    |
| <b>Acquisition cost 30.06</b>       | <b>99 099 797</b>                       | <b>83 504 039</b>  | <b>81 857 641</b>                             | <b>10 171 888</b>  | <b>274 633 365</b> |
| Acc.depreciation 30.06.             | 68 678 735                              | 53 054 327         | 50 307 582                                    | 0                  | 172 040 644        |
| Acc.write-downs 30.06               | 0                                       | 0                  | 0   | 0                  | 0                  |
| <b>Net carrying amount at 30.06</b> | <b>30 421 062</b>                       | <b>30 449 712</b>  | <b>31 550 059</b>                             | <b>10 171 888</b>  | <b>102 592 722</b> |
| Depreciation for the year           | 3 597 538                               | 8 605 911          | 11 608 637                                    | 0                  | 23 812 085         |

Straight-line depreciation is used for all the fixed assets. The economic lifetime is estimated to 3-10 years.

The company has an operational lease for the rental of an office building with duration until 1 April 2027.

In addition the Company has an operational leasing agreement for rental of workshop area and premises. Duration without termination is 1 March 2024.

The Company is entitled to extend both rental agreements for an unlimited number of 5-year periods, subjects to notification within 12 months before the rental expires. The lease agreements are accounted for as operating lease agreement.

In addition the company has short term leases for additional office space. The total rental amount for FY2021 was NOK 62 million.



## Notes to the accounts for FY2021

Rosenberg Worley AS

Amounts in NOK

### Note 8 - Tax

| <b>This year's tax expense</b>             | <b>FY2021</b>     | <b>FY2020</b>      |
|--|-------------------|--------------------|
| Entered tax on ordinary profit/loss:       |                   |                    |
| Payable tax                                | 15 794 968        | 33 728 273         |
| Changes in deferred tax                    | 40 059 535        | 43 025 728         |
| <b>Tax expense on ordinary profit/loss</b> | <b>55 854 503</b> | <b>76 754 001</b>  |
| Taxable income:                            |                   |                    |
| Ordinary result before tax                 | 251 424 720       | 346 606 178        |
| Permanent differences                      | 2 459 381         | 2 275 647          |
| Changes in temporary differences           | -182 088 793      | -195 571 492       |
| <b>Taxable income</b>                      | <b>71 795 308</b> | <b>153 310 334</b> |
| Payable tax in the balance:                |                   |                    |
| Payable tax on this year's result          | 15 794 968        | 33 728 273         |
| Payable tax on provided Group contribution | 0                 | -1 210 000         |
| Advance tax payment                        | -4 161 185        | 0                  |
| <b>Total payable tax in the balance</b>    | <b>11 633 783</b> | <b>32 518 273</b>  |

The tax effect of temporary differences that has formed the basis for deferred tax and deferred tax advantages, specified on type of temporary differences.

|   | <b>FY2021</b>      | <b>FY2020</b>      | <b>Difference</b>   |
|---|--------------------|--------------------|---------------------|
| Tangible assets                         | -6 887 293         | -7 023 971         | -136 677            |
| Production contracts                    | 513 952 324        | 304 083 968        | -209 868 356        |
| Lease agreements brought to the balance | -16 353            | -141 373           | -125 020            |
| Profit and loss account                 | 236 549            | 295 687            | 59 138              |
| Provisions                              | -113 342 970       | -85 360 848        | 27 982 122          |
| <b>Total</b>                            | <b>393 942 257</b> | <b>211 853 463</b> | <b>-182 088 793</b> |
| <b>Basis for deferred tax</b>           | <b>393 942 257</b> | <b>211 853 463</b> | <b>-182 088 793</b> |

**Deferred tax (22 %)** 86 667 296 46 607 762 -40 059 535

|                                     |                   |                   |
|-------------------------------------|-------------------|-------------------|
| Calculation of effective tax rate   |                   |                   |
| Profit before tax                   | 251 424 720       | 346 606 178       |
| Calculated tax on profit before tax | 55 313 438        | 76 253 359        |
| Tax effect of permanent differences | 541 064           | 500 642           |
| <b>Total</b>                        | <b>55 854 503</b> | <b>76 754 002</b> |
| Effective tax rate                  | 22,2 %            | 22,1 %            |



## Notes to the accounts for FY2021

Rosenberg Worley AS

Amounts in NOK

### Note 9 - Equity

|                     | Share capital     | Other paid in equity | Other equity       | Total              |
|---------------------|-------------------|----------------------|--------------------|--------------------|
| Equity 01.07        | 36 907 710        | 0                    | 307 725 997        | 344 633 707        |
| Profit for the year | 0                 | 0                    | 195 570 217        | 195 570 217        |
| Dividend paid       | 0                 | 0                    | -250 025 000       | -250 025 000       |
| Dividend            | 0                 | 0                    | -90 000 000        | -90 000 000        |
| <b>Equity 30.06</b> | <b>36 907 710</b> | <b>0</b>             | <b>163 271 215</b> | <b>200 178 925</b> |

### Note 10 - Investments in subsidiaries

| Acquisition date                     | Location | Share owners | Voting rights | Net profit | Equity              | Book value |
|--------------------------------------|----------|--------------|---------------|------------|---------------------|------------|
| Instefjord Services AS<br>01.01.2006 | Hundvåg  | 100%         | 100%          | 173 938    | 1 215 114 3 461 354 |            |
| Origo Process AS<br>23.03.2012       | Hundvåg  | 100%         | 100%          | 2 814 386  | 6 667 435 8 388 322 |            |

Subsidiaries are exempt from consolidation according to the Norwegian Accounting Act §3-2. The Company Group accounts are prepared by Worley Ltd, the Company's ultimate parent company registered in Australia. The annual reports are available on [www.worley.com](http://www.worley.com).

### Note 11 - Long term construction contracts

The revenue on long term construction contracts is recognized in accordance with the projects' percentage-of completion.

Project progress is estimated based on a combination of empirical data, monitoring of efficiency and best judgement. Long term contracts with lump-sum compensation elements give rise to estimation uncertainty. Estimation uncertainty related to revenue, variations and cost to complete is evaluated and measured at the best estimate. Recoverable amounts from variation orders and incentive payments are recognized when they are measurable and deemed likely to result in revenue. This evaluation is adjusted by management's judgement of claims to be imposed by customers usually relating to contractual delivery terms. Judgements are continuously reviewed and are based on past experiences and expectations of future events. The resulting accounting estimates will, by definition, rarely precisely match actual results.

Projects under construction are shown as the net amount of earned revenue less amounts invoiced or prepaid from customers and accrued cost.

|   |              |
|---|--------------|
| Projects under construction - net assets    | 11 460 866   |
| Projects under construction - net liability | 427 637 353  |
| Net asset (+)/liability (-) all projects    | -416 176 487 |



## Notes to the accounts for FY2021

Rosenberg Worley AS

Amounts in NOK

### Note 12 - Mortgages and guarantees

The Company has a bonding/guarantee facility with Atradius for up to NOK 640 million. Security for the guarantees is provided from Worley Ltd, the Company's ultimate parent company registered in Australia.

Handelsbanken has issued a tax withholding guarantee for up to NOK 40 million.

On July 15th 2019 the Company entered into an agreement to accede as guarantor for external group facilities. This is related to Worley Ltd's debt financing arrangements.

### Note 13 - Share capital and shareholder information

The Company has only one class of shares.

#### Share capital:

|          | Number of shares | Par Value | Book value |
|----------|------------------|-----------|------------|
| A-Shares | 36 907 710       | NOK 1     | 36 907 710 |

#### Shareholders per 30.06.2021:

|                  | Ordinary shares | Ownership shares | Voting rights |
|------------------|-----------------|------------------|---------------|
| Worley Norway AS | 36 907 710      | 100 %            | 100 %         |

### Note 14 Special events

On 11 March 2020, the World Health Organization declared the Coronavirus outbreak to be a pandemic in recognition of its rapid spread across the globe. As per FY2021, there is still a significant economic uncertainty which is evidenced by volatile currency exchange rates and oil prices.

For the company's 30 June 2021 financial statement, there is no impact on the recognition and measurement of assets and liabilities. Due to the level of uncertainty of the global outbreak of Coronavirus combined with the volatile oil price environment, these events may still have negative implications for the Company's activities and profitability in the future.

### Note 15 - Provisions

|                            | FY2021      | FY2020     |
|----------------------------|-------------|------------|
| Warranty provisions        | 109 952 998 | 79 455 765 |
| Total long-term provisions | 109 952 998 | 79 455 765 |

|   | FY2021  | FY2020    |
|---|---------|-----------|
| Warranty provisions                           | 997 672 | 4 371 583 |
| Total provisions included in other short term | 997 672 | 4 371 583 |



Notes to the accounts for FY2021

Rosenberg Worley AS

Amounts in NOK

**Note 16 - Debt - Financial leasing**

|                                | <b>FY2021</b>  | <b>FY2020</b>  |
|--------------------------------|----------------|----------------|
| <b>Financial leasing</b>       |                |                |
| Debt due within 1 year         | 122 173        | 117 475        |
| Debt due between 1 and 5 years | 169 180        | 301 683        |
| Debt due after 5 years         | 0              | 0              |
| <b>Total</b>                   | <b>291 353</b> | <b>419 158</b> |



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## INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Rosenberg Worley AS

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of Rosenberg Worley AS, which comprise the balance sheet as at 30 June 2021, the income statement and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 30 June 2021 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

#### Basis for opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other information

Other information consists of the information included in the Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors and Chief Executive Officer (management) are responsible for the other information. Our opinion on the audit of the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with law, regulations and generally accepted auditing principles in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also

- ▶ identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- ▶ obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- ▶ evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- ▶ conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- ▶ evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Report on other legal and regulatory requirements

### Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements the going concern assumption, and proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

### Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.



Stavanger, 29 October 2021  
ERNST & YOUNG AS

*The auditor's report is signed electronically*

Jan Kvalvik  
State Authorised Public Accountant (Norway)

Penneo Dokumentnøkkel: VQN44-1BH58-CADMO-VIHUW-21XW-2JQFQ

Independent auditor's report - Rosenberg Worley AS

A member firm of Ernst & Young Global Limited



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"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

## Jan Kvalvik

Statsautorisert revisor

På vegne av: EY

Serienummer: 9578-5994-4-497669

IP: 145.62.xxx.xxx

2021-10-29 08:46:11 UTC



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## Skattedirektoratet

|  |                                    |                              |
|--|------------------------------------|------------------------------|
| Saksbehandler<br>Torstein Kinden Helleland | Deres dato<br>17.10.2013           | Vår dato<br>05.11.2013       |
| Telefon<br>22078139                        | Deres referanse<br>Kristin Færøvik | Vår referanse<br>2013/817299 |

ROSENBERG WORLEYPARSONS AS  
Postboks 54  
4086 HUNDVÅG

## Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Rosenberg WorleyParsons AS, org. nr. 984 329 075

- Det vises til deres brev 17. oktober 2013 samt telefonsamtale i sakens anledning. Det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Rosenberg WorleyParsons AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Rosenberg WorleyParsons AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

### Bakgrunn

Rosenberg WorleyParsons AS inngår i det internasjonale konsernet WorleyParsons Group. Konsernspissen er det australske selskapet WorleyParsons Ltd. Rosenberg WorleyParsons AS tilbyr tjenester innen innrednings- og installasjonsarbeid utført på borerigger og moduler. Alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk. Det interne arbeidsspråket er engelsk og all intern rapportering skjer på dette språket. En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

### Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal ”årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk.”

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

*”Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper*

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Besøksadresse:  
Se [www.skatteetaten.no](http://www.skatteetaten.no)  
Org.nr: 996250318

Sentralbord  
800 80 000  
Telefaks  
22 17 08 60



*vil også gjøre det vanskeligere for markedsdeltakere å ta ut speulasjonsgevinster med basis i skjevt fordelt informasjon.”*

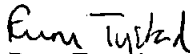
Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til “*informative regnskaper for ulike grupper av regnskapsbrukere*”. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at selskapet er et datterselskap til et utenlandsk selskap og inngår i et internasjonalt konsern. Eierkretsen er begrenset. Arbeidsspråket er engelsk og all kommunikasjon skjer på engelsk. Videre er det vektlagt at selskapet driver virksomhet i en internasjonal bransje der alle aktører behersker og benytter engelsk språk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

  
Rune Tystad

seniorrådgiver

Rettsavdelingen, foretaksskatt  
Skattedirektoratet

  
Torstein Kinden Helleland



Skattedirektoratet

Saksbehandler  
Geir Johannessen

Deres dato  
04.10.2013

Vår dato  
28.10.2013

Telefon  
22 66 11 14

Deres referanse  
Jan Kvalvik

Vår referanse  
2013/764923

ERNST & YOUNG AS  
Postboks 8015  
4068 STAVANGER



## Fritak for konsernregnskapsplikt for WorleyParsons Norway AS, org.nr. 999 665 950

- Det vises til deres brev av 4. oktober 2013 der det søkes om fritak fra plikten til å utarbeide konsernregnskap for WorleyParsons Norway AS fra og med regnskapsåret 2013.

Skattedirektoratet finner med hjemmel i regnskapsloven av 17. juni 1998 nr. 56 § 3-7 fjerde ledd å kunne gi tillatelse til at det gjøres unntak for konsernregnskapsplikten for WorleyParsons Norway AS.

### Bakgrunn

WorleyParsons Norway AS inngår i WorleyParsons konsernet. Konsernets morselskap, WorleyParsons Limited, er hjemmehørende i Australia. Det norske selskapet er et heleid datterselskap av WorleyParsons EA Holding Ltd., som eies med 100 % av WorleyParsons Limited. WorleyParsons Limited utarbeider konsernregnskap som omfatter WorleyParsons Norway AS og dets datterselskaper. Konsernregnskapet avlegges i henhold til International Financial Reporting Standards (IFRS) og på engelsk språk.

### Forutsetninger for vedtaket

Det forutsettes at WorleyParsons Limited utarbeider konsernregnskap som omfatter den regnskapspliktige og dennes datterselskaper. Det legges til grunn at dette konsernregnskapet utarbeides i samsvar med IFRS. Videre legges til grunn at kravene i regnskapsloven § 3-7 for øvrig følges.

Bestemmelsene i regnskapsloven kapittel 8 gjelder tilsvarende for dette konsernregnskapet. Morselskapet kan etter forskrift av 7.9.2006 nr. 1062 til utfylling og gjennomføring mv. av regnskapsloven § 3-7-1 utarbeide konsernregnskapet på norsk, svensk, dansk eller engelsk.

Kopi av dette brev må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Postadresse  
Postboks 9200 Grønland  
0134 Oslo  
skatteetaten.no/sendepost

Besøksadresse:  
Se [www.skatteetaten.no](http://www.skatteetaten.no)  
Org.nr: 996250318

Sentralbord  
800 80 000  
Telefaks  
22 17 08 60



Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad

*seniorrådgiver*

Rettsavdelingen, foretaksskatt

Skattedirektoratet

Geir Johannessen



## VEDLEGG TIL SKJEMA

### RR-0002 ÅRSREGNSKAP FOR SMÅ, STORE OG ØVRIGE SELSKAP

Rosenberg Worley AS, org. Nr. 984 329 075, benytter seg av unntaket til å utarbeide konsernregnskap i underkonsern jf. regnskapslovens § 3-7. Rosenberg Worley AS er 100 % eid av Worley Norway AS, org. nr. 999 665 950. Worley Norway AS har fått innvilget søknad om fritak for konsernregnskapsplikten. Dette vedtaket er vedlagt i eget dokument. Konsernspiss er Worley Limited, hjemmehørende i Australia. Det vedlagte konsernregnskapet til Worley Group omfatter Rosenberg Worley AS.



**Worley**  
energy | chemicals | resources

# Delivering a more sustainable world

ANNUAL REPORT 2021



[worley.com](https://www.worley.com)



## We are driven by a common purpose... ...delivering a more sustainable world.



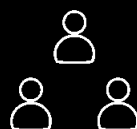
### We value **Life**

We believe in the safety, health and well-being of our people, communities and the environment. Without it, nothing else matters.



### We **Rise to the challenge**

We love a challenge. We go the extra mile, delivering new and better solutions to complex problems.



### We are **Stronger together**

We thrive in real relationships and partnerships. We nurture networks and collaboration. We recognize our differences make us stronger.



### We **Unlock brilliance**

We are passionate about innovating and learning. We value, share and grow our expertise.

## Contents

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Worley acknowledges and pays respect to the past, present and future Traditional Custodians of Country throughout Australia and extends this acknowledgement and respect to First peoples in all countries in which we operate.

In Australia, it is Aboriginal and Torres Strait Islander peoples who have cared for and sustained this land, its animals, plants and waters for more than 60,000 years.

We recognize the continuation and importance of cultural, spiritual and educational practices of Aboriginal and Torres Strait Islander peoples.

## **Worley: A global company headquartered in Australia**

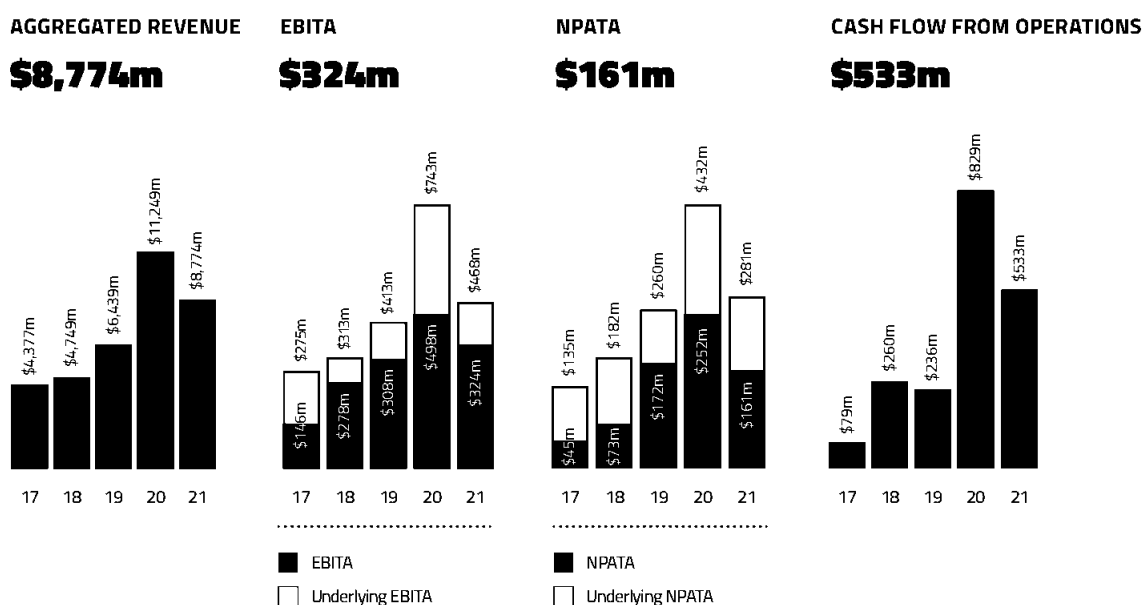
A **leading global provider** of professional project and asset services in the energy, chemicals and resources sectors.

We are Australia's largest exporter of knowledge-based services. We use this position to support our customers across the world as they transition towards a low-carbon future.



## Group Financial Highlights

Five year performance at a glance



| \$m                                       | 2017  | 2018  | 2019  | 2020   | 2021  | % change |
|---|-------|-------|-------|--------|-------|----------|
| Aggregated revenue <sup>1</sup>           | 4,377 | 4,749 | 6,439 | 11,249 | 8,774 | (22%)    |
| EBITA                                     | 146   | 278   | 308   | 498    | 324   | (35%)    |
| EBITA margin                              | 3.3%  | 5.9%  | 4.8%  | 4.4%   | 3.7%  | (0.7pp)  |
| NPATA                                     | 45    | 73    | 173   | 252    | 161   | (36%)    |
| Net profit margin                         | 1.0%  | 1.5%  | 2.7%  | 2.2%   | 1.8%  | (0.4pp)  |
| Cash flow from operations <sup>2</sup>    | 79    | 260   | 236   | 829    | 533   | (36%)    |
| Return on equity                          | 5.5%  | 6.8%  | 5.1%  | 5.3%   | 3.1%  | 2.2pp    |
| Basic EPS normalized (cents) <sup>3</sup> | 20.1  | 27.1  | 41.3  | 48.4   | 30.8  | (36%)    |
| Basic EPS (cents)                         | 13.4  | 22.6  | 36.4  | 32.8   | 16.5  | (50%)    |
| Dividends (cents per share)               | –     | 25    | 27.5  | 50     | 50    | –        |

<sup>1</sup> Aggregated revenue is defined as statutory revenue and other income plus share of revenue from associates, less procurement revenue at nil margin, pass-through revenue at nil margin, and interest income. The directors believe the disclosure of revenue attributable to associates provides additional information in relation to the financial performance of the Group.

<sup>2</sup> FY2020 cash flow excludes lease liability payments (\$147 million) in accordance with AASB 16 Leases adopted on 1 July 2019.

<sup>3</sup> Before amortization of intangibles including tax effect of amortization expense.



Chair's Report

# Our strategy is delivering and positions us for long term success



**John Grill AO**  
Chair and Non-Executive Director

This year, our people, customers and business have been impacted by the global health and economic circumstances.

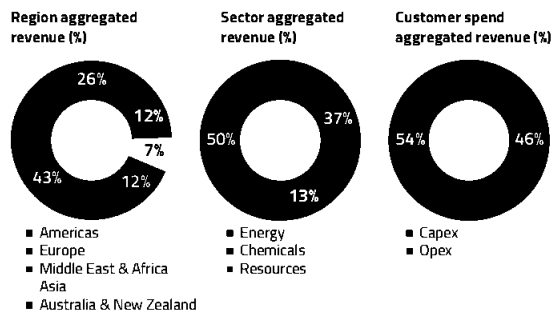
Many countries around the world including Australia are still dealing with the impacts of COVID-19. We want to express our deep gratitude for the ongoing resilience, agility and professionalism of our global team who have supported each other while continuing to deliver for our customers. Safety and well-being is our main priority. We will continue to take all appropriate actions to protect our people while ensuring business continuity, supporting our customers in the delivery of their projects and maintaining operations on their critical infrastructure.

Over the year, we have seen momentum building in response to climate change. The recent release of the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report provides further impetus for industry, regulators and government to work together in driving the energy transition. Our purpose is delivering a more sustainable world and as a leading provider of professional project and asset services, we are uniquely positioned to enable industry to deliver the sustainability imperative. We are a critical part of the solution as our customers transition to a low-carbon future.

## The past year has been challenging, but we are pleased with how we have performed

The actions we have taken during this period have set our business up for the future. We are delivering on our commitments in line with our expectations and accelerating our strategic transformation. Our shift to sustainability provides the structural framework for growth.

As a global leader delivering high-value solutions for our energy, chemicals and resources customers, we are well positioned to benefit from the megatrend towards sustainability. Our earnings base is more diversified than ever before – across geographies, sectors and customer spend. We are driving long-term value for our shareholders, underpinned by a strong balance sheet to support growth initiatives and shareholder returns.



## Our people are key to our success

The Board recognizes that our success is a result of the extraordinary efforts of our people. Our purpose is resonating with our people. It has enhanced employee engagement through a culture defined by our purpose and values.

## The safety and well-being of our people is what matters most

We are committed to providing a respectful, safe and healthy environment – one where we support each other and our communities. Our teams have industry leading safety performance. This year, our Total Recordable Case Frequency Rate was 0.16 across the Group.

We improve the safety, health and well-being of our people through 'Life' which connects our expectations, programs, systems and tools to keep our people safe. We will continue to embed Life into all that we do as one of our core values.

## Chair's Report

### We've maintained our strong financial position

The Group reported an underlying net profit after tax of \$206 million and a positive operating cash flow of \$533 million. We delivered an improved second half FY2021 in line with our expectations. Our gearing is at 21.7% and leverage is 2.0 times which is within our target range. We extended our long-term debt maturity profile with the completion of a €500 million sustainability-linked bond under a Euro Medium Term Note program. This was Australia's first sustainability linked bond and we're proud that the bond aligns Worley's financing with our purpose. The bond is linked to our Scope 1 and Scope 2 emissions target reduction of just over 57,000 tonnes of carbon equivalent by 2025.

The Board declared a final dividend payment of 25 cents per fully paid ordinary share, unfranked. This is in addition to the interim dividend of 25 cents per share for a total dividend of 50 cents per share for the full year.

As a result, we will distribute 88% of our full year underlying profit after tax, excluding the post-tax impact of amortization on intangible assets acquired through business combinations for FY2021, to shareholders as dividend.

### We have adapted with agility to economic circumstances

Global economic circumstances including the COVID-19 pandemic have affected our customers – particularly in demand in their end markets. Our diversification will be important as different sectors and regions recover at different speeds.

We acted with agility to ensure our financial and operational integrity. We have continued accelerating our transformation through this dynamic period. Our strategic investment in global integrated platforms and our digital capability have enabled us to improve efficiency and deliver innovation for our customers. This strategic investment has delivered greater collaboration and further enhanced access to our global talent pool.

### The actions we have taken in FY2021 have set our business up for future growth

We have driven successful outcomes for both of our cost savings initiatives:

1. Our operational savings program to accelerate our transformation
2. Our ECR acquisition cost synergies program.

These programs represent permanent structural change and will deliver benefits long into the future.

As part of our operational savings program, we have simplified our business. The result is that we can better support our customers in innovative ways and fast track execution of our strategy. We are on schedule to deliver our increased savings target of \$350 million annualized savings by 30 June 2022.

We have completed the ECR acquisition cost synergies program – delivering a total of \$190 million in annualized savings by April 2021. At the time of the acquisition, we identified \$130 million of annualized savings, and we have exceeded our original target by \$60 million within the expected timeframe.

“

**The biggest contribution we can make in addressing climate change is in the work we do for our customers.”**

### Sustainability is gaining momentum

Our traditional work in energy, chemicals and resources continues to be an important part of our future, with sustainability providing a higher rate of growth. Our customers will continue to invest in their traditional business given ongoing demand while also investing in decarbonization of existing assets and potential new markets.

The scale of sustainability investment is predicted to greatly exceed what we have seen before. This is supported by both sustainable investing, which has been gaining momentum, and the geopolitical environment. Ambitious emissions reductions plans in the US could have far reaching impacts on sustainability investment. Further investment is anticipated in the UK, the EU and Canada.

Our customers are making their own commitments to both emissions reductions and investment in sustainability markets. There are increasing opportunities in decarbonization as our customers focus on emissions reduction from operations and integrate sustainability into their investment decisions.

### We provide our customers with solutions for the world's complex sustainability challenges

We have been involved in decarbonizing technologies such as hydrogen, electrification, carbon capture and offshore wind for many years. We have recently been awarded large and strategically significant projects in these areas. For example:

- the first commercial-scale Direct Air Capture development with 1PointFive
- a first-of-a-kind plant-based feedstock production facility with Avantium to support the circular economy
- one of the world's largest commercial green-hydrogen production facilities with Shell.

Sustainability is already a growing part of our business. We are pleased with the progress we are making in line with our strategic transformation. We have linked our incentive program for our senior leaders to support our strategy execution.



## Caring for our planet – we are making good progress

Our Climate Change Position Statement aligns us with the Paris Agreement and the UN Sustainable Development Goals.

I am proud to share that we have made significant progress on reducing our emissions and we have set a new interim Scope 1 and Scope 2 emissions target to complement our net zero target:

**We commit to a 50% reduction of our Scope 1 and Scope 2 emissions by 2025.**

We will also reduce emissions in our value chain. We have **committed to set a science-based target to reach net zero Scope 3 emissions by 2050.** We are part of the Business Ambition for 1.5°C campaign.

We are constantly improving our Task Force on Climate-related Financial Disclosures, too. This year, we have integrated climate risk into our business strategy development process.

## We're partnering to lead change

Achieving net zero emissions by mid-century will require an unparalleled pace and scale of global energy, chemicals and resource infrastructure development and engineered solutions. We've recently collaborated with Princeton University's Andlinger Center for Energy and the Environment (ACEE) with the aim of shifting debate from what is needed to decarbonize to how this can be physically delivered on the ground. We are a charter level E-affiliates partner of the ACEE.

## We support our people and the communities in which we operate

We are working to create an even more diverse and inclusive environment – one free of discrimination and bias where everyone has equal opportunity, is valued, respected and supported. We take a holistic approach to diversity and inclusion and recognize that our diversity is our strength.

The Worley Foundation has continued to do great work this year. The Foundation contributes to society and the environment through financial support and skilled volunteering. We are supporting STEM initiatives and environmental projects as well as helping disadvantaged communities around the world.

## We operate responsibly

We are further strengthening the governance and operational controls we have in place to reinforce a culture of acting lawfully, ethically and responsibly. Our Responsible Business Assessment standard ensures all customers and projects meet criteria for responsible business practice.

We have an Ethical Supply Chain and Modern Slavery Statement which includes a supply chain risk assessment and due diligence process. Our Data Protection Office governs compliance of our cyber security program with global data protection requirements as specified in Australia, Europe, the US and other jurisdictions in which we work.

Maintaining and enhancing our reputation for integrity, honesty and ethical practices is important to the Board. This will continue to be critical to our future success as we transform our business. We comply with all applicable laws and conduct our business to the highest standard and we hold our partners and agents to the same high standard.

## We made changes to the Board and Management

In December 2020, we appointed Emma Stein as an independent non-executive director to fill a casual vacancy on the Board.

Since 2003, Emma has worked as a non-executive director for ASX200 companies as well as private and government-owned companies – in Australia and in New Zealand. Her skills and qualifications complement those of the existing Board.

In October 2020, Chris Haynes stepped down from the positions of Lead Independent Director and Chair of the Health, Safety and Sustainability Committee. He continues to serve on the Board as well as on the People and Remuneration Committee, the Nominations Committee and the Health, Safety and Sustainability Committee.

Andrew Liveris has taken on the extra role of Lead Independent Director. He remains Deputy Chair and also Chair of our Transformation Strategy, a special purpose committee to provide guidance for the development and implementation of our transformational strategy.

Roger Higgins has assumed responsibilities as Chair of the Health, Safety and Sustainability Committee.

Tom Honan retired as Chief Financial Officer of the Group on the 21 June 2021. I'd like to sincerely thank Tom for his significant contribution to the Group. I wish him and his family all the best for his retirement.

On 22 June 2021, Charmaine Hopkins was appointed as Interim Chief Financial Officer of the Group. Charmaine brings an in-depth understanding of public company reporting requirements and capital structure and has a strong understanding of our business based on her experience at Worley over recent years.

On 23 August 2021, we announced the appointment of Tiernan O'Rourke to the position of Chief Financial Officer of the Group. Tiernan will commence later in the calendar year and brings more than 30 years' experience in financial, commercial and planning roles across a range of industries, sectors and regions. We welcome Tiernan to Worley.

## We have a strong governance program

The Group recognizes its responsibilities to its shareholders, customers, employees and suppliers as well as to the communities in which it operates.

The Board makes sure the Group meets all safety, performance and governance standards. The Board has ultimate authority over the Group and sees corporate governance as critical to achieving its objectives. For these reasons, the Board has adopted appropriate charters, codes and policies and established various committees to discharge its duties.

## Finally, thank you

I want to thank shareholders for their continued support.

I also want to thank our directors, leadership team and, most importantly, our people. In this past year, we have overcome great challenges and actively positioned our business for the future. We are delivering on our commitments in line with our expectations and continue to accelerate our strategic transformation.

I look forward to working with you to create an exciting future for our Company.

**John Grill AO**  
Chair and Non-Executive Director



## Board of Directors



**JOHN GRILL AO**  
**Chair and Non-Executive Director**

John is Chair of the Board and Chair of the Nominations Committee. He is a member of the Health, Safety and Sustainability Committee and the People and Remuneration Committee.



**ANDREW LIVERIS AO**  
**Deputy Chair, Lead Independent Director and Non-Executive Director**

Andrew is Deputy Chair and Lead Independent Director of the Board and member of the Health, Safety and Sustainability Committee, People and Remuneration Committee and Nominations Committee.



**THOMAS GORMAN**  
**Non-Executive Director**

Thomas is Chair of the People and Remuneration Committee and a member of the Health, Safety and Sustainability Committee and the Nominations Committee.



**ANNE TEMPLEMAN-JONES**  
**Non-Executive Director**

Anne is Chair of the Audit and Risk Committee and a member of the Nominations Committee.



**ROGER HIGGINS**  
**Non-Executive Director**

Roger is Chair of the Health, Safety and Sustainability Committee and a member of the Nominations Committee.



**WANG XIAO BIN**  
**Non-Executive Director**

Xiao Bin is a member of the Audit and Risk Committee and the Nominations Committee.



**SHARON WARBURTON**  
**Non-Executive Director**

Sharon is a member of the Audit and Risk Committee and the Nominations Committee.



**CHRISTOPHER HAYNES OBE**  
**Non-Executive Director**

Christopher is a member of the Health, Safety and Sustainability Committee, People and Remuneration Committee and Nominations Committee.



**JUAN SUÁREZ COPPEL**  
**Non-Executive Director**

Juan is a member of the Audit and Risk Committee and the Nominations Committee.



**EMMA STEIN**  
**Non-Executive Director**

Emma is a member of the People and Remuneration Committee and the Nominations Committee.



**MARTIN PARKINSON AC**  
**Non-Executive Director**

Martin is a member of the Audit and Risk Committee and the Nominations Committee.



**CHRIS ASHTON**  
**Chief Executive Officer and Managing Director**



**NUALA O'LEARY**  
**Group Company Secretary**

For detailed information on Directors and the Group Company Secretary, see pages 58 to 61.



Chief Executive Officer's Review

# We are driven by our purpose: delivering a more sustainable world



**Chris Ashton**  
Chief Executive Officer and Managing Director

In a year of dynamic global change, we've prioritized the safety and well-being of our people and acted with agility to set our business up for the future.



We've seen fundamental shifts in society's sustainability expectations, and investment decisions have gained momentum in line with this change. Our sustainability shift puts us at the center of future investment in the energy, chemicals and resources sectors. As leaders in these sectors, we're delivering solutions for our customers' most complex challenges.

We are driven by our purpose: delivering a more sustainable world.

### We are positioned for the future

My first twelve-months as Worley's CEO have been quite different to what I'd expected. Through the global pandemic and challenging economic circumstances, I couldn't be prouder of how the whole Worley team has responded and how our people have risen to the challenge. We've continued to build an inclusive culture where our people can thrive.

### Delivering on our commitments has set us up for the future

-  Continuous operational improvements
-  Addressing climate change through strategic action
-  Establishing a strong financial position for future growth
-  Capturing opportunities in sustainability
-  Prudently managing capital

### We've strengthened our business and are positioned for future success

We've actively managed the things that are in our control as we continue to support our customers. With our strong cash result, cost savings programs and our focus on sustainability, we believe we've established a strong foundation for future growth. We've focused on long-term value by accelerating our transformation.

Our strategy gives us a clear framework for growth, and we are delivering on our commitments in line with our expectations.

### On a personal note, I want to sincerely thank Tom Honan who retired as Chief Financial Officer in June 2021

Tom's been with us since 2015 and he's made a significant, lasting contribution to the business. He's stewarded Worley through challenging market conditions. He's embedded a highly focused and disciplined approach to cash collection, cost savings and capital management – things we'll benefit from for years to come. I wish Tom and his family all the best for his retirement.

### Keeping our people safe is our main priority

We believe in the safety, health and well-being of our people, communities and the environment. Without this, nothing else matters.

We've all seen the devastating impact COVID-19 has had. We express our deepest sympathy to the families and friends of all those who have lost their lives across the globe.

Despite all the unpredictability in the world today, one thing hasn't changed: we're still committed to working together, supporting one another and showing the care, commitment and courage that the Worley culture is based on.

We've remained focused on our people's mental and physical well-being. We've provided support through our Employee Assistance Program (EAP) and have developed a global network of mental health champions.

### Throughout the pandemic, our teams have used innovative technology solutions

In November, I was involved in a virtual site visit in Latin America with four members of the Board. It was great to talk with our people about the ways they've adapted their work on site to keep themselves and each other safe. Our Digital Acceleration team has made these visits possible. They've used a specialized camera-linked tool to clearly visualize the on-ground activities and simultaneously witness safety practices. While this has kept us connected during the pandemic, we see this as a long-term opportunity to enhance senior leader connection to site. In working with our customers, we are enhancing the sharing of leading practices across the industry.



## Chief Executive Officer's Review

### We're keeping our people connected – because we're Stronger together

Staying connected this year has been more important than ever before. We've used video messages and virtual town halls to give personal updates on our people, our business and our response – across our communities as well as with our customers.

Our employees have shared their thoughts and feelings on remote working, innovation and collaboration. They've done this through surveys and engagement forums. We've taken the lessons we learned and shared them across the globe.

We've seen some great examples of our global teams being Stronger together despite the challenges of global lockdowns. Our people have combined innovation and capability across regions to win strategically important contracts. They've solved complex problems for our customers, all while collaborating virtually.

### We've delivered financial results in a challenging operating environment

Our business, like most, has felt the impact of the pandemic. However, we're pleased with how we've performed financially.

Our aggregated revenue was \$8,774 million and underlying EBITA was \$468 million. We've continued to deliver a good underlying cash flow of \$621 million and retained our strong balance sheet.

### We've delivered an improved second half FY2021 in line with our expectations

We delivered a second half underlying EBITA of \$261 million, which was up 26% on the first half. The main factors contributing to this result were continued savings from our cost out programs.

Our backlog is up half-on-half with activity levels on long-term projects returning. We have seen key project awards in sustainability and traditional services, and we continue to win work in line with our expectations, with H2 FY2021 sales up on H1 FY2021. There are signs of recovery in our end markets, however our customers' capital expenditure discipline is expected to continue to the end of calendar year 2021.

### The benefits of our savings programs will flow for years to come

When faced with the global economic circumstances, we took decisive action to recast the cost base of the business. The result of this operational cost savings program is a business that is now in better shape than 12 months ago. We remain on track to deliver our cost target in line with our commitments. These initiatives have become the backbone of how we will operate going forward. These initiatives are related to:

- property optimization
- discretionary spend
- using more shared services
- streamlining our organizational structure.

We've completed the ECR acquisition cost synergies program on schedule in April 2021, delivering almost 50% over the initial savings target identified. Through this we invested in common global systems and platforms including safety, sales, back office and knowledge and management systems, making us a truly integrated business.

Our business is streamlined to marshal and deploy capability anywhere in the world at scale and pace to solve our customers' complex challenges. Together with our digital transformation, we have opened up our global talent pool and connected our capability.

### Linking our purpose, culture and strategy drives success

We're embedding our purpose and values to define our culture and how we do business with our customers. Our people have wholeheartedly embraced our purpose: delivering a more sustainable world. They're energized and motivated to help solve some of the world's most complex challenges.

### Delivering solutions to the sustainability imperative

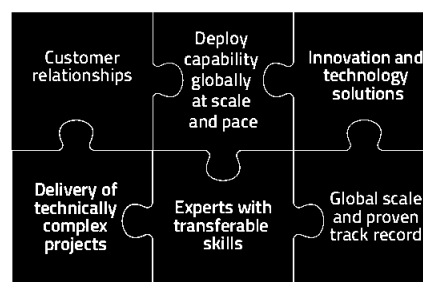
Major economies are becoming more ambitious with their efforts to lower greenhouse gas emissions. We've seen the US re-join the Paris Agreement. The EU, UK, US, Canada and others are increasing their short-term and medium-term reduction targets. As COP26 approaches in November, we expect further global commitments on common issues facing humanity.

Tackling the world's sustainability challenges will require the largest deployment of capital in history. Decarbonization investment alone needs to be more than one trillion US dollars per annum between 2020 and 2050 to reach net zero. In the IEA's Net Zero 2050 scenario, it states spend could be up to five trillion US dollars, depending on pace and the technology mix deployed.

Our strategy places us at the center of future investment. Our major customers and the investment community are increasing their commitments to net zero targets by 2050 and are announcing very large transition related investments to get there.

**“ These are large, technically complex challenges – to solve them will take creative solutions using global capability and scale. This is our key strength.”**

We're well positioned to support our customers as they address the magnitude of the transition to achieve a low-carbon future. Our customers are choosing to work with us because of our global scale, our strong expertise in technology assessment, extensive experience in scaling up first-of-a-kind facilities and our reliability as a delivery partner.





## Sustainability is a growing part of our business

Our customers operate critical infrastructure and will need ongoing investment to operate. Our traditional business continues to be an important part of our future, and sustainability provides opportunities for growth beyond this. Each of our top twenty customers are already investing in decarbonizing activities, and this investment is accelerating. The contribution of our sustainability work is already sizeable. We delivered \$2.8 billion of revenue in FY2021 (around 32% of Group aggregated revenue) at more favorable margins compared to our traditional services.



**We are actively targeting sustainability to be the largest proportion of our future revenue**

## We have a clear strategy for growth

We're leading the way on sustainability and bringing industry sectors together for sustainable development – we solve complex problems, deliver projects and operate and maintain assets.

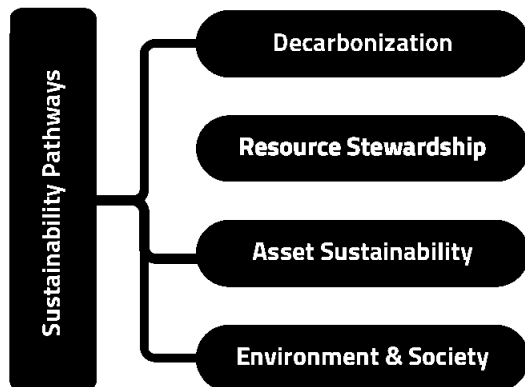
We've developed our strategic growth priorities into four clear sustainability pathways which align around capabilities and offerings to meet the market opportunity and market needs.

These represent our pathways for growth across the industries we serve.

Sustainability is 32% of our FY21 aggregated revenue and now represents 47% of the global factored sales pipeline. We expect projects in our sustainability pathways to become the largest proportion of our revenue in the medium to long term.

We're seeing sustainability opportunities accelerate across all of our pathways and sectors, and we're pleased with the large and strategic projects we're winning.

We're leading the development of emerging technologies to bring them to commercial scale, for example, applying our offshore expertise to developing floating offshore wind.



## We Unlock brilliance through digitalization

To remain at the cutting edge, we must be leaders in the application of digital technology to deliver projects smarter and faster, particularly if we're going to achieve the scale of the sustainability challenge ahead. We call it the digital accelerant.

Therefore, we're heavily focused on combining our domain expertise and digital deployment capability to support our customers – this is our differentiator.

We've been investing in this for a while.

We've embraced "being digital" by simplifying and further digitizing our business to give our workforce the digital tools they need to access talent around the world.

We've consolidated our systems and processes into our integrated delivery platform. We're using high-value digital solutions to automate work and taking our technology solutions to our customers.

We're accelerating our digital technology to drive margin improvement and high-value solutions.

We're expanding our process technology portfolio in growth sectors to support overall business growth.

## We've made changes to the focus of the Group Executive to accelerate our digital and process technology transformation

The Group Executive leaders will remain the same, however, there will be a shift in focus in direct response to fulfilling our purpose and enabling our strategy.

Sharpening our focus on technology solutions for our customers will accelerate:

- sustainability, both in our own commitments and how we help our customers achieve theirs
- our digital technology to drive margin improvement and high-value solutions for our customers
- expansion of our process technology portfolio in growth areas where Worley has domain knowledge.

## We're building our workforce of the future

It's our people who make the difference.

Through our People strategy, we're:

- developing capabilities and skills to support growth in priority sectors and customer demand
- changing how we get work done and how we mobilize our global workforce
- building on our people's sense of belonging and inclusion
- enhancing employee engagement through our purpose and values-defined culture.

We are aligning learning opportunities to our growth strategy and developing our people with targeted transferable skills through both on-the-job experience and employee-led learning.



## Chief Executive Officer's Review

### We're creating an even more inclusive and diverse culture

In both 2020 and 2021, we've all seen news headlines about troubling acts of violence and discrimination in many parts of the world. As these events spark important conversations in our communities, I want to reinforce that we have no tolerance for such behavior.

Worley is a place where all our people can voice their opinion, share their stories and grow towards a better future. Our Worley community promotes a sense of belonging and inclusion, and we want all our people to genuinely feel they belong and that their voice matters.

This year we held our first Global Inclusion survey where almost 40% of our people responded. Our people told us they have a strong sense of belonging and inclusion. This also provided us with some clear actions as we deepen our focus on diversity.

Each of us has the power to decide how we treat people. At Worley, we value Life: the safety, health and well-being of our people. We are Stronger together.

### We're leading by example with our Environmental, Social and Governance commitments

We have an important role to play in delivering a more sustainable world – both in partnership with our customers on their projects and in the way we run our business.

We've made good progress since we updated our Climate Change Position Statement. We are committed to:

- net zero Scope 1 and Scope 2 emissions by 2030
- 50% reduction of our Scope 1 and Scope 2 emissions by 2025
- net zero Scope 3 emissions by 2050.

For our Scope 3 emissions, we plan to improve our data capture and reporting until we have full transparency of our entire value chain's carbon intensity.



We reduced 197 offices to 140 offices



We switched to 100% renewable energy contracts in Houston and Perth



We upgraded our energy management software and corporate framework



We've transitioned to biofuels in our vehicle fleet in Brazil



We started energy management working groups



We updated our property leasing criteria to include sustainability

### We're helping our customers to meet their sustainability goals

We're doing this by helping to integrate low-carbon solutions into their operations. We launched Sustainable Solutions in November 2020 and the sustainability ideas approved by our customers through our Value Creation tool have an approved economic value of approximately \$118 million.

### We're partnering to catalyze breakthrough thinking

This is the decade of action; it will require collaboration across sectors to realize the UN Sustainable Development Goals.

This year, we:

- became a foundation member of the Climate Leaders Coalition – a group of cross-sectoral Australian corporate CEOs supporting the Paris Agreement and setting public decarbonization targets
- joined the Energy Transitions Commission – an international think tank focusing on economic growth and climate change mitigation
- partnered with the Princeton Andlinger Center for Energy and the Environment to create our first joint thought leadership piece on delivering net zero by 2050.

### I'm proud of our people and optimistic for the future

We've made great strides this year in executing our accelerated transformation and making sure our business is 'future fit', and we've done it despite challenging global economic circumstances.

I want to acknowledge our remarkable people who've brought us to this position. The agility and resilience they've shown (and continue to show) exemplifies the spirit of Worley; we Rise to the challenge. I'd like to thank each and every one of them for their dedication.

To our shareholders, I want to say thank you for all your support and for the confidence you have in your Company. We have a business that holds leadership positions across diverse end markets. We have a strong structural framework for growth, focusing on high-value propositions in areas of increasing spend on sustainability.

I'm looking forward to seeing Worley build even more momentum as leaders in delivering a more sustainable world.

**Chris Ashton**  
Chief Executive Officer and Managing Director



## Group Executive

The Group Executive is our senior leadership team. It comprises the leaders of our regions and functions. The Group Executive advises the Chief Executive Officer with regard to the effective and efficient functioning of our global business.



**CHRIS ASHTON**  
Chief Executive Officer



**CHARMAINE HOPKINS**  
Chief Financial Officer (Interim)



**KAREN SOBEL**  
Group President  
Americas



**VINAYAK PAI**  
Group President  
EMEA & APAC



**MARK TRUEMAN**  
Group President  
Growth



**MARIAN MCLEAN**  
Group President  
Sustainability



**GEETA THAKORLAL**  
Group President  
Digital



**ANDREW BERRYMAN**  
Group President  
Technology Solutions



**VIKKI PINK**  
Group President  
People



**NUALA O'LEARY**  
Group Company Secretary



**LARRY KALBAN**  
Group General Counsel  
Legal



Transformation Strategy

# Strategic Transformation

## Solution provider

for our customers

Work with our customers and other stakeholders globally and nationally to support them through their sustainability activities, bringing transformative automation and digital solutions



## World-class delivery

Safety | Quality | Speed | Efficiency

Change the way we work by leveraging knowledge, data, digital and process technology platforms



## Our business of the future

## Business performance leader

across the industries we serve

Leaders in ESG performance  
Deliver our services using engagement models which reflect the value we bring



## Leading edge capabilities

Best in class talent

Attract, retain, engage and mobilize talent to enhance our position in target sectors  
Inclusive culture and diversity that unlocks brilliance





# **We are a leader in delivering a more sustainable world**

**Our biggest role is supporting our customers as they address the magnitude of the transition to achieve a low-carbon future.**

**We provide knowledge, intellectual property and technology solutions at scale to address the world's complex sustainability challenges.**

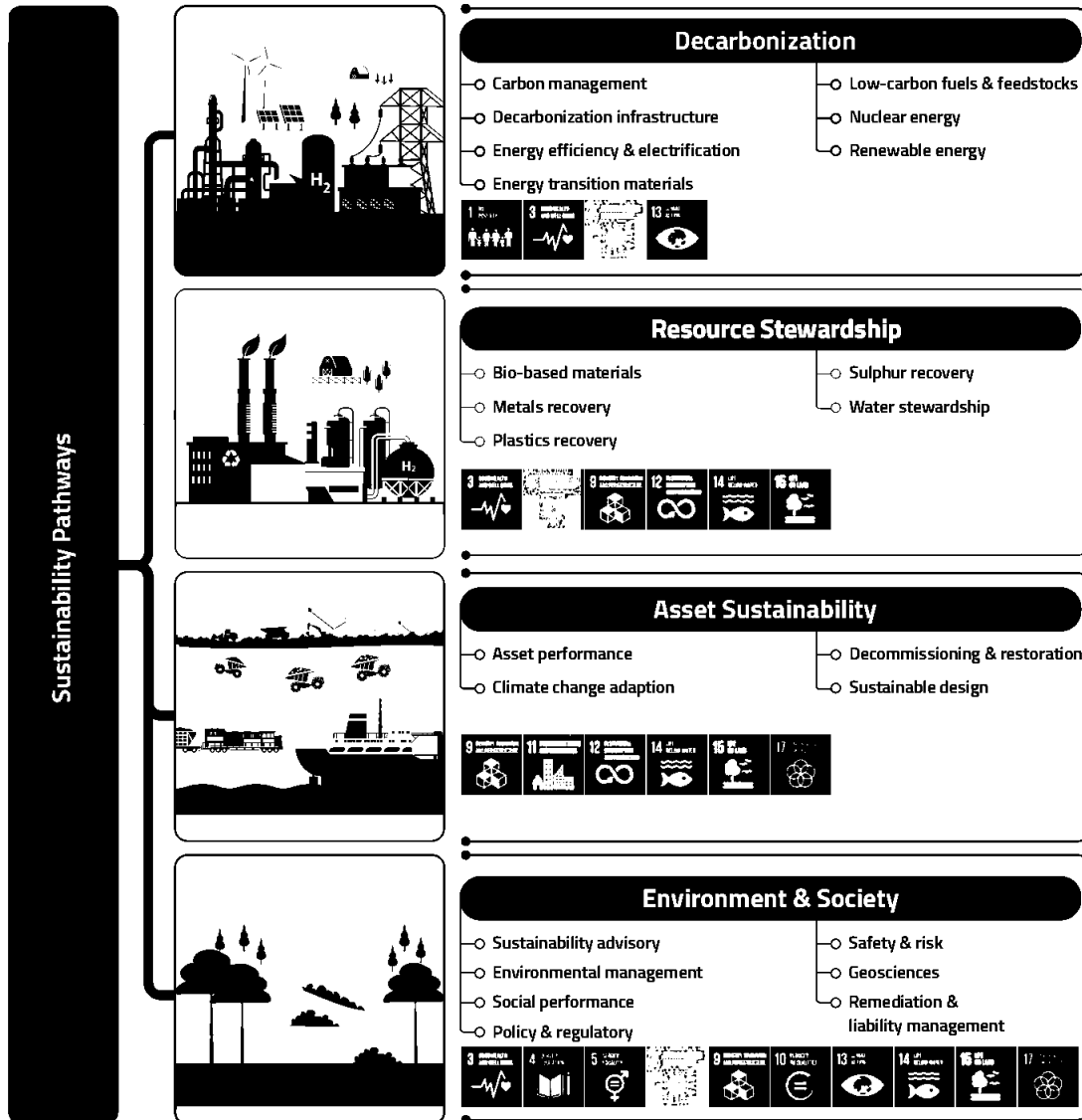


Transformation Strategy

# We are uniquely positioned to enable industry to deliver the sustainability imperative

Delivering solutions smarter and faster is necessary to achieve the scale of the challenge ahead.

Our Sustainability Pathways define how we support our customers in delivering a more sustainable world. These pathways provide a clear vision for us. To support our journey, we are investing in digital solutions and building data science and digital platforms to drive efficiency and focus on our pathways. Sustainability pathways support all the markets we serve.





## Core Market Trends & Case Studies



### Conventional energy

Global economic circumstances including COVID-19 had a substantive impact on demand in our customers' end markets. However, there are signs of a recovery in the industry.

In some regions, stimulus packages are supporting climate change policies and growth in decarbonization solutions. Regions in the developing world have relied on existing industries to support an economic recovery. We're seeing project sanctioning activities return however, discipline around our customers' capital expenditure is expected for the remainder of 2021.

In onshore and offshore upstream, we're well positioned to support our customers with our existing global framework agreements and long-term contracts.

### Delivering a more sustainable world in conventional energy

The oil industry is on the cusp of significant changes with sustainability and the energy transition coming into sharp focus. International oil companies are pivoting their business models to become integrated energy companies. However, these

companies report that they still rely on traditional upstream business revenues to fund their low-carbon and renewable energy investments.

According to IEA<sup>4</sup>, global oil demand is expected to increase by 5.4 mb/d in 2021 and 3.0 mb/d in 2022, although escalating COVID-19 cases in a number of countries remain a key downside risk to the forecast.

Structural changes in the future fuel mix have started, and combustion energy markets remain dynamic as gas replaces higher carbon intensive fossil fuels in power generation.

Decarbonization will play a key role in building a more sustainable future. More and more oil-producing companies are aligning with the goals of the Paris Agreement and the UN Sustainable Development Goals.

We're supporting our customers as they address the magnitude of the transition needed to achieve a low-carbon future, and we're well positioned for it. We have the capabilities and domain knowledge to address the challenges our customers are facing in this rapidly changing market.

## Case Study | Asset sustainability

**Advisian**  
Worley Group

### Transforming Australia's approach to decommissioning

We worked with NERA (National Energy Resources Australia) to tackle the analysis for its late-life offshore oil and gas asset planning and decommissioning outlook. In the process, we unlocked a multi-billion-dollar opportunity for the local community, environment, industry and economy.

We tracked and analyzed every piece of offshore equipment in Australia and converted this information into an aggregate liability for full removal. As an industry first, we collaborated with seven operators to collect the data – something that's never been done in the Australian oil and gas sector for decommissioning.

We found that more than \$50 billion of decommissioning activity needs to happen across Australia, and 50 per cent of this activity needs to start in the next ten years. We identified potential cost savings of \$17.5 billion, a 35 per cent saving based on alternative retirement options, emerging technologies and decommissioning efficiency.

Our work sets the baseline for Australia's decommissioning roadmap and shows how decommissioning can support a net zero future.

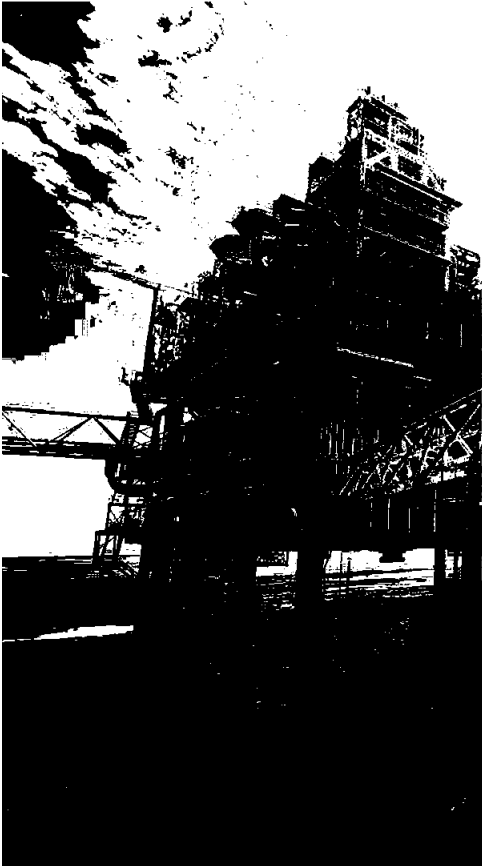


**As an industry first, we collaborated with seven operators to collect the data – something that's never been done in the Australian oil and gas sector for decommissioning**

<sup>4</sup> IEA Oil Market Report - July 2021



Core Market Trends & Case Studies



### Advisian

## Chevron awards global professional services contract to Worley

Worley has been awarded a global contract for early phase engineering services by Chevron USA, through its Chevron Technical Center division (Chevron).

Under the contract, Worley will provide early phase engineering services to Chevron's global upstream and downstream projects, both onshore and offshore, over a five-year period. The services utilize Worley's proprietary digital design and optimization tool, SeleXpress. This is in line with Worley's transformation strategy to leverage automation and the use of digital products and technology platforms to deliver a more sustainable world.

The contract will be executed by Advisian, Worley's global consulting business, and will be led by the Houston office, supported by the global capability of Worley.

"As a global professional services company, we are pleased that Chevron has selected Advisian to help develop its upstream and downstream capability. This contract continues Worley's longstanding global relationship with Chevron and supports Worley's strategic focus on digital transformation and delivering a more sustainable world." Chris Ashton, Chief Executive Officer, Worley.



### Advisian

## Managing one of the largest remediation programs in the world

The UN funded Kuwait Environmental Remediation Program (KERP) involves the clean up of 26 million cubic meters of crude oil contaminated soils and aims to restore the land to its natural state.

The project combines Advisian's global remediation management capability with Worley's large project PMC platform.

To date over 2.2 million cubic meters of soil heavily contaminated with oil has been deposited and contained in engineered landfills, and 8 million square meters of land area has been cleaned up and released for future redevelopment.

In addition, over 35,000 small arms ammunition and unexploded ordnance (UXO) have been collected and safely rendered inert.





Case Study | Decarbonization

## The first commercial-scale development using Carbon Engineering's Direct Air Capture (DAC) technology

The facility, which is located in the US Permian Basin, uses DAC technology to capture carbon dioxide directly out of the atmosphere. This critical step forward provides a way to remove CO<sub>2</sub> that is currently in the atmosphere including historical emissions and addresses emissions from hard-to-decarbonize industries, such as long-haul trucking, maritime and aviation.

The FEED phase will focus on the first train, DAC 1, which will capture 500,000 metric tonnes of CO<sub>2</sub> annually. We estimate completion to be by the end of 2021 after which the project will move into the engineering, procurement and construction (EPC) phase for DAC 1.

During the FEED phase, we'll help 1PointFive explore next-generation technology, materials and manufacturing approaches consistent with a circular economy — from recycled plastics to 3D printing and fully integrated zero-emission power. These innovations will contribute to the facility's sustainability and capital efficiency, and the data will help to refine future direct air capture facilities.

We expect to form an alliance with 1PointFive and move into the EPC phase for DAC 1 with plans for DAC 2-4 to follow.

"This landmark project is an important development that can help demonstrate the valuable and unique role of DAC for meeting net zero goals." From IEA's The world's first million-tonne Direct Air Capture plant report.

”

**We partnered with Worley for this historic project because our organizations are like-minded in their vision of sustainability. Worley has a proven track record of true innovation, and that will be essential to bring Direct Air Capture (DAC) to commercial scale.”**

Oxy Low Carbon Ventures President  
Richard Jackson



## Core Market Trends & Case Studies

### Low-carbon energy

Power remains an essential component and enabler of the energy transition. This is especially true for decarbonization through electrification and low-carbon hydrogen production for hard to abate industries.

Global interest in renewables continues as economies begin to recover and governments roll out green stimulus packages. Global investment in renewable-related services is likely to continue its upward trend – with Europe and other regions like the US announcing net zero emissions ambitions.

The Energy Transitions Commission<sup>5</sup> forecasts annual investment in zero-carbon power generation needs to increase from today's \$300 billion per annum to a peak of around \$2 trillion per annum by 2040, with a similar scale of investment needed in transmission and distribution networks. In total, gross power system investments could amount to around \$80 trillion over the next thirty years.

The energy transition has initiated structural changes in the future fuel mix, and while the outlook for oil demand is uncertain, gas has a more robust future as the lowest carbon intensity fossil fuel. If combined with carbon capture, gas is well placed to serve an important role until a time when new energy such as solar, wind and hydrogen reach scale and can provide an uninterrupted energy supply.

#### Delivering a more sustainable world in low-carbon energy

Low-carbon hydrogen will be critical for hard-to-abate sectors such as chemicals, and we've seen a rapid increase in the number

and scale of the projects we're winning. Our capabilities cover project concept to completion, allowing us to develop innovative execution models to reduce lifecycle costs as fast as possible.

Our Center of Excellence for Offshore Wind bolsters our front-end capabilities, delivery and O&M support. Combined with our global environmental and ports and marine expertise, we can now optimize our customer's projects from inception to operation.

Our EPC project success in distributed energy systems (DES) provides a platform to support our customers to decarbonize their operations. DES can provide clean, safe, reliable and resilient power – vital for powering remote operations, such as a mine site.

We see nuclear as a key technology in achieving our net-zero targets and have successfully entered the small modular reactor segment. With gas being a transition fuel for developing economies, we're building capability and developing solutions to lower emissions.

We continue to strengthen our power operations and maintenance (O&M) business, acquiring the remaining 50% shareholding of TWPS. This gives us access to advanced asset management systems across a variety of low-carbon energy technologies, including renewables.

All of our low-carbon energy domain expertise is critical as we remain focused on delivering a more sustainable world.

### Case Study | Decarbonization

## Shell's Holland Hydrogen I project – helping create a green-hydrogen factory in the Netherlands

We have been awarded an early engineering services contract by Shell to support the development of a 200-megawatt electrolysis-based hydrogen plant. Once complete, the project will be one of the largest commercial green-hydrogen production facilities in the world.

Shell's Holland Hydrogen I project will be located on the Tweede Maasvlakte in the Port of Rotterdam in the Netherlands.

The project is being led from our offices in The Hague while also leveraging our global hydrogen capability.

As a first-of-its-kind project on this scale, we are providing early engineering and asset integration related services including the selection of the best technology needed to support the overall business case.

Operations are scheduled to start by 2023 and will produce ~50,000 – 60,000 kg of green hydrogen per day. The green hydrogen produced will initially be used at the Shell refinery in Pernis to partially decarbonize the production of fossil fuels and support the industrial use of hydrogen in the heavy transportation industry.



### Using green hydrogen to help decarbonize the Netherlands



Photo credit: Photographic Services, Shell International Limited



## Applying our oil and gas expertise to the energy transition

Pivot buoy is a disruptive floating offshore solution designed by X1 Wind.

A consortium of nine partners has developed the project, led by X1 Wind and composed of EDP CNET, Worley, DNV GL, DEGIMA, #ESM, WavEC, DTU and PLOCAN.

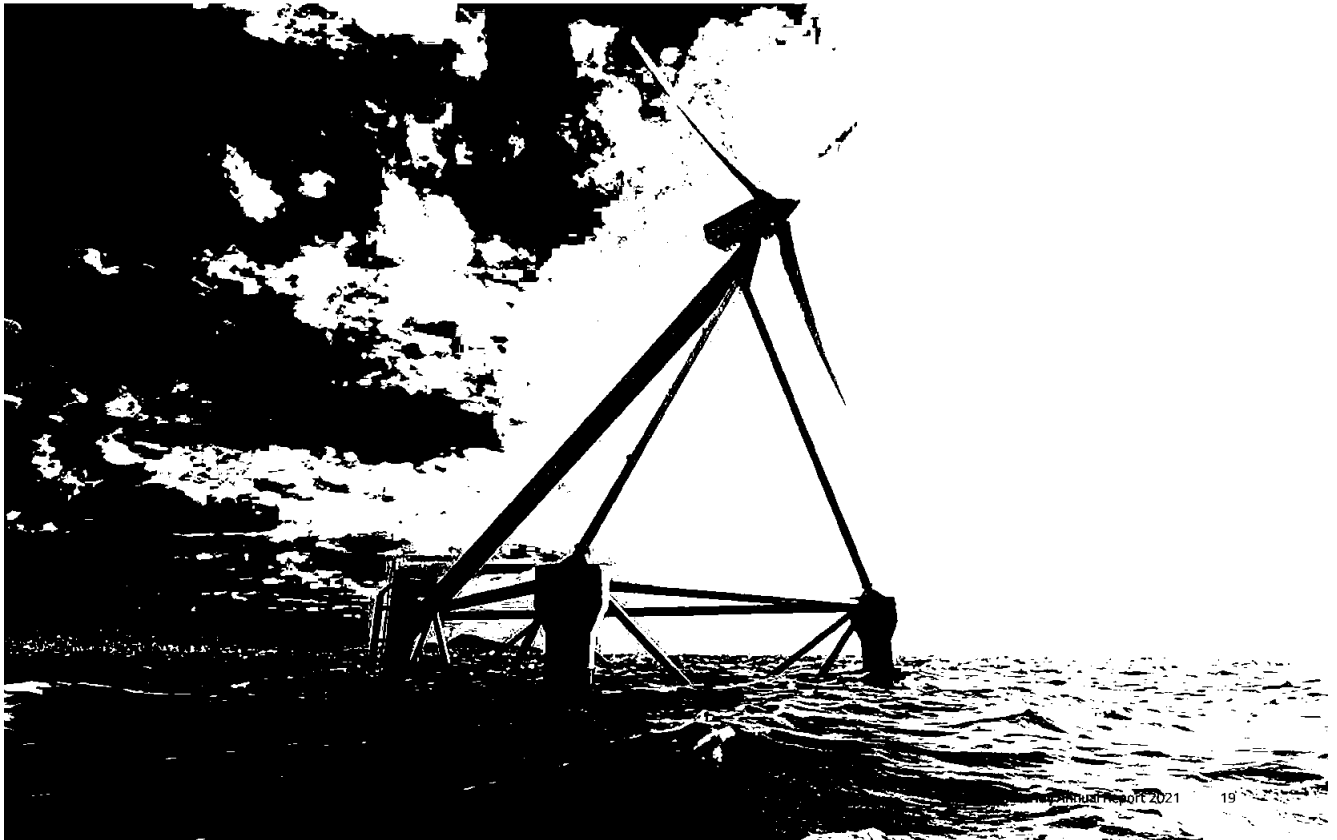
Its main objective is to reduce the Levelized Cost of Energy (LCOE) of floating wind by 50% through the validation of an innovative mooring and floating system. This will allow for a faster, cheaper, more reliable and sustainable operation.

The platform can operate at an increased water depth compared to other floating solutions, opening up hundreds of sites which were previously technically or commercially inaccessible.

Throughout this phase of the project, our services have included design development, by ensuring the engineering aspects associated with offshore environment and fabrication/construction are duly incorporated, and the coordination of technical risk assessments.



We're leading the **development of emerging technologies** to bring them to commercial scale





Core Market Trends & Case Studies

Case Study | Decarbonization

### The first Concentrated Solar Power (CSP) project in Latin America

Cerro Dominador is located in the María Elena region of Antofagasta and consists of a 110 megawatt CSP plant with 17.5 hours storage.

The plant has 10,600 heliostats, and the solar field itself measures more than 700 hectares. This project reduces CO<sub>2</sub> emissions by 400,000 tonnes per year and can supply energy 24 hours a day manageably and efficiently.

Since 2016, we've provided technical advisory services for the reactivation of the project. This consists of technical support for the EPC and O&M contract negotiation, financial closing process and general technical support during the EPC execution.

We act as Owner's Engineer, providing technical support services during engineering, procurement, construction, commissioning and testing. We've also undertaken the project engineering review and provided technical support to the site supervision, making sure that they comply with the EPC and O&M contracts. This technical support was focused to ensure compliance with the technical requirements defined by current codes, standards and regulations of the project application as well as recommended engineering practices.



### Bringing renewable energy to new geographies

Photo credit: Cerro Dominador

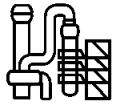
Case Study | Environment & Society

### Advisian

### Assessing feasibility of wind energy in the Great Lakes for New York State Energy Research and Development Authority

Advisian is partnering with the National Renewable Energy Laboratory, The Brattle Group and Pterra Consulting to determine if the Great Lakes can further support energy transition in the US.

Advisian is leading environmental, regulatory and user conflict studies and supporting economic and geohazards assessments. We are assessing environmental compliance and impacts, visual effects and mitigation, and we are providing information on public health benefits, environmental justice, effects to disadvantaged communities and decarbonization benefits.



## Chemicals

### Chemicals

The impact of the pandemic on the chemical industry was transient, and once the overall economic recovery trajectory was clear, demand returned. We're seeing investment planning and funding being reinstated in this sector in line with the V-shaped recovery indicated by independent third-party commentary.

Again, Worley had a very strong year in chemicals. As well as our strong customer relationships and our global position, we've been able to add value in ways we'll cover in the next section.

### Fuels

During the COVID-19 pandemic, refinery utilization rates dropped to their lowest levels since the 1980s.

Land transportation fuel demand has bounced back to 2019 levels, but forecasts suggest air transportation fuels probably won't get back to where they were until 2024.

Feedstock from refineries for chemical use has returned, and it's expected to be an increasing proportion of refinery output over time.

Worley has had a strong year in refining. This is based on our strong customer relationships, global position and ability to pivot with market changes.

### Delivering a more sustainable world in Chemicals and fuels

The pandemic's impact on the refining market gave us an opportunity to take the lead in delivering new and modified refineries.

We set about designing refineries that meet future needs of lower fuel outputs, increased chemical feedstock and lower emissions.

There is a strong investment trend for refinery conversions to biofuels or petrochemical feedstock. This helps to meet the growing need for biofuels as part of the circular economy. During the last year, we've been awarded over 40 low-carbon fuels contracts, positioning us well for significant further investment, predominantly in the developed economies. We've also been addressing end-of-life refineries – either converting them to import terminals or decommissioning them.

The chemicals market now integrates energy transition into investment decisions and is committing to reduce the energy intensity of its feedstocks and production processes.

Plastics recovery is gaining momentum, particularly as a response to community and ESG pressures on plastics waste. We're working on the world's first commercial unit to significantly upscale production of certified circular polymers derived from used plastic.

As our world changes, we're delivering solutions to address the challenges of our Chemicals customers' by:

- converting feedstocks from fossil hydrocarbons to biomass and waste
- reducing environmental impact across the manufacturing process
- using digital processes to improve industry efficiencies.

### Case Study | Resource Stewardship

## From plants to plastics

We signed a strategic partnership with Avantium Renewable Polymers, a subsidiary of Avantium NV, to develop its flagship renewable plastic feedstock plant in Delfzijl, Netherlands.

The first-of-its-kind facility will produce plant-based furandicarboxylic acid (FDCA). FDCA is a key building block for many chemicals and plastics, such as polyethylene furanoate (PEF), a fully recyclable plastic. We'll acquire a shareholding in Avantium in return for a €10 million equity investment for the engineering, procurement and construction phase of the FDCA flagship plant.

This equity partnership follows our work over the last two years in the concept development phase and front-end engineering design of the facility.

"The Worley team brings strong expertise in technology assessment and has extensive experience in scaling up first-of-a-kind plants. We highly value our collaboration with Worley in the next exciting stage of development." Avantium CEO Tom van Aken.



**A first-of-its-kind facility: producing 100% plant-based building blocks for chemicals and plastics**



● Core Market Trends & Case Studies

🔍 Case Study | Decarbonization

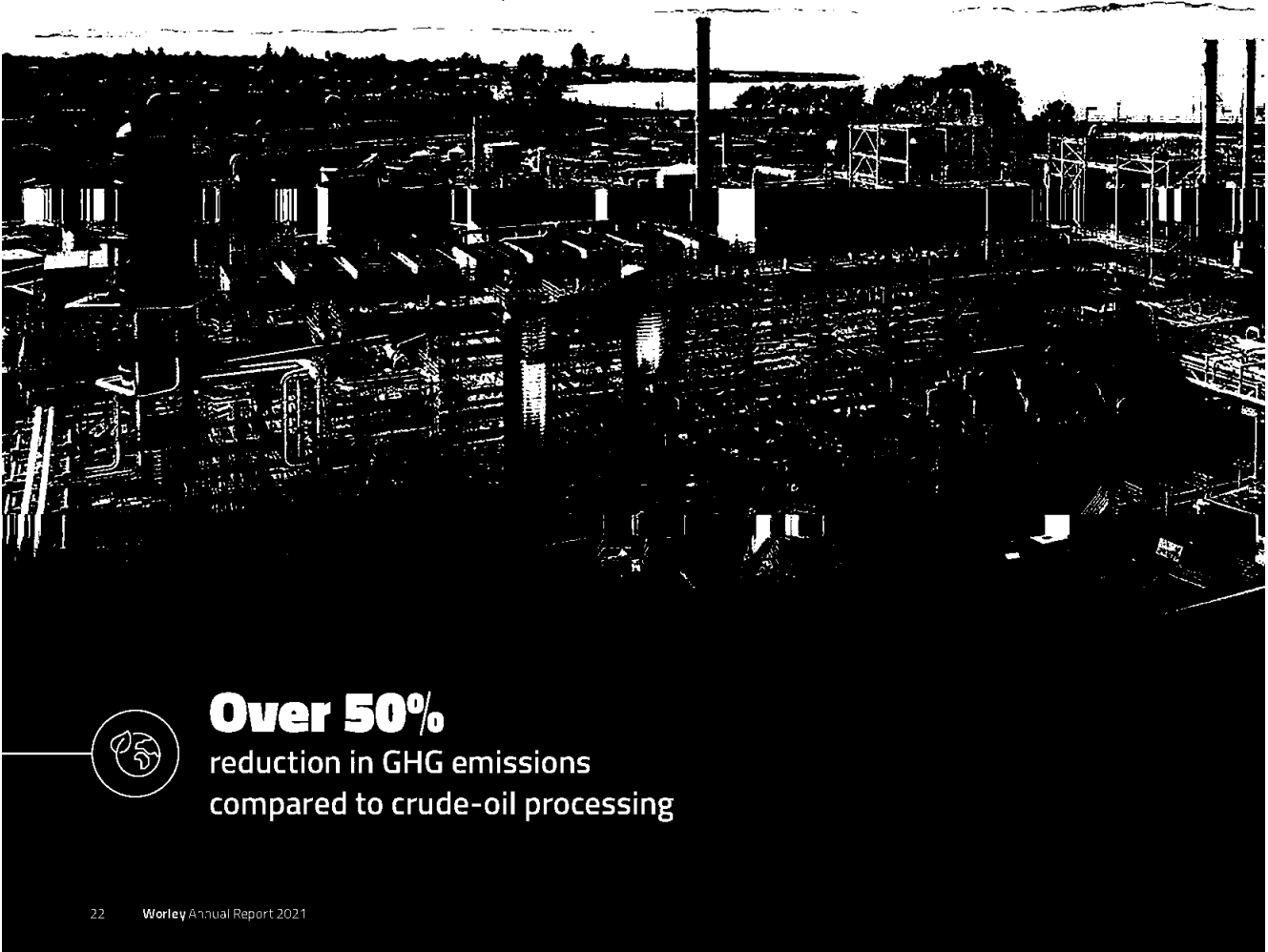
## Creating one of the world's largest renewable fuels facilities

We're working with Phillips 66 to convert its San Francisco refinery into a renewable fuels facility.

The project will reconfigure the refinery and produce up to 650 million gallons (2.5 billion liters) every year of renewable transportation fuels from used cooking oils, fats, greases and vegetable oils. Once built, we expect the renewable fuels facility to be one of the world's largest of its kind. The conversion is expected to reduce the plant's greenhouse gas emissions by 50% and enable Phillips 66 to cover its California Low-Carbon Fuel Standards obligations.

We're providing the overall engineering services, and Advisian, our consulting business, completed the feasibility study.

According to IEA's Net Zero by 2050 report, liquid biofuel production is expected to quadruple while that of biogases is estimated to expand sixfold between 2020 and 2050. We are well positioned to support our customers in this space having won over 40 low-carbon fuels contracts in the last 12 months.



**Over 50%**  
reduction in GHG emissions  
compared to crude-oil processing



Case Study

## A world-class and award-winning petrochemical project in the US

The BookraMEG facility is a 750,000-ton facility in Oyster Creek, Texas, that produces monoethylene glycol and diethylene glycol which are used in some of our everyday products including antifreeze, clothing and construction materials. It's the first facility that MEGlobal's parent company, EQUATE Group, built in the US.

We were involved from day-one from the project planning, front-end engineering and design and detailed engineering, procurement and construction management through to commissioning, start-up and initial production.

We completed the construction in 21 months— seven months faster than the industry average for similar US Gulf Coast projects. The project also met the highest safety standards, with a total recordable incidence rate of 0.054 and 3.7 million continuous hours worked without a recordable safety incident.

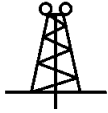
It was recognized by ENR as a Global Best of the Best project in March 2021 and as a Regional Best Project in Texas and Louisiana for the Power/Industrial category.



Delivered **7 months earlier** than the industry average while maintaining the highest safety standards



## Core Market Trends & Case Studies



## Resources

### Resources

The demand for mined commodities in 2020 was resilient and this was sustained through 2021. Forecasts also say there'll be continued supply constraints in the bellwether copper market for the foreseeable future. The iron ore market will remain supply constrained too, as demand remains high and availability of high grade product from Brazil is limited.

Major and mid-tier customers are enjoying strong balance sheets and financing levels. Strong commodity prices have helped majors maintain strong cash generation, and capital raising with junior and intermediate companies is healthy. Exploration is recovering well with budgets forecast to increase by around 20% in the 2021 calendar year.

Long-term underlying global trends support growth commodities. Industry growth is likely to come from base and precious metals – as well as continued sustaining capital spend across iron ore and fertilizers.

The long-term structural change to energy transition metal demand continues to accelerate due to greater electrification and the rapid uptake of electric vehicles, leading a step-change in battery manufacturing ahead. This transition is driving investment in both minerals and metals supply in addition to the decarbonization of the supply chain and improved stewardship of water as society looks to the more sustainable production of commodities. This affects copper, aluminium, lithium, nickel, cobalt and many others.

### Delivering a more sustainable world in Resources

Globally diversified miners are still leading the way in setting sustainability targets. This is a trend we expect the entire industry will follow.

The sector is now moving to decarbonize and improve energy and water usage. It's achieving this through process efficiencies, process innovation and finding new ways to sustainably deliver energy transition raw materials.

Our technical and delivery capability reaches across industries, covering the entire mining, minerals and metals supply chain and asset lifecycle.

This positions us to support our customers with strategies and solutions for:

- reducing emissions and improving efficiencies
- decarbonization infrastructure
- energy efficiency and electrification
- water stewardship
- metal recovery enhancement.

These solutions allow our customers to meet their sustainability targets while still delivering the vital resources the world needs at an accelerated pace.

### Case Study

## Helping build one of the world's largest iron ore hubs

We have experience of delivering a significant amount of Western Australia's iron ore export capacity from pit to port. Experience we were able to draw on when we helped BHP's South Flank stay the course and achieve first ore on their \$3.6 billion South Flank mine project.

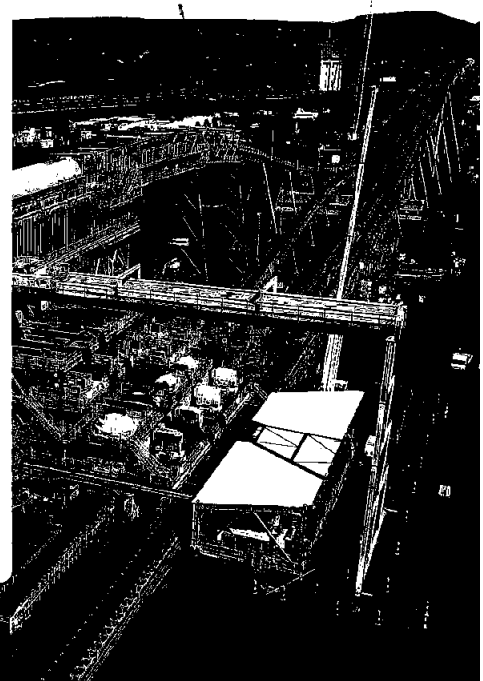
South Flank is one of the world's largest iron ore operations, integrating the latest advances in autonomous-ready fleets, digital connectivity and modular design.

Our involvement started in 2014 with the pre-identification phase study scope and continued through selection and definition phases.

We later started the detailed engineering for two primary crushers, long overland conveyors, an ore processing facility, stockyard and out-loading facilities.

Today, we're giving construction and commission support as the mine prepares for more than two decades of production.

With most of the ore being made into steel – the foundation of our built environment – the project is helping to construct our cities, build sustainable infrastructure and enable transportation across the world.





Case Study | Decarbonization

### Displacing diesel fuel in mining

Diesel fuel – it’s a finite resource, and relying on its long-term use is counterintuitive to the mining industry’s goal to be carbon neutral in the next thirty years.

We were recently engaged to develop a roadmap to reduce, replace and ultimately eliminate diesel use on our customer’s open-pit site in Australia.

We helped our customer apply careful optioneering to decide which technologies will mature and remain relevant from today until 2040/50. These included electrifying their mining fleet as well as hydrogen fuel cell options. We also showed that displacing diesel from a mining fleet can remove up to 50 per cent of a mine site’s emissions.

Every liter of diesel counts in the race to net zero. Our roadmap provided our customers a series of well-planned steps to a diesel-free future.

**50%**  
of a mine site’s GHG emissions can be removed by displacing diesel from a mining fleet



Case Study | Decarbonization

### Bringing Worley’s technology to build one of the largest alumina refineries in the world

Our partnership with Vedanta started almost two decades ago when we provided process know-how, concept, basic engineering and commissioning support for their 1.4 Mtpa greenfield alumina refinery in Lanjigarh, Orissa, India.

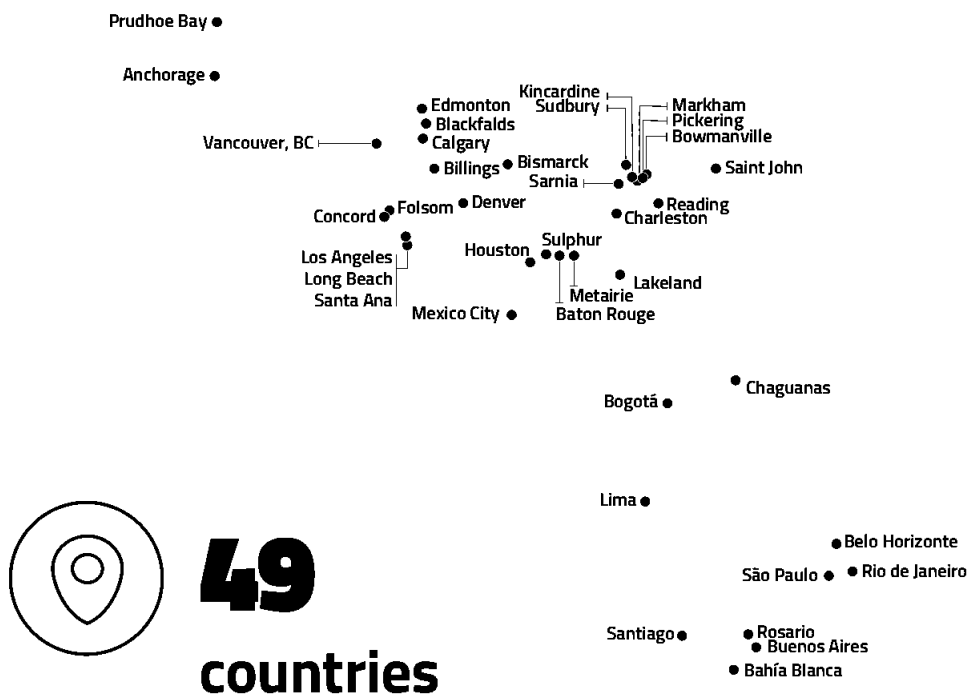
We recently supported Vedanta to expand their capacity to 3 Mtpa. We’ve started detail engineering, providing the design for the high-pressure Digestion area of the refinery. Once done, we’ll have taken their capacity to 5 Mtpa – making Vedanta Lanjigarh the third largest refinery in the world.

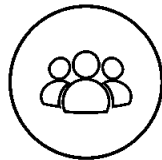
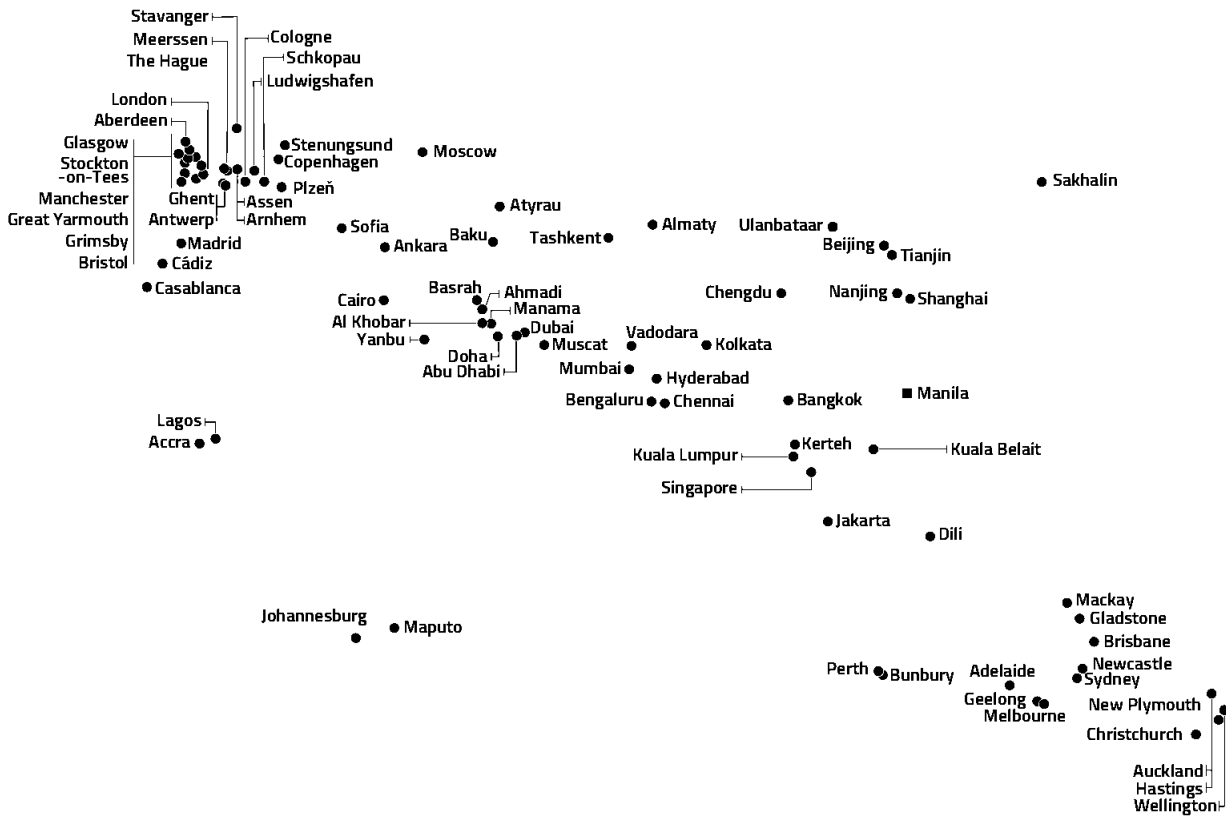
We performed the basic engineering work out of our Centre of Excellence for Bauxite and Alumina in Brisbane, Australia. Our GID team in Kolkata, India, performed approximately 30% of the hours worked. As the project moves into detailed engineering, the delivery from Kolkata will increase substantially.





## Global Operations





**47,700**  
people



● Environment, Social and Governance

# Sustainability

## Taking action to forge sustainable pathways.

The COVID-19 pandemic has reminded us how fragile we are and how dependent we are on shared purpose and commitment. It's also helped the world realize we need to take urgent action to achieve the United Nations Sustainable Development Goals (UN SDGs). The enormity of the task is becoming ever more clear.

As the 26th UN Conference of the Parties (COP26) approaches, we're reminded of the vital role the UN plays in coordinating the global effort on common issues facing humanity. It's been nine years since we became a signatory to the UN Global Compact principles, and we're more committed than ever to them as well as advancing the broader UN SDGs.

### We are diverse

Operating across 49 countries with 47,700 people, we are a diverse community with a common purpose of delivering a more sustainable world. We speak over 33 languages, and over 4% of us identify as LGBTIQ+.<sup>5</sup>

### We have a strong sense of purpose

Living our purpose and values is what drives change across our business. We have behaviors to support each of our values and translate them into day-to-day actions.

### Solving the sustainability challenges facing the world requires new partnerships and fresh thinking

We're involved in partnerships and coalitions across our industry and within our sectors. We look at challenges from different perspectives and combine insights to create opportunities for breakthrough thinking.

As a partner of Princeton's Andlinger Center for Energy and the Environment, we combine our real-world project expertise with Princeton's academic analysis. We have developed thought leadership on how to deliver net zero infrastructure by mid-century.

### Taking strong steps forward

We continue to contribute to the UN SDGs. This is driven through our Sustainability Policy, focusing on caring for our planet, our people and communities and operating responsibly. This year, we've:

- rolled out Sustainable Solutions, empowering our people to cut carbon emissions on our customers' projects
- joined the Business Ambition for 1.5°C<sup>6</sup>, which includes a commitment to net zero Scope 3 emissions by 2050
- held our first Sustainability month, with 15,000 participants
- conducted the first global inclusion survey of our people, with more than 18,500 participants
- signed onto the Workplace Pride Declaration of Amsterdam<sup>6</sup>
- invested in digital solutions, data science and digital teams to drive efficiency and focus on sustainability solutions.



<sup>5</sup> Lesbian, gay, bisexual, transgender, intersex, and queer plus all other non-binary genders and non-heterosexual orientations not already described.

<sup>6</sup> Refer to the Worley Sustainability Definitions 2021 document available on our website.



# Materiality

We're focused on what's important for our business and the world around us.

Materiality is dynamic, and we continue to engage with key stakeholders to ensure that we remain focused on the material issues for our business. This year, we:

- surveyed over 1,000 of our people following Sustainability month
- ran our Megatrends and Shifts survey to look for issues affecting our customers
- continually engaged with our shareholders on ESG issues
- monitored what others in our sectors are saying and doing on ESG issues.



## We see sustainability issues through the lens of the UN SDGs

### Primary focus areas



**We support healthy lives and promote well-being**



**We support access to sustainable and modern energy**



**We contribute to the ongoing development of industry, innovation and infrastructure**



**We combat climate change and its impacts**

### Our role in the world

- worked with our customers to further improve the management of our people's health and well-being.
- sustainability is 32% of our FY2021 aggregated revenue
- increased our involvement in the Energy Transition to a cumulative total of 3,000+ projects including 650+ renewable energy projects in developing countries; one example being the 100MW Kipeto Wind Farm in Kenya.
- designed, constructed and operated critical infrastructure around the globe
- worked alongside Princeton's Andlinger Center for Energy and the Environment on how to deliver the infrastructure required to achieve net zero by mid-century.
- rolled out our Sustainable Solutions<sup>7</sup> process across the business.

### How we run our business

- launched new Life programs such as Life matters and Safe driving for Life
- strengthened our mental health champion networks
- held mental health, **Stronger together** and Life months
- implemented our inclusion survey to listen to the voices of our people
- made strong and clear commitments to inclusion and diversity.
- switched our Houston office and fabrication yard to 100% renewable energy
- switched our Perth office to 100% renewable energy.
- funded a total of 20 innovation-related initiatives through our Innovation Hub and Activate programs.
- launched our net zero roadmap
- committed to the Business Ambition for 1.5°C campaign
- joined the Climate Leaders Coalition<sup>6</sup>
- extended our long-term debt maturity profile with a sustainability linked bond<sup>6</sup> under Euro Medium Term Note (EMTN) program.

### Secondary focus areas

In our assessment, we identified several other issues that are important to our stakeholders and to our business. You'll see our contribution to these SDGs noted throughout our Sustainability Report.



<sup>7</sup> Our approach to incorporating sustainable thinking into project delivery and design. Sustainable Solutions enables our people to identify and quantify sustainability ideas and savings related to carbon and energy use.



● Environment, Social and Governance



## Environment: Caring for our planet

We are committed to a net zero future.

### We are committed to:

- net zero Scope 1 and Scope 2<sup>8</sup> emissions by 2030
- 50% reduction of our Scope 1 and Scope 2 emissions by 2025
- net zero Scope 3<sup>9</sup> emissions by 2050.

Our greenhouse gas emissions (GHG) reduced significantly in FY2021 due to a combination of factors, including changed operating patterns as a result of the COVID-19 pandemic.

| Indicators  |         | 2021 <sup>8</sup> | 2020 <sup>9</sup> |
|---|---------|-------------------|-------------------|
| GHG emissions (tCO <sub>2</sub> e) <sup>5</sup>     | Scope 1 | 25,112            | 36,928            |
|   | Scope 2 | 35,507            | 77,313            |
|   | Total   | 60,619            | 114,240           |
| Energy consumption (MWh)                            |         | 218,539           | 371,880           |
| GHG emissions intensity (tCO <sub>2</sub> e/person) |         | 1.27              | 2.20              |
| Energy intensity (MWh/person) <sup>6</sup>          |         | 4.58              | 7.17              |

We've made significant progress consistent with our Climate Change Position Statement and associated strategic actions. We:



developed our net zero roadmap and have made progress to reduce our Scope 1 and Scope 2 GHG emissions



committed to setting a science-based target to address our Scope 3 emissions through the Business Ambition for 1.5°C. We've improved our Scope 3 emissions disclosures this year



launched our Sustainable Solutions process in November 2020 across all locations



applied our Responsible Business Assessment standard to our bid decision making process. This has informed decisions on bids we have chosen to pursue and those we have not



improved our TCFD disclosures. We have integrated climate risk into our business strategy development process. See page 30 of the Sustainability Report for more information.

<sup>8</sup> The Scope 1 and Scope 2 energy and emissions figures reported here are estimated and consistent with figures lodged with CDP in July 2021. The figures will be subject to a limited assurance process during the first half of FY2022 and any adjustment will be disclosed as an amendment to our CDP submission and published on our website.

<sup>9</sup> Last year, we reported our FY2020 emissions baseline as 136,026 tCO<sub>2</sub>e and 488,384 MWh. Following further validation we revised our FY2020 baseline to 114,240 tCO<sub>2</sub>e and 371,880 MWh.

We recognize the importance of working with others on the sustainability challenges facing the world. We're part of the following groups and coalitions:

- the Science Based Targets initiative
- the Business Ambition for 1.5°C
- EP100, an initiative of The Climate Group.

### We're starting to reduce emissions in our value chain

In line with setting our science-based target through the Business Ambition for 1.5°C, we'll improve our data collection and increase our disclosures of Scope 3 emissions year-on-year. This year, for the first time we're disclosing our Scope 3 emissions for:

- business travel
- paper usage
- data centers.

| Indicators                                     | 2021<br>Total            |
|--|--------------------------|
| Paper usage                                    | 1,640 tCO <sub>2</sub> e |
| Data centers                                   | 1,614 tCO <sub>2</sub> e |
| Business travel (including air and car travel) | 4,685 tCO <sub>2</sub> e |
| Total calculated Scope 3 emissions             | 7,939 tCO <sub>2</sub> e |

We'll continue to drive down these emissions as we work towards our target of net zero Scope 3 emissions by 2050.

We've completed a Climate Change response to CDP for FY2021, which was reported in July 2021 and is available on our website.

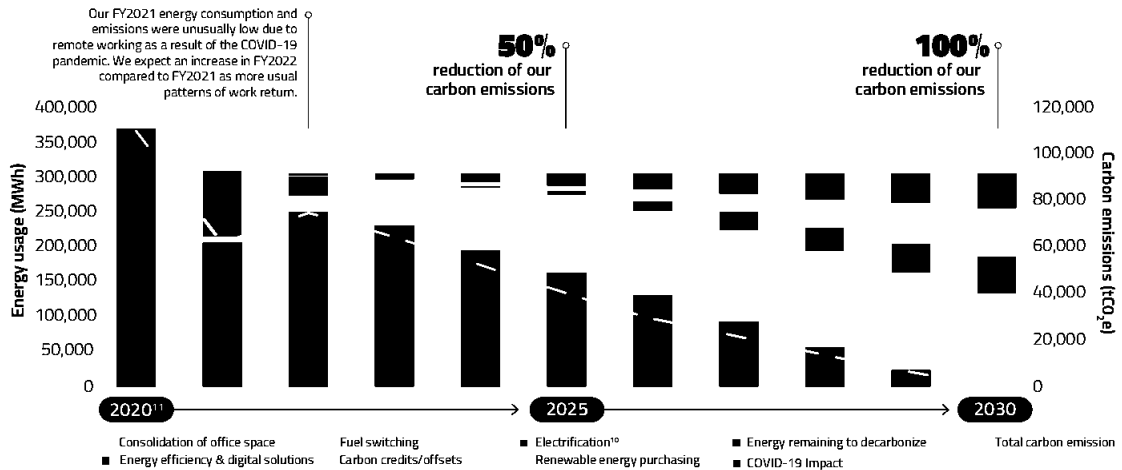


Rendered image of 1PointFive's DAC facility.



## Our roadmap

We've developed our net zero roadmap for Scope 1 and Scope 2 emissions.



### Short-term approach

- Office consolidation
- Energy efficiency improvements
- Hybrid and electric vehicles pilot program
- Transition to biofuels
- Transition to renewable electricity
- Phase out diesel generators

### Long-term approach

- Phasing out gas in buildings
- Widespread adoption of electric vehicles and biofuels
- Continuing to transition to renewable energy
- Piloting emerging technologies for heavy vehicles
- Carbon offsets where required

## In FY2021:

- We reduced 197 offices to 140 offices
- We switched to 100% renewable energy contracts in Houston and Perth
- We upgraded to energy-efficient chillers in our Houston office
- We've transitioned to biofuels<sup>9</sup> in our vehicle fleet in Brazil
- We now have a new energy management software and corporate framework
- We started energy management working groups
- We extended our long-term debt maturity profile with a sustainability linked bond
- We updated our property leasing criteria to include sustainability

<sup>9</sup> Combined with renewable energy.

<sup>11</sup> Our FY2020 energy and emissions were also impacted by COVID-19, but this has not been quantified as this was our baseline emissions year.



● Environment, Social and Governance

**Waste and water**

As part of our Field Services businesses, we have 10 fabrication and modularization yards across North America, Europe and the UK. We fabricate and assemble equipment such as piping, structural and process modules.

The water consumption in our Houston fabrication yard was unusually high this year, because during the severe winter storms in Texas in February, our water lines were kept running continuously for several days. This was to prevent the lines from freezing.

This year, we began to report the water and waste generated from our fabrication yards.

Next year, we'll improve the data collection in our fabrication yards. We'll also expand our reporting to cover water usage and waste from our offices where metered.

This year, we've also updated our property leasing criteria to include considerations on waste separation and reduction and water efficiency. We'll continue working with our property managers to improve the ways we measure and reduce our water usage.

**Waste produced from our fabrication yards<sup>12</sup>:**

| Waste composition   | Total waste generated (tonnes) | Directed to disposal |                 |              |
|---------------------|--------------------------------|----------------------|-----------------|--------------|
|                     |                                | Landfill             | Waste-to-energy | Recycling    |
| Non-hazardous waste | 8,611                          | 2,960                | 1,599           | 4,052        |
| Hazardous waste     | 1,129                          | 0                    | 1,129           | 0            |
| <b>Total</b>        | <b>9,739</b>                   | <b>2,960</b>         | <b>2,728</b>    | <b>4,052</b> |

**Water used in our fabrication yards** **818,600m<sup>3</sup>**

<sup>12</sup> All our waste is taken off site by third party contractors. 'Recycling' includes mixed recycling, organic waste, electronic waste, metal, plastic, paper, cardboard, and wood.





### Task force on Climate-related Financial Disclosures (TCFD)

This year we have fully embedded the use of climate-related scenarios into our business strategy process

| TCFD theme  | Our progress   | Data Sources  | FY2021 Progress  |
|---|--|---|--|
| <b>Governance – disclose the organization's governance around climate-related risks and opportunities</b>   |  |   |  |
| (a) Describe the Board's oversight of climate-related risks and opportunities   | <ul style="list-style-type: none"> <li>Consideration of climate change risk is embedded throughout Worley's governance and management processes. The Board Health, Safety and Sustainability Committee (HSSC) is responsible for overseeing all sustainability matters, including climate change. This committee approves the Climate Change Position Statement. It makes recommendations for resources, processes and performance to make sure we achieve our ambitions. The Worley Chair and CEO both sit on the HSSC. The Board Audit and Risk Committee (ARC) monitors climate change risks and opportunities. It makes recommendations on any policy or public reporting related to climate change as it relates to the Group.<sup>6</sup></li> <li>Within the Group Executive, the Group Director for Health, Safety and Sustainability is responsible for climate change strategy and disclosures. The President of Energy Transition &amp; Digital is responsible for driving our energy transition business strategy.</li> <li>The Sustainability Working Group is a high level cross-business working group which develops responses to climate change and energy transition. It guides the business and its functions on strategy and future planning. The Group Sustainability Lead is accountable for implementing our CCPS and realizing our commitments of net zero Scope 1 and Scope 2 emissions by 2030 and Scope 3 by 2050.</li> <li>Our Growth team, supported by our Energy Transition &amp; Digital team, is focused on the risks and opportunities in our sectors associated with the low-carbon transition. Working together, these teams grow the business opportunities in decarbonization and energy transition.</li> <li>Our Assurance team, which includes our R3 team, works with the business to manage the physical risks (and opportunities where appropriate) of climate change. This includes managing the safety of our people and communities during extreme weather events along with future planning for physical climate change scenarios.</li> </ul> | <ul style="list-style-type: none"> <li>Annual Report, p.4</li> <li>Board HSSC charter</li> <li>Board ARC charter</li> <li>Climate Change Position Statement</li> <li>Investor Day pack (June 2021, p.41)</li> <li>Sustainability Working Group (SWG)</li> </ul> | <ul style="list-style-type: none"> <li>Updated Board charters to clarify roles and responsibilities.</li> <li>Established the SWG, including charter.</li> <li>Established Growth team, with a key focus on growing sustainability and energy transition business opportunities (new structure took effect from 1 July 2020).</li> </ul> |
| (b) Describe management's role in assessing and managing climate-related risks and opportunities  |  |   |  |
| <b>Strategy – disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning where such information is material</b> |  |   |  |
| (a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long-term   | <ul style="list-style-type: none"> <li>Responding to climate change and playing an active role in the energy transition are key elements of our business strategy. This includes supporting our customers towards a low-carbon future.</li> <li>We assess the risks and opportunities of climate change in the markets we serve. We do this for two reasons: firstly to capitalize on the opportunity offered by the capital programs associated with the energy transition, and secondly to mitigate risks associated with declining industries as the world transitions.</li> <li>We develop strategic responses on the short, medium and long term, in line with the climate-related risks and opportunities we identify.</li> <li>Using climate-related scenarios is a core part of our strategy development process. We use three of the IEA scenarios in our strategy and planning processes to cover the different possible speeds of the transition to a low-carbon economy. Described more fully in Table 1 these are:               <ul style="list-style-type: none"> <li>the IEA's Sustainable Development Scenario (SDS) as our primary scenario</li> <li>the IEA's Net Zero Economy by 2050 Scenario (NZE2050) to represent an accelerated transition</li> <li>the IEA's Stated Policy Scenario (STEPS) to inform a slower transition.</li> </ul> </li> <li>Our R3 group supports us in maintaining business continuity and planning responses in the event of physical risks like extreme weather events and rising temperatures.</li> </ul>  | <ul style="list-style-type: none"> <li>Annual Report, p.8</li> <li>Sustainability Report, p.11</li> <li>Investor Day packs (December 2020 and June 2021)</li> </ul>   | <ul style="list-style-type: none"> <li>Embedded three of the IEA transition scenarios directly into our strategy development process.</li> </ul>   |
| (b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning  |  |   |  |
| (c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario  |  |   |  |



## Environment, Social and Governance

| TCFD theme  | Our progress   | Data Sources   | FY2021 Progress  |
|---|--|--|--|
| <b>Risk Management – disclose how the organization identifies, assesses and manages climate-related risks</b>   |  |  |  |
| (a) Describe the organization's processes for identifying and assessing climate-related risks   | <ul style="list-style-type: none"> <li>We've embedded the identification of climate-related risks into our business risk processes and tools, which include:               <ul style="list-style-type: none"> <li>our Risk Management Policy and Risk Management Standard</li> <li>our Responsible Business Assessment Standard, which includes carbon intensity in risk screening of project opportunities</li> </ul> </li> </ul>   | <ul style="list-style-type: none"> <li>Annual Report, p.4</li> <li>Risk Management Policy</li> <li>Sustainability Report, p.56</li> </ul>  | <ul style="list-style-type: none"> <li>Completed a detailed risk assessment of climate-related risks and opportunities.</li> </ul>   |
| (b) Describe the organization's processes for managing climate-related risks  | <ul style="list-style-type: none"> <li>our Special Risks Standard, to identify very high risks that could damage our reputation or financial profile</li> <li>our security and resilience management processes through our R3 group. These include the need for response plans for climate-related disasters</li> </ul>  |  |  |
| (c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management                     | <ul style="list-style-type: none"> <li>quarterly risk reporting to the Board ARC.</li> <li>We complete annual assessments to identify the risks and opportunities associated with climate-change.</li> <li>Our business strategy is informed by the opportunity to be the leader in designing and building the low-carbon infrastructure critical to reducing global emissions</li> <li>Our people strategy is informed by the risk of an experience shortage. We provide opportunities for our people to build on their experience to design and deliver low-carbon infrastructure.</li> <li>We consider the physical risk of climate change in our supply chain planning and the impacts of extreme weather events on project schedules.</li> <li>We see an opportunity to use our deep knowledge of design and construction to provide resilience in new energy, chemicals and resources infrastructure to withstand the physical impacts of climate change.</li> </ul> |  |  |
| <b>Metrics and Targets – disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material</b> |  |  |  |
| (a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management processes                 | <ul style="list-style-type: none"> <li>We measure and monitor the proportion of our revenue that relates to our Sustainability Pathways. This includes the revenue from our decarbonization pathway.</li> <li>We've committed to net zero Scope 1 and Scope 2 emissions by 2030 and have developed a roadmap which sets out our plan of how we will achieve this.</li> <li>We've committed to net zero Scope 3 emissions by 2050 through the Business Ambition for 1.5°C. We'll set our science-based targets (aligned to a 1.5°C outcome) by April 2023.</li> </ul>   | <ul style="list-style-type: none"> <li>Annual Report, p.4</li> <li>CDP Report FY2021</li> <li>Climate Change Position Statement</li> <li>Sustainability Report, p.31</li> <li>Remuneration Report, within the Annual Report</li> </ul> | <ul style="list-style-type: none"> <li>Established process to track revenue derived from our Sustainability Pathways.</li> <li>Developed a detailed roadmap to net zero on our Scope 1 and Scope 2 emissions by 2030.</li> </ul>         |
| (b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas emissions and the related risks   | <ul style="list-style-type: none"> <li>We've reported our carbon emissions across Scope 1, Scope 2 and Scope 3 in our Sustainability Report and through Carbon Disclosure Project (CDP).</li> </ul>  |  | <ul style="list-style-type: none"> <li>Joined the Business Ambition for 1.5°C campaign and committed to the Science Based Targets initiative.</li> </ul>   |
| (c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets   | <ul style="list-style-type: none"> <li>From FY2021, our new Deferred Equity Plan for our Group Executive, includes a metric relating to the delivery of our Sustainability Action Plan.</li> <li>In FY2022, we will implement a short-term incentive framework that has greater focus on ESG priorities. This will specifically include a measure to reduce Scope 1 and Scope 2 carbon emissions, and this will apply to all Executives and Senior Leaders at Worley.</li> </ul>   |  | <ul style="list-style-type: none"> <li>We started reporting on our material Scope 3 categories this year.</li> <li>Group Executive Deferred Equity Plan includes a metric for the delivery of our Sustainability Action Plan.</li> </ul> |



## Social: Our people and communities

Our business performs best when our workplaces are safe, healthy, diverse and inclusive. This also benefits our customers and the communities we operate in. We help our people to thrive and contribute to sustainable communities.

### Safety, health and well-being

#### Our Life approach

We prioritize the safety, health and well-being of ourselves and others, and we choose what is right over what is quick or easy. We face into important issues and understand and learn from them.

Life is all about how we connect with each other and use our programs and tools every day to stay safe and well. Life not only keeps front of mind why we need these programs, it provides the connection between the programs, be it Life conversations, Life-saving rules, Safe driving for Life or Life matters.

#### Physical safety

We align our reporting with the United States Occupational Safety and Health Administration. This includes:

- Total Recordable Case Frequency Rate (TRCFR)<sup>6</sup>
- Lost Workday Case Frequency Rate (LWCFR)<sup>6</sup>
- Serious Case Frequency Rate (SCFR).<sup>6</sup>

| Indicators | 2021 | 2020 |
|------------|------|------|
| TRCFR      | 0.16 | 0.16 |
| LWCFR      | 0.02 | 0.03 |
| SCFR       | 0.07 | 0.06 |

Over the past year, we've:

- launched our Safe Start campaign which equipped our people with the practical information on Life, its associated behaviors and examples of how we can all use them in our daily work
- promoted Life conversations which continuously improves the quality of conversations around Human Performance and core Life behaviors
- introduced the Safe driving for Life program which helps our people to drive more safely.

We have had no fatalities over the past financial year.

#### COVID-19

We continue to navigate the challenges of COVID-19. Our processes for managing COVID-19 have helped to keep our people safe and shown our remarkable flexibility. We've all seen the devastating impact COVID-19 has had. We are saddened by the loss of valued members of our Worley team. We express our deepest sympathy to the family and friends of all lives lost across the globe.

<sup>13</sup> Marian McLean has a new organizational role from FY2021: Group President - Sustainability



**The safety, health and well-being of our people is what Life is all about. As the pandemic waves have impacted our people and their families across our operations, I am enormously proud of the care and support our people have provided each other and the flexibility our processes have enabled to maintain customer delivery."**

Marian McLean  
Executive Group Director –  
Health, Safety and Sustainability<sup>13</sup>

#### Mental health

We're continuously emphasizing the importance of supporting mental health, and we have the programs and systems to make this happen. These include

- a comprehensive Employee Assistance Program (EAP)
- a network of mental health champions
- training materials
- a recognition program for role modeling safe behavior
- online resources that support creating a safe and respectful workplace.

We have 875 managers who have completed training in basic mental health awareness from our EAP provider, and we now have 254 trained and chartered Mental Health champions.

#### Social well-being

Social well-being is always important and even more so as different parts of the world have moved in and out of lockdown. This year we:

- ran our **Stronger together** month to encourage our people to explore the power of connections and diverse and unique relationships
- introduced our Ice-breaker app which improves how our people connect in the virtual world
- gave our people advice on staying connected while working from home during the various lockdowns
- held Life conversations across the business to check-in on people's well-being
- established an Appreciate program to celebrate achievements and support an inclusive culture for our people.



## Environment, Social and Governance

### Diversity and inclusion<sup>6</sup>

We're building a working culture that's free from discrimination and bias – one where everyone is valued, respected and supported.

#### An update on our FY2025 targets and progress

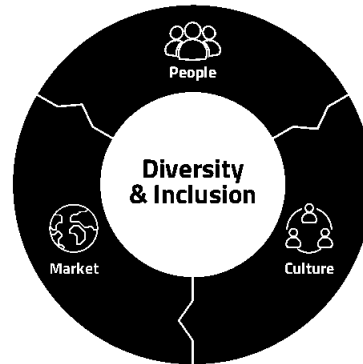
Through FY2021 we made progress and refined our targets.

| Role  | Target for FY2025  | FY2021   |
|---|--|----------|
| <b>Board composition</b>                        | Have a Board composition of at least 30% women <sup>6</sup>                      | Achieved |
| <b>Group Executive</b>                          | Retain gender diversity of Group Executive <sup>6</sup>                          | Achieved |
| <b>Senior Leaders</b>                           | Increase the proportion of women in our Senior Leaders to 20% <sup>6</sup>       | 16%      |
| <b>Collective annual global graduate intake</b> | Minimum of 50% female hires to support gender diversity in the general workforce | 46%      |

We believe that our workplace should represent and reflect the communities in which we operate; this is especially true when it comes to the representation of race and ethnicity.

Our aspiration is to progress more closely to this vision. We are now working to develop a global ambition around equality with location relevant targets.

Given our geographic spread and the fact that race and ethnicity issues vary by location, we believe this approach is more meaningful and relevant.



#### We have a holistic approach to diversity and inclusion (D&I)

This is based on our People, Culture and Market model. We're proud of our progress this year but more needs to be done, and we'll keep delivering improvements, guided by feedback from our people.

We now have a Board made up of 33% women and a gender-balanced executive team of six women and four men. We've recruited more women into senior leadership roles by having a more focused approach to talent acquisition.

We have re-positioned our ambition on the general workforce, of which currently 18% are women. We will focus on initiatives that will develop inclusivity across the business as opposed to broad general workforce gender targets. We believe this will be more meaningful for the business and will bring about greater impact. It is our intent to identify a number of key drivers from our inclusion survey and measure progress accordingly.

During the past year:

- 22% of our hires into Senior Leaders roles were women
- 46% of our graduates starting during the year were women, up from 28% in FY2020.





**We're building an even stronger culture of diversity and inclusion**

This year, we wanted to know what our people think of our working culture. So, we ran a global survey with over 18,500 of our people taking part. We set out to answer two main questions:

- How diverse is the Worley family?
- How included do our people feel?

Here's what they had to say:

- we do indeed have a diverse workforce who feel they belong
- we do, however, still have work to do on unconscious bias
- we need to focus on giving more support to specific groups.

See our Sustainability Report for more detail and how we're acting on the survey results.

**Achieving racial equality**

The Black Lives Matter movement in the US sparked a global conversation about how businesses can increase and improve representation of different ethnicities.

We continued our work in Canada with First Nations peoples through the Progressive Aboriginal Relations Certification. We continued work in Australia, too, with our Reconciliation Action Plan (RAP).

As an Australian-based business, our RAP commitments and community partnerships demonstrate our commitment to Australia's Reconciliation journey. Since our RAP launch we've deepened our relationships with the Polly Farmer Foundation and CareerTrackers Indigenous Internship Program, and established new partnerships with the Johnathan Thurston Academy and Warrikal. We've declared our support of the principles embodied in the Uluru Statement from the Heart and continue to build awareness within our business on the meaning of Reconciliation as well as celebration of First Nations culture.

**Inclusion survey results**



**Our leadership**

84% of our people gave favorable responses regarding how our leaders talk about the importance of diversity and inclusion and demonstrate inclusive behaviors.



**How we operate**

78% of our people were favorable about the way we operate, including the fairness of our policies, systems and processes.



**How we behave**

83% of our people gave favorable responses to seeing inclusive behaviors in our business.



**How we feel**

88% were favorable about Worley having a culture of inclusion and belonging.

The scores are our global results and represent the percentage of people who chose "frequently", "very frequently" or "always" in response to the questions under each section of the survey.



## Environment, Social and Governance


### People development

#### Our people are our most valuable asset

We focus on four priorities that guide us in developing our people:

1 

**Shape of the workforce**

2 

**Future fit**

3 

**People experience**

4 

**Digital and data driven**

#### We're shaping the workforce of the future

The nature of our work continues to change. So, we're experimenting with new ways of working and new models for deploying our people. We have several streams of work looking at the skills and capabilities we need to:

- serve our customers and deliver our strategy
- find and recruit the right talent in new and scalable ways
- redefine the purpose of the workplace and how and where work gets done.

#### We're making sure our people are 'future fit', and we're developing the leaders of tomorrow

To attract, upskill and retain the right people, we need to give them the right tools and working culture. In the past year, we've:

- had over 212,000 visits to Learning at Worley; our digital learning platform that focuses on skills development
- increased our 'on the job' learning opportunities
- delivered a series of team effectiveness programs
- developed a multi-level sponsorship program where senior leaders advocate to accelerate opportunities for underrepresented groups
- held a series of focused months for educating, developing and engaging our people globally. We've had a total attendance of more than 75,000 at our live Teams calls over the past year
- trained over 11,700 of our people and equipped them with a 'Digital Passport'. This allows them to help other colleagues with digital know-how and other ways to be 'future fit'
- started work implementing a series of development pathways to skill our people through an Energy Transition Passport. This will support our people who've been with us for some time as they move into energy transition projects.

#### We're strengthening our people experience

Our priority is to cultivate a values driven, inclusive culture that fosters belonging and well-being. In the past year, we've:

- recruited 335 Values ambassadors to embed and steward our purpose and values throughout the business
- launched our 'Appreciate' values recognition program. This gives our people the chance to recognize and celebrate others for the ways they've demonstrated our values and behaviors
- held a series of values and purpose months to cultivate our values within our people.

We're introducing a Short Term Incentive (STI) framework for Senior Leaders that recognizes behaviors in line with our values. By linking our incentive programs not just to 'what' our leaders achieve but 'how,' we can accelerate to delivering a more sustainable world.

#### We're delivering data-driven insights

We're now using targeted initiatives, driven by data insights, to develop and deliver solutions that strengthen the development of our people.

Data is helping us to boost our diversity and inclusion. This has helped us to highlight key steps in our recruitment process that we can improve to further our quest for a more diverse and inclusive workforce.



#### We're embedding sustainability in the mindset of our people

This year we launched the inaugural Sustainability Month; a call to action for everyone to take part in our sustainability journey. Our Sustainability Champions Network (SCN) is also growing. The network connects people across the business who are passionate about sustainability and is actively bringing our purpose to life.



**15,000+**  
of our people participated in Sustainability Month



**500+**  
of our people are members of our Sustainability Champions Network (SCN)



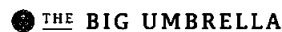
## Improving our communities

We make a positive contribution where we operate.

Through the Worley Foundation<sup>6</sup> and our networks and programs, we connect the diverse skillsets and passions of our people to help develop sustainable communities and ecosystems. We focus on STEM education, skilled volunteering and environmental and community benefit. We encourage our people to contribute towards a more sustainable world – both in their project work and in our communities where we operate.

### The Worley Foundation is funding nine new projects this year

The Worley Foundation supports projects to create shared value and further the UN SDGs in the communities in which we operate. This year the Foundation has funded nine new projects across the themes of STEM engagement, empowering disadvantaged groups and environmental sustainability. See our Sustainability Report for more information.



## We promote STEM to build a better future

The sustainability solutions of tomorrow need a STEM-literate generation today.

We want to inspire the children of today to get involved with STEM fields and all the opportunities they create. We're working on this across regions with organizations that share the same goal. We do this through projects funded by the Worley Foundation as well as through skilled volunteering<sup>6</sup> outreach by our people.

### Skilled volunteering

As technology providers, our people have a wealth of technical knowledge that they generously contribute as volunteers to causes close to their hearts. Through the Worley Foundation, we give our people opportunities to apply their skills through volunteering. This year our people supported projects which progress toward achieving the UN SDGs. Some examples include the Pollinate Group in India, the Antarctic Science Foundation and the Centre for Affordable Water and Sanitation Technology (CAWST) in Colombia.

### Our corporate financial donations<sup>6</sup>

This money has gone to a broad range of sustainability initiatives – from improving education in Colombia to tackling food insecurity in Australia. Some of these contributions stem from an obligation to comply with:

- South Africa's Broad-Based Economic Empowerment legislation requirements
- Section 135 of India's Companies Act, 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014, to reinvest in communities.

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**\$1,614,960**

Total contribution

---

**\$561,250**

Legislated contribution

---

**\$1,053,710**

Non-legislated contribution

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## ● Environment, Social and Governance



### Governance: Operating responsibly

#### Our ethics program



**16**  
languages in which our Code of Conduct is available



**5,500+**  
supply chain due diligence checks



**3,200+**  
customer ethics checks conducted



**40,000+**  
of our people trained in Code of Conduct / data privacy



**130+**  
supply chain personnel trained and actively using our due diligence tool

#### Our Responsible Business Assessment Standard

We use our RBA standard to inform which projects we bid for and execute. The RBA's decision-making principles are embedded into our sales and risk management processes. This enables our people to understand ESG risks and directs escalation of high risks to our senior business leaders and CEO.

We align our RBA standard with our purpose of delivering a more sustainable world. For example, we carefully assess our involvement in carbon-intensive projects.

#### Cyber security and data privacy

We ensure the confidentiality, integrity and availability of information and have a robust cyber security program. Our information security strategy and decision-making is overseen by our Information Security Council (ISC). This includes our Chief Information Security Officer (CISO), Chief Information Officer (CIO) and key business and IT leaders. Our Data Protection Office governs compliance of our cyber security program with global data protection requirements as specified in Australia, Europe the US and elsewhere. During FY2021 we:

- achieved certification for our Information Security Management System, meeting the requirements of ISO/ EC 27001:2013
- integrated ECR IT systems to remove potential security threats related to this merger
- expanded our Information Security Awareness program and continued educating the importance of cyber security. We also increased our protection capabilities against email fraud and look-alike domain attacks
- partnered with our security partners to prepare and defend Worley so we avoided the highly sophisticated and industry pervasive "SolarWinds Hack."

#### Assurance

We use independent assurance to support our commitment to transparency and accountability. Independent third-party auditors give us limited assurance on our ESG performance data. They do this in line with the International Standard on Assurance Engagements ISAE 3000. This year Ernst & Young completed third-party limited assurance of our key social metrics:



Diversity (women employees, women Senior Leaders, women Board members)

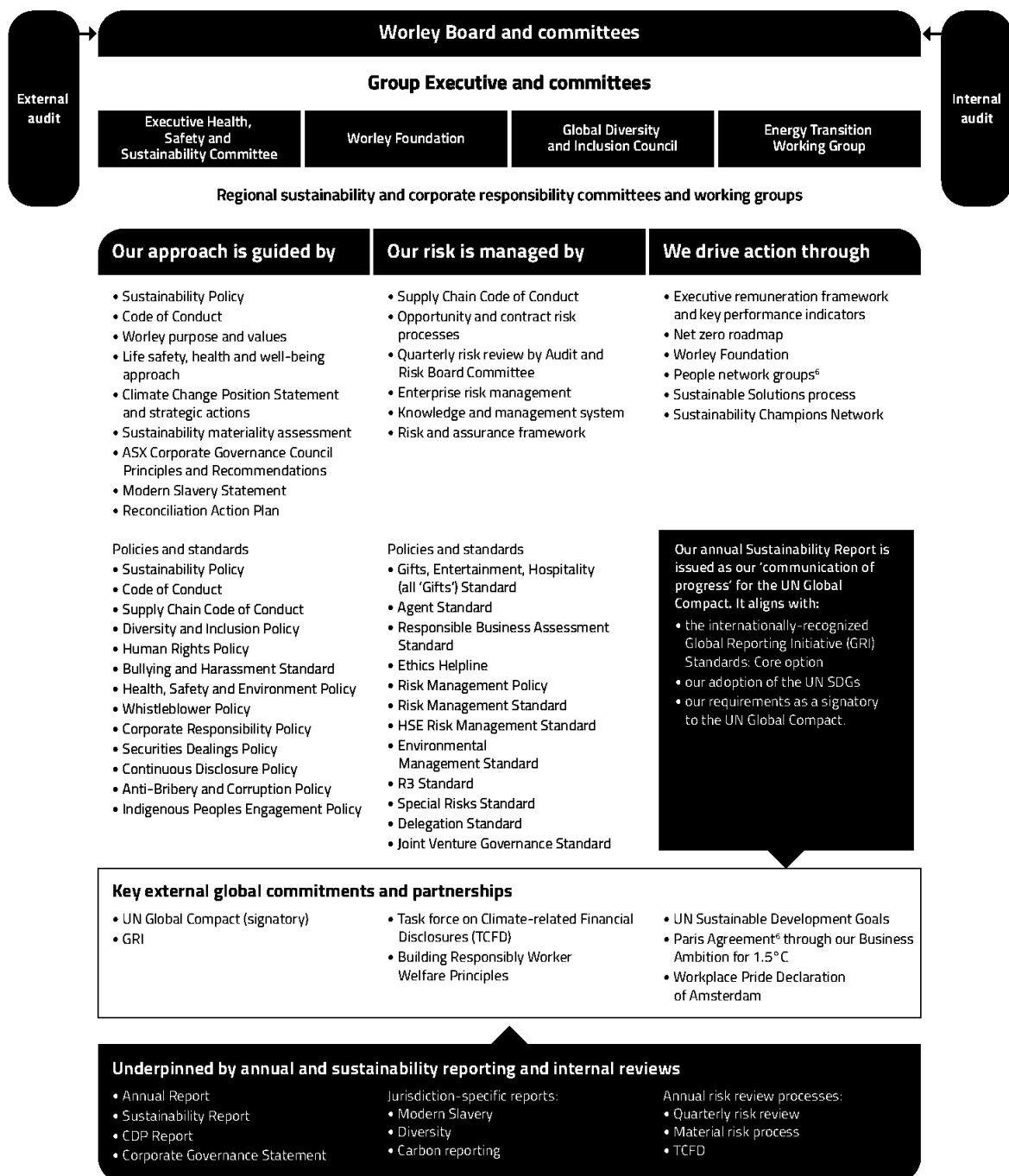


Safety (TRCFR, LWCFR, SCFR)





## Our sustainability governance





# Operating and Financial Review

## 1. Operations

### 1.1 Overview

We are a global company, headquartered in Australia, and our purpose is delivering a more sustainable world. We're a leading global provider of professional project and asset services in the energy, chemicals and resources sectors. As a knowledge-based service provider, we use our knowledge and capabilities to support our customers to reduce their emissions and move towards a low-carbon future.

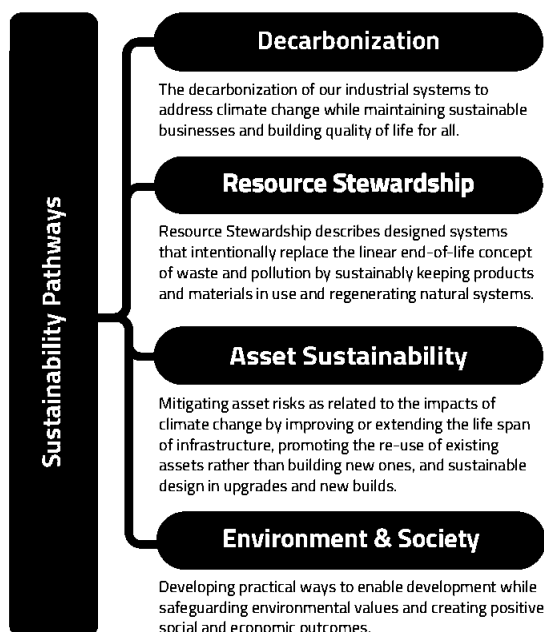
We bring innovative and digital solutions, working with our customers at every stage of their project: from initial concepts to sustaining and enhancing their assets.

We hold leadership positions across the industries we serve. Our shift to sustainability provides the structural framework for growth as we focus on high-value propositions in areas of investment spend to accelerate sustainability.

We service three sectors:

1. Energy – producing energy from various conventional and low-carbon energy sources (for example, oil and gas, wind, solar, hydrogen and other renewables) as well as projects related to power generation, transmission and distribution;
2. Chemicals – manufacturing, processing and refining chemicals and fuels (for example, renewable fuels, petrochemicals, polymers and specialty chemicals); and
3. Resources – processing mineral and metal resources including those central to the energy transition and resource projects related to water use and reuse, the environment, transport, ports and site remediation and decommissioning.

Our strategic growth priorities are arranged into four sustainability pathways which relate to the sectors we serve. These define our sustainability opportunities and capabilities.



Our customers include multi national energy, chemicals and resources companies. We serve regionally and locally focused companies, national oil companies and government-owned utilities. Our ten largest customers account for 39% of aggregated revenue. Of our 20 largest customers, 80% have targets to reduce emissions and 100% are investing in decarbonization.

### How we drive long-term shareholder value:

- Our core strength is the diversity of our business in terms of geography, industry and service offerings. We operate in 49 countries with our largest country, the United States, representing 21% of aggregated revenue;
- We are positioned to benefit from the sustainability mega trend;
- We have a strong balance sheet to support growth initiatives and shareholder returns;
- We're focused on strong cash returns;
- We have a balanced exposure to customer spend. We now have greater exposure to our customers' operating expenditure contracts which represent 54% of our aggregated revenue and 46% of our work associated with capital expenditure contracts; and
- We operate under low-risk commercial models. At 30 June 2021, over 81% of our work is reimbursable and we don't enter into material lump sum turn-key contracts.

### 1.2 Business model

As a professional services company, our project delivery and technical specialists work across the globe. We generate earnings by charging for the time we spend performing professional and field-based services. We offer a suite of digital products and proprietary technologies. We engage via alternative low-risk commercial models which rewards us for the value we bring.

**Aggregated revenue and profit:** Our sources of revenue and profit are diversified and generated from many customers. As a result, we don't depend on any one of our customers for a significant portion of our revenue or profit. Aggregated revenue doesn't include revenue that has nil margin (this typically relates to procurement revenue where we undertake procurement on our customers' behalf with no exposure to financing costs or warranty obligations). We believe disclosing the revenue attributable to associates provides more information about the financial results of the Group. We include this revenue within aggregated revenue.

**Costs:** Our largest costs are staff, technology and administration which includes office leases. We also have pass-through costs that our customers reimburse.

**Assets and liabilities:** The significant items on our balance sheet are mainly project related such as trade receivables, unbilled contract revenue and provisions and borrowings. We hold several intangible assets, generated from previous acquisitions. Our business is not capital intensive. Our customers pay us at longer intervals than our payments of expenses (for example, staff salaries). This time difference, including the time from incurring the costs to invoicing the customer, makes up the majority of our working capital requirements.



### 1.3 Review of operations

Global economic circumstances including the COVID-19 pandemic have impacted our customers, particularly demand in their end markets. Despite this we've seen minimal cancellations, although there have been project deferrals mainly in the Americas. In the second half of FY2021, we've seen activity levels on long-term projects returning and key project awards. However, we still expect some discipline around our customers' capital expenditure in the near term and recovery rates to vary across regions.

Keeping our people safe and well is our priority during the pandemic. We're focused on providing a safe work environment for our office and field-based teams while continuing to deliver for our customers.

We've taken actions during this period to set the business up for the future. We've generated a strong operating cash flow, completed the ECR acquisition cost synergy program and are on track to deliver our operational savings target which was increased to \$350 million during the first half of FY2021. We've continued to digitize our business and enhance flexible work practices enabled by global technology platforms and common operational systems. These are permanent structural changes to the way we work which will deliver benefits for years to come.

The result for FY2021 was a net profit after tax, excluding the post-tax impact of amortization on intangible assets acquired through business combinations, NPATA, of \$161 million, compared with \$252 million in FY2020. Underlying NPATA was \$281 million for FY2021, down 35% or \$151 million on the previous corresponding period. Aggregated revenue decreased by 22%, driven by the COVID-19 pandemic and global economic circumstances which impacted demand in our customers' end markets.

We've delivered an improved second half FY2021. Our second half underlying EBITA of \$261 million was up 26% on the first half. The main factors contributing to this result were rate improvements and continued savings from our cost-out programs.

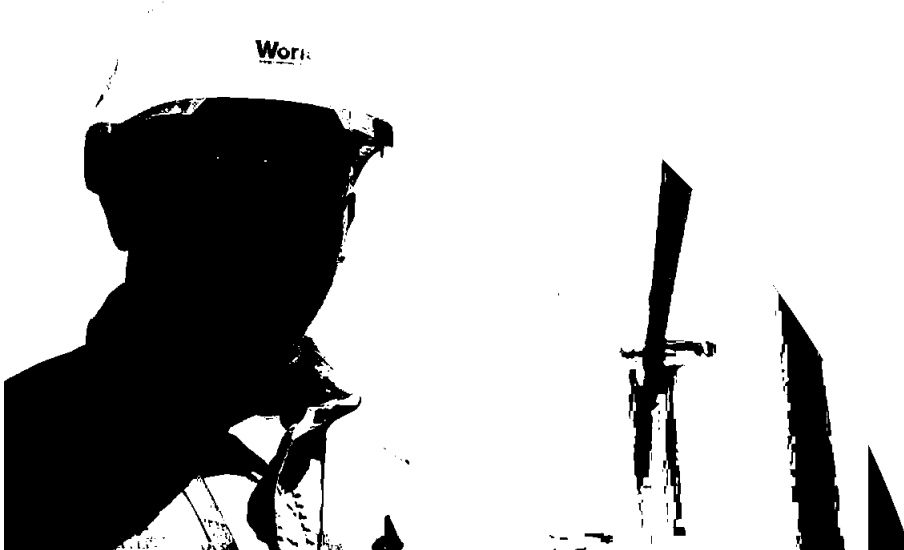
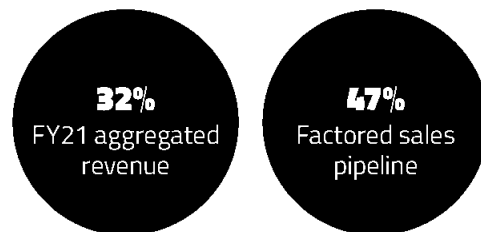
Our backlog is \$14.3 billion compared to \$13.5 billion at 31 December 2020. Our backlog is up 6% with activity levels on long-term projects returning. We have seen key project awards and we continue to win work in line with our expectations.

Our headcount is 47,700 people and we maintain a presence in 49 countries, compared with 51,855 people across 49 countries at 30 June 2020.

We've maintained our financial position with a strong underlying operating cash flow of \$621 million. We extended our long-term debt maturity profile with the completion of a €500 million sustainability linked bond under a Euro Medium Term Note program with 5 years, maturity. The bond aligns Worley's financing with our sustainability strategy, linking the bond to our Scope 1 and Scope 2 emissions target reduction of just over 57,000 tonnes of carbon equivalent by 2025. Our gearing ratio, is 21.7% at 30 June 2021 and leverage is 2.0 times which is within our target range.

Sustainability is a growing part of our business across all sectors. In FY2021 sustainability represented 32% of our aggregated revenue with sustainability opportunities at 47% of our factored sales pipeline (factored for likelihood of project proceeding and award to Worley).

#### Sustainability represents:





## Operating and Financial Review

In the following table we show the reconciliation of the underlying earnings before interest, tax and amortization on intangible assets we've acquired through business combinations (EBITA) and underlying NPATA results to the EBITA as well as NPATA attributable to members of Worley Limited:

|   | FY2021<br>\$'M | FY2020<br>\$'M |
|---|----------------|----------------|
| <b>EBITA</b>  | <b>324</b>     | <b>498</b>     |
| <i>Impact of acquisitions:</i>                                    |                |                |
| Transition costs  | 55             | 147            |
| <i>Impact of transformation and restructuring:</i>                |                |                |
| Payroll restructuring   | 43             | 41             |
| Impairment of property assets                                     | 38             | 51             |
| Onerous contracts, consulting and other costs                     | 63             | 29             |
| International government subsidies, net of direct costs           | (70)           | (18)           |
| Impairment of other assets  | 12             | -              |
| Impact of arbitration award                                       | -              | (3)            |
| Certain one-off other items                                       | (1)            | (7)            |
| Gain on sale of investment  | (7)            | (2)            |
| Impairment of investment in equity accounted associates           | 11             | 7              |
| <i>Total of underlying adjustments to EBITA</i>                   | <i>144</i>     | <i>245</i>     |
| <b>Underlying EBITA</b>   | <b>468</b>     | <b>743</b>     |
| Net finance costs   | (77)           | (122)          |
| One-off costs of refinancing debt with EMTN issuance              | 4              | -              |
| Income tax expense  | (62)           | (79)           |
| Net tax expense on the items excluded from underlying earnings    | (39)           | (66)           |
| Tax on acquired intangibles                                       | (25)           | (28)           |
| Underlying tax adjustments  | 11             | 1              |
| Non-controlling interests   | 1              | (17)           |
| <b>Underlying NPATA attributable to members of Worley Limited</b> | <b>281</b>     | <b>432</b>     |
| Total of underlying adjustments to EBITA                          | (144)          | (245)          |
| One-off costs of refinancing debt with EMTN issuance              | (4)            | -              |
| Net tax expense on the items excluded from underlying earnings    | 39             | 66             |
| Underlying tax adjustments  | (11)           | (1)            |
| Amortization of acquired intangible assets                        | (100)          | (109)          |
| Tax on acquired amortization                                      | 25             | 28             |
| <b>NPAT attributable to members of Worley Limited</b>             | <b>86</b>      | <b>171</b>     |

<sup>1</sup> (Increase)/reduction in revenue from an arbitration award in relation to a dispute with a state-owned enterprise.



**These three measures are the key to understanding our results:**

1. Aggregated revenue;
2. EBITA (earnings before interest, tax and amortization); and
3. NPATA (net profit after tax and amortization) attributable to members of Worley Limited.

|                              | FY2021<br>\$'M | FY2020<br>\$'M | COMMENTS   | MOVEMENT   |
|------------------------------|----------------|----------------|--|--|
| <b>1. Aggregated revenue</b> | <b>8,774</b>   | <b>11,249</b>  | We define aggregated revenue as: <ul style="list-style-type: none"> <li>• our revenue and income calculated in accordance with relevant accounting standards;</li> <li>• plus our share of revenue earned by our associates;</li> <li>• less procurement revenue at nil margin, pass-through revenue at nil margin and interest income.</li> </ul> | Our aggregated revenue decreased by 22% in FY2021 when compared with that for FY2020, driven by impacts on demand in our customers' end markets from the COVID-19 pandemic and global economic circumstances.  |
| <b>2. EBITA (statutory)</b>  | <b>324</b>     | <b>498</b>     | EBITA means earnings before interest, tax and amortization on intangible assets acquired through business combinations.  | Our statutory EBITA decreased by 35% in FY2021 when compared with that for FY2020. The statutory result was impacted by non-recurring charges such as transformation and restructuring costs.  |
| (underlying)                 | <b>468</b>     | <b>743</b>     |  | Our underlying EBITA decreased by 37% in FY2021 when compared with that for FY2020, driven by foreign exchange headwinds, volume reductions impacted by site access restrictions and project deferrals, and change in business mix with an increased proportion of lower margin construction work. This has been partially offset by cost savings programs. Underlying EBITA margin has decreased from 6.6% in FY2020 to 5.3% in FY2021. |
| <b>3. NPATA (statutory)</b>  | <b>161</b>     | <b>252</b>     | NPATA means net profit after tax excluding the post-tax impact of amortization on intangible assets acquired through business combinations.  | Statutory NPATA decreased by 36% in FY2021 when compared with that for FY2020.   |
| (underlying)                 | <b>281</b>     | <b>432</b>     |  | Underlying NPATA decreased by 35% in FY2021, driven by volume reductions, foreign exchange headwinds and changing business mix.  |

### 1.3.1 Operating performance

#### Americas

The Americas region, comprising the United States, Canada and Latin America, reported aggregated revenue of \$3,769 million and segment result of \$263 million (FY2020: aggregated revenue of \$5,490 million and segment result of \$493 million). The segment margin decreased to 7.0% from 9.0%. Americas margin decrease was impacted by COVID-19 with key sites inaccessible and curtailed customer spending across the region. It was also impacted by a change in business mix due to increased proportion of lower margin construction work.

|        | AGGREGATED REVENUE |            | CONTRIBUTION TO GROUP AGGREGATED REVENUE | SEGMENT RESULT |            | SEGMENT MARGIN |
|--------|--------------------|------------|--|----------------|------------|----------------|
|        | \$'M               | VARIANCE % | %  | \$'M           | VARIANCE % | %              |
| FY2021 | 3,769              | (31)       | 43                                       | 263            | (47)       | 7.0            |
| FY2020 | 5,490              |            | 49                                       | 493            |            | 9.0            |

#### EMEA

The Europe, Middle East and Africa region (EMEA) reported aggregated revenue of \$3,333 million and segment result of \$202 million (FY2020: aggregated revenue of \$3,815 million and segment result of \$250 million). The segment margin decreased to 6.1% from 6.6%. EMEA margin was impacted by volume reductions in Middle East and Africa and ramp down of a major project in Central Asia. This was offset by delivery performance in the second half and growth in the fabrication business in Norway, however at lower margin compared to the prior period due to the type of projects.

|        | AGGREGATED REVENUE |            | CONTRIBUTION TO GROUP AGGREGATED REVENUE | SEGMENT RESULT |            | SEGMENT MARGIN |
|--------|--------------------|------------|--|----------------|------------|----------------|
|        | \$'M               | VARIANCE % | %  | \$'M           | VARIANCE % | %              |
| FY2021 | 3,333              | (13)       | 38                                       | 202            | (19)       | 6.1            |
| FY2020 | 3,815              |            | 34                                       | 250            |            | 6.6            |



## Operating and Financial Review

### APAC

The Australia, Pacific, Asia and China region (APAC) reported aggregated revenue of \$1,672 million and segment result of \$152 million (FY2020: aggregated revenue of \$1,944 million and segment result of \$178 million). The segment margin decreased to 9.1% from 9.2%. APAC volume decrease was driven by the sale of Capital Projects Advisory business during the half of FY2021. APAC margin has been more resilient than other regions due to a higher proportion of professional services work and the type of projects.

|        | AGGREGATED REVENUE |            | CONTRIBUTION<br>TO GROUP<br>AGGREGATED<br>REVENUE | SEGMENT RESULT |            | SEGMENT<br>MARGIN |
|--------|--------------------|------------|---|----------------|------------|-------------------|
|        | \$'M               | VARIANCE % | %   | \$'M           | VARIANCE % | %                 |
|        | FY2021             | 1,672      | (14)  | 19             | 152        | (15)              |
| FY2020 | 1,944              |            | 17  | 178            |            | 9.2               |

### 1.3.2 Sector performance

#### Energy

The energy sector reported aggregated revenue of \$4,394 million and segment result of \$302 million (FY2020: aggregated revenue of \$5,302 million and segment result of \$391 million). The segment margin decreased to 6.9% from 7.4%. Energy sector decrease was impacted by project deferrals and site access issues resulting from the global economic circumstances including the COVID-19 pandemic.

|        | AGGREGATED REVENUE |            | CONTRIBUTION<br>TO GROUP<br>AGGREGATED<br>REVENUE | SEGMENT RESULT |            | SEGMENT<br>MARGIN |
|--------|--------------------|------------|---|----------------|------------|-------------------|
|        | \$'M               | VARIANCE % | %   | \$'M           | VARIANCE % | %                 |
|        | FY2021             | 4,394      | (17)  | 50             | 302        | (23)              |
| FY2020 | 5,302              |            | 47  | 391            |            | 7.4               |

#### Chemicals

The chemicals sector reported aggregated revenue of \$3,250 million and segment result of \$240 million (FY2020: aggregated revenue of \$4,525 million and segment result of \$446 million). The segment margin decreased to 7.4% from 9.9%. Chemicals sector decrease was impacted by volume reductions and changes in business mix, particularly through the Americas with an increase in lower margin construction work. EMEA also had lower volumes on key projects in the Netherlands and Germany.

|        | AGGREGATED REVENUE |            | CONTRIBUTION<br>TO GROUP<br>AGGREGATED<br>REVENUE | SEGMENT RESULT |            | SEGMENT<br>MARGIN |
|--------|--------------------|------------|---|----------------|------------|-------------------|
|        | \$'M               | VARIANCE % | %   | \$'M           | VARIANCE % | %                 |
|        | FY2021             | 3,250      | (28)  | 37             | 240        | (46)              |
| FY2020 | 4,525              |            | 40  | 446            |            | 9.9               |

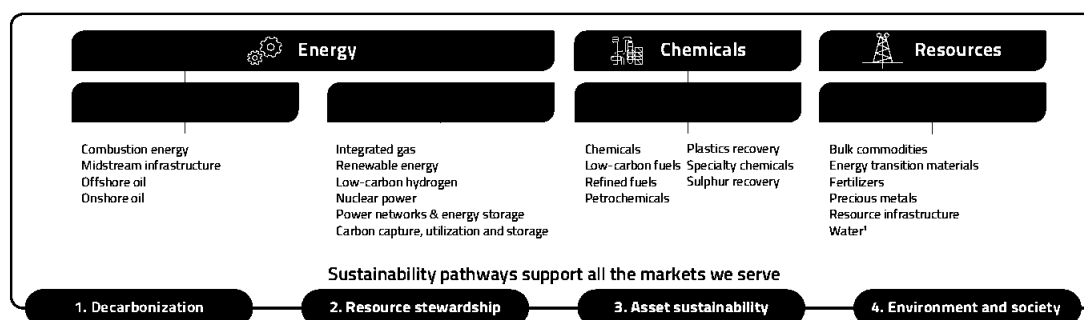
#### Resources

The resources sector reported aggregated revenue of \$1,130 million and segment result of \$75 million (FY2020: aggregated revenue of \$1,422 million and segment result of \$84 million). The segment margin increased to 6.6% from 5.9%. The Resources sector was more resilient through COVID-19 with project margins holding from FY2020 and with a positive impact from cost savings programs.

|        | AGGREGATED REVENUE |            | CONTRIBUTION<br>TO GROUP<br>AGGREGATED<br>REVENUE | SEGMENT RESULT |            | SEGMENT<br>MARGIN |
|--------|--------------------|------------|---|----------------|------------|-------------------|
|        | \$'M               | VARIANCE % | %   | \$'M           | VARIANCE % | %                 |
|        | FY2021             | 1,130      | (21)  | 13             | 75         | (11)              |
| FY2020 | 1,422              |            | 13  | 84             |            | 5.9               |

## 1.4 Significant changes in operations

- On 1 July 2020, we restructured our business and moved our profit and loss from a line of business structure to a regional model. We manage operations in two regions; the Americas as one region and EMEA & APAC as the other. This structure simplifies how we engage with our customers. It allows us to collaborate across the business and bring the best of our capability to help our customers solve their challenges. We report through three regions: the Americas; EMEA; and APAC. We also continue to report financial results by our three sectors; energy, chemicals and resources.
- We've delivered cost synergies from the ECR acquisition related to IT, property and business costs of \$190 million run rate, in line with the 30 April 2021 target. We exceeded the original target of \$130 million by \$60 million.
- We increased the operational cost savings program target at first half FY2021 to \$350 million annualized savings by 30 June 2022 from the original target of \$275 million annualized savings by 31 December 2021. We delivered savings of \$327 million by 30 June 2021. We've achieved this by optimizing our property model, minimizing discretionary spend, increasing our use of shared services and streamlining our organizational structure.
- As at 5 July 2021, the Group Executive was realigned to take on dedicated roles in direct response to fulfilling our purpose and enabling our strategy: Sustainability, Digital and Technology Solutions. Sustainability will focus on delivering our own commitments as well as understanding more fully the journey of our customers. Digital will enable the transformation of our business through digital technologies and customer-centric data solutions. Technology Solutions will expand our process technology portfolio, capitalizing on our unique knowledge and IP to leverage technologies that will both enhance and differentiate our sustainability focused engineering offerings.
- Energy, chemicals and resources markets are an important part of our future as we support our customers to navigate significant challenges with sustainability and other mega trends. We continue to serve energy, chemicals and resources markets but have evolved how we describe them to align with our customers and with our purpose, and better reflect our diversified business. How we report our segments remains the same. These continue to be energy, chemicals and resources. From 1 July 2021, the markets we serve within energy, chemicals and resources are conventional energy, low-carbon energy, chemicals and fuels and resources.



<sup>1</sup> In FY2021, water is reported under energy. All other energy, chemicals and resources subsectors remain the same in FY2022.

## 2. Financial Position and Cash Flow

### 2.1 Matters relevant to understanding Worley's financial position

Our financial capacity remains strong, based on cash, gearing and debt positions.

|                                   | FY2021<br>\$'M | FY2020<br>\$'M | COMMENTS  | MOVEMENT   |
|-----------------------------------|----------------|----------------|---|--|
| 1. Operating cash flow            | 533            | 829            | Our operating cash flow comprises the payments we receive from our customers less the amount we pay our suppliers plus related interest and tax paid. In our financial statements, operating cash flow is called net cash inflow from operating activities. | Operating cash flow has reduced due to reductions in volumes. Continued focus on cash collections has resulted in a strong cash realization.             |
| 2. Underlying operating cash flow | 621            | 1,028          | Our underlying operating cash flow excludes payments for transformation, restructuring and other costs, international government subsidies and procurement cash movement.   | Underlying cash flow has reduced due to reductions in volumes. Continued focus on cash collections has resulted in a strong cash realization.            |
| 3. Gearing ratio                  | 21.7%          | 22.9%          | Our gearing ratio is our net debt divided by the sum of our net debt and our total equity at the end of the financial year.   | Our gearing ratio decreased by 0.3 percentage points in FY2021 when compared with that for FY2020. This ratio is below our gearing target of 25% to 35%. |
| 4. Debt facility utilization      | 63.6%          | 57.3%          | Our debt facility utilization is the percentage of our debt facilities that we were using at the end of the financial year.   | Our debt utilization has increased, driven by a reduction in total facility limits. Total debt utilization has increased when compared with FY2020.      |
| 5. Loan and overdraft facilities  | 2,715          | 3,256          | Our loan and overdraft facilities are the amount of our debt facilities available at the end of the financial year.   | Our loan and overdraft facilities decreased primarily due to retirement of USPP note 2011 and cancellation of COVID facilities.                          |

## Operating and Financial Review

### 2.2 Dividends

Our directors resolved to pay a final dividend of 25 cents per fully paid ordinary share including exchangeable shares, unfranked. This is in addition to the interim dividend of 25 cents per share. As a result, we will distribute 88% of our full-year underlying net profit after tax excluding the post-tax impact of amortization on intangible assets acquired through business combinations for FY2021 to shareholders as a dividend.

### 2.3 Significant changes in Worley's financial position

We extended our long-term debt maturity profile with the completion of a €500 million sustainability linked bond under a Euro Medium Term Note program. The bond has a five-year maturity. This aligns Worley's financing with our sustainability strategy, linking the bond to our scope 1 and scope 2 emissions target reduction of at least 57,177 tonnes of carbon dioxide equivalent by FY2025.

### 2.4 Future commitments

There are three types of future commitments which don't appear on our balance sheet. These are relevant to understanding our financial position:

- operating leases which were exempt from recognition on the balance sheet (short-term, low value or variable payments leases),
- capital expenditure commitments; and
- operating expenditure commitments.

These future commitments represent approximately 0.3% of our expenses.

We execute activities in creating and building capitalizable software, purchasing fixed assets or computer software as required. Capital expenditure commitments refer to commitments relating to these types of activities. In addition, we're generally licensed to use software for our business operations rather than owning software. We refer to these commitments as 'operating expenditure commitments'.

## 3. Business Strategy, Outlook and Risks

### 3.1 Business strategy

Our strategy focuses on driving growth and operational excellence to enhance our leadership position in energy, chemicals and resources and create value for our shareholders. Our strategic architecture integrates three levels of insight to create a comprehensive strategy that responds to our changing industry and global context:

1. understanding the mega trends and shifts which shape the external environment in which we operate. A number of forces have emerged in recent years, accelerating changes in the markets we serve and shaping how our customers position themselves in the energy, chemicals and resources sectors;
2. identifying and prioritizing markets, customers and opportunities in line with our purpose and business focus; and
3. developing sales/operational business plans and key performance indicators to drive strategy and performance.

Through our strategic process, we have developed our transformation strategy. We have identified strategic priorities, based on their unique importance to sustaining our growth.

## The mega trends

### Climate Change



We are working with our customers to deliver their projects more sustainably across the entire life cycle of the project. We are committed to learning-by-doing through our own 2030 climate change commitments.

### Energy Transition



There is an accelerating wave of renewable energy investments, supported by energy storage, decarbonization projects and the role of natural gas and low-carbon hydrogen. There are projects progressing across all sectors and regions.

### Social Value



Recent years have seen a shift in thinking from social license to social value. Social license implies ongoing acceptance or approval from the local community and other stakeholders who can affect the profitability of a project or asset while social value is a step towards partnership and trust.

### Data utilization and automation



Our customers are seeking fast-to-market standard solutions, increasing their data-centric approach from design to delivery. Our ability to execute locally while utilizing GID and design automation is becoming paramount.

We continue to accelerate our strategic transformation. Our strategy recognizes that our biggest role is supporting our customers on their sustainability journeys.

We're targeting sustainability projects which are technically complex with a similar risk profile to our traditional services. The benefit in doing this is the sustainability opportunities in our factored sales pipeline have a more favorable gross margin percentage, compared to our other services. Sustainability projects bring opportunities for low-risk alternate commercial models, particularly with emerging customers.

We are supporting our customers as they address the magnitude of the transition to achieve a low-carbon future. Our traditional business continues to be an important part of our future with sustainability providing a higher rate of future growth.



### 3.2 Outlook

We have seen our business stabilize over H2 FY2021 with positive indicators in increasing backlog and factored sales pipeline. We are likely to see a continuation of the COVID-19 related impacts on the global economic environment.

Our strong cash result and ongoing benefits from our cost savings programs have set the business up for the future. We are well positioned to benefit as markets recover. Our sustainability pivot is gaining momentum and we are pleased with the work we are winning. Many of our strategic awards are expected to progress beyond the early phases late in the second half of FY2022.

Our traditional business continues to be an important part of our future with sustainability providing a higher rate of future growth at more favorable margins. To further accelerate our strategic transformation, we will invest in sustainability, digital enablement and process technology.

We are expecting an improved FY2022, however different sectors and regions will recover at different rates. We anticipate that the targeted approach to capital expenditure exhibited by our customers will continue for FY2022.

### 3.3 Risks

Threats and opportunities in our operating environments could impact whether we achieve our medium-term and long-term objectives. Many of the risks we face could, individually or together, have an effect on the achievement of our objectives.

Below you'll see an overview of several key risks we may face in seeking to achieve our objectives. They aren't in any particular order and don't cover every risk we might encounter. Rather, they're the most significant risks we believe we should be monitoring and looking to mitigate or manage.

The risk management measures we've set out below are a sample of the steps we're taking to mitigate the various risks. However, there's a risk we might fail to implement or fully implement these steps or they might be entirely or partly ineffective.

### 3.3.1 Sustainability risks

In fulfilling our Company purpose of delivering a more sustainable world, we'll continue to help our customers and suppliers deliver sustainable economic, social and environmental progress through their projects, operations and supply chains. We'll enter into new markets and new technologies to progress our purpose, deliver against our sustainability commitments, diversify our services and realize the opportunity our sustainability pathways provide. There is a risk we may not move at sufficient pace or select the right areas to invest in to build the capabilities we need. Our risk and strategy processes and governance help to challenge and guide us. Our partnerships with organizations in other industries help us to stay abreast of emerging issues and leading practice. The issues we've referred to in reputational risk are also relevant to managing our sustainability risk.

**Climate risk:** Climate change will have both physical and transitional risk implications for our business and the industries we serve. Regulatory and other changes might lead to increased cost, project delays or cancellations. However, the pace of other projects such as those associated with decarbonization, renewable and distributed energy is very likely to increase. As stated in our Climate Change Position Statement, we're committed to being part of the solution, to reduce our own emissions and respond to our industries' and customers' climate change needs. We support the UN Sustainable Development Goals and are a signatory to the UN Global Compact.

We've embedded climate change considerations within core risk and strategy processes and we assess climate-related risks and opportunities. In addition, our sustainability working group supports our implementation program for the Task Force on Climate-related Financial Disclosures (TCFD).

### 3.3.2 Strategic risks

**Strategy risk:** We operate in a highly competitive and dynamic environment. If we fail to develop and implement effective strategies such as leveraging technology and data it could, over time, lead to a loss of market share and negatively impact our financial performance. This failure is known as 'strategy risk'.

To mitigate this risk, we have a strategy development process. It uses market data from internal and external sources, macro trends, scenario analysis and business knowledge.

We form teams to complete our key strategic focus areas and give continuous feedback to strategy planning. The strategy involves three levels of insight with several priority areas which we review on a regular basis. We describe these insights in section 3.1 of this review.



## Operating and Financial Review

**Integration risk:** Acquisitions provide our business with substantial benefits and can help us achieve our strategic objectives. If we don't identify the right targets, appropriately price our acquisitions or integrate and deliver synergies, there's a risk we won't realize and grow the value from those acquisitions. We mitigate this risk by establishing an experienced mergers and acquisitions team, led by people with deep acquisition and integration experience to deliver defined integration objectives and synergies aligned with Group strategy.

### 3.3.3 Operating risks

**Health and safety risk:** We sometimes need our people and those people we manage to be in high-risk geographies, travel long distances by road, be near complex operating equipment and engage in construction and operating activities. These activities bring with them the risk of injury, illness and loss of life.

Across the countries in which we work, there's risk of communicable disease, epidemic or pandemic and other health related site exposures. In addition, the workplace environment has potential to impact the mental, emotional and social well-being of our people.

To mitigate these risks, we have a health and safety framework which includes expectations each of our people and those people we manage must meet. These expectations are supported through our business processes and are used to assess our performance.

All these elements are embodied in our Life approach and associated programs. This year we've strengthened Life Matters, our mental health program. This is especially important in the current context with COVID-19 as we all adjust to changed ways of working. In addition, we have R3 (Ready, Response, Recovery) processes which support our security, crisis response and business continuity planning.

The safety, health and well-being of our people is our main priority. Without this, nothing else matters.

**Talent risk:** Our people enable our success. If we fail to adequately build the new capabilities needed and attract and retain key talent, it could impact our ability to win new work, deliver our contractual requirements and achieve our objectives.

We mitigate this risk through our remuneration framework, sponsorship and succession programs and talent along with our people processes, transformation strategy and leadership training.

**Contract management risk:** Managing contracts effectively helps us make sure we select appropriate projects and customers and deliver work which meets expectations. We select and manage appropriate contractual requirements. If we fail to manage our contracts or deliver poor quality work, we could find ourselves in disputes with our customers around fees and liability for costs and delays. These disputes might be costly, result in liability and take up significant amounts of time.

We mitigate this risk by implementing pursuit and project delivery processes. These include quality assurance and control as well as people training and development. We involve our legal team in the contract process. We do not engage in material Lump Sum Turn-Key EPC projects.

We support contract management with other mitigating steps including those we've referred to in project delivery risk.

**Demand risk:** The energy transition is exposing our markets to changes along with volatile and cyclical commodity prices. These factors have an impact on demand for our customers' goods and services. They impact how prepared our customers are to fund capital and operating expenditure. Economic growth or decline, environmental and social drivers and changes in our customer mix might also impact demand for our services. Demand may also be impacted by the energy transition such that we experience rapid and/or sustained changes in that demand. Responding to these changes might lead to reduced revenue and increased costs. Our overheads could also need to change so they're more proportional to the size of our revenue and business.

We have several strategies and processes in place to mitigate this risk. These include diversifying across geographies and sectors, balancing work associated with customers' capital expenditures with their operating expenditures which are less volatile, sharing work across locations and retaining a proportion of our people on short-notice contracts. We seek contractual protection for project demobilization, undertake ongoing overhead efficiency reviews and rationalize overhead where necessary and maintain our diversified business portfolio.

**Project delivery risk:** Our ability to achieve superior shareholder returns is substantially influenced by our ability to deliver significant and/or strategically important projects to our customers' satisfaction. Failing to do this is known as 'project delivery risk'. The consequences of which could lead to us being awarded fewer significant projects.

To mitigate this risk, we use project delivery systems and processes as well as peer reviews. We've established the Learning at Worley program to enhance our project management capability and project delivery. We've developed a digital strategy to help us work more efficiently and incorporated new technology into our offering.

To help us adapt to new ways of working, we established a 'new normal' working group. The group has enhanced our work processes, technology use and site protocols. Additionally, our businesses and projects undertook specific risk management activities. These activities were to identify and manage potential implications of COVID-19 such as safety issues, procurement delays and the financial standing of key stakeholders.

**Cyber security risk:** We ensure the confidentiality, integrity and availability of both Worley's and our customers' information through our cyber security program. Our work relies on transmitting, receiving, storing and processing data using information technology (IT). Risks associated with IT systems include unauthorized access, business disruption, loss of critical, sensitive or personal data and other potential security incidents as a result of cyber attacks. We mitigate these risks by strengthening our IT cyber security program, threat hunting, 24/7 monitoring, user awareness and education programs and by implementing information security policies in line with international standard ISO27001 and by aligning to the Australian Cyber Security Centre (ACSC) Essential 8 Maturity Model for cyber security mitigation controls.



**Data privacy risk:** We face greater compliance and monitoring requirements as a result of recent data privacy regulations such as the Australian Privacy Act and General Data Protection Regulation which covers the unauthorized disclosure of personal and sensitive information. If we don't comply with these laws and regulations, we could face penalties, legal action and reputational harm.

To mitigate this risk in addition to the mitigations outlined in cyber security risk, we have a Data Protection Office to manage our privacy compliance program. This includes a combination of strengthening systems, processes and user education.

### 3.3.4 Reputation risk

We rely on our reputation to win and retain work, attract and retain employees, secure lines of credit and gain access to capital.

Operations and behaviors that don't align with our corporate purpose and values have the potential to damage our reputation. This could lead to unethical business practices, regulatory non-compliance, poor project or supplier selection or outcomes as well as health, safety and sustainability events and not meeting the market's expectations of our financial performance. There's a risk our culture could be adversely impacted as we transform to new ways of working in an increasingly virtual and complex environment. We recognize we need to manage modern slavery risks as an organization which operates in geographically diverse locations and in high-risk sectors including construction, fabrication and mining, minerals and metals.

We use a range of strategies and actions to mitigate this risk. These include:

- the Supply Chain Code of Conduct
- the Responsible Business Assessment Standard
- the ethics helpline
- rigorous due diligence and internal audit processes
- strict requirements and monitoring of agents and third-party recruitment providers
- strict procurement processes
- regular training including on the Code of Conduct.

We only work with customers, partners, suppliers or agents who meet our Responsible Business Assessment Standard or the requirements of our due diligence process.

There are also other mitigating steps which help to protect our reputation, particularly those we've mentioned in sustainability risk, health and safety risk, project delivery risk and internal reporting risk.

### 3.3.5 Financial risks

**Liquidity risk:** Our ability to maintain an appropriate level of liquidity impacts returns to shareholders, particularly our ability to convert unbilled contract revenue to cash promptly. There's a risk our customers might delay paying us or be unwilling or unable to do so.

We mitigate this risk by managing working capital effectively and monitoring both cash collection targets and measures of debtor conversion.

**Reporting risk:** We operate a complex business which provides a wide range of services in a dynamic environment while straddling multiple jurisdictions and regulatory frameworks and currencies. There's a risk our internal reporting systems might not accurately reflect this, and economic and geopolitical uncertainty could result in us not meeting forecasts indicated to the market. This would adversely affect investor confidence and our share price.

We are mitigating this risk through business continuity and risk planning and by centralizing systems to increase transparency and adapting them to our dynamic business environment.

**Taxation risk:** We operate in many countries and we've seen governments change their approach to tax regulations and collection. As a result, there's a risk the level of taxation imposed on our business could alter materially because of a change in legislation or approach in the countries in which we operate. We have a process in place to monitor these changes and make sure we continue to pay the correct amount of tax in all jurisdictions.





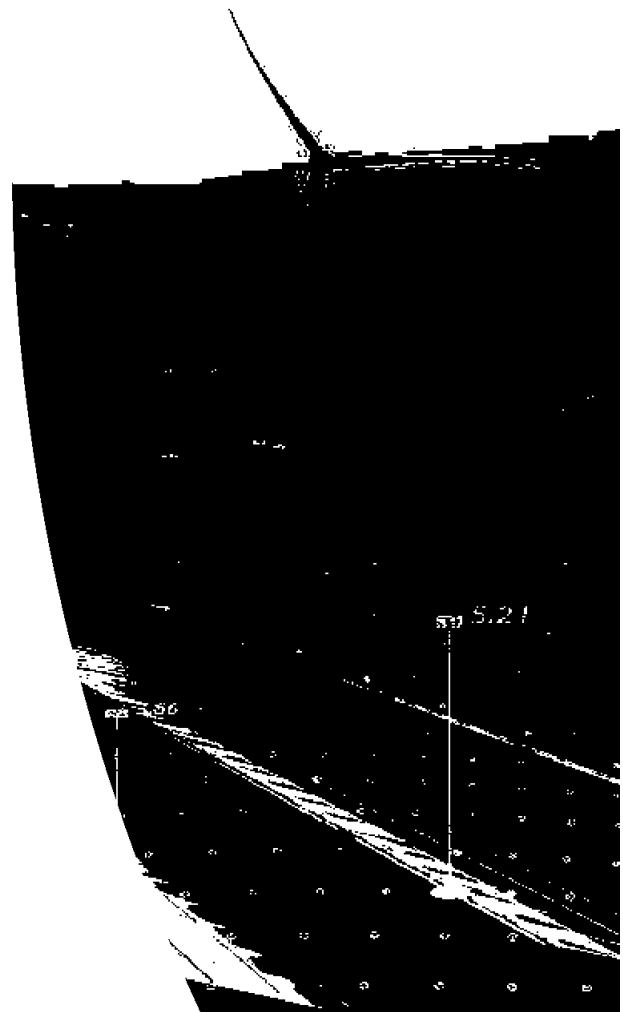
## ● Operating and Financial Review

### 3.4 Unreasonable prejudice

We've omitted information about our internal budgets and internal forecasts from this review. We've also omitted details of our business strategy. This is on the basis that doing so would have been likely to result in unreasonable prejudice towards us.

### 3.5 Forward looking statements

This review contains forward looking statements. These include statements of our current intentions, opinions and expectations about our present and future operations, events and financial prospects. While these statements reflect our expectations on the date this review was published, they're not certain and are susceptible to change. We make no representation, assurance or guarantee as to the accuracy or likelihood of fulfilling any such forward looking statements (whether express or implied) except as required by applicable law or the ASX Listing Rules. We disclaim any obligation or undertaking to publicly update such forward looking statements.





# Financial Report

For the year ended 30 June 2021

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## NOTES TO THE FINANCIAL STATEMENTS

The notes include information that you'll need to understand the financial statements and is material and relevant to the operations, financial position and performance of the Group. We consider information material and relevant if, for example:

- the amount in question is significant because of its size or nature, or
- it's important for understanding our results.

We've organized the notes into the following sections:

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| 1. Corporate Information  | 93  | <b>Risk</b>  |     |
| 2. Summary of Significant Accounting Policies   | 93  | <i>This section discloses our exposure to various financial risks, the potential impact on our financial position and performance, and how we manage these risks.</i>                              |     |
| <b>Key Numbers</b>  |     | 19. Financial Risk Management  | 114 |
| <i>Here we break down the most relevant individual line items in the financial statements. We also summarize the accounting policies you'll need to be familiar with in order to understand these line items.</i> |     | 20. Fair Values  | 119 |
| 3. Segment Information  | 95  | <b>Structure</b>   |     |
| 4. Revenue and Other Income   | 97  | <i>This section defines the different aspects of our Group structure.</i>  |     |
| 5. Expenses and Losses/(Gains)  | 99  | 21. Investments in Controlled Entities   | 120 |
| 6. Income Tax   | 100 | 22. Equity Accounted Associates  | 121 |
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| 8. Trade and Other Receivables  | 103 | <b>Unrecognized Items</b>  |     |
| 9. Trade and Other Payables   | 104 | <i>This section includes information about items that aren't recognized in the financial statements but could potentially have a significant impact on our financial position and performance.</i> |     |
| 10. Intangible Assets   | 105 | 24. Commitments for Expenditure  | 123 |
| 11. Provisions  | 106 | 25. Contingent Liabilities   | 123 |
| <b>Capital</b>  |     | 26. Subsequent Events  | 123 |
| <i>This section includes information about our capital management practices and shareholder returns for the year.</i>   |     | <b>Other</b>   |     |
| 12. Capital Management  | 108 | <i>This section includes notes required by Australian Accounting Standards and/or other regulatory pronouncements. It also includes important information for understanding our results.</i>       |     |
| 13. Interest Bearing Loans and Borrowings and Lease Liabilities   | 109 | 27. Procurement  | 124 |
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## Directors' Report

The directors present their report on the consolidated entity consisting of Worley Limited (Company) and the entities it controlled (Group or consolidated entity) at the end of, or during, the year ended 30 June 2021.

### Directors' Message

#### PRINCIPAL ACTIVITIES

Details of our operations and activities are set out in the Operating and Financial Review from page 42.

#### SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 9 July 2020, we announced our acquisition of the remaining 50% of the TW Power Services (TWPS), increasing our stake to 100%. This business is an operations and maintenance business that supports critical power infrastructure across Australia, New Zealand and Southeast Asia.

On 22 October 2020, the Federal Court of Australia ruled in our favor and dismissed the shareholder class action lawsuit in 2014. The applicant filed a notice of appeal in relation to the judgment and the appeal is ongoing.

On 10 December 2020, Emma Stein joined the Board as an independent non-executive director.

On 29 March 2021, we announced the sale of the Capital Projects Advisory (CPA) business. CPA was a small part of Worley's Advisory consulting business, and the sale supported our continued investment in strategic growth areas to accelerate our role in supporting customers on their energy transition.

On 21 June 2021, Tom Honan stepped down as Chief Financial Officer and Charmaine Hopkins became Interim Chief Financial Officer on 22 June 2021.

#### MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Since the end of the financial year, the directors have resolved to pay a final dividend of 25 cents per fully paid ordinary share including exchangeable shares, unfranked (2020: 25 cents per share). In accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*, the aggregate amount of the proposed final dividend of \$131 million is not recognized as a liability as at 30 June 2021.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected or may significantly affect:

- the consolidated entity's operations in future financial years;
- the results of those operations in future financial years; or
- the consolidated entity's state of affairs in future financial years.

#### EARNINGS PER SHARE

|                            | 2021<br>CENTS | 2020<br>CENTS |
|----------------------------|---------------|---------------|
| Basic earnings per share   | 16.5          | 32.8          |
| Diluted earnings per share | 16.3          | 32.7          |

Underlying basic earnings per share was 53.8 cents, a decrease of 35% from last year's financial year result of 82.9 cents.

Underlying basic earnings per share is determined by dividing the underlying profit attributable to members of Worley Limited (as set out on page 55) by the weighted average number of ordinary shares outstanding during the financial year (as set out in note 17 to the financial statements).

#### DIVIDENDS – WORLEY LIMITED

Details of dividends in respect of the current financial year and previous financial year are as follows:

|  | 2021<br>\$'M | 2020<br>\$'M |
|--|--------------|--------------|
| Final dividend for the full year 2021 of 25 cents per ordinary share, to be paid on 29 September 2021 (unfranked)  | 131          | –            |
| Interim ordinary dividend for the half year 2021 of 25 cents per ordinary share, paid on 31 March 2021 (unfranked) | 131          | –            |
| Final dividend for the full year 2020 of 25 cents per ordinary share, paid on 30 September 2020 (unfranked)        | –            | 130          |
| Interim ordinary dividend for the half year 2020 of 25 cents per ordinary share, paid on 25 March 2020 (unfranked) | –            | 130          |
| <b>Total dividends paid/to be paid</b>   | <b>262</b>   | <b>260</b>   |



## Financial Performance Summary

### REVIEW OF OPERATIONS

A detailed review of our operations for the financial year and the results of those operations are contained in the Operating and Financial Review on page 42. These are incorporated into and form part of this Directors' Report. A summary of the consolidated revenue and results in respect of the current and previous financial years are as follows:

|   | CONSOLIDATED |              |
|---|--------------|--------------|
|   | 2021<br>\$'M | 2020<br>\$'M |
| Revenue and other income  | 9,526        | 13,068       |
| Depreciation  | (55)         | (75)         |
| Amortization  | (127)        | (187)        |
| Earnings before interest, tax and amortization (EBITA)  | 324          | 498          |
| Net interest expense  | (77)         | (122)        |
| Amortization of acquired intangible assets  | (100)        | (109)        |
| Profit before income tax expense  | 147          | 267          |
| Income tax expense  | (62)         | (79)         |
| Statutory profit after income tax expense   | 85           | 188          |
| Non-controlling interests   | 1            | (17)         |
| <b>Statutory profit after income tax expense attributable to members of Worley Limited</b>  | <b>86</b>    | <b>171</b>   |
| Impact of transformation and restructuring:   |              |              |
| Payroll restructuring   | 43           | 41           |
| Impairment of property assets   | 38           | 51           |
| Onerous contracts, consulting and other costs   | 63           | 29           |
| International government subsidies, net of direct costs   | (70)         | (18)         |
| Transition costs  | 55           | 147          |
| Impairment of other assets  | 12           | -            |
| Impact of arbitration award <sup>1</sup>  | -            | (3)          |
| Certain one-off other items   | (1)          | (7)          |
| Gain on disposal of subsidy/investment  | (7)          | (2)          |
| Impairment of investments in equity accounted associates  | 11           | 7            |
| One off costs of refinancing debt with EMTN issuance  | 4            | -            |
| Net tax expense on the items excluded from underlying earnings  | (39)         | (66)         |
| Underlying tax adjustments  | 11           | 1            |
| <b>Underlying profit after income tax expense attributable to members of Worley Limited</b>   | <b>206</b>   | <b>351</b>   |
| Amortization of intangible assets acquired through business combinations  | 100          | 109          |
| Tax effect on amortization of intangible assets acquired through business combinations  | (25)         | (28)         |
| <b>Underlying profit after income tax expense and before amortization of acquired intangible assets<sup>2</sup> attributable to members of Worley Limited</b> | <b>281</b>   | <b>432</b>   |

<sup>1</sup> Increase/reduction in revenue from an arbitration award in relation to a dispute with a state-owned enterprise.

<sup>2</sup> The directors consider underlying profit information is important to understand the sustainable performance of the Company by excluding selected significant items and amortization on acquired intangible assets.

<sup>3</sup> Aggregated revenue is defined as statutory revenue and other income plus share of revenue from associates, less procurement revenue at nil margin,

|  | CONSOLIDATED |               |
|--|--------------|---------------|
|  | 2021<br>\$'M | 2020<br>\$'M  |
| Revenue and other income   | 9,526        | 13,068        |
| Less: Procurement revenue at nil margin (including share of revenue from associates) | (949)        | (2,190)       |
| Add: Share of revenue from associates  | 210          | 393           |
| Less: Interest income  | (6)          | (10)          |
| Less: Gain on sale of investment   | (7)          | (2)           |
| Less: Certain one-off other income items   | -            | (7)           |
| Less: Impact of arbitration award <sup>1</sup>                                       | -            | (3)           |
| <b>Aggregated revenue<sup>3</sup></b>  | <b>8,774</b> | <b>11,249</b> |

|                                   | AGGREGATED REVENUE |               | EBITA        |              | EBITA MARGIN |            |
|-----------------------------------|--------------------|---------------|--------------|--------------|--------------|------------|
|                                   | 2021<br>\$'M       | 2020<br>\$'M  | 2021<br>\$'M | 2020<br>\$'M | 2021<br>%    | 2020<br>%  |
| APAC                              | 1,672              | 1,944         | 152          | 178          | 9.1          | 9.2        |
| EMEA                              | 3,333              | 3,815         | 202          | 250          | 6.1          | 6.6        |
| Americas                          | 3,769              | 5,490         | 263          | 493          | 7.0          | 9.0        |
|                                   | <b>8,774</b>       | <b>11,249</b> | <b>617</b>   | <b>921</b>   | <b>7.0</b>   | <b>8.2</b> |
| Global support costs <sup>4</sup> |                    |               | (146)        | (169)        |              |            |
| Interest and tax for associates   |                    |               | (3)          | (9)          |              |            |
| <b>Underlying EBITA</b>           |                    |               | <b>468</b>   | <b>743</b>   | <b>5.3</b>   | <b>6.6</b> |

Aggregated revenue was \$8,774 million, a decrease of 22% on the prior financial year. Underlying EBITA of \$468 million was down 37% from the last financial year result of \$743 million.

The underlying EBITA margin on aggregated revenue for the Group decreased to 5.3%, compared with 6.6% in 2020. After tax, the members of Worley Limited earned an underlying profit<sup>2</sup> on aggregated revenue of 3.2%, compared to the 2020 profit of 3.8%.

The underlying effective tax rate rose to 30.5%, compared with 28.1% in 2020. The key driver of this increase in the period has been the more significant impact had by recurring fixed tax costs as a result of the Group's reduced profit before tax.

The Group retains a cash position of \$493 million (2020: \$490 million) with gearing (net debt/net debt plus total equity) at financial year end of 21.7% (2020: 22.9%).

Operating cash inflow for the period was \$533 million, compared to \$829 million in 2020. Cash outflow from investing activities was \$92 million (2020: \$104 million).

### LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Likely developments in our operations in future financial years and the expected results of those operations are set out in section 3 of the Operating and Financial Review on page 48.

pass - through revenue at nil margin, certain international government subsidies, interest income and net gain on revaluation of investments previously accounted for as joint operations. The Company's Board believes the disclosure of the relevant share of revenue from associates provides additional information in relation to the financial performance of the Group.

<sup>4</sup> Excluding global support related restructuring costs (refer to note 3(E) of the financial statements).



## Directors' Report

### ROUNDING OF AMOUNTS

In accordance with ASIC Corporations (Rounding in Financial/ Directors' Reports) Instrument 2016/191 unless otherwise expressly stated, amounts referred to in this report have been rounded off to the nearest million dollars. Amounts less than \$500,000 that have been rounded down are represented in this report by 0.0.

### Board Governance

#### CORPORATE GOVERNANCE STATEMENT

The Company's Corporate Governance Statement for the year ended 30 June 2021 may be accessed from our website at the Corporate Governance page in the Investor relations section.

#### NON-AUDIT SERVICES

During the financial year, Ernst & Young, the Group's auditor, performed certain other services in addition to its statutory audit duties. Total fees for non-audit services provided by the auditor amounted to \$1,531,934.

The Board has adopted a policy governing the provision of non-audit services by the auditor. The Board has considered the position and, in accordance with the advice received from the Audit and Risk Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* (Act). The directors are satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the Act for the following reasons:

- all non-audit services have been reviewed by the Audit and Risk Committee to ensure they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*. This includes not reviewing and auditing the auditor's own work, not acting in a management or decision-making capacity for the Group, not acting as advocate for the Group and not jointly sharing economic risk or rewards.

A copy of the auditor's independence declaration, as required under section 307C of the Act, is as follows:

Ernst & Young  
200 George Street  
Sydney NSW 2000 Australia  
GPO Box 2449 Sydney NSW 1001

Tel: +61 2 9248 5555  
Fax: +61 2 9248 9559  
en.com.au



#### Auditor's Independence Declaration to the Directors of Worley Limited

As lead auditor for the audit of the financial report of Worley Limited for the financial year ended 30 June 2021, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Worley Limited and the entities it controlled during the financial year.

Ernst & Young

Scott Jerrett  
Partner  
25 August 2021

### INDEMNITIES AND INSURANCE

Under the Company's Constitution, we indemnify each current and former officer of the Group against certain liabilities and costs incurred by them as an officer of the Group.

We also indemnify each current and former officer of the Group against certain liabilities and costs incurred when the officer acts as an officer of another body corporate at the Company's request and the liability or cost is incurred in that capacity.

Neither indemnity extends to liabilities or costs from which we are prohibited from indemnifying current or former officers for under the Act.

In addition, we have entered into Deeds of Access, Indemnity and Insurance with certain officers of the Group. Under those deeds, we agree (among other things) to:

- indemnify the officer to the extent permitted by law and the Company's Constitution;
- maintain a directors' and officers' insurance policy; and
- provide officers with access to Board papers.

We maintain a directors' and officers' insurance policy that, subject to certain exemptions, provides insurance cover to former and current officers of the Group. During the financial year, we paid insurance premiums to insure those officers of the Group. The contracts of insurance prohibit the disclosure of the amounts of premiums paid and the nature of the liability covered.

### ENVIRONMENTAL REGULATION

In the majority of Worley's business operations, our customers have the responsibility for obtaining environmental licenses. We typically assist our customers, who usually own or operate plant and equipment or have obligations over natural resources, with the management of their environmental responsibilities rather than having those responsibilities ourselves.

We do, however, have environmental responsibilities in terms of compliance with environmental controls and in exercising reasonable care and skill in our design, construction management, operation and supervising activities. We manage the risks associated with environmental issues through our risk management and assurance systems.

Worley's policy is to comply with all environmental regulations applicable to us and to the work we carry out. The Company confirms, for the purposes of section 299(1)(f) of the Act, that it is not aware of any breaches by the Group of any environmental regulations under the laws of the Commonwealth of Australia or of a State or Territory of Australia.



## DIRECTORS

The following people made up our Board of directors during the financial year and, unless otherwise noted, all were directors for the full financial year and until the date of this report:

- John Grill (Chair)
- Andrew Liveris (Deputy Chair from 24 February 2020 and Lead Independent Director from 24 October 2020)
- Christopher Haynes (Lead Independent Director until 23 October 2020)
- Thomas Gorman
- Roger Higgins
- Martin Parkinson
- Emma Stein (from 10 December 2020)
- Juan Suárez Coppel
- Anne Templeman-Jones
- Wang Xiao Bin
- Sharon Warburton
- Chris Ashton (Chief Executive Officer and Managing Director)

## DIRECTORS' SHARES AND RIGHTS

As at the date of this report, the relevant interests of the directors in the shares and performance rights of the Company were:

| DIRECTORS            | NUMBER OF SHARES | NUMBER OF RIGHTS |
|----------------------|------------------|------------------|
| John Grill           | 34,336,128       | –                |
| Andrew Liveris       | 17,870           | –                |
| Thomas Gorman        | 29,000           | –                |
| Christopher Haynes   | 18,922           | –                |
| Roger Higgins        | 34,000           | –                |
| Martin Parkinson     | 16,000           | –                |
| Emma Stein           | 20,840           | –                |
| Juan Suárez Coppel   | 12,782           | –                |
| Anne Templeman-Jones | 11,047           | –                |
| Wang Xiao Bin        | 11,000           | –                |
| Sharon Warburton     | 22,500           | –                |
| Chris Ashton         | 138,669          | 315,321          |

Further details about the rights issued by the Company are set out in the Remuneration Report and notes 15 and 16 to the financial statements.

## DIRECTORS' MEETINGS

The number of Board and standing Board Committee meetings held during the financial year, and the number of meetings attended by each of the directors is set out below:

| DIRECTORS               | BOARD                                 |        | AUDIT AND RISK COMMITTEE              |        | NOMINATIONS COMMITTEE                 |        | PEOPLE AND REMUNERATION COMMITTEE     |        | HEALTH, SAFETY AND SUSTAINABILITY COMMITTEE |        |
|-------------------------|---------------------------------------|--------|---------------------------------------|--------|---------------------------------------|--------|---------------------------------------|--------|---|--------|
|                         | MEETINGS HELD WHILE A MEMBER ATTENDED | NUMBER | MEETINGS HELD WHILE A MEMBER ATTENDED | NUMBER | MEETINGS HELD WHILE A MEMBER ATTENDED | NUMBER | MEETINGS HELD WHILE A MEMBER ATTENDED | NUMBER | MEETINGS HELD WHILE A MEMBER ATTENDED       | NUMBER |
| John Grill              | 6                                     | 6      |                                       |        | 6                                     | 6      | 6                                     | 6      | 6   | 6      |
| Andrew Liveris          | 6                                     | 6      |                                       |        | 6                                     | 6      | 6                                     | 6      | 6   | 6      |
| Thomas Gorman           | 6                                     | 6      |                                       |        | 6                                     | 6      | 6                                     | 6      | 6   | 5      |
| Christopher Haynes      | 6                                     | 6      |                                       |        | 6                                     | 6      | 6                                     | 6      | 6   | 6      |
| Roger Higgins           | 6                                     | 6      |                                       |        | 6                                     | 6      |                                       |        | 6   | 6      |
| Martin Parkinson        | 6                                     | 6      | 6                                     | 6      | 6                                     | 6      |                                       |        |   |        |
| Emma Stein <sup>1</sup> | 4                                     | 4      |                                       |        | 4                                     | 4      | 4                                     | 4      |   |        |
| Juan Suárez Coppel      | 6                                     | 6      | 6                                     | 6      | 6                                     | 6      |                                       |        |   |        |
| Anne Templeman-Jones    | 6                                     | 6      | 6                                     | 6      | 6                                     | 6      |                                       |        |   |        |
| Wang Xiao Bin           | 6                                     | 6      | 6                                     | 6      | 6                                     | 6      |                                       |        |   |        |
| Sharon Warburton        | 6                                     | 6      | 6                                     | 6      | 6                                     | 6      |                                       |        |   |        |
| Chris Ashton            | 6                                     | 6      |                                       |        |                                       |        |                                       |        |   |        |

In addition to these meetings, special purpose Board Committee meetings and briefings were held during the financial year. The Board also attended regular Board briefings during the financial year. Due to COVID-19, we held all meetings virtually for the entire Reporting Period.

All Non-Executive Directors who are not members of the standing Board Committees are invited to, and may attend, the standing Board Committee meetings.

The independent Non-Executive Directors met separately on six occasions during the financial year.

<sup>1</sup> Emma Stein was appointed from 10 December 2020.

## Directors' Report

### INFORMATION ON DIRECTORS AND GROUP COMPANY SECRETARY



**JOHN GRILL**  
AO, BSc, BEng (Hons), Hon DEng (Sydney),  
Hon DEng (UNSW)

Chair and Non-Executive Director – Chief Executive Officer and Director from listing in November 2002 until October 2012. Director of the Company before listing and Director of its predecessor entities from 1971.

#### Country of residence – Australia

John is Chair of the Board and Chair of the Nominations Committee. He is also a member of the People and Remuneration Committee and the Health, Safety and Sustainability Committee.

John has over 40 years' experience in the resources and energy industry, starting his career with Esso Australia. In 1971, he became Chief Executive of Wholohan Grill and Partners, the entity that ultimately became owned by Worley Limited. John has expertise in every aspect of project delivery in the resources and energy industry. He maintains strong relationships with the Group's major customers and was closely involved with the Group's joint ventures at Board level.

John was awarded an honorary doctorate by the University of Sydney in 2010 in recognition of his contribution to the engineering profession. He was appointed an Officer of the Order of Australia in 2014 for distinguished service to engineering, and to business, to the minerals, energy and power supply industries, and as a supporter of advanced education and training. In 2019, John was awarded an honorary doctorate from the University of New South Wales.

John is also Chairman of the Mindgardens Alliance – a partnership between the Black Dog Institute, Neuroscience Research Australia (NeuRA), South Eastern Sydney Local Health District (SESLHD) and the University of New South Wales.



**ANDREW LIVERIS**  
AO, BEng (Hons), PhD

Deputy Chair, Lead Independent Director and Non-Executive Director – Director since September 2018

#### Countries of residence – Australia and United States of America

Andrew was appointed to the Board effective 5 September 2018. He is the Deputy Chair, Lead Independent Director and a member of the Health, Safety and Sustainability Committee, the People and Remuneration Committee and the Nominations Committee.

Andrew is the former Chairman and Chief Executive Officer of The Dow Chemical Company and the former Executive Chairman of DowDuPont. He had over 40 years' global leadership experience with The Dow Chemical Company with roles in manufacturing, engineering, sales, marketing, business and general management around the world.

Andrew is a director of IBM, Saudi Aramco, The Minderoo Foundation Pty Ltd – a modern philanthropic organization that affects social change, and NOVONIX Limited – a company supporting lithium-ion battery technologies.

Andrew was formerly the Vice Chair of the Business Roundtable and was the Chairman of the United States Business Council. He has held previous Australian Government roles as Chair of the National COVID-19 Coordination Commission (NCCC) Manufacturing Taskforce and Co-Chair of the Territory Economic Reconstruction Commission.

In 2012, Andrew co-founded The Hellenic Initiative (THI) to support economic renewal in Greece through entrepreneurship, business development and investment.

Andrew is a Chartered Engineer and a Fellow of the Institution of Chemical Engineers as well as a Fellow of the Australian Academy of Technological Sciences and Engineering (now Australian Academy of Technology and Engineering). He earned a Bachelor's degree (first class honors) in Chemical Engineering from the University of Queensland and was awarded the University Medal for that year. In 2005, he was awarded an Honorary Doctorate in Science by his alma mater as well as being named Alumnus of the Year. He was appointed an Officer of the Order of Australia in 2014 for his services to international business and was awarded an Honorary Doctorate in Engineering from Michigan State University in 2015.

#### Australian listed company directorships

| LISTED COMPANY NAME | NATURE OF DIRECTORSHIP | DATE OF COMMENCEMENT | DATE OF CESSATION |
|---------------------|------------------------|----------------------|-------------------|
| NOVONIX Limited     | Non-Executive Director | 1 July 2018          | n/a               |



**THOMAS GORMAN**  
BA, MBA, MA

Non-Executive Director – Director since December 2017

#### Country of residence – United States of America

Thomas was appointed to the Board effective 18 December 2017. He is Chair of the People and Remuneration Committee and a member of the Health, Safety and Sustainability Committee and the Nominations Committee.

Thomas' appointment follows his 30-year career in executive positions at Ford Motor Company and Brambles Limited. He retired as Chief Executive Officer of Brambles in February 2017. He has worked in multiple functions including finance, operations, logistics, marketing and business development across the United States, England, France and Australia.

Thomas is a director of Orora Limited, Sims Limited and Alcoa Corporation.

Thomas graduated cum laude from Tufts University with degrees in Economics and International Relations, obtained an MBA with distinction from Harvard Business School and an MA in International Relations from The Fletcher School of Law and Diplomacy at Tufts University.

#### Australian listed company directorships

| LISTED COMPANY NAME | NATURE OF DIRECTORSHIP | DATE OF COMMENCEMENT | DATE OF CESSATION |
|---------------------|------------------------|----------------------|-------------------|
| Orora Limited       | Non-Executive Director | 2 September 2019     | n/a               |
| Sims Limited        | Non-Executive Director | 15 June 2020         | n/a               |



**CHRISTOPHER HAYNES**  
**OBE, FEng, BSc (Hons), DPhil, CEng, FIMechE, FIEAust**

**Non-Executive Director – Director since January 2012**

**Country of residence – United Kingdom**

Christopher was appointed to the Board effective 1 January 2012. He is a member of the Health, Safety and Sustainability Committee, the People and Remuneration Committee and the Nominations Committee.

Christopher is a non-executive director of Woodside Petroleum Limited.

Christopher had a 39-year career with the Shell Group of Companies and their affiliates. He has lived in many countries, working in oil and gas, LNG and chemicals businesses, primarily in project development, delivery and operations. Christopher was seconded to Woodside from 1999 to 2002 where he was General Manager of the North West Shelf Venture and then became Managing Director of Shell's operations in Syria and of Nigeria LNG Limited. In 2008, Christopher assumed responsibility for the delivery of Shell's major upstream projects worldwide. He retired from Shell in August 2011.

Christopher graduated from the University of Manchester with a Bachelor of Science with honors in Mechanical Engineering and obtained a Doctor of Philosophy in Applied Sciences from the University of Sussex. He is a Chartered Engineer and Fellow of the Institution of Mechanical Engineers in the United Kingdom and, in 2015, was elected a Fellow of the Royal Academy of Engineering in the United Kingdom. He is a Fellow of the Institution of Engineers, Australia.

Christopher was appointed to the Order of the British Empire in June 2009 for his services to the British oil and gas industry in Nigeria.

**Australian listed company directorships**

| LISTED COMPANY NAME        | NATURE OF DIRECTORSHIP | DATE OF COMMENCEMENT | DATE OF CESSATION |
|----------------------------|------------------------|----------------------|-------------------|
| Woodside Petroleum Limited | Non-Executive Director | 1 June 2011          | n/a               |



**ROGER HIGGINS**  
**BE (Hons), MSc, PhD, FIEAust, FAusIMM**

**Non-Executive Director – Director since February 2019**

**Country of residence – Australia**

Roger was appointed to the Board effective 20 February 2019. He is Chair of the Health, Safety and Sustainability Committee and a member of the Nominations Committee.

Roger's experience is in mining and operations, and he has previously held senior executive positions with Teck Resources Limited, BHP Billiton and Ok Tedi Mining Limited.

Roger is a non-executive director of Newcrest Mining Limited and Ok Tedi Mining Limited and the Chairman of Minotaur Exploration Limited. He is an adjunct professor with the Sustainable Minerals Institute at The University of Queensland.

Roger holds a Bachelor of Civil Engineering with honors from The University of Queensland, a Master of Science in hydraulics from the University of Aberdeen and a PhD in Water Resources from the University of New South Wales. He is a Fellow of the Institution of Engineers Australia and the Australasian Institute of Mining and Metallurgy.

**Australian listed company directorships**

| LISTED COMPANY NAME          | NATURE OF DIRECTORSHIP | DATE OF COMMENCEMENT | DATE OF CESSATION |
|------------------------------|------------------------|----------------------|-------------------|
| Newcrest Mining Limited      | Non-Executive Director | 1 October 2015       | n/a               |
| Metminco Limited             | Non-Executive Director | 8 October 2013       | 16 August 2019    |
| Minotaur Exploration Limited | Non-Executive Director | 1 July 2016          | n/a               |
|                              | Chairman               | 31 January 2017      | n/a               |



**MARTIN PARKINSON**  
**AC, BEc, MEc, MA, PhD**

**Non-Executive Director – Director since February 2020**

**Country of residence – Australia**

Martin was appointed to the Board effective 24 February 2020. He is a member of the Audit and Risk Committee and the Nominations Committee.

Martin is a director of O'Connell Street Associates, North Queensland Airports and Champions of Change Coalition – a group of executive leaders committed to the advancement of women into senior leadership positions in the private and public sectors. Martin is also the Chancellor of Macquarie University.

Martin previously served as Secretary for the Australian Government's Department of the Prime Minister and Cabinet, Australian Treasury and Department of Climate Change.

Martin is a former director of Orica, the Cranlana Program for Ethical Leadership and the German-Australian Chamber of Industry and Commerce. He has been a member of the Board of the Reserve Bank of Australia, Infrastructure Australia, the Council of Financial Regulators, the Board of Taxation and the Territory Economic Reconstruction Commission. He was previously Chair of the Australian Office of Financial Management.

Martin holds a PhD and an MA from Princeton University, an MEC from the Australian National University and a BEc (first class honors) from the University of Adelaide. Martin was awarded the degree of Doctor of the University (honoris causa) by the University of Adelaide.

Martin was awarded a Companion of the Order of Australia and has a Public Service Medal. He is a Fellow of the Academy of Social Sciences in Australia, the Institute of Public Administration Australia and the Australian National Institute of Public Policy. He is a life member of the Australian Business Economists.

## Directors' Report



**EMMA STEIN**  
BSc (Hons), MBA, FAICD

**Non-Executive Director – Director since December 2020**

**Country of residence – Australia**

Emma was appointed to the Board effective 10 December 2020. She is a member of the People and Remuneration Committee and the Nominations Committee.

Emma currently serves as a non-executive director of Adbri Limited and Iberdrola Australia Limited.

Emma is a former non-executive director of Alumina Limited, Cleanaway Waste Management Limited, Programmed Maintenance Services Limited, Transfield Services Infrastructure Fund, Clough Limited and the Diversified Utilities Energy Trust (DUET) Group.

Before moving to Australia in 2003, Emma gained international experience in management and leadership, and strategy development and implementation in global industrial, energy and utilities markets. Her career included roles in strategic planning, operational management in the fuels sectors and, specifically, as UK Managing Director at Gaz de France Energy and UK Gas Divisional Managing Director at British Fuels.

Emma holds tertiary qualifications in Science from the University of Manchester and a Master of Business Administration (MBA) from Manchester Business School. Emma is an Honorary Fellow of the University of Western Sydney and a Fellow of the Australian Institute of Company Directors.

### Australian listed company directorships

| LISTED COMPANY NAME                            | NATURE OF DIRECTORSHIP | DATE OF COMMENCEMENT | DATE OF CESSATION  |
|--|------------------------|----------------------|--|
| Adbri Limited (formerly Adelaide Brighton Ltd) | Non-Executive Director | 4 October 2019       | n/a  |
| Cleanaway Waste Management Limited             | Non-Executive Director | 1 August 2011        | 31 December 2020   |
| Alumina Limited                                | Non-Executive Director | 3 February 2011      | 25 May 2021  |
| Infigen Energy Limited                         | Non-Executive Director | 21 September 2017    | 21 October 2020 (acquired by Iberdrola and ceased to be listed on ASX) |



**JUAN SUÁREZ COPPEL**  
BE, PhD

**Non-Executive Director – Director since May 2019**

**Country of residence – Mexico**

Juan was appointed to the Board effective 27 May 2019. He is a member of the Audit and Risk Committee and the Nominations Committee.

Juan has extensive experience in energy and resources in the Americas. He was previously Chief Financial Officer and then Chief Executive Officer of Petróleos Mexicanos (PEMEX), a senior executive with Grupo Modelo and an independent non-executive director of Jacobs Engineering Group Inc.

During the 1990s, Juan was Chief of Staff to the Minister of Finance, Mexico, a senior executive with Banamex (now Citi) and Head of Corporate Finance and then Treasurer of Grupo Televisa, Mexico.

Juan has a PhD in Economics from the University of Chicago. During the 1980s, he held various academic roles including as a full-time professor in the ITAM Department of Economics, visiting professor at the Universidad Autónoma de Barcelona Department of Economics and associate professor at Brown University in Rhode Island.



**ANNE TEMPLEMAN-JONES**  
BCom, MRM, EMBA, CA, FAICD

**Non-Executive Director – Director since November 2017**

**Country of residence – Australia**

Anne was appointed to the Board effective 1 November 2017. She is Chair of the Audit and Risk Committee and a member of the Nominations Committee.

Anne is Chair of Blackmores Limited and non-executive director of Commonwealth Bank of Australia, Cyber Security Cooperative Research Centre and GUD Holdings Limited.

Anne is a former non-executive director of The Citadel Group Limited, HT&E Limited, Cuscal Limited, HBF Health Limited, Pioneer Credit Limited, TAL Superannuation Fund, Notre Dame University and the McCusker Foundation for Alzheimer's Research.

Anne has executive experience in institutional and commercial banking, wealth management, insurance, strategy and risk. She previously held several senior executive roles in Switzerland and Australia with PricewaterhouseCoopers, the Bank of Singapore (OCBC Bank), ANZ and Westpac.

Anne has a Master of Risk Management from the University of New South Wales, an Executive MBA from the AGSM at the University of New South Wales and a Bachelor of Commerce from The University of Western Australia. She is a Chartered Accountant and a Fellow of the Australian Institute of Company Directors.

### Australian listed company directorships

| LISTED COMPANY NAME            | NATURE OF DIRECTORSHIP           | DATE OF COMMENCEMENT | DATE OF CESSATION |
|--------------------------------|----------------------------------|----------------------|-------------------|
| Commonwealth Bank of Australia | Non-Executive Director           | 5 March 2018         | n/a               |
| GUD Holdings Limited           | Non-Executive Director           | 1 August 2015        | n/a               |
| Blackmores Limited             | Non-Executive Director and Chair | 28 October 2020      | n/a               |
| The Citadel Group Limited      | Non-Executive Director           | 8 September 2017     | 28 May 2020       |



**WANG XIAO BIN**  
BCom, CPA, GDip

**Non-Executive Director – Director Since December 2011**

**Country of Residence – Hong Kong, China**

Xiao Bin was appointed to the Board effective 1 December 2011. She is a member of the Audit and Risk Committee and the Nominations Committee.

Xiao Bin is an executive director and Senior Vice President of China Resources Power Holdings Company Limited.

Xiao Bin was previously a director of Corporate Finance (Asia Pacific) at ING Investment Banking, responsible for execution of capital markets and merger and acquisition transactions in the region. She formerly worked at PricewaterhouseCoopers in Australia in the Audit and Business Advisory division.

Xiao Bin has over 18 years' experience in the power industry including its major shift towards a low-carbon future and meeting industrial and consumer demand for clean, reliable and affordable energy.

Xiao Bin qualified as a Chartered Accountant and Certified Practising Accountant (CPA) in Australia. She holds a Bachelor of Commerce from Murdoch University, Australia, and a graduate diploma in Applied Finance and Investment from the Securities Institute of Australia (now FINSLA).



**SHARON WARBURTON**  
BBus, FCA, FAICD, FAIB

**Non-Executive Director – Director Since February 2019**

**Country of residence – Australia**

Sharon was appointed to the Board effective 20 February 2019. She is a member of the Audit and Risk Committee and the Nominations Committee.

Sharon has predominantly worked in the construction, mining and infrastructure sectors. She is a Chartered Accountant with experience in strategy and accounting, holding senior executive positions at Rio Tinto, Brookfield Multiplex, Aldar Properties PJSC, Multiplex and Citigroup.

Sharon is a non-executive director of Wesfarmers Limited, Blackmores Limited and Gold Road Resources Limited and a part-time member of the Takeovers Panel. She is an Independent Director of Karlka Nyiyaparli Aboriginal Corporation RNTBC and is also on the board of not-for-profit organization Perth Children's Hospital Foundation.

She was formerly the Co-Deputy Chairman of Fortescue Metals Group Limited, Chairman of the Australian Government's Northern Australia Infrastructure Facility and a non-executive director of NEXTDC Limited.

Sharon holds a Bachelor of Business (Accounting and Business Law) from Curtin University. She is a Fellow of Chartered Accountants Australia and New Zealand, the Australian Institute of Building and the Australian Institute of Company Directors.

Sharon was awarded the Telstra Business Woman of the Year (Western Australia) in 2014 and was a finalist for The Australian Financial Review's Westpac 100 Women of Influence in 2015.

## Australian listed company directorships

| LISTED COMPANY NAME            | NATURE OF DIRECTORSHIP | DATE OF COMMENCEMENT | DATE OF CESSATION |
|--------------------------------|------------------------|----------------------|-------------------|
| Wesfarmers Limited             | Non-Executive Director | 1 August 2019        | n/a               |
| Blackmores Limited             | Non-Executive Director | 28 April 2021        | n/a               |
| Gold Road Resources Limited    | Non-Executive Director | 9 May 2016           | n/a               |
| Fortescue Metals Group Limited | Non-Executive Director | 13 November 2013     | 31 March 2020     |
|                                | Co-Deputy Chairman     | 8 November 2017      | 31 March 2020     |
| NEXTDC Limited                 | Non-Executive Director | 1 April 2017         | 31 March 2020     |



**CHRIS ASHTON**  
BEng (Hons), MBA, MAICD

**Chief Executive Officer and Managing Director – Appointed February 2020**

**Country of Residence – United States of America**

Chris was appointed Chief Executive Officer and Managing Director on 24 February 2020.

Chris joined Worley in 1998 and has held many leadership roles in the Company. Most recently, he was Chief Operating Officer responsible for the integration of ECR and the strategy for the transformed Worley business. Prior to this, he was Group Managing Director for Major Projects and Integrated Solutions with accountability for growth and performance. This included Worley's fabrication businesses, WorleyCord and Rosenberg Worley, and the Global Delivery Center. He has also held executive roles with responsibility for operations in Europe, the Middle East and Africa and the power sector globally.

Chris holds a degree in Electrical and Electronic Engineering with honors from the University of Sunderland and a Master of Business Administration degree from Cranfield School of Management. He has completed the Executive Management Program at Harvard Business School and the Company Directors Course at the Australian Institute of Directors.



**NUALA O'LEARY**  
LLB, BA

**Group Company Secretary – Appointed August 2016**

**Country of residence – Australia**

Nuala joined the Group in 2002 and was appointed Group Company Secretary in August 2016. She is responsible for corporate governance for the Board and the Group Executive. Nuala is also responsible for the legal and governance matters relevant to Worley Limited, including the capital structure and regulatory obligations, with Group accountabilities for continuous disclosure. Nuala has a background in private legal practice, specializing in corporate litigation and corporate governance. Nuala holds degrees in Law and Arts from the University of Sydney and a graduate diploma of Applied Corporate Governance. Nuala is a Solicitor of the Supreme Court of New South Wales.

## Remuneration Report

Audited



“We are pleased with the performance outcomes and focus on supporting our people and customers, during a very challenging year. We are well positioned for our transformation and sustainability journey.”

### KEY MESSAGES FROM THE CHAIR OF THE PEOPLE AND REMUNERATION COMMITTEE

Dear Shareholders,

On behalf of the Worley Board of Directors, I'm pleased to present our Remuneration Report for the financial year ended 30 June 2021.

#### Our people are navigating constant change

Our customers and markets are changing rapidly. Our customers face new challenges and we're working with them to solve complex problems. At the same time, new customers are emerging. Rising demand for renewable and more sustainable solutions are shifting dynamics in the marketplace. We are excited about the significant opportunity for our work and our people.

As markets and opportunities evolve, we need to adapt and learn quickly. In July 2020, we introduced a simplified operating model, with improved customer interfaces and agility. This positions us for growth in new sectors and increases our focus on digitalization and the energy transition.

We also saw some changes to our executive leadership with Vinayak Pai leading Europe, Middle East, Africa and Asia Pacific and Karen Sobel leading the Americas. Tom Honan announced his decision to retire in July 2021 and we thank Tom for his contribution to Worley.

#### The safety and well-being of our people is our top priority

Our people have gone above and beyond to care for, and help each other, through COVID-19. We've provided practical support and care to our people through a range of actions, such as:

- providing greater flexibility to work remotely; and
- mental health assistance through our Employee Assistance Program for all our people.

#### Our people and their capabilities are our competitive advantage

We are committed to best in class capabilities to deliver for our customers and grow our position in target sectors. More than ever, we are supporting our people to develop their skills and leadership, so they can adapt and thrive. We are also dedicated to creating a diverse and inclusive culture that truly unlocks brilliance.

Throughout 2021 our people demonstrated how they rise to the challenge and deliver innovative solutions to complex problems.

#### Executive remuneration supports our global strategy and culture

Our remuneration strategy is designed to support our strategy and drive sustainable outperformance over the short, medium and long term. It supports Worley's purpose, values, strategic objectives and risk appetite. We are a global business with significant operations and people in multiple countries, with nearly half of our senior leaders in North America.

Our remuneration strategy must therefore be internationally competitive to attract, motivate, retain and mobilize the best people in the increasingly competitive global markets we serve.

Our strategy creates strong shareholder alignment by incorporating significant equity components to encourage executives to behave like owners, focus on creating long-term value and stay with us through business cycles.

For FY2021, we made changes to the remuneration framework to eliminate elements our shareholders did not support and strengthen the performance focus of our plans. We introduced a performance condition and extended the performance period for the deferred equity plan (DEP). We also extended the Long Term Incentive (LTI) period by one year and reviewed the comparator group for relative Total Shareholder Return (TSR).

#### Remuneration outcomes reflect our performance

The executive team worked tenaciously to support customers as the market conditions and COVID-19 impacted their businesses. Notwithstanding the many market challenges, people numbers and utilization have remained strong. A dedicated focus on cash management has ensured a strong liquidity position. The Board is pleased with the continued performance of the business throughout this difficult period and commends the executive team.

We highlight the following performance results compared to the objectives set by the Board in the STI scorecard:

- the underlying NPATA result was \$281m, reflecting the market challenges experienced throughout the year;
- cash received was greater than statutory revenues;
- health and safety expectations were met, and leadership in Health, Safety and Sustainability was strong;
- operating model changes delivered strong cost savings;
- we made good progress in diversity and inclusion; and
- despite challenging business conditions, new business won in strategic priority sectors was excellent. This positions us well to grow our business in sustainability in FY2022.



## FY2021 Performance and remuneration highlights

|                    | KEY PERFORMANCE OUTCOMES  | KEY REMUNERATION OUTCOMES  |
|--------------------|---|--|
| <b>SHORT-TERM</b>  | <ul style="list-style-type: none"> <li>Underlying NPATA result of \$281 million</li> <li>Health and safety expectations met</li> <li>All strategic objectives above target</li> </ul> | <ul style="list-style-type: none"> <li>Final STI payouts for CEO and executives of 71% of target</li> </ul>                        |
| <b>MEDIUM-TERM</b> | <ul style="list-style-type: none"> <li>Deferred equity (second tranche) time requirements met</li> </ul>  | <ul style="list-style-type: none"> <li>FY2020 deferred equity (second tranche) vesting</li> </ul>                                  |
| <b>LONG-TERM</b>   | <ul style="list-style-type: none"> <li>TSR relative to peer group of 46th %ile over 3 years</li> <li>EPS compound annual growth of -15.6% above CPI over 3 years</li> </ul>           | <ul style="list-style-type: none"> <li>0% FY2019 LTI (TSR tranche) vesting</li> <li>0% FY2019 LTI (EPS tranche) vesting</li> </ul> |

In making decisions regarding FY2021 remuneration, we carefully reviewed the performance results compared to the stretch targets set at the beginning of the year. The Board has a policy to review underlying earnings measures for remuneration purposes to ensure executives are:

- being appropriately held to account for their actions and delivering the annual target; and
- considering investment and transformational opportunities without bias.

For FY2021, we excluded costs related to the ECR transition, transformation and restructuring costs, gains and losses from sales of business units, impairment of investments and government payments or subsidies in relation to COVID-19. Worley did not receive JobKeeper or other COVID-related support from the Australian government.

Additionally, we considered a number of factors to determine the remuneration outcomes for the Chief Executive Officer (CEO) and other executives and the extent to which any general Board discretion would be applied. This covered broader measures of performance and outcomes for our people, customers, shareholders, suppliers and communities.

The Board did not apply discretion to remuneration outcomes. The Board considers the overall outcomes are a fair reflection of FY2021 performance. This has resulted in the CEO and other executives receiving a STI payout of 71% of target. Our long-term performance outcomes are disappointing. Earnings Per Share (EPS) growth was -15.6% compound per annum above inflation over the last three years and TSR relative to Worley peers was 46th percentile over the same period. As a result, no equity rights will vest under the FY2019 LTI.

### Evolving the executive remuneration framework for FY2022

During FY2021, the Board has reviewed the remuneration framework to ensure it strongly aligns to:

- our remuneration strategy and principles;
- our strategy to transform and grow our business with our customers in sustainability; and
- creating our desired culture.

Our remuneration framework will continue to have the same variable remuneration components and vesting timeframes.

A performance condition was introduced for the DEP in FY2021 and this will be retained. However, we will strengthen the framework by making the following key changes in FY2022:

- Rebalance the remuneration mix to reduce the maximum cash STI to 150% of target and increase equity, with the majority weighted towards LTI. These changes improve the alignment and competitiveness of our remuneration mix to both the Australian and global peer groups.
- We will evolve the STI framework to drive our sustainability focus and enable our transformation.

As we transform our business, we will be very focused on delivering sustainable long-term returns to shareholders and positive outcomes for all our stakeholders. Next year, we will review the LTI plan further to ensure it is well positioned to support this focus. We are committed to engage and communicate clearly with shareholders on the framework and any key changes we make.

We continue to focus on keeping our people safe, satisfying our customers and ensuring our business remains strong for many years to come. Our purpose, delivering a more sustainable world, is clear, and at the center of everything we do.

Finally, I want to thank you, our shareholders, for your support over the year. I am pleased to engage with all shareholders about the matters set out in this report.

Warm regards,

**Thomas J. Gorman**

Chair, People and Remuneration Committee



## Remuneration Report

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## 1. KEY MANAGEMENT PERSONNEL AND LEADERSHIP CHANGES

### 1.1 Key Management Personnel

We have prepared this Report in accordance with section 300A of the *Corporations Act 2001 (Cth)* (Act) and Accounting Standards. It outlines our remuneration strategy for the financial year ended 30 June 2021 and provides detailed information on the remuneration arrangements for Key Management Personnel (KMP). KMP are those people who have the authority and responsibility for planning, directing and controlling the Group's activities, either directly or indirectly.

The table below shows the KMP covered by the FY2021 Remuneration Report:

| NAME                           | POSITION                                       | TERM                  | COUNTRY OF RESIDENCE                   |
|--------------------------------|--|-----------------------|--|
| <b>Non-Executive Directors</b> |  |                       |  |
| <b>Current</b>                 |  |                       |  |
| John Grill                     | Chair  | Full year             | Australia                              |
| Andrew Liveris                 | Non-Executive Director and Deputy Chair        | Full year             | Australia and United States of America |
| Juan Suárez Coppel             | Non-Executive Director                         | Full year             | Mexico                                 |
| Thomas Gorman                  | Non-Executive Director                         | Full year             | United States of America               |
| Christopher Haynes             | Non-Executive Director                         | Full Year             | United Kingdom                         |
| Roger Higgins                  | Non-Executive Director                         | Full year             | Australia                              |
| Martin Parkinson               | Non-Executive Director                         | Full year             | Australia                              |
| Emma Stein                     | Non-Executive Director                         | From 10 December 2020 | Australia                              |
| Anne Templeman-Jones           | Non-Executive Director                         | Full year             | Australia                              |
| Sharon Warburton               | Non-Executive Director                         | Full year             | Australia                              |
| Wang Xiao Bin                  | Non-Executive Director                         | Full year             | Hong Kong, China                       |
| <b>Executives</b>              |  |                       |  |
| <b>Current</b>                 |  |                       |  |
| Chris Ashton                   | Chief Executive Officer                        | Full year             | United States of America               |
| Vinayak Pai                    | Group President – Europe, Middle East and APAC | Full year             | Netherlands                            |
| Karen Sobel                    | Group President – Americas                     | Full year             | Canada                                 |
| <b>Former</b>                  |  |                       |  |
| Tom Honan                      | Chief Financial Officer                        | Until 21 June 2021    | Australia                              |



## 1.2 FY2021 leadership changes

In May 2020, we announced a new operating model to simplify how we engage with customers and deliver work more effectively across the full asset lifecycle. This model positions us for growth in new sectors and increases our focus on transformative trends, such as digitalization and the energy transition. Our new structure moved profit and loss to a regional model from 1 July 2020. Vinayak Pai leads Europe, Middle East and Asia Pacific regions and Karen Sobel leads the Americas.

As a result of these changes, we reviewed the new roles to determine the executive KMP. For FY2021 they are:

- Chris Ashton – Chief Executive Officer
- Tom Honan – Chief Financial Officer
- Karen Sobel – Group President – Americas
- Vinayak Pai – Group President – Europe, Middle East and APAC

### Tom Honan retirement arrangements

Tom stepped down as CFO of Worley effective 21 June 2021 and retired on 30 July 2021. He worked his notice period, and we have paid him contractual leave entitlements. He was eligible for an STI award for FY2021 subject to achieving Key Performance Indicators (KPIs) and at the Board's discretion. His STI outcome is detailed in this Report.

Given his retirement and contribution to Worley, the Board has decided to treat Tom as a good leaver in respect of unvested equity. Unvested equity are equity rights that have not yet met the relevant time and performance conditions. We have pro-rated his unvested LTI and DEP equity rights to 30 July 2021.

This is consistent with the applicable equity plan rules, the way we have treated other good leavers and the termination benefits approval obtained at the 2020 AGM. We will test his unvested equity against the original performance conditions, and this will vest or lapse at the end of the relevant vesting period.



## 2. Remuneration Report snapshot

### OUR REMUNERATION FRAMEWORK PRINCIPLES



#### Be internationally competitive

A globally competitive and consistent framework to attract, motivate, retain and mobilize diverse executives across different countries



#### Be clear and easily understood

Clearly aligned to Worley's strategy, purpose, values and risk appetite, with a transparent link between performance and reward. Assures external stakeholders and engages executives to drive the right behaviors and outcomes



#### Create strong shareholder alignment

Incorporate significant equity components to encourage executives to behave like owners, focus on building long-term shareholder value and stay with Worley through business cycles



#### Drive sustainable outperformance

Provide meaningful incentives to exceed stretch target performance. Focus on both short and long-term performance to deliver sustainable value

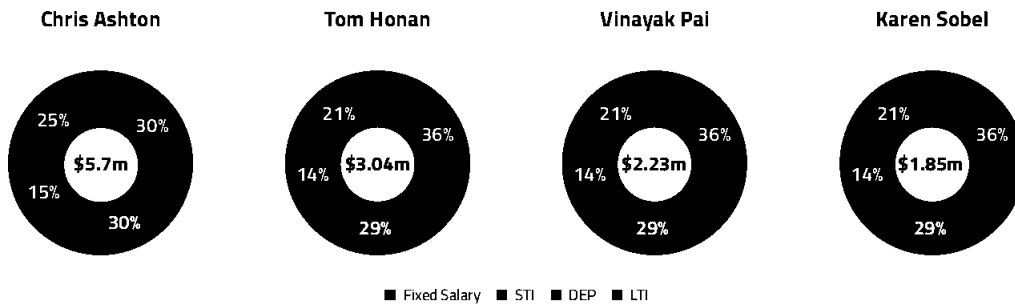
|                    | STRUCTURE AND OPPORTUNITY   | PURPOSE AND LINK TO STRATEGY   | CHANGES IN FY2021  |
|--------------------|---|--|--|
| FIXED COMPONENT    | <b>Fixed salary (cash) and benefits</b><br><b>1 YEAR</b><br>Fixed salary reflects the accountabilities and expectations of the role and the executive's experience, skills and contribution. Benefits include retirement contributions (such as statutory superannuation) and items to support international assignments. | Be market competitive to attract, motivate, retain and mobilize executives.<br>Benchmarked against: <ul style="list-style-type: none"> <li>Australian companies with global operations of similar size, complexity and industry relevant peers; and</li> <li>International industry peer companies, primarily North American competitors.</li> </ul>   | There have been no changes to our fixed salary structure in FY2021.  |
|                    | <b>Short-term incentive (STI)</b><br><b>1 YEAR</b><br>Cash award paid for annual performance.<br><b>CEO:</b> 100% of fixed salary (target)<br><b>Other Executive KMP:</b> 80% of fixed salary (target)  | Focuses executives on delivering key financial (60%), Health, Safety and Sustainability (HSS) (10%) and strategic (30%) priorities relevant to the financial year. We set stretch KPI targets which are over and above day job expectations to motivate and reward strong performance. They must be fully achieved to receive a target STI payout. Maximum STI is only payable for outstanding performance above and beyond already stretched targets. | There have been no changes to our STI structure for FY2021.  |
| VARIABLE COMPONENT | <b>Deferred equity plan (DEP)</b><br><b>3 YEARS</b><br>Equity rights vesting in equal tranches at years 2 and 3.<br><b>CEO:</b> 50% of fixed salary<br><b>Other Executive KMP:</b> 40% of fixed salary  | Create strong shareholder alignment and reward executives for strategy execution over the medium term.<br>Be internationally competitive to attract, motivate, retain and mobilize executives across multiple countries.   | For FY2021 we introduced a performance condition which measures progress in strategy execution. The KPIs assess increasing contribution to delivering a more sustainable world and will be tested at the end of year 2. The FY2021 DEP will also vest over a longer time period compared to FY2020, with 50% vesting at the end of year 2 and 50% at the end of year 3. We did not increase incentive opportunities in FY2021 to compensate executives for the addition of a performance condition and the longer time period. |
|                    | <b>Long-term incentive (LTI)</b><br><b>4 YEARS</b><br>Performance rights vesting at 4 years.<br><b>CEO:</b> 85% of fixed salary<br><b>Other Executive KMP:</b> 60% of fixed salary  | Reward for sustainable long-term growth in shareholder value measured through relative TSR and EPS growth.   | We will now test the LTI performance condition at the end of year 4, and vesting will occur at the same time. Therefore, the performance period is extended by one year compared to FY2020. We also made changes to the TSR comparator group to ensure the peer companies remain appropriate. Refer to section 5.4 for further details.  |

**MINIMUM SHAREHOLDING REQUIREMENT (MSR)**  
 Worley has robust shareholding requirements for both executives and Non-Executive Directors (NEDs).  
 CEO: 400% of fixed pay, Other KMP: 200% of fixed pay, Non-Executive Directors (NEDs): 100% of annual base fee

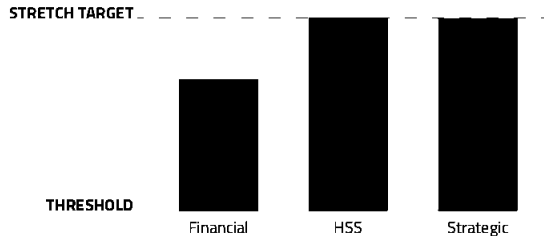


## PAY MIX

The following graphs show the total target remuneration and pay mix (components of total target remuneration) of our executive KMP. STI is at target.



## FY2021 STI OUTCOMES



### FINANCIAL

The group underlying NPATA result was below target. We managed cash collection well and achieved above target outcomes.

### HSS

Our total case frequency rate (TCFR) and our serious case frequency rate (SCFR) gates were both achieved.

HSS leadership by our executives was high quality and had a positive impact on our business. Our executives led our people and customers through COVID-19 with continued focus, care and commitment.

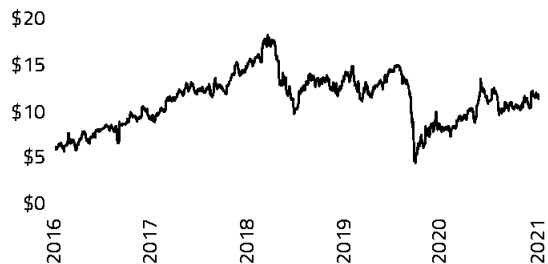
### STRATEGIC

We outperformed stretch non-financial KPIs. Operating model cost savings were above target. We recruited a greater number of women into vacant senior leader and graduate roles than the targets set. We grew new business in our strategic priority sectors, exceeding the stretch target that was set. We capped the STI outcomes for strategic KPIs at 100%, despite well above target performance.

The overall STI outcomes for the CEO and executives were 71% of target.

## FY2021 EQUITY AWARD OUTCOMES

### WORLEY SHARE PRICE



### LTI

We tested the FY2019 LTI against relative TSR and EPS growth measures. Performance results were less than the threshold performance requirements. As a result, no equity rights will vest under the FY2019 plan. All equity rights will lapse.

The second tranche of the FY2020 DEP vested. The value declined 5% from award (a share price of \$12.50) to 30 June 2021 (a share price of \$11.90).<sup>1</sup>

<sup>1</sup> For the purposes of comparisons, \$11.90 is used throughout the Remuneration Report as the share price for 30 June 2021. It is the five day Volume Weighted Average Price (VWAP) to 30 June 2021.

## Remuneration Report

### 3. FY2022 and beyond

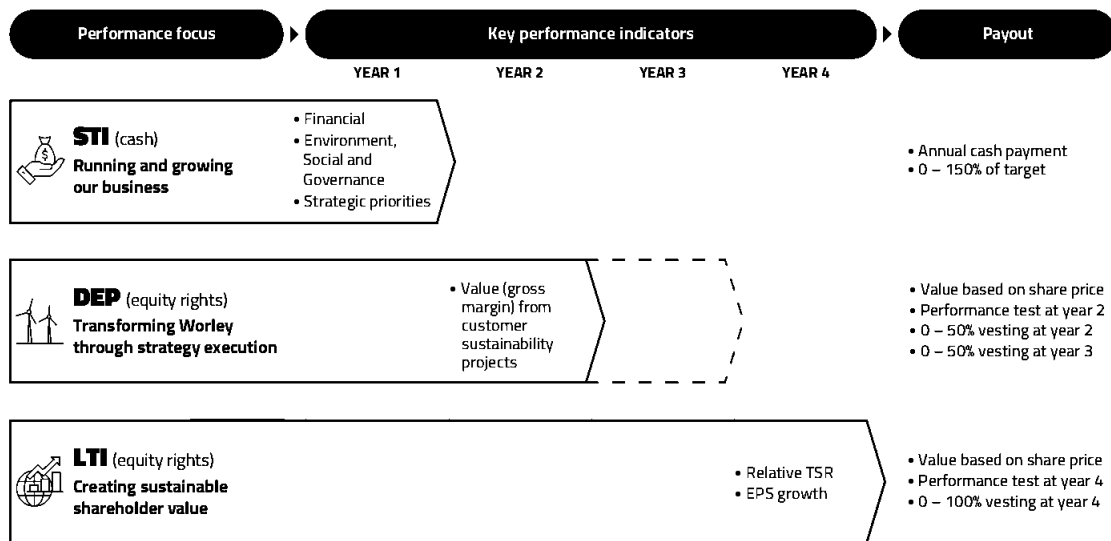
During FY2021, the Board has reviewed the executive remuneration framework to ensure it strongly aligns with delivering our strategy and is effective in creating our desired culture. It needs to be attractive for our people in the increasingly competitive global markets we serve. This enables us to motivate our executives to deliver the expected performance and stay with Worley.

Aligned with our purpose to deliver a more sustainable world, we are on a journey to significantly transform both what we deliver for our customers and how we do it. We are focused on growing our business with our customers in sustainability, building on our unique capabilities and digital solutions. We're also committed to creating a more sustainable organization through our business practices, leadership behaviors and culture.

These considerations are reflected in the actions we are taking to evolve elements of our executive remuneration framework outlined below. In making these actions, the Board has listened to feedback from shareholders and discussed changes with them in a transparent manner.

#### 3.1 Our executive remuneration structure will remain the same

Our executive remuneration framework will continue to have the same variable remuneration components (STI, DEP and LTI). This clearly distinguishes the performance focus of each variable remuneration component as outlined in the diagram below. The DEP is less common in Australia; however, it is a common structure in our global talent markets, in particular in the United States. In the United States, the DEP equivalent would typically only be subject to service conditions. From FY2021 we introduced a performance condition for the DEP. The performance condition aligns with our strategy and shareholder outcomes. The DEP balances Australian external stakeholder expectations and the countries we compete for talent in.



#### 3.2 We will change the executive remuneration mix to reduce cash and increase equity

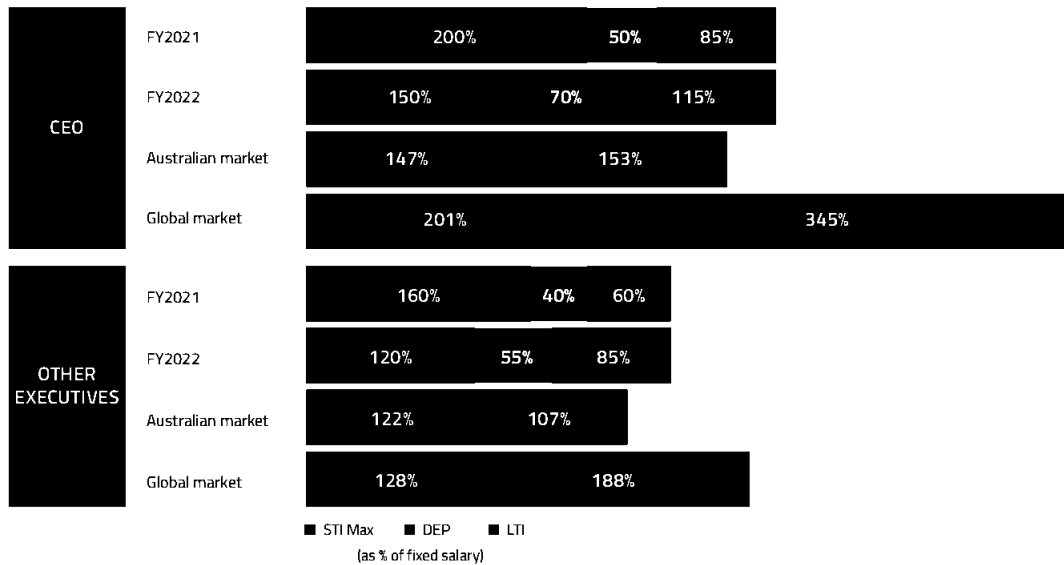
We benchmarked executive incentive opportunities against the market (both ASX and global peer comparator groups, as outlined below). We identified that cash incentive opportunities were higher than market, and equity was lower than market. Equity targets were not competitive against global peer companies. Yet, a key principle of our executive remuneration strategy is to have significant equity components. We had also received feedback from shareholders that the STI maximum at 200% of target was too high. We have therefore decided to:

- reduce the maximum STI from 200% to 150% of target. There is no change to the STI target opportunity. This is more aligned to Australian market practice and shareholder expectations; and
- increase the DEP and LTI opportunity levels by a commensurate amount with the majority weighted towards increasing the LTI. This change enhances the focus on creating shareholder value over the long term. It also recognizes that the addition of the DEP performance condition and longer timeframes introduced in FY2021 make it tougher for executives to realize value.

The shift from cash (STI) to equity (DEP and LTI) improves the alignment and competitiveness of our remuneration mix to both the Australian and global comparator groups. In rebalancing the remuneration mix, there has been no change to total incentive opportunity levels at maximum, despite a greater portion of remuneration being geared towards longer deferral periods. The pay mix retains the overall proportion of pay 'at risk'.



The charts below show the current and new FY2022 incentive opportunity levels (as a % of fixed salary) against our benchmark comparator groups.



### 3.3 We will evolve the STI framework to strengthen our sustainability focus and enable our transformation

We will implement an STI framework in FY2022 which has:

- a shared business scorecard of KPIs, aligning executives to key priorities in transforming and growing Worley;
- greater focus on Environment, Social and Governance (ESG) priorities, which builds on our commitment to HSS. ESG will include areas such as climate actions, sustainability, safety, diversity and inclusion and risk management;
- an individual scorecard comprising the 'what' - personal KPIs - and the 'how' - personal HSS leadership - and demonstrating behaviors aligned to Worley values. This is critical to our culture and transformation; and
- differentiated rewards for individual performance to recognize when our executives outperform and moderate downwards when performance and behaviors are not meeting expectations. This aims to incentivize delivering outcomes that are beyond target expectation and role modeling expected Worley behaviors.





## Remuneration Report

The business scorecard will retain a mix of financial KPIs (minimum of 60%) and non-financial KPIs (maximum of 40%).

The non-financial KPIs will include ESG KPIs (at least 20%) and strategic KPIs (up to 20%). In FY2022, ESG KPIs will align to our commitments to reduce Scope 1 and Scope 2 carbon emissions, our safety performance and how we progress our Diversity and Inclusion objectives. The business scorecard retains a formulaic approach with defined metrics and targets for performance levels.

The individual scorecard will comprise financial, ESG and/or strategic KPIs aligned with the individual's area of accountability and personal leadership and behaviors expectations. They will include clear quantitative and qualitative measures and indicators. They will be differentiated from the targets in the business scorecard to ensure executives are not rewarded twice against the same outcomes.

The executives' individual performance can modify the business scorecard outcome by 0% to 125% to determine the individual STI payout. The final STI outcomes will be capped at a maximum of 150%. The People and Remuneration Committee and the Board will assess the individual scorecard based on clear performance indicators and agree the individual modifier.

Our new STI framework will apply to all eligible senior leaders at Worley. We will continue to set ambitious stretch targets and implement a performance and reward assessment approach which is rigorous, fair and transparent.

### 3.4 We have enhanced our executive benchmarking approach

With an international executive team leading a large, complex global business, it's important that our benchmarking approach appropriately considers the size and nature of our business and the international talent markets we operate in.

For FY2022, we refined our benchmark comparator groups, and we will continue to review these annually as our global peer companies evolve. We use this data to benchmark fixed and variable remuneration for our executives.



#### Our global comparator groups are:

1. Specific peer companies in our TSR comparator group under our LTI (see table 5.4.1); and/or
2. North American companies of similar size in the Energy, Chemicals and Resources sectors where relevant.



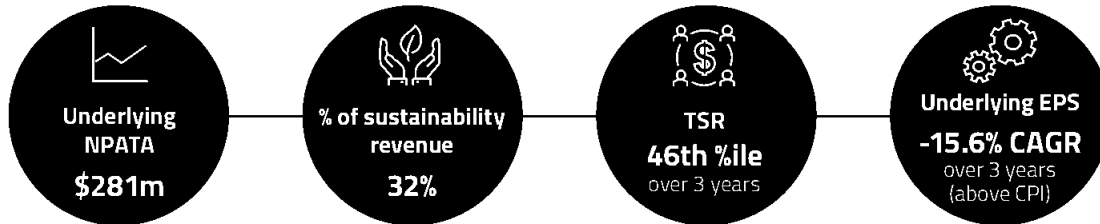
#### Our Australian comparator groups are:

1. ASX companies that operate in the Energy, Materials or Industrial sector with a market capitalization between 50% to 200% of our market capitalization; and
2. Of similar complexity to our business and with global operations.

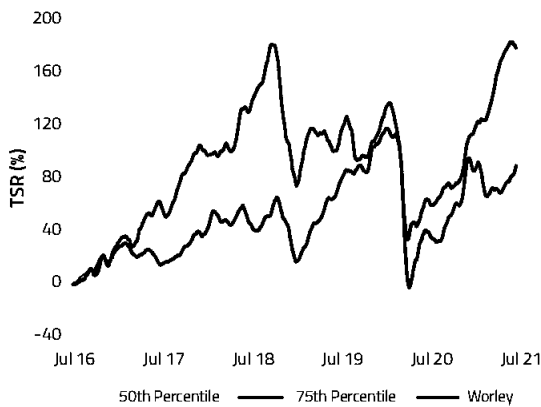


4. COMPANY PERFORMANCE AND REMUNERATION OUTCOMES

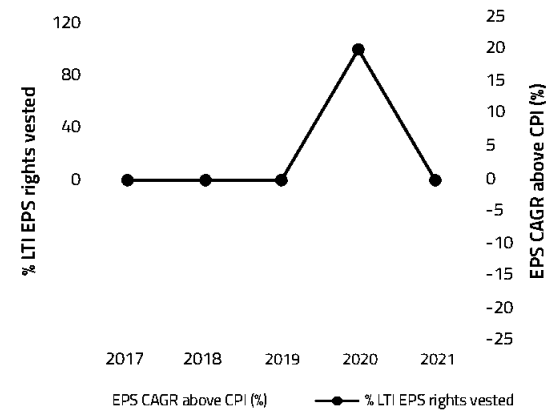
4.1 Overview of performance and remuneration outcomes



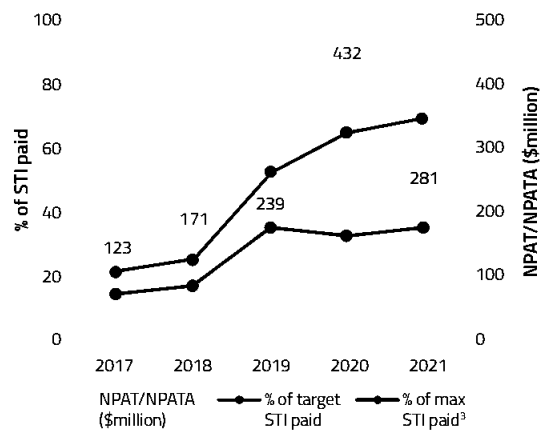
TSR trend over the last 5 years against the 50th and 75th percentiles TSR of the peer comparator group<sup>1</sup>



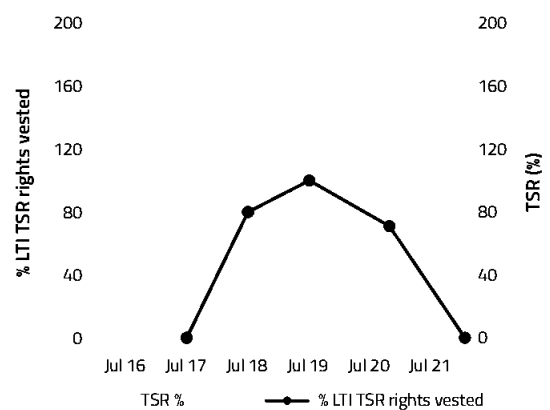
Underlying EPS v LTI vesting outcomes over the last 5 years



Underlying NPAT<sup>2</sup> v STI outcomes over the last 5 years



TSR v LTI vesting over the last 5 years



<sup>1</sup> The peer comparator group for the FY2019 LTI grant has been used.

<sup>2</sup> Financial Years 2017 to 2019 are measured using underlying NPAT. From FY2020 we measure underlying NPATA for remuneration purposes. The FY2020 NPAT result was \$351 million. The FY2021 NPAT result was \$206 million.

<sup>3</sup> Maximum STI payout was 150% for 2017, 2018 and 2019 and 200% for 2020 and 2021.



## Remuneration Report

The tables below summarize the Group's performance for FY2021 and the previous four years in respect of the key financial indicators the Board identified to assess our performance and determine variable remuneration outcomes.

### Financial performance

Table 4.1.1

| CATEGORY                 | FY ENDING 30 JUNE:                        | 2017 <sup>2</sup> | 2018  | 2019  | 2020 | 2021  | ANNUALIZED GROWTH OVER FIVE YEARS |
|--------------------------|---|-------------------|-------|-------|------|-------|-----------------------------------|
| <b>Earnings</b>          | Underlying NPAT (\$million) <sup>1</sup>  | 123               | 171   | 239   | 351  | 206   | 13.7%                             |
|                          | Underlying NPATA (\$million) <sup>1</sup> | 135               | 182   | 260   | 432  | 281   | 20.1%                             |
|                          | Underlying EPS (cents)                    | 49.2              | 62.4  | 57.3  | 67.4 | 39.4  | (5.4%)                            |
| <b>Shareholder Value</b> | Share price (\$) <sup>3</sup>             | 11.22             | 17.63 | 14.71 | 8.77 | 11.90 | 1.48%                             |
|                          | Dividends paid (cents)                    | nil               | 25    | 27.5  | 50   | 50    | n/a                               |

<sup>1</sup> From FY2020, financial measures for earnings are based on NPATA for remuneration purposes. The measure changed from NPAT to NPATA, following the acquisition of ECR, to ensure remuneration continues to be focused on operational performance.

<sup>2</sup> The closing share price in FY2016 was \$7.20.

<sup>3</sup> The closing share price is shown for 2017, 2018 and 2019. From 2020 onwards we show the 5 Day VWAP to 30 June.

### Variable remuneration outcomes

Table 4.1.2

| CATEGORY                | FY ENDING 30 JUNE:                                       | 2017    | 2018    | 2019    | 2020 <sup>1</sup> | 2021    |
|-------------------------|--|---------|---------|---------|-------------------|---------|
| <b>STI</b>              | Average % of target STI paid to executives               | 21.0%   | 24.8%   | 52.5%   | 65%               | 71%     |
|                         | Average % of maximum STI paid to executives <sup>2</sup> | 14.0%   | 16.5%   | 35%     | 32.5%             | 35.5%   |
| <b>LTI EPS</b>          | Performance period (years)                               | 4       | 4       | 4       | 3                 | 3       |
|                         | EPS above CPI % achieved                                 | (23.4%) | (13.5%) | (14.3%) | 9.3%              | (15.6%) |
|                         | Payout Outcome   | nil     | nil     | nil     | 100%              | nil     |
| <b>LTI Relative TSR</b> | Performance period (years)                               | 4       | 4       | 4       | 4                 | 3       |
|                         | TSR % achieved   | (32.1%) | 13.0%   | 47.6%   | 40.0%             | (11.4%) |
|                         | Relative TSR percentile achieved <sup>3</sup>            | 34.8    | 65.0    | 76.2    | 71.4              | 50.0    |
|                         | Payout Outcome   | nil     | 80%     | 100%    | 92.9%             | 50%     |

<sup>1</sup> Two separate LTI TSR awards were tested at the end of FY2020. The 2016 grant was tested over 4 years, and the 2017 grant was tested over 3 years.

<sup>2</sup> Maximum STI payout was 150% for 2017, 2018 and 2019 and 200% for 2020 and 2021.

<sup>3</sup> Worley's TSR performance is measured relative to Worley's peer group.

### 4.2 FY2021 fixed and target total remuneration changes

The Board reviews the total remuneration levels of executives every year. This is to make sure pay levels reflect competitive benchmarking, the experience and capability of individuals, and that there is an appropriate balance between fixed and variable remuneration.

We increased Karen Sobel's fixed remuneration by 10% on 1 July 2020. This was in recognition of her expanded accountabilities leading the America's region and to improve the competitiveness of her total remuneration. Other executives did not receive increases in fixed pay or variable opportunity levels in FY2021.

### 4.3 FY2021 STI outcomes

#### (a) STI scorecard

We have designed the STI plan so that a portion of the executives' remuneration is variable and at risk. STI payments are based on achievement of annual stretch targets for financial, HSS and strategic KPIs. The Board evaluates KPI performance and determines STI outcomes. Our rigorous approach to setting and assessing stretch KPIs is highlighted by historical STI outcomes. These range between 21%-71% of target for the past 5 years.

We assess performance for each KPI based on actual outcomes compared to performance levels defined below. Our KPIs are our priorities and our targets are stretch. Together, they are focused on transforming and growing Worley.

| PERFORMANCE LEVEL | MINIMUM  | TARGET   | MAXIMUM  |
|-------------------|--|--|--|
| <b>Definition</b> | This is a threshold level of performance below which no STI is payable. Performance at this level typically requires sustained effort. | This is a stretch level of performance. Performance at this level is challenging yet achievable with effort. | This is an outstanding level of performance above which no additional STI is payable. Performance at this level is very challenging. |
| <b>Payout</b>     | 0%   | 100%   | 200% financial or 100% HSS and strategic KPIs  |



For FY2021, Worley executives had shared KPIs to align their collective efforts to respond to the continued business challenges as a result of COVID-19 and establish the foundations to transform Worley. FY2021 strategic priorities focused on effectively implementing our new operating model, significantly progressing our diversity objectives and growing our business in our strategic priority sectors. A stronger individual performance element will be re-introduced in FY2022. See section 3.

Table 4.3.1

| SCORECARD CATEGORY              | KEY PERFORMANCE INDICATORS   | WEIGHTING | PERFORMANCE OUTCOME |        |     | WEIGHTED PAYOUT OUTCOME | COMMENTARY  |
|---------------------------------|--|-----------|---------------------|--------|-----|-------------------------|---|
|                                 |  |           | MIN                 | TARGET | MAX |                         |   |
| Financial <sup>1</sup>          | Underlying NPATA <sup>3</sup>  | 50%       |                     |        |     | 20%                     | Underlying NPATA was below budget, reflecting the market and business challenges experienced through the year.  |
|                                 | Cash flow <sup>4</sup>   | 10%       |                     |        |     | 11%                     | Cash receivables were greater than statutory revenues.  |
| HSS <sup>2</sup>                | Leadership activities <sup>5</sup>   | 10%       |                     |        |     | 10%                     | Gate achieved. HSS leadership was strong.   |
| Strategic <sup>2</sup>          | Reduce costs through implementing new operating model                            | 10%       |                     |        |     | 10%                     | Cost savings realized through the change in operating model were above target.  |
|                                 | Increase gender diversity of senior leader and graduate recruitment <sup>6</sup> | 10%       |                     |        |     | 10%                     | The proportion of vacant senior leader roles filled by women was above target. 46% of graduates recruited were women, which is a much higher rate than in previous years. |
|                                 | Grow new business (Gross Margin Sold) in strategic priority sectors <sup>7</sup> | 10%       |                     |        |     | 10%                     | New business (Gross Margin Sold) in strategic priority sectors was above target.  |
| <b>FY2021 scorecard outcome</b> |  | 100%      |                     |        |     | 71%                     |   |

<sup>1</sup> The maximum STI payout on financial measures is capped at 200% of target. This would typically be awarded for performance of 120% or greater of target.

<sup>2</sup> The maximum STI payout on HSS and strategic KPIs is 100% of target.

<sup>3</sup> Underlying NPATA is Net Profit After Tax excluding the post-tax impact of amortization on intangible assets acquired through business combinations. Underlying means the profit result after adjusting for significant/non-operational items not considered part of the sustainable performance of Worley. We believe this is the most appropriate measure of operating financial performance for remuneration purposes. Prior to FY2020, we used underlying NPAT as the financial measure for remuneration. For FY2021 we excluded costs related to the ECR transition, transformation and restructuring costs, gains and losses from sales of business units, impairment of investments and government payments or subsidies in relation to COVID-19. Worley did not receive JobKeeper support from the Australian Government, however, it did receive COVID-19 related government subsidies in Canada, UK and Singapore which is excluded from the result. We included all project and operational related provisions in underlying NPATA. We reviewed the volatility and impact of actual currency movements compared to budget. This was factored into underlying earnings for remuneration purposes.

<sup>4</sup> A cashflow measure was introduced for executives in lieu of the Days Sold Outstanding measure. It measures cash receivables as a proportion of statutory revenues in the period, excluding cash received from government payments or subsidies.

<sup>5</sup> The HSS KPI has a gate opener which requires Group TRCFR less than 0.18 and Group SCFR less than 0.13. Both were below threshold, with TRCFR of 0.16 and SCFR of 0.07.

<sup>6</sup> Senior leaders are Group Executives and managers in organizational tiers one, two and three (approximately 1,550 people). They have leadership accountabilities for business units and functions.

<sup>7</sup> Strategic priority sectors aligns to growing business in sustainability. It includes areas of business such as hydrogen, circular economy, specialty chemicals and offshore wind.

### (b) Discretion

We will apply discretion and adjust the scorecard outcomes if the Board believes they do not appropriately reflect performance. To determine the impact of any discretion, the Board considers the quality of our financial performance and other company performance outcomes. This covers financial, operational, safety, assurance and the outcomes for our stakeholders (people, customers, shareholders, suppliers, communities).

### (c) STI outcomes

The table below shows the actual STI amounts we will pay to the CEO and other executives for their performance in FY2021. No discretionary overlay was applied to the STI outcomes in FY2021.

Table 4.3.2

| NAME                           | MAXIMUM POTENTIAL STI \$000 (200%) | ACTUAL STI <sup>1</sup> AWARDED \$000 | TOTAL STI AS A % OF TARGET | TOTAL STI PAID AS A % OF MAXIMUM | TOTAL STI FORFEITED AS A % OF MAXIMUM |
|--------------------------------|------------------------------------|---------------------------------------|----------------------------|----------------------------------|---------------------------------------|
| <b>CHIEF EXECUTIVE OFFICER</b> |                                    |                                       |                            |                                  |                                       |
| Chris Ashton                   | 3,400                              | 1,206                                 | 71%                        | 35%                              | 65%                                   |
| <b>OTHER EXECUTIVES</b>        |                                    |                                       |                            |                                  |                                       |
| Tom Honan (former)             | 1,738                              | 616                                   | 71%                        | 35%                              | 65%                                   |
| Vinayak Pai                    | 1,307                              | 463                                   | 71%                        | 35%                              | 65%                                   |
| Karen Sobel                    | 1,058                              | 375                                   | 71%                        | 35%                              | 65%                                   |

<sup>1</sup> This amount relates to the FY2021 STI plan which is typically paid to executives in September 2021.



## Remuneration Report

### 4.4 FY2021 equity outcomes

We provide the details of vested equity awards in section 9. All equity awards are made under the Worley performance rights plan rules in the form of performance rights. These are sometimes called equity rights. They are rights to Worley shares which are delivered to participants subject to the achievement of vesting conditions, such as time and performance requirements.

#### (a) FY2020 Deferred Equity Plan (DEP) outcomes (Tranche 2)

The FY2020 DEP is a grant of restricted equity rights which vest and convert to shares in equal tranches over one, two and three years. The vesting of rights is subject to clawback and malus conditions and continued satisfactory individual performance. Following the vesting of the first tranche in September 2020, tranche 2 will vest on 30 September 2021. The share price used for the grant was \$12.50 and the share price on 30 June 2021 was \$11.90. This reflects a 5% decrease in the share price since grant.

#### (b) FY2019 Long-Term Incentive (LTI) outcomes

We tested the FY2019 LTI against two equally weighted performance hurdles, measured over a three-year performance period ending 30 June 2021:

- 1. Relative TSR:** The percentile ranking of our relative TSR compared to an international group of peer companies; and
- 2. Earnings per share:** The compound annual growth rate (CAGR) of our underlying EPS above the Australian Consumer Price Index (CPI) for the same period.

We have set out the vesting outcomes under each of these measures below.

Table 4.4.1

| PLAN       | PERFORMANCE MEASURE | RESULT          | PROPORTION OF AWARD VESTED | COMMENT  |
|------------|---------------------|-----------------|----------------------------|--|
| FY2019 LTI | EPS <sup>1</sup>    | -15.6% p.a.     | 0%                         | Worley's underlying EPS CAGR over the 3 year period above CPI <sup>2</sup> was -15.6%. This results in 0% vesting. |
|            | Relative TSR        | 46th percentile | 0%                         | Our relative TSR was 46th percentile compared to peer companies. This results in 0% vesting.                       |

<sup>1</sup> For remuneration purposes, EPS is calculated using underlying NPAT as this focuses executives on growth in operating profit. This is consistent with the basis used for prior year calculations.

<sup>2</sup> Compound annual growth of CPI over 3 years was 1.4%.

### 4.5 Vesting of legacy equity arrangements

#### Transition equity for ECR personnel

Vinayak Pai received grants of Worley equity rights in place of ECR unvested equity that was forfeited when moving to Worley. The timeframes of the awards broadly aligned to the foregone ECR equity. These grants were subject to ongoing employment and minimum performance standards. The final grant made under this arrangement will vest in full in September 2021.

### 4.6 Remuneration received by executives during FY2021

The table below gives a summary of the remuneration received by executives during the performance periods ended 30 June 2020 and 30 June 2021. We believe that presenting this information to shareholders gives them greater clarity and transparency. This table also differs from the statutory remuneration table on page 83 which presents remuneration in accordance with accounting standards.

Remuneration received by executives relating to performance for FY2021 is explained below.

|                                  |  |
|----------------------------------|--|
| <b>A. Fixed salary</b>           | Comprises base salary plus superannuation or retirement contributions paid for FY2021.   |
| <b>B. Cash STI</b>               | Comprises accrued cash STI for FY2021.   |
| <b>C. Deferred equity awards</b> | We include the value of all tested equity awards to the end of the performance period, 30 June 2021. These awards include FY2019 LTI award (which did not vest), the second tranche of the FY2020 DEP grant and any one-off equity awards where footnoted.<br>The deferred equity awards generally vest in September 2021, and executives must remain employed to the vesting date or be a good leaver to be eligible to receive them. The actual value received will depend on the share price at exercise. |
| <b>D. Benefits</b>               | Includes local benefits provided in line with market practice and items to support international assignments, such as medical insurance, tax equalization, annual leave accrual and housing allowances.  |



Table 4.6.1

| NAME                              | YEAR          | FIXED SALARY | CASH STI     | DEFERRED EQUITY AWARDS <sup>5,6</sup> | BENEFITS <sup>7</sup> | TOTAL REMUNERATION RECEIVED | PERFORMANCE RELATED REMUNERATION |
|-----------------------------------|---------------|--------------|--------------|---------------------------------------|-----------------------|-----------------------------|----------------------------------|
|                                   |               | \$000 (A)    | \$000 (B)    | \$000 (C)                             | \$000 (D)             | \$000 = A + B + C + D       | \$000 = B + C                    |
| <b>EXECUTIVE DIRECTOR</b>         |               |              |              |                                       |                       |                             |                                  |
| Chris Ashton <sup>1</sup>         | FY2021        | 1,707        | 1,206        | 110                                   | 32                    | 3,055                       | 1,316                            |
|                                   | FY2020        | 1,186        | 632          | 499                                   | 54                    | 2,371                       | 1,131                            |
| <b>OTHER EXECUTIVES</b>           |               |              |              |                                       |                       |                             |                                  |
| Tom Honan <sup>2,3</sup> (former) | FY2021        | 1,091        | 616          | 138                                   | 27                    | 1,872                       | 754                              |
|                                   | FY2020        | 1,087        | 541          | 832                                   | 21                    | 2,481                       | 1,373                            |
| Vinayak Pai <sup>4</sup>          | FY2021        | 918          | 463          | 328                                   | 170                   | 1,879                       | 791                              |
|                                   | FY2020        | 1,023        | 527          | 472                                   | 225                   | 2,247                       | 999                              |
| Karen Sobel                       | FY2021        | 676          | 375          | 81                                    | 22                    | 1,154                       | 456                              |
|                                   | FY2020        | 640          | 411          | 98                                    | 117                   | 1,266                       | 509                              |
| <b>Total remuneration</b>         | <b>FY2021</b> | <b>4,392</b> | <b>2,660</b> | <b>657</b>                            | <b>251</b>            | <b>7,960</b>                | <b>3,317</b>                     |
|                                   | FY2020        | 3,936        | 2,111        | 1,901                                 | 417                   | 8,365                       | 4,012                            |

<sup>1</sup> Chris Ashton's FY2020 deferred equity awards include equity vesting under the ECR acquisition grant.

<sup>2</sup> Tom Honan's FY2020 deferred equity awards include equity vesting under the ECR acquisition grant.

<sup>3</sup> While Tom Honan ceased to be a KMP effective 21 June 2021, he remained a Worley employee until 30 July 2021. We have shown Tom's full year earnings.

<sup>4</sup> Vinayak Pai's deferred equity includes Worley equity he received in place of ECR unvested equity. He also received benefits to support his international assignment to the Netherlands from August 2019. Vinayak Pai's reported AUD remuneration is impacted by changes to the INR to AUD FX rates from FY2020 to FY2021. There has been no change to his fixed salary over this period.

<sup>5</sup> We valued the FY2020 deferred equity awards using the 5 Day VWAP up to and including 30 June 2020, \$8.77.

<sup>6</sup> We valued the FY2021 deferred equity awards using the 5 Day VWAP up to and including 30 June 2021, \$11.90.

<sup>7</sup> From FY2021 we are including the net movement in annual leave accrual.

## 5. EXECUTIVE REMUNERATION STRUCTURE

We have developed the remuneration framework to support the business strategy and drive sustainable outperformance over the short and long term. It aligns to and encourages conduct that supports Worley's purpose, values, strategic objectives and risk appetite.

Importantly, the remuneration framework must be internationally competitive to attract, motivate, retain and mobilize top talent across countries. It creates strong shareholder alignment by incorporating significant equity components to encourage executives to behave like owners, focus on building long-term value and stay with us through business cycles.

### 5.1 Fixed remuneration

Fixed remuneration provides an executive with competitive fixed salary (cash) and benefits. Fixed salary reflects the accountabilities and expectations of the role and individual factors such as the executive's experience, capability, performance and potential.

We set fixed salary in relation to market conditions and benchmarking of roles of similar scope and complexity in relevant peer companies. We benchmark executive remuneration against the remuneration levels of our global competitors and of other Australian listed companies with global operations of comparable size, complexity and industry relevance. We review this peer group regularly.

We give fixed salary in the form of cash base salary or allowances, superannuation or retirement benefit contributions and any salary sacrificed components.

Executives will be eligible for certain benefits in line with the policies of their local employer. Our benefits comply with local legislation and are locally competitive to attract and retain executives and support their health and well-being. Typically, this will include retirement contributions (such as statutory superannuation) and basic insurances (such as disability, life and medical) where it is local market practice. We may also provide some benefits to support the global mobilization of executive talent. We aim to have competitive global mobility policies and support the health, safety and well-being of our people and their families.

### 5.2 STI

The following table summarizes the STI plan applied in FY2021:

Table 5.2.1

| FEATURE                             | DESCRIPTION  |
|-------------------------------------|--|
| <b>Purpose and link to strategy</b> | The STI plan focuses the efforts of the CEO and other executives on delivering key financial, HSS and strategic priorities relevant to the financial year. The plan motivates executives to achieve stretch targets and rewards them for outperformance when achieved. |



## Remuneration Report

| FEATURE   | DESCRIPTION   |
|---|---|
| <b>Opportunity</b>                                | Annual STI targets are set at 100% of fixed salary for the CEO and 80% of fixed salary for other executive KMP. We set stretch KPI targets which must be fully achieved to receive a target STI payout. The maximum STI payable is 200% of target to motivate and reward outperformance. It can only be achieved through exceptional financial performance and Board discretion.  |
| <b>Eligibility</b>                                | All executives are eligible to participate in the STI plan. Generally, for an executive to be eligible for a payment they must have been employed for at least three months of the financial year and remain employed at the date of payment.   |
| <b>Delivery</b>                                   | Cash.   |
| <b>Performance period</b>                         | 1 year.   |
| <b>Setting performance conditions and targets</b> | The Board sets the annual KPIs and performance levels (minimum, target and maximum) at the beginning of the financial year. The Board has oversight of the KPIs to ensure they are robust. KPIs to achieve target opportunity represent a stretch level of performance which is over and above day job performance. Targets are challenging yet achievable. The Board sets a maximum level of performance for financial targets to pay out up to 200%. Performance must be outstanding at this level. Executives also need to achieve a high minimum (threshold) level of performance before any STI is payable.  |
| <b>Performance conditions</b>                     | <p>We measure performance through a mix of financial, HSS and strategic KPIs. The weightings of these measures are: financial 60%, HSS 10% and strategic 30%. This ensures that we select measures that are fundamental to the long-term sustainability and development of the business.</p> <p>The financial KPIs are underlying NPATA and cash flow. These KPIs focus executives on annual operating profit and cash collection.</p> <p>We choose HSS to support our belief that the health, safety and well-being of our people and communities is paramount. Without it, nothing else matters. The HSS KPI requires the executive to demonstrate personal and visible leadership, drive positive HSS outcomes and contribute to our continual improvement. We measure it through leadership which goes above and beyond everyday responsibilities. They are a leading indicator of HSS outcomes and ensure a strong focus on HSS is embedded at all levels. Additionally, there is an HSS gate that executives must achieve before they achieve the HSS KPI. We measure the gate as Group TRCFR and Group SCFR. It ensures reportable incidents do not exceed threshold level. Group SCFR is used internally to ensure a focus on serious cases, including a fatality or permanent disabling injury or illness, and events that have the potential to result in a fatality or a permanent disabling injury or illness.</p> <p>Strategic KPIs are the priorities that will have the most impact on enabling our transformation. Performance may be measured by quantitative outcomes or qualitative indicators which require more judgment.</p>  |
| <b>Performance assessment and payout</b>          | <p>At the end of the financial year, the People and Remuneration Committee and the Board assess achievement against each KPI and compare the results to the performance levels set at the beginning of the year. To do this, they receive guidance and input from other Board Committees.</p> <p>The Board has a policy to review underlying NPATA for remuneration purposes to ensure executives are:</p> <ul style="list-style-type: none"> <li>• being appropriately held to account for their actions and delivering the annual target; and</li> <li>• considering potential acquisitions or investment and transformational opportunities without the influence of their impact on remuneration outcomes.</li> </ul> <p>For financial KPIs, the minimum performance is 80% of budget or target. For performance above minimum, a sliding scale applies to determine the payout, i.e. for each 1% above 80% of the budget, the payout is 5%. We cap this at 200% (which is for the maximum of 120% achievement against budget or target). The HSS and strategic KPIs, which are non-financial measures, have a maximum payout of 100% of target.</p> <p>The result of each KPI determines the payout.</p> <p>The People and Remuneration Committee and Board will also assess the funding available for the STI plan and the extent to which discretion is applied to the STI scorecard outcomes. They consider the quality of our financial performance and other company performance outcomes. This covers operational, safety, assurance and the outcomes for our people, customers, shareholders, suppliers and communities. They review the volatility and impact of actual currency movements compared to target. This is factored into underlying earnings for remuneration purposes. The Board believes this approach is rigorous, objective and comprehensive. It ensures STI outcomes are appropriate and a true reflection of performance. It is an important risk mitigant against unintended outcomes.</p> |



## 5.3 Deferred Equity Plan - DEP

The following table summarizes the DEP granted in FY2021:

Table 5.3.1

| FEATURE                                 | DESCRIPTION  |        |                            |     |   |     |  |
|---|--|--------|----------------------------|-----|---|-----|--|
| <b>Purpose and link to strategy</b>     | The DEP attracts, motivates and retains executives across multiple countries. Using deferred equity rights is internationally competitive, particularly in the United States where we have nearly half of our senior leaders and business. The DEP aligns shareholders and focuses executives on the long term, helping executives to achieve the above Australian market standard MSR. It also acts as a retention tool, particularly through transition and in years where we are impacted by the volatility of commodity cycles.  |        |                            |     |   |     |  |
| <b>Opportunity</b>                      | We set annual DEP targets at 50% of fixed salary for the CEO and 40% of fixed salary for other KMP.  |        |                            |     |   |     |  |
| <b>Eligibility</b>                      | All executives are eligible to participate in the DEP. To be eligible for an award, they generally must have been employed at the beginning of the performance period, i.e. 1 July prior to the grant.   |        |                            |     |   |     |  |
| <b>Delivery</b>                         | Deferred equity rights. Each deferred equity right that vests entitles executives to one Worley share.   |        |                            |     |   |     |  |
| <b>Performance period</b>               | 2 years. The deferred equity rights vest in two equal tranches at two and three years. For the FY2021 grant, the rights will vest in September 2022 and September 2023.  |        |                            |     |   |     |  |
| <b>Number of deferred equity rights</b> | We determine the number of equity rights by dividing the executive's target DEP value as at 1 July 2020 by the VWAP of shares over the 10 trading days immediately following the day we released our FY2020 financial results. For the FY2021 grant, this was \$9.66.  |        |                            |     |   |     |  |
| <b>Summary of performance condition</b> | <p>We assess the DEP against strategic execution KPIs. These measure progress in increasing contribution to delivering a more sustainable world. This is fundamental to Worley's strategy to deliver growth and shareholder value and help our customers to achieve their sustainability goals.</p> <p>Performance against each objective will be determined by the Board at the end of the performance period. The Board may determine a nil, partial or full vesting. Any rights that do not vest are not retested and lapse immediately.</p> <p>A summary of KPIs for the FY2021 award is set out in the table below:</p> <table border="1"> <thead> <tr> <th>WEIGHT</th> <th>KEY PERFORMANCE INDICATORS</th> </tr> </thead> <tbody> <tr> <td>70%</td> <td>Growth in value from services provided to customer projects delivering a sustainability benefit for the customer consistent with Worley's strategy. This will be measured through growth in gross margin from these projects. Targets will be in line with a Board approved plan.</td> </tr> <tr> <td>30%</td> <td>Delivered enhanced capabilities and solutions consistent with Worley's strategy to help customers achieve their sustainability goals in line with a Board approved plan.</td> </tr> </tbody> </table> <p>A Board approved plan will outline the scope of projects delivering a sustainability benefit for our customers consistent with Worley's strategy, including but not limited to projects in energy transition and the circular economy.</p> <p>These KPIs involve measurable targets which will be retrospectively disclosed in the FY2022 Remuneration Report once the FY2021 DEP is tested.</p> | WEIGHT | KEY PERFORMANCE INDICATORS | 70% | Growth in value from services provided to customer projects delivering a sustainability benefit for the customer consistent with Worley's strategy. This will be measured through growth in gross margin from these projects. Targets will be in line with a Board approved plan. | 30% | Delivered enhanced capabilities and solutions consistent with Worley's strategy to help customers achieve their sustainability goals in line with a Board approved plan. |
| WEIGHT                                  | KEY PERFORMANCE INDICATORS   |        |                            |     |   |     |  |
| 70%                                     | Growth in value from services provided to customer projects delivering a sustainability benefit for the customer consistent with Worley's strategy. This will be measured through growth in gross margin from these projects. Targets will be in line with a Board approved plan.  |        |                            |     |   |     |  |
| 30%                                     | Delivered enhanced capabilities and solutions consistent with Worley's strategy to help customers achieve their sustainability goals in line with a Board approved plan.   |        |                            |     |   |     |  |
| <b>Leaver provisions</b>                | Deferred equity rights vest subject to the executive remaining an employee of the Group on the vesting date and their satisfactory performance up until that time. In certain circumstances, the Board may exercise its discretion and allow a good leaver to retain their unvested deferred equity rights. This is outlined further in section 8.   |        |                            |     |   |     |  |



## Remuneration Report

### 5.4 Long Term Incentive (LTI)

The following table summarizes the LTI granted in FY2021:

Table 5.4.1

| FEATURE   | DESCRIPTION  |                                 |  |                           |    |                    |     |  |  |                               |  |  |   |   |    |                                   |     |   |  |  |  |
|---|--|---------------------------------|--|---------------------------|----|--------------------|-----|--|--|-------------------------------|--|--|---|---|----|-----------------------------------|-----|---|--|--|--|
| <b>Purpose and link to strategy</b>   | The LTI focuses the efforts of the CEO and other executives on creating sustainable long term value. It rewards executives for creating sustained shareholder wealth in excess of that of peer companies in our industry and absolute long-term earnings performance over and above inflation.<br>It also encourages executives to stay with Worley and promotes strong alignment with shareholders' interests.  |                                 |  |                           |    |                    |     |  |  |                               |  |  |   |   |    |                                   |     |   |  |  |  |
| <b>Opportunity</b>  | We set an annual LTI award value of 85% of fixed salary for the CEO and 60% of fixed salary for other KMP. This represents the current face value of equity should stretch performance targets be fully achieved. The value ultimately received by executives will depend on the Worley share price at the time of vesting when shares become available to the executive.  |                                 |  |                           |    |                    |     |  |  |                               |  |  |   |   |    |                                   |     |   |  |  |  |
| <b>Eligibility</b>  | All executives are eligible to participate in the LTI. To be eligible for an award, they generally must have been employed at the beginning of the performance period, i.e. 1 July before the grant.   |                                 |  |                           |    |                    |     |  |  |                               |  |  |   |   |    |                                   |     |   |  |  |  |
| <b>Delivery</b>   | Performance rights. Each performance right that vests entitles executives to one Worley share.   |                                 |  |                           |    |                    |     |  |  |                               |  |  |   |   |    |                                   |     |   |  |  |  |
| <b>Performance period</b>   | 4 years.   |                                 |  |                           |    |                    |     |  |  |                               |  |  |   |   |    |                                   |     |   |  |  |  |
| <b>Number of performance rights</b>   | We determine the number of rights granted by dividing a percentage of an executive's pay as at 1 July 2021 by the VWAP of shares over the 10 trading days immediately following the day on which we released our financial results for FY2020. For the FY2021 grant, this was \$9.66.  |                                 |  |                           |    |                    |     |  |  |                               |  |  |   |   |    |                                   |     |   |  |  |  |
| <b>Summary of performance conditions</b>  | <p>We assess the LTI against two equally weighted, independent performance targets: relative TSR and EPS.</p> <p><b>Relative TSR performance hurdle – 50% weighting</b></p> <p>The TSR measure represents change in the value of our share price over a period including reinvested dividends. These are expressed as a percentage of the opening value of the shares. We chose relative TSR as a performance hurdle because we believe this provides the most direct measure of shareholder return and reflects an investor's choice to invest in this Company or our direct competitors. Executives will only derive value from the TSR component of the LTI plan if our TSR performance is at least at the 50th percentile of companies in the peer comparator group over a four-year period.</p> <p>There is no retesting opportunity for the long-term equity under the relative TSR measure. The vesting schedule of the rights subject to the relative TSR hurdle is as follows:</p> <table border="1"> <thead> <tr> <th>RELATIVE TSR PERCENTILE RANKING</th> <th>PERCENTAGE OF RIGHTS THAT MAY BE EXERCISED IF THE RELATIVE TSR HURDLE IS MET</th> </tr> </thead> <tbody> <tr> <td>Less than 50th percentile</td> <td>0%</td> </tr> <tr> <td>At 50th percentile</td> <td>50%</td> </tr> <tr> <td>Greater than the 50th percentile but less than the 75th percentile</td> <td>Pro-rated vesting between 50% and 100%</td> </tr> <tr> <td>At 75th percentile or greater</td> <td>100% (i.e. maximum available under the plan)</td> </tr> </tbody> </table> <p>For FY2021, relative TSR is measured against two separate and equally weighted peer groups:</p> <ul style="list-style-type: none"> <li>a select peer group companies that compete against Worley for customers, people and projects. The peer group for FY2021 will include Aker Solutions, Bilfinger, Fluor Corp, SNC Lavalin, Technip energies, Wood, Petrofac and McDermott International; and</li> <li>a broader peer group of the ASX200 companies in the Materials, Energy and Industrials sectors.</li> </ul> <p>The Board can adjust the peer comparator group to take into account events that happen during the performance period, for example, takeovers or mergers.</p> <p><b>EPS growth performance hurdle – 50% weighting</b></p> <p>To measure EPS, we divide the Group underlying NPATA by the weighted average number of the Company's ordinary shares on issue during the financial year. To measure growth in EPS, we compare the EPS in the financial year immediately preceding the grant with the EPS in the measurement year. The Board chose EPS growth as a performance hurdle because it provides a clear line of sight between executive performance and Company financial performance. It is also a well recognized and understood measure both within and outside the organization. The Board may adjust the Group underlying NPATA used for remuneration purposes, where appropriate, to better reflect operating performance. Executives will only derive value from the EPS growth component of the grant made during FY2021 if the Company achieves compound annual growth in EPS of at least 4% per annum above the increase in the CPI over the four year performance period. The vesting schedule of the rights subject to the EPS growth hurdle is as follows:</p> <table border="1"> <thead> <tr> <th>COMPOUND GROWTH IN EPS OVER THE PERFORMANCE PERIOD</th> <th>PERCENTAGE OF RIGHTS THAT MAY BE EXERCISED IF THE EPS HURDLE IS MET</th> </tr> </thead> <tbody> <tr> <td>Less than 4% p.a. above the increase in CPI</td> <td>0%</td> </tr> <tr> <td>4% p.a. above the increase in CPI</td> <td>50%</td> </tr> <tr> <td>More than 4% p.a. above the increase in CPI but less than 8% p.a. above the increase in CPI</td> <td>Pro-rated vesting between 50% and 100%</td> </tr> <tr> <td>8% p.a. or greater above the increase in CPI</td> <td>100% (i.e. maximum available under the plan)</td> </tr> </tbody> </table> <p>The Board retains full discretion to determine and calculate the vesting outcomes.</p> | RELATIVE TSR PERCENTILE RANKING | PERCENTAGE OF RIGHTS THAT MAY BE EXERCISED IF THE RELATIVE TSR HURDLE IS MET | Less than 50th percentile | 0% | At 50th percentile | 50% | Greater than the 50th percentile but less than the 75th percentile | Pro-rated vesting between 50% and 100% | At 75th percentile or greater | 100% (i.e. maximum available under the plan) | COMPOUND GROWTH IN EPS OVER THE PERFORMANCE PERIOD | PERCENTAGE OF RIGHTS THAT MAY BE EXERCISED IF THE EPS HURDLE IS MET | Less than 4% p.a. above the increase in CPI | 0% | 4% p.a. above the increase in CPI | 50% | More than 4% p.a. above the increase in CPI but less than 8% p.a. above the increase in CPI | Pro-rated vesting between 50% and 100% | 8% p.a. or greater above the increase in CPI | 100% (i.e. maximum available under the plan) |
| RELATIVE TSR PERCENTILE RANKING   | PERCENTAGE OF RIGHTS THAT MAY BE EXERCISED IF THE RELATIVE TSR HURDLE IS MET   |                                 |  |                           |    |                    |     |  |  |                               |  |  |   |   |    |                                   |     |   |  |  |  |
| Less than 50th percentile   | 0%   |                                 |  |                           |    |                    |     |  |  |                               |  |  |   |   |    |                                   |     |   |  |  |  |
| At 50th percentile  | 50%  |                                 |  |                           |    |                    |     |  |  |                               |  |  |   |   |    |                                   |     |   |  |  |  |
| Greater than the 50th percentile but less than the 75th percentile                          | Pro-rated vesting between 50% and 100%   |                                 |  |                           |    |                    |     |  |  |                               |  |  |   |   |    |                                   |     |   |  |  |  |
| At 75th percentile or greater   | 100% (i.e. maximum available under the plan)   |                                 |  |                           |    |                    |     |  |  |                               |  |  |   |   |    |                                   |     |   |  |  |  |
| COMPOUND GROWTH IN EPS OVER THE PERFORMANCE PERIOD  | PERCENTAGE OF RIGHTS THAT MAY BE EXERCISED IF THE EPS HURDLE IS MET  |                                 |  |                           |    |                    |     |  |  |                               |  |  |   |   |    |                                   |     |   |  |  |  |
| Less than 4% p.a. above the increase in CPI   | 0%   |                                 |  |                           |    |                    |     |  |  |                               |  |  |   |   |    |                                   |     |   |  |  |  |
| 4% p.a. above the increase in CPI   | 50%  |                                 |  |                           |    |                    |     |  |  |                               |  |  |   |   |    |                                   |     |   |  |  |  |
| More than 4% p.a. above the increase in CPI but less than 8% p.a. above the increase in CPI | Pro-rated vesting between 50% and 100%   |                                 |  |                           |    |                    |     |  |  |                               |  |  |   |   |    |                                   |     |   |  |  |  |
| 8% p.a. or greater above the increase in CPI  | 100% (i.e. maximum available under the plan)   |                                 |  |                           |    |                    |     |  |  |                               |  |  |   |   |    |                                   |     |   |  |  |  |
| <b>Leaver provisions</b>  | Performance rights vest subject to the executive remaining an employee of the Group on the vesting date and their satisfactory performance up until that time. In certain circumstances, the Board may exercise its discretion and allow a good leaver to retain their unvested performance rights. This is outlined further in section 8.   |                                 |  |                           |    |                    |     |  |  |                               |  |  |   |   |    |                                   |     |   |  |  |  |



## 6. EXECUTIVE EMPLOYMENT AGREEMENTS

We have outlined the key aspects of executive contracts below:

Table 6.1.1

|                           | CONTRACT DURATION | NON-COMPETE CLAUSES | NOTICE PERIODS |
|---------------------------|-------------------|---------------------|----------------|
| <b>EXECUTIVE DIRECTOR</b> |                   |                     |                |
| Chris Ashton              | Unlimited         | 6 months            | 6 months       |
| <b>OTHER EXECUTIVES</b>   |                   |                     |                |
| Tom Honan (former)        | Unlimited         | 12 months           | 6 months       |
| Vinayak Pai               | Unlimited         | 6 months            | 6 months       |
| Karen Sobel               | Unlimited         | 12 months           | 6 months       |

The executive contracts include the components of remuneration which we pay. The contract includes an annual review but does not prescribe how we will modify remuneration levels from year to year.

If we terminate an executive's contract, they are generally entitled to their statutory leave entitlements. If an executive resigns, we only pay their variable pay if they are employed on the date of payment or vesting (which is after the performance year). In certain circumstances, the Board may decide to allow a good leaver to retain eligibility to variable pay. We have outlined this further in section 8.7.



## Remuneration Report

### 7. NON-EXECUTIVE DIRECTOR REMUNERATION

This section outlines the remuneration arrangements in place for the Company's Non-Executive Directors (NEDs).

We set NED fees at a level that is market competitive in order to attract and retain the high caliber of directors the Company requires for it to adequately address the significant strategic and operational challenges it faces, domestically and abroad. There is a cap on the fee amount we can pay to NEDs in any year (these include Board and Committee fees). This cap is agreed by our shareholders.

The current maximum aggregate amount is \$3.25 million per annum. This was set by shareholders at the 2012 Annual General Meeting. Of the aggregate annual fee pool, we paid 85% (\$2.76 million) during FY2021 compared to 82% (\$2.66 million) in FY2020. No trip expenses were paid as all Board meetings were virtual in FY2021.

In FY2021, there was one change to our Board. We appointed Emma Stein as an Independent Non-Executive Director to the Board effective 10 December 2020. Since 2003, Emma has worked as a NED for ASX 200 companies and has extensive experience working with businesses adapting to the energy transition, climate change risk and emissions management.

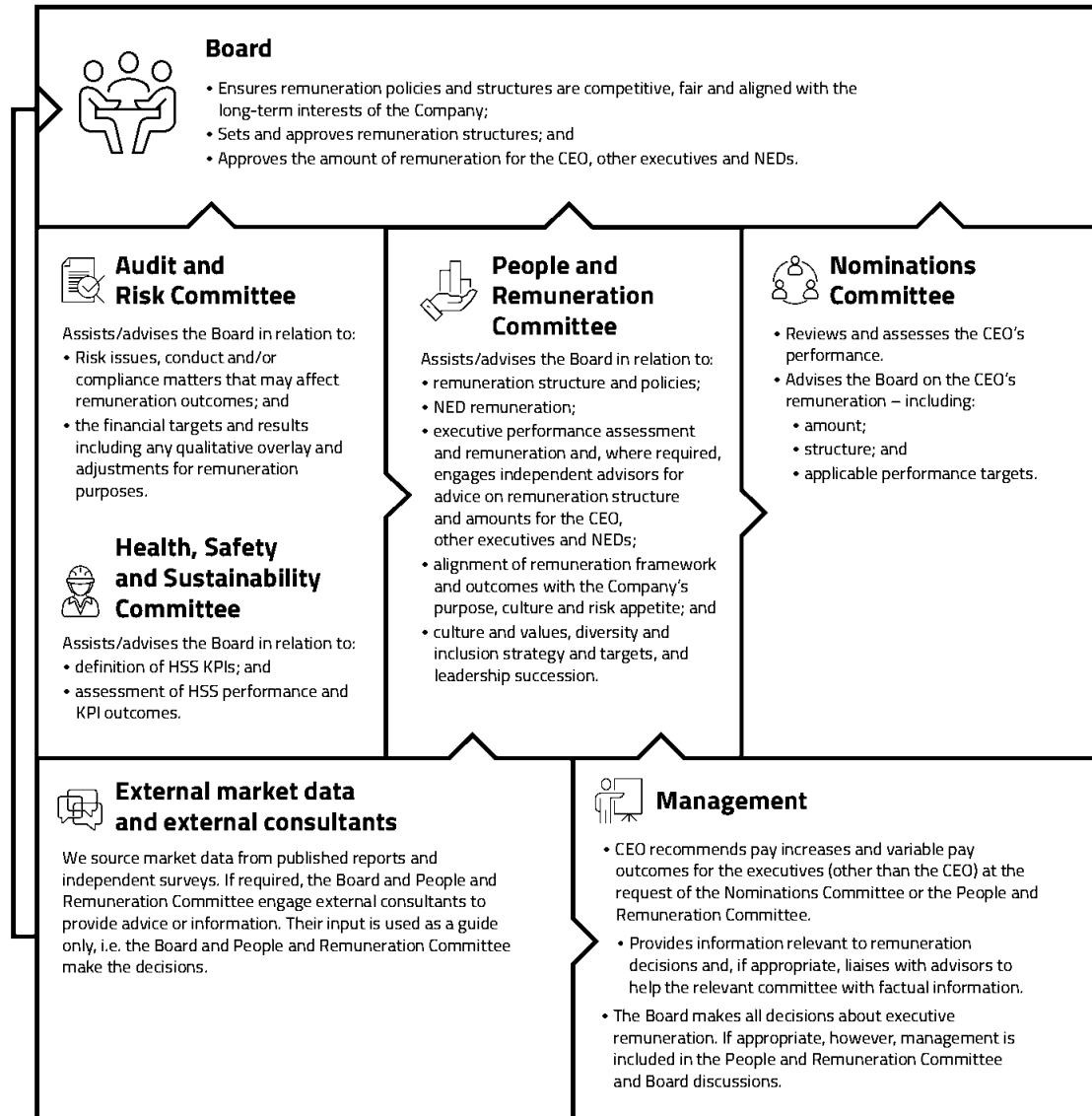
Table 7.1.1

| COMPONENT                             | EXPLANATION AND DETAIL  |                 |
|---------------------------------------|---|-----------------|
| Board fees                            | We pay competitive Board fees to attract and retain high-caliber directors and provide appropriate remuneration for roles. There were no changes to NED fees in FY2021. Board fees are as follows:  |                 |
|                                       | <b>ROLE</b>   | <b>FEE P.A.</b> |
|                                       | Chair   | \$520,000       |
|                                       | Lead Independent Director   | \$269,000       |
|                                       | Other NED base fee  | \$194,000       |
|                                       | The Chair and Lead Independent Director roles have fixed fees, and they do not receive additional fees for being a member of any committees.  |                 |
| Committee fees                        | Committee fees recognize the additional responsibilities, time and commitment required to contribute to the committee. The annual committee fees are as follows:  |                 |
|                                       | <b>ROLE</b>   | <b>FEE P.A.</b> |
|                                       | Chair of Audit and Risk Committee   | \$47,000        |
|                                       | Member of Audit and Risk Committee  | \$26,000        |
|                                       | Chair of People and Remuneration Committee  | \$40,000        |
|                                       | Member of People and Remuneration Committee   | \$21,000        |
|                                       | Chair of Health, Safety and Sustainability Committee  | \$40,400        |
|                                       | Member of Health, Safety and Sustainability Committee   | \$21,000        |
| Chair/Member of Nominations Committee | nil   |                 |
| Other benefits                        | NEDs are eligible for allowances of \$5,000 per trip for additional time incurred on overseas business travel, including attending Board meetings and site visits. We make these payments from the NED fee pool. NEDs are also entitled to a reimbursement for all business expenses, including travel, they incur while working. We do not pay retirement benefits to NEDs unless required to by legislation. From time to time, the Board may determine special fees for additional duties directors undertake. |                 |

We have set out the remuneration outcomes of the NEDs for FY2021 and FY2020 in the Remuneration Tables section of the Report on page 87. We have detailed the NED beneficial interests in shares of the Company as at 30 June 2021 in the Remuneration Tables section of the Report on page 88.

## 8. REMUNERATION GOVERNANCE

The diagram below illustrates the process we follow to make remuneration decisions and explains the roles various stakeholders play:



The People and Remuneration Committee or Board use advice and information as a guide only and are responsible for all decisions. If required, the People and Remuneration Committee seeks independent advice relating to the quantum and structure of remuneration. In these situations, the remuneration advisor engages directly with the People and Remuneration Committee Chair. During FY2021, KPMG gave management and the People and Remuneration Committee market practice information and advice. This did not include remuneration recommendations. The People and Remuneration Committee is satisfied that the information KPMG provided was free from undue influence by any executive.



## Remuneration Report

### 8.1 Minimum shareholding requirement (MSR)

Executives are required to meet an MSR so as to:

- reinforce our objective of aligning executives to shareholders and encouraging them to behave like owners; and
- increase focus on building long-term shareholder value.

To satisfy the requirement, executives must retain equity they received through incentive plans until their holding is equivalent in value to two times their fixed pay (or four times fixed pay for the CEO). They must maintain that multiple. The value of their holding includes all Worley shares held plus 50% of the value of unvested rights. Table 9.2.1 on page 84 shows a summary of the position of each executive against the requirement as at 30 June 2021.

We require NEDs to hold an MSR to align NED and shareholder interests. Each NED must build a holding of the Company's ordinary shares that is equivalent in value to the annual NED base fee. NEDs are expected to comply with this within their first full term of three years as a director. Table 9.6.1 on page 88 shows a summary of the position of each NED against the requirement as at 30 June 2021. For the purposes of this test, we have calculated the value of shares using the number of shares held at 30 June 2021 multiplied by the five-day (VWAP) of the Company's shares up to and including 30 June 2021 (\$11.90) or purchase price if higher.

### 8.2 Other equity provisions

Equity rights granted to the executives under our equity plans carry:

- no voting or dividend entitlements; and
- no entitlement to participate in new share issues made by the Company other than bonus issues and capital reorganizations (when the Board may adjust the number of rights in accordance with the ASX Listing Rules, so as to ensure no advantage or disadvantage to the executive).

### 8.3 Exercise of equity rights and allocation of shares

Once an executive has satisfied their performance hurdles, their equity rights are automatically exercised (unless they elect otherwise) and participants acquire shares at a nil exercise price. Where an executive has a tax withholding obligation on vesting, we may withhold a number of shares equal to the value of the tax and social security obligations. We then pay the value directly to the relevant tax authority on the executive's behalf. Shares allocated to an executive upon exercise of rights rank equally with all other ordinary shares on issue. Where the shares are subject to further vesting conditions or restriction periods (i.e. they are restricted shares), they cannot be sold before the vesting date or end of the restriction period (as applicable). They may still be forfeited in certain circumstances. After vesting, participants have unencumbered ownership of the shares, subject to complying with the Company's Securities Dealing Policy and MSR.

### 8.4 Dilution limit

The Board has determined that the number of securities we issue to executives and all other participants under our equity plans should be capped at 5% of the issued share capital of the Company over a five-year period. Currently, the number of securities issued and held in accordance with the equity plans represents 2.36% of the Company's issued share capital (FY2020: 2.06%).

### 8.5 Hedging

Under our Securities Dealing Policy, directors and executives are not permitted to hedge unvested performance rights or shares that count towards their MSR. This ensures that executives:

- cannot limit the risk associated with these instruments; and
- are subject to the same fluctuations in share price as all other shareholders.

### 8.6 Clawback and malus provisions

Our clawback and malus provisions within the variable pay plans enable the Board to claw back or lapse an employee's unvested equity rights (or their vested but unexercised equity rights) if they believe that the employee:

- has acted fraudulently or dishonestly;
- is in breach of their obligations to the Company or another Group Company including those outlined in Worley's Code of Conduct;
- received awards based on financial accounts which were later restated; or
- is responsible, through negligence or intentional disregard for Company procedures and policy, for a serious event that resulted in, or had the potential to result in, significant negative harm to people (permanent disability, illness or loss of life) or our environment.

### 8.7 Cessation of employment and change of control

The Group's policy in relation to termination benefits and entitlements treats leaving executives fairly and in accordance with the law and market practice. The policy covers discretions that the Board may exercise, which are summarized below. At the 2019 AGM, shareholders approved this policy to continue this approach and keep us internationally competitive.

Where an executive leaves the Group, the Board may exercise its discretion to determine eligibility to some or all of a cash incentive or outstanding equity rights. The Board will also decide the basis (that is the conditions, timing and so on) on which any payment or vesting occurs. The Board will consider relevant factors including an assessment of the executive's contribution and performance. In the past, the Board has generally exercised this discretion in special circumstances only, such as permanent disability, retirement and redundancy. This is known as being a good leaver.

The Board may allow the executive to retain a portion of the cash incentive and for a portion of any outstanding unvested equity rights to remain in the plan. We typically determine the portion on a pro-rata basis and consider the time the executive was employed during the performance period. Any cash incentive we subsequently pay will be subject to our and the executive's performance. The retained unvested equity rights are subject to the applicable performance and time vesting requirements and will vest or lapse in the ordinary course. The Board believes that this discretion is in our best interests.

The Board will exercise its discretion to determine whether to vest any or all unvested equity rights in the event of a change of control of the Company. This is where a third party unconditionally acquires more than 50% of the issued share capital of the Company. Pro-rata performance against applicable performance hurdles up to the date of the change of control would be considered.



## 9. REMUNERATION TABLES (STATUTORY DISCLOSURES)

We have presented all remuneration in Australian dollars in the following statutory tables.

### 9.1 Statutory remuneration outcomes

We have detailed executive remuneration in the following table in accordance with accounting standards. Accounting standards require us to amortize the accounting value of equity awarded over the relevant performance or vesting period. The table below includes the annual accounting values. We determine the target annual value of equity as a percentage of fixed pay that Worley aims to deliver. The current targets are outlined in section 5. We have outlined the face value of deferred equity awards vesting to executives for performance to 30 June 2021 in table 4.6.1. For the purposes of the statutory remuneration tables, deferred equity awards are called performance rights as they are awarded under the Worley performance rights plan.

Table 9.1.1

| NAME                                  | YEAR          | CASH SALARY \$000 | CASH INCENTIVE/ CASH STI <sup>1</sup> \$000 | OTHER BENEFITS <sup>2</sup> \$000 | TOTAL SHORT TERM CASH AND BENEFITS \$000 | SUPER-ANNUATION BENEFITS \$000 | LONG SERVICE LEAVE \$000 | TERMINATION BENEFITS \$000 | EQUITY INCENTIVE/ STI <sup>3</sup> \$000 | LTI <sup>4</sup> \$000 | TOTAL REMUNERATION IN ACCORDANCE WITH ACCOUNTING STANDARDS \$000 | VARIABLE PAY <sup>5</sup> OF TOTAL REMUNERATION % |
|---------------------------------------|---------------|-------------------|---|-----------------------------------|--|--------------------------------|--------------------------|----------------------------|--|------------------------|--|---|
| <b>EXECUTIVE DIRECTOR</b>             |               |                   |   |                                   |  |                                |                          |                            |  |                        |  |   |
| Chris Ashton <sup>6</sup>             | FY2021        | 1,707             | 1,206                                       | 32                                | 2,945                                    | -                              | -                        | -                          | 410                                      | 448                    | 3,803  | 54.3%   |
|                                       | FY2020        | 1,169             | 632   | 54                                | 1,855                                    | 17                             | -                        | -                          | 444                                      | 266                    | 2,582  | 52.0%   |
| <b>OTHER EXECUTIVES</b>               |               |                   |   |                                   |  |                                |                          |                            |  |                        |  |   |
| Tom Honan <sup>7</sup> (former)       | FY2021        | 1,069             | 616   | 9                                 | 1,694                                    | 22                             | 18                       | -                          | 310                                      | 434                    | 2,478  | 54.9%   |
|                                       | FY2020        | 1,066             | 541   | 3                                 | 1,610                                    | 21                             | 18                       | -                          | 595                                      | 430                    | 2,674  | 58.6%   |
| Vinayak Pai <sup>8</sup>              | FY2021        | 855               | 463   | 170                               | 1,488                                    | 63                             | -                        | -                          | 442                                      | 198                    | 2,191  | 50.3%   |
|                                       | FY2020        | 952               | 527   | 225                               | 1,704                                    | 71                             | -                        | -                          | 853                                      | 108                    | 2,736  | 54.4%   |
| Karen Sobel                           | FY2021        | 662               | 375   | 22                                | 1,059                                    | 14                             | -                        | -                          | 174                                      | 166                    | 1,413  | 50.6%   |
|                                       | FY2020        | 626               | 411   | 117                               | 1,154                                    | 14                             | -                        | -                          | 188                                      | 100                    | 1,456  | 48.0%   |
| <b>Total remuneration<sup>9</sup></b> | <b>FY2021</b> | <b>4,293</b>      | <b>2,660</b>                                | <b>233</b>                        | <b>7,186</b>                             | <b>99</b>                      | <b>18</b>                | <b>-</b>                   | <b>1,336</b>                             | <b>1,246</b>           | <b>9,885</b>   |   |
|                                       | <b>FY2020</b> | <b>3,813</b>      | <b>2,111</b>                                | <b>399</b>                        | <b>6,323</b>                             | <b>123</b>                     | <b>18</b>                | <b>-</b>                   | <b>2,080</b>                             | <b>904</b>             | <b>9,448</b>   |   |

<sup>1</sup> The amount relates to the FY2021 STI plan typically paid to executives in September 2021.

<sup>2</sup> This includes expatriate benefits (such as housing, home leave and tax advisory services) and local benefits (such as health insurance, car parking, company cars or car allowances, fringe benefits tax, and life insurance). In some cases these are at the election of the executives, i.e. they are salary sacrificed. From FY2021 we are including the net movement in annual leave accrual.

<sup>3</sup> This remuneration includes a proportion of the fair value of equity remuneration granted or outstanding during the year. The fair value of equity is based on the fair value at grant date. It is expensed progressively over the vesting period. The amount included as remuneration is not indicative of the benefit (if any) that individual executives may ultimately realize should the equity rights vest. Equity Incentive includes awards made under the DEP plans and any other special equity grants made from time to time, including ECR transition equity.

<sup>4</sup> Chris Ashton was granted 87,992 DEP and 149,586 LTI rights as part of his 2021 remuneration package under the Performance Rights Plan as approved at the 2020 Annual General Meeting, under ASX Listing Rule 10.14.

<sup>5</sup> While Tom Honan ceased to be a KMP effective 21 June 2021 he remained a Worley employee until 30 July 2021. His unvested rights will be pro-rated through to his leaving date of 30 July 2021 as agreed per his retirement arrangement. We have shown Tom's full year earnings.

<sup>6</sup> Vinayak Pai's reported AUD remuneration is impacted by changes to the INR to AUD FX rates from FY2020 to FY2021. There has been no change to his fixed salary over this period.

<sup>7</sup> The FY2020 totals have been rounded in line with the current standard. Full details of prior years' total remuneration are set out in the Remuneration Report for the relevant year.

<sup>8</sup> Total remuneration reported in FY2020 was \$19.767m which included former KMPs Andrew Wood (\$7.136m), Andrew Berryman (\$1.837m) and Adrian Smith (\$1.346m).



## Remuneration Report

### 9.2 Executive minimum shareholding requirement

We assess compliance with our MSR at 30 June each year. The table below gives a summary of the position of each executive against the requirement as at 30 June 2021.

Table 9.2.1

| NAME                      | WEIGHTED NUMBER OF SHARES <sup>1</sup> | VALUE OF SHARES HELD (AUD) <sup>2</sup> | ANNUAL FIXED PAY (AUD) | PERCENTAGE OF MINIMUM SHAREHOLDING REQUIREMENT ACHIEVED % |
|---------------------------|--|---|------------------------|---|
| <b>EXECUTIVE DIRECTOR</b> |  |   |                        |   |
| Chris Ashton <sup>3</sup> | 296,332                                | \$3,617,659                             | \$1,700,000            | 53%   |
| <b>OTHER EXECUTIVES</b>   |  |   |                        |   |
| Vinayak Pai               | 167,971                                | \$2,046,918                             | \$854,746              | 120%  |
| Karen Sobel <sup>3</sup>  | 76,296                                 | \$939,836                               | \$664,658              | 71%   |

<sup>1</sup> Includes Worley shares held plus 50% of unvested performance rights provided in table 9.3.1 below.

<sup>2</sup> Calculated as the weighted number of shares held at 30 June 2021 multiplied by the higher of the VWAP over the five trading days to 30 June 2020 (\$11.90) or the price at which we allocated performance rights.

<sup>3</sup> To satisfy the requirement, executives must retain equity awarded to them by Worley until their holding is equivalent in value to two times their fixed pay (or four times fixed pay for the CEO)

### 9.3 Executives' interests in shares and performance rights

We have detailed beneficial interests in shares and performance rights granted as at 30 June 2021 in the table below. We discuss the service and performance criteria for the equity awards vesting in FY2021 in section 4 on page 74 and other equity awards in the executive remuneration structure section on page 77.

Table 9.3.1

| NAME                            | TYPE   | BALANCE AT 1 JULY 2020 | PERFORMANCE RIGHTS GRANTED | PERFORMANCE RIGHTS EXERCISED <sup>1</sup> | OTHER TRANSACTIONS <sup>2</sup> | BALANCE AT 30 JUNE 2021 |
|---------------------------------|--------|------------------------|----------------------------|---|---------------------------------|-------------------------|
| <b>EXECUTIVE DIRECTOR</b>       |        |                        |                            |   |                                 |                         |
| Chris Ashton                    | SHARES | 102,815                | –                          | 56,917                                    | (21,063)                        | 138,669                 |
|                                 | RIGHTS | 152,249                | 237,578                    | (56,917)                                  | (17,589)                        | 315,321                 |
| <b>OTHER EXECUTIVES</b>         |        |                        |                            |   |                                 |                         |
| Tom Honan (former) <sup>3</sup> | SHARES | 205,049                | –                          | 94,849                                    | (90,152)                        | 209,746                 |
|                                 | RIGHTS | 226,329                | 112,464                    | (94,849)                                  | (27,486)                        | 216,458                 |
| Vinayak Pai                     | SHARES | 25,421                 | –                          | 52,614                                    | –                               | 78,035                  |
|                                 | RIGHTS | 136,635                | 95,847                     | (52,614)                                  | –                               | 179,868                 |
| Karen Sobel                     | SHARES | 8,659                  | –                          | 11,194                                    | (4,358)                         | 15,495                  |
|                                 | RIGHTS | 66,908                 | 72,888                     | (11,194)                                  | (7,004)                         | 121,598                 |
| <b>Total</b>                    | SHARES | 341,945                | –                          | 215,574                                   | (115,573)                       | 441,946                 |
|                                 | RIGHTS | 582,121                | 518,777                    | (215,574)                                 | (52,079)                        | 833,245                 |

<sup>1</sup> This includes shares received as a result of performance rights exercised.

<sup>2</sup> This may include rights lapsed due to cessation of employment or as a result of performance tests, shares foregone by the executive at vesting equal to the value of any withholding tax paid by Worley on their behalf or shares sold or otherwise disposed of.

<sup>3</sup> Tom Honan ceased to be a KMP effective 21 June 2021. His final day of employment was 30 July 2021. Pro-rata lapses of certain awards as agreed per his retirement arrangements are applied effective 30 July 2021, and are not shown in this table.



## 9.4 Details of vested, exercised, lapsed and outstanding rights

We have set out full details of prior year equity grants in the Remuneration Report for the relevant year. Each grant shown has an expiry date seven years following the grant date.

Table 9.4.1

| NAME                                  | PLAN             | GRANT DATE | VEST DATE | GRANTED <sup>1</sup> | FAIR VALUE<br>PER RIGHT <sup>2</sup> | FAIR VALUE<br>OF GRANT<br>\$000 <sup>3</sup> | RIGHTS<br>VESTED <sup>4</sup> | RIGHTS<br>EXERCISED | RIGHTS<br>LAPSED <sup>5</sup> | RIGHTS<br>LAPSED<br>% |
|---------------------------------------|------------------|------------|-----------|----------------------|--------------------------------------|--|-------------------------------|---------------------|-------------------------------|-----------------------|
| <b>EXECUTIVE DIRECTOR</b>             |                  |            |           |                      |                                      |  |                               |                     |                               |                       |
| <b>Chris Ashton</b>                   | DEP              | 31-Oct-20  | 30-Sep-23 | 43,996               | 8.08                                 | 355  | –                             | –                   | –                             | –                     |
|                                       |                  | 31-Oct-20  | 30-Sep-22 | 43,996               | 8.58                                 | 377  | –                             | –                   | –                             | –                     |
|                                       |                  | 31-Oct-19  | 30-Sep-22 | 9,278                | 12.10                                | 112  | –                             | –                   | –                             | –                     |
|                                       |                  | 31-Oct-19  | 30-Sep-21 | 9,279                | 12.67                                | 118  | –                             | –                   | –                             | –                     |
|                                       |                  | 31-Oct-19  | 30-Sep-20 | 9,279                | 13.22                                | 123  | 9,279                         | 9,279               | –                             | –                     |
|                                       | LTI              | 31-Oct-20  | 30-Sep-24 | 74,793               | 5.60                                 | 419  | –                             | –                   | –                             | –                     |
|                                       |                  | 31-Oct-20  | 30-Sep-24 | 74,793               | 7.67                                 | 574  | –                             | –                   | –                             | –                     |
|                                       |                  | 31-Oct-19  | 30-Sep-23 | 20,877               | 7.78                                 | 162  | –                             | –                   | –                             | –                     |
|                                       |                  | 31-Oct-19  | 30-Sep-23 | 20,877               | 12.10                                | 253  | –                             | –                   | –                             | –                     |
|                                       |                  | 31-Oct-18  | 30-Sep-22 | 8,716                | 6.62                                 | 58   | –                             | –                   | –                             | –                     |
|                                       |                  | 31-Oct-18  | 30-Sep-22 | 8,716                | 13.19                                | 115  | –                             | –                   | –                             | –                     |
|                                       |                  | 31-Oct-17  | 30-Sep-21 | 11,763               | 9.72                                 | 114  | 5,882                         | 5,882               | 5,881                         | 50%                   |
|                                       |                  | 31-Oct-17  | 30-Sep-21 | 11,763               | 13.13                                | 154  | 11,763                        | 11,763              | –                             | –                     |
|                                       | 31-Oct-16        | 30-Sep-20  | 17,490    | 6.41                 | 112                                  | 17,490 <sup>6</sup>                          | –                             | –                   | –                             | –                     |
|                                       |                  | 30-Sep-20  | 17,490    | 5.96                 | 104                                  | 16,241                                       | 16,241                        | 1,249               | 7%                            |                       |
| ECR <sup>7</sup>                      | 31-Oct-18        | 30-Sep-20  | 13,752    | 13.90                | 191                                  | 13,752                                       | 13,752                        | –                   | –                             |                       |
| SPPR                                  | 31-Oct-18        | 30-Sep-20  | 10,459    | 9.40                 | 98                                   | –  | –                             | 10,459              | 100%                          |                       |
| <b>OTHER EXECUTIVES</b>               |                  |            |           |                      |                                      |  |                               |                     |                               |                       |
| <b>Tom Honan (former)<sup>8</sup></b> | DEP              | 31-Oct-20  | 30-Sep-23 | 22,493               | 8.08                                 | 182  | –                             | –                   | –                             | –                     |
|                                       |                  | 31-Oct-20  | 30-Sep-22 | 22,493               | 8.58                                 | 193  | –                             | –                   | –                             | –                     |
|                                       |                  | 31-Oct-19  | 30-Sep-22 | 11,589               | 12.10                                | 140  | –                             | –                   | –                             | –                     |
|                                       |                  | 31-Oct-19  | 30-Sep-21 | 11,588               | 12.67                                | 147  | –                             | –                   | –                             | –                     |
|                                       |                  | 31-Oct-19  | 30-Sep-20 | 11,588               | 13.22                                | 153  | 11,588                        | 11,588              | –                             | –                     |
|                                       | LTI              | 31-Oct-20  | 30-Sep-24 | 33,739               | 5.60                                 | 189  | –                             | –                   | –                             | –                     |
|                                       |                  | 31-Oct-20  | 30-Sep-24 | 33,739               | 7.67                                 | 259  | –                             | –                   | –                             | –                     |
|                                       |                  | 31-Oct-19  | 30-Sep-23 | 26,074               | 7.78                                 | 203  | –                             | –                   | –                             | –                     |
|                                       |                  | 31-Oct-19  | 30-Sep-23 | 26,073               | 12.10                                | 315  | –                             | –                   | –                             | –                     |
|                                       |                  | 31-Oct-18  | 30-Sep-22 | 14,335               | 6.62                                 | 95   | –                             | –                   | –                             | –                     |
|                                       |                  | 31-Oct-18  | 30-Sep-22 | 14,335               | 13.19                                | 189  | –                             | –                   | –                             | –                     |
|                                       |                  | 31-Oct-17  | 30-Sep-21 | 21,285               | 9.72                                 | 207  | 10,643                        | 10,643              | 10,642                        | 50%                   |
|                                       |                  | 31-Oct-17  | 30-Sep-21 | 21,284               | 13.13                                | 279  | 21,284                        | 21,284              | –                             | –                     |
|                                       | 31-Oct-16        | 30-Sep-20  | 35,142    | 6.41                 | 225                                  | 35,142                                       | 35,142                        | –                   | –                             |                       |
|                                       |                  | 30-Sep-20  | 35,141    | 5.96                 | 209                                  | 32,632                                       | 32,632                        | 2,509               | 7%                            |                       |
| ECR <sup>7</sup>                      | 31-Oct-18        | 30-Sep-20  | 18,702    | 13.90                | 260                                  | 18,702                                       | 18,702                        | –                   | –                             |                       |
| SPPR                                  | 31-Oct-18        | 30-Sep-20  | 14,335    | 9.40                 | 135                                  | –  | –                             | 14,335              | 100%                          |                       |
| <b>Vinayak Pai</b>                    | DEP              | 31-Oct-19  | 30-Sep-22 | 10,273               | 12.10                                | 124  | –                             | –                   | –                             | –                     |
|                                       |                  | 31-Oct-19  | 30-Sep-21 | 10,272               | 12.67                                | 130  | –                             | –                   | –                             | –                     |
|                                       |                  | 31-Oct-19  | 30-Sep-20 | 10,272               | 13.22                                | 136  | 10,272                        | 10,272              | –                             | –                     |
|                                       | ECR <sup>9</sup> | 29-Apr-19  | 30-Sep-20 | 42,342               | 13.84                                | 586  | 42,342                        | 42,342              | –                             | –                     |
|                                       |                  | 29-Apr-19  | 30-Sep-21 | 17,250               | 13.26                                | 229  | –                             | –                   | –                             | –                     |
|                                       | LTI              | 31-Oct-20  | 30-Sep-24 | 28,754               | 5.60                                 | 161  | –                             | –                   | –                             | –                     |
|                                       |                  | 31-Oct-20  | 30-Sep-24 | 28,754               | 7.67                                 | 221  | –                             | –                   | –                             | –                     |
|                                       |                  | 31-Oct-19  | 30-Sep-23 | 23,113               | 7.78                                 | 180  | –                             | –                   | –                             | –                     |
|                                       |                  | 31-Oct-19  | 30-Sep-23 | 23,113               | 12.10                                | 280  | –                             | –                   | –                             | –                     |



## Remuneration Report

| NAME        | PLAN | GRANT DATE | VEST DATE | GRANTED <sup>1</sup> | FAIR VALUE             | FAIR VALUE         | RIGHTS | RIGHTS | RIGHTS | RIGHTS |                     |
|-------------|------|------------|-----------|----------------------|------------------------|--------------------|--------|--------|--------|--------|---------------------|
|             |      |            |           |                      | PER RIGHT <sup>2</sup> | OF GRANT           |        |        |        |        | VESTED <sup>4</sup> |
|             |      |            |           |                      | \$000 <sup>3</sup>     | \$000 <sup>3</sup> |        |        |        | %      |                     |
| Karen Sobel | DEP  | 31-Oct-20  | 30-Sep-23 | 14,577               | 8.08                   | 118                | –      | –      | –      | –      |                     |
|             |      | 31-Oct-20  | 30-Sep-22 | 14,578               | 8.58                   | 125                | –      | –      | –      | –      |                     |
|             |      | 31-Oct-19  | 30-Sep-22 | 6,812                | 12.10                  | 82                 | –      | –      | –      | –      |                     |
|             |      | 31-Oct-19  | 30-Sep-21 | 6,811                | 12.67                  | 86                 | –      | –      | –      | –      |                     |
|             | LTI  | 31-Oct-19  | 30-Sep-20 | 6,811                | 13.22                  | 90                 | 6,811  | 6,811  | –      | –      | –                   |
|             |      |            | 31-Oct-20 | 30-Sep-24            | 21,867                 | 5.60               | 122    | –      | –      | –      | –                   |
|             |      | 31-Oct-20  | 30-Sep-24 | 21,866               | 7.67                   | 168                | –      | –      | –      | –      |                     |
|             |      | 31-Oct-19  | 30-Sep-23 | 15,326               | 7.78                   | 119                | –      | –      | –      | –      |                     |
|             |      | 31-Oct-19  | 30-Sep-23 | 15,326               | 12.10                  | 185                | –      | –      | –      | –      |                     |
|             |      | 31-Oct-18  | 30-Sep-22 | 2,218                | 6.62                   | 15                 | –      | –      | –      | –      |                     |
|             |      | 31-Oct-18  | 30-Sep-22 | 2,217                | 13.19                  | 29                 | –      | –      | –      | –      |                     |
|             |      | 31-Oct-17  | 30-Sep-21 | 2,922                | 9.72                   | 28                 | 1,461  | 1,461  | 1,461  | 50%    |                     |
|             |      | 31-Oct-17  | 30-Sep-21 | 2,922                | 13.13                  | 38                 | 2,922  | 2,922  | –      | –      |                     |
|             |      | SPPR       | 31-Oct-18 | 30-Sep-20            | 5,543                  | 9.40               | 52     | –      | –      | 5,543  | 100%                |

<sup>1</sup> We discuss the service and performance criteria for the rights in the equity section on page 77 and 78 and the executive remuneration structure section on page 75. Each right entitles the holder to one fully paid ordinary share in the Company at a nil exercise price (i.e. a zero exercise price option). The rights granted may include those awarded prior to the executive becoming KMP.

<sup>2</sup> An independent reviewer determines the fair value per right at grant date using an appropriate option pricing model in accordance with AASB 2 Share Based Payments. This model takes the following into account:

- the exercise price;
- the term of the right;
- the vesting and performance criteria;
- the impact of dilution;
- the non-tradeable nature of the right;
- the share price at grant date;
- the expected price volatility of the underlying share;
- the expected dividend yield; and
- the risk-free interest rate for the term of the right.

This amount represents the actual cost to the Company. We have used a Monte Carlo simulation model to value the relative TSR, strategic hurdle rights and SPPRs. We have used a Black-Scholes model to value the EPS growth rights, ECR acquisition award rights, DEP rights, other cash settled rights and other equity settled rights.

<sup>3</sup> We have calculated the total fair value of grant by multiplying the fair value per right by the number of rights granted. This does not represent the actual value the executive will receive from the grant. This will depend on them achieving their performance hurdles over the vesting period and the face value (share price) at the time of vesting. We have estimated the maximum value of the rights granted based on the fair value per right. If the executive does not meet the applicable performance hurdles, the minimum total value of the rights granted is nil.

<sup>4</sup> LTI rights granted in October 2017 were tested and exercised in 2020. They remain subject to a one-year holding lock until September 2021.

<sup>5</sup> The number of rights lapsed represents rights lapsed due to executives not meeting performance hurdles and/or rights lapsed on cessation of employment.

<sup>6</sup> FY2017 Strategic LTI rights were exercised into restricted shares on 30 September 2018. The restriction period ended 30 September 2020.

<sup>7</sup> ECR rights relate to the acquisition award for Chris Ashton and Tom Honan.

<sup>8</sup> Tom Honan ceased to be a KMP effective 21 June 2021. His final day of employment was 30 July 2021. Pro-rata lapses of certain awards as agreed per his retirement arrangements are applied effective 30 July 2021, and are not shown in this table.

<sup>9</sup> ECR rights relate to equity awarded to Vinayak Pai to replace forgone ECR equity.



## 9.5 Non-Executive Director remuneration outcomes

We have set out remuneration of the NEDs for FY2021 and FY2020 below.

Table 9.5.1

| NAME                                  | YEAR          | SHORT TERM EMPLOYEE BENEFITS |                               | POST-EMPLOYMENT BENEFITS             |                |
|---------------------------------------|---------------|------------------------------|-------------------------------|--------------------------------------|----------------|
|                                       |               | FEES<br>\$000                | TRAVEL<br>ALLOWANCES<br>\$000 | SUPERANNUATION <sup>1</sup><br>\$000 | TOTAL<br>\$000 |
| John Grill                            | FY2021        | 500                          | –                             | 22                                   | 522            |
|                                       | FY2020        | 501                          | 5                             | 19                                   | 525            |
| Andrew Liveris                        | FY2021        | 238                          | –                             | 22                                   | 260            |
|                                       | FY2020        | 210                          | 20                            | 20                                   | 250            |
| Juan Suarez Coppel                    | FY2021        | 221                          | –                             | –                                    | 221            |
|                                       | FY2020        | 220                          | 25                            | –                                    | 245            |
| Thomas Gorman                         | FY2021        | 256                          | –                             | –                                    | 256            |
|                                       | FY2020        | 255                          | 20                            | –                                    | 275            |
| Christopher Haynes <sup>3</sup>       | FY2021        | 247                          | –                             | –                                    | 247            |
|                                       | FY2020        | 265                          | 20                            | –                                    | 285            |
| Roger Higgins <sup>4</sup>            | FY2021        | 215                          | –                             | 14                                   | 229            |
|                                       | FY2020        | 206                          | 5                             | 9                                    | 220            |
| Martin Parkinson                      | FY2021        | 202                          | –                             | 19                                   | 221            |
|                                       | FY2020        | 70                           | –                             | 6                                    | 76             |
| Emma Stein <sup>2</sup>               | FY2021        | 110                          | –                             | 10                                   | 120            |
|                                       | FY2020        | –                            | –                             | –                                    | –              |
| Anne Templeman-Jones                  | FY2021        | 242                          | –                             | –                                    | 242            |
|                                       | FY2020        | 221                          | 5                             | 20                                   | 246            |
| Sharon Warburton                      | FY2021        | 211                          | –                             | 10                                   | 221            |
|                                       | FY2020        | 207                          | 5                             | 14                                   | 226            |
| Wang Xiao Bin                         | FY2021        | 213                          | –                             | 8                                    | 221            |
|                                       | FY2020        | 201                          | 10                            | 19                                   | 230            |
| <b>Total remuneration<sup>5</sup></b> | <b>FY2021</b> | <b>2,655</b>                 | <b>–</b>                      | <b>105</b>                           | <b>2,760</b>   |
|                                       | <b>FY2020</b> | <b>2,356</b>                 | <b>115</b>                    | <b>107</b>                           | <b>2,578</b>   |

<sup>1</sup> Superannuation contributions are made on behalf of NEDs in accordance with the Company's statutory superannuation obligations.

<sup>2</sup> Emma Stein commenced on 10th December 2020.

<sup>3</sup> Christopher Haynes stepped down as Chair of HSSC effective 23rd October 2020.

<sup>4</sup> Roger Higgins was appointed Chair of HSSC effective 24th October 2020.

<sup>5</sup> Total remuneration reported in FY2020 was \$2.660m which included former NED Catherine Livingstone (\$0.082m).



## Remuneration Report

### 9.6 Non-Executive Director interests in shares

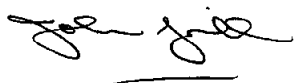
We have detailed NED beneficial interests in shares of the Company as at 30 June 2021 in the table below.

Table 9.6.1

| NAME                 | TYPE   | BALANCE AT<br>1 JULY 2020 | OTHER<br>TRANSACTIONS | BALANCE AT<br>30 JUNE 2021 | % OF NED<br>MINIMUM<br>SHAREHOLDING<br>TARGET<br>ACHIEVED <sup>1</sup> |
|----------------------|--------|---------------------------|-----------------------|----------------------------|--|
| John Grill           | Shares | 34,336,128                | –                     | 34,336,128                 | >100%  |
| Andrew Liveris       | Shares | 6,870                     | 11,000                | 17,870                     | >100%  |
| Juan Suarez Coppel   | Shares | –                         | 12,782                | 12,782                     | 75%  |
| Tom Gorman           | Shares | 29,000                    | –                     | 29,000                     | >100%  |
| Christopher Haynes   | Shares | 18,922                    | –                     | 18,922                     | >100%  |
| Roger Higgins        | Shares | 34,000                    | –                     | 34,000                     | >100%  |
| Martin Parkinson     | Shares | 14,000                    | 2,000                 | 16,000                     | >100%  |
| Emma Stein           | Shares | –                         | 20,840                | 20,840                     | >100%  |
| Anne Templeman-Jones | Shares | 8,131                     | 2,916                 | 11,047                     | 76%  |
| Sharon Warburton     | Shares | 22,500                    | –                     | 22,500                     | >100%  |
| Wang Xiao Bin        | Shares | 11,000                    | –                     | 11,000                     | >100%  |

<sup>1</sup> NED MSR requires NEDs hold the equivalent of 100% of the annual NED base fee in Worley shares. We calculate this by multiplying the balance of shares held by the higher of the purchase price or the VWAP over the five trading days to 30 June 2021 (\$11.90). NEDs have 3 years from the date of appointment to meet the MSR.

This Directors' Report (including the Remuneration Report) is made in accordance with a resolution of the directors.



**JOHN GRILL AO**

Chair



# Statement of financial performance and other comprehensive income

For the financial year ended 30 June 2021

|  | NOTES    | CONSOLIDATED   |                 |
|--|----------|----------------|-----------------|
|  |          | 2021<br>\$M    | 2020<br>\$M     |
| <b>REVENUE AND OTHER INCOME</b>  |          |                |                 |
| Professional services revenue  |          | 5,420          | 7,350           |
| Procurement revenue  |          | 1,411          | 2,964           |
| Construction and fabrication revenue   |          | 2,679          | 2,720           |
| Other income   |          | 10             | 24              |
| Interest income  |          | 6              | 10              |
| <b>Total revenue and other income</b>  | <b>4</b> | <b>9,526</b>   | <b>13,068</b>   |
| <b>EXPENSES</b>  |          |                |                 |
| Professional services costs  |          | (5,079)        | (6,838)         |
| Procurement costs  |          | (1,396)        | (2,880)         |
| Construction and fabrication costs   |          | (2,539)        | (2,526)         |
| Global support costs   | 3(E)     | (146)          | (169)           |
| Transition, transformation and restructuring costs   | 5        | (129)          | (250)           |
| Finance costs  |          | (83)           | (132)           |
| <b>Total expenses</b>  |          | <b>(9,372)</b> | <b>(12,795)</b> |
| Share of net loss of associates accounted for using the equity method                                  | 22       | (7)            | (6)             |
| <b>Profit before income tax expense</b>  |          | <b>147</b>     | <b>267</b>      |
| Income tax expense   | 6(A)     | (62)           | (79)            |
| <b>Profit after income tax expense</b>   |          | <b>85</b>      | <b>188</b>      |
| Profit after income tax expense attributable to:   |          |                |                 |
| <b>Members of Worley Limited</b>   |          | <b>86</b>      | <b>171</b>      |
| <b>Non-controlling interests</b>   |          | <b>(1)</b>     | <b>17</b>       |
| <b>Other comprehensive income</b>  |          |                |                 |
| <b>Items that may be reclassified in future periods to the Statement of Financial Performance</b>      |          |                |                 |
| Net movement in foreign currency translation reserve   |          | (171)          | (102)           |
| Net movement in hedge reserve  |          | (3)            | (2)             |
| <b>Items that will not be reclassified in future periods to the Statement of Financial Performance</b> |          |                |                 |
| Net movement in defined benefit reserve  |          | 9              | (4)             |
| <b>Total comprehensive income, net of tax</b>  |          | <b>(80)</b>    | <b>80</b>       |
| Total comprehensive income, net of tax, attributable to:   |          |                |                 |
| <b>Members of Worley Limited</b>   |          | <b>(76)</b>    | <b>60</b>       |
| <b>Non-controlling interests</b>   |          | <b>(4)</b>     | <b>20</b>       |
| Basic earnings per share (cents)   | 17       | 16.5           | 32.8            |
| Diluted earnings per share (cents)   | 17       | 16.3           | 32.7            |

The above Statement of Financial Performance and Other Comprehensive Income should be read in conjunction with the accompanying notes.



## Statement of financial position

As at 30 June 2021

|   | NOTES | CONSOLIDATED  |               |
|---|-------|---------------|---------------|
|   |       | 2021<br>\$'M  | 2020<br>\$'M  |
| <b>ASSETS</b>   |       |               |               |
| <i>Current assets</i>                                       |       |               |               |
| Cash and cash equivalents                                   | 7     | 522           | 467           |
| Trade receivables   | 8     | 1,682         | 1,942         |
| Procurement assets  | 27    | 223           | 324           |
| Other receivables   | 8     | 256           | 257           |
| Prepayments   |       | 100           | 102           |
| Income tax receivable                                       |       | 75            | 64            |
| Derivatives   | 19    | 4             | 57            |
| <b>Total current assets</b>                                 |       | <b>2,862</b>  | <b>3,213</b>  |
| <i>Non-current assets</i>                                   |       |               |               |
| Trade receivables   | 8     | 169           | 182           |
| Intangible assets   | 10    | 6,056         | 6,402         |
| Property, plant and equipment and right of use (RoU) assets | 28    | 618           | 783           |
| Deferred tax assets   | 29(A) | 213           | 249           |
| Equity accounted associates                                 | 22(B) | 172           | 198           |
| Other non-current assets                                    |       | 60            | 54            |
| <b>Total non-current assets</b>                             |       | <b>7,288</b>  | <b>7,868</b>  |
| <b>TOTAL ASSETS</b>   |       | <b>10,150</b> | <b>11,081</b> |
| <b>LIABILITIES</b>  |       |               |               |
| <i>Current liabilities</i>                                  |       |               |               |
| Trade and other payables                                    | 9     | 1,262         | 1,470         |
| Procurement payables  | 27    | 228           | 276           |
| Provisions  | 11    | 666           | 719           |
| Interest bearing loans and borrowings and lease liabilities | 13    | 246           | 626           |
| Income tax payable  |       | 32            | 33            |
| Derivatives   | 19    | 10            | 3             |
| <b>Total current liabilities</b>                            |       | <b>2,444</b>  | <b>3,127</b>  |
| <i>Non-current liabilities</i>                              |       |               |               |
| Trade and other payables                                    | 9     | 44            | 48            |
| Interest bearing loans and borrowings and lease liabilities | 13    | 1,813         | 1,662         |
| Defined benefit obligations                                 | 30    | 51            | 65            |
| Deferred tax liabilities                                    | 29(B) | 60            | 111           |
| Provisions  | 11    | 137           | 128           |
| <b>Total non-current liabilities</b>                        |       | <b>2,105</b>  | <b>2,014</b>  |
| <b>TOTAL LIABILITIES</b>                                    |       | <b>4,549</b>  | <b>5,141</b>  |
| <b>NET ASSETS</b>   |       | <b>5,601</b>  | <b>5,940</b>  |
| <b>EQUITY</b>   |       |               |               |
| Issued capital  | 15    | 5,321         | 5,301         |
| Reserves  | 16    | (505)         | (342)         |
| Retained profits  |       | 747           | 922           |
| Members of Worley Limited                                   |       | 5,563         | 5,881         |
| Non-controlling interests                                   |       | 38            | 59            |
| <b>TOTAL EQUITY</b>   |       | <b>5,601</b>  | <b>5,940</b>  |

The above Statement of Financial Position should be read in conjunction with the accompanying notes.



## Statement of changes in equity

For the financial year ended 30 June 2021

|  | CONSOLIDATED              |                             |   |                          |  |  |                                |                                    |  |               |
|--|---------------------------|-----------------------------|---|--------------------------|--|--|--------------------------------|------------------------------------|--|---------------|
|  | ISSUED<br>CAPITAL<br>\$'M | RETAINED<br>PROFITS<br>\$'M | FOREIGN<br>CURRENCY<br>TRANSLATION<br>RESERVE<br>\$'M | HEDGE<br>RESERVE<br>\$'M | PERFORMANCE<br>RIGHTS<br>RESERVE<br>\$'M | DEFINED<br>BENEFITS<br>RESERVE<br>\$'M | ACQUISITION<br>RESERVE<br>\$'M | MEMBERS<br>OF THE<br>GROUP<br>\$'M | NON-<br>CONTROLLING<br>INTERESTS<br>\$'M | TOTAL<br>\$'M |
| <b>As at 1 July 2020</b>   | <b>5,301</b>              | <b>922</b>                  | <b>(342)</b>  | <b>5</b>                 | <b>68</b>                                | <b>(9)</b>                             | <b>(64)</b>                    | <b>5,881</b>                       | <b>59</b>                                | <b>5,940</b>  |
| Profit after income tax expense  | -                         | 86                          | -   | -                        | -  | -                                      | -                              | 86                                 | (1)                                      | 85            |
| Foreign exchange movement on translation of foreign controlled entities and associates           | -                         | -                           | (168)   | -                        | -  | -                                      | -                              | (168)                              | (3)                                      | (171)         |
| Fair value loss on mark to market of cross currency hedge, net of tax                            | -                         | -                           | -   | (3)                      | -  | -                                      | -                              | (3)                                | -  | (3)           |
| Remeasurement gain on defined benefit plans, net of tax  | -                         | -                           | -   | -                        | -  | 9                                      | -                              | 9                                  | -  | 9             |
| <b>Total comprehensive income, net of tax</b>  | <b>-</b>                  | <b>86</b>                   | <b>(168)</b>  | <b>(3)</b>               | <b>-</b>                                 | <b>9</b>                               | <b>-</b>                       | <b>(76)</b>                        | <b>(4)</b>                               | <b>(80)</b>   |
| <i>Transactions with owners</i>  |                           |                             |   |                          |  |  |                                |                                    |  |               |
| Share based payments expense   | -                         | -                           | -   | -                        | 24                                       | -                                      | -                              | 24                                 | -  | 24            |
| Transfer to issued capital on issuance of shares to satisfy performance rights                   | 20                        | -                           | -   | -                        | (25)                                     | -                                      | -                              | (5)                                | -  | (5)           |
| Dividends paid   | -                         | (261)                       | -   | -                        | -  | -                                      | -                              | (261)                              | (17)                                     | (278)         |
| <b>As at 30 June 2021</b>  | <b>5,321</b>              | <b>747</b>                  | <b>(510)</b>  | <b>2</b>                 | <b>67</b>                                | <b>-</b>                               | <b>(64)</b>                    | <b>5,563</b>                       | <b>38</b>                                | <b>5,601</b>  |
| <b>As at 1 July 2019</b>   | <b>5,283</b>              | <b>959</b>                  | <b>(237)</b>  | <b>7</b>                 | <b>55</b>                                | <b>(5)</b>                             | <b>(64)</b>                    | <b>5,998</b>                       | <b>35</b>                                | <b>6,033</b>  |
| Profit after income tax expense  | -                         | 171                         | -   | -                        | -  | -                                      | -                              | 171                                | 17                                       | 188           |
| Foreign exchange movement on translation of foreign controlled entities and associates, restated | -                         | -                           | (86)  | -                        | -  | -                                      | -                              | (86)                               | 3  | (83)          |
| Net investments hedged, net of tax   | -                         | -                           | (19)  | -                        | -  | -                                      | -                              | (19)                               | -  | (19)          |
| Net loss on foreign exchange hedges, net of tax  | -                         | -                           | -   | (1)                      | -  | -                                      | -                              | (1)                                | -  | (1)           |
| Fair value loss on mark to market of cross currency hedge, net of tax                            | -                         | -                           | -   | (1)                      | -  | -                                      | -                              | (1)                                | -  | (1)           |
| Remeasurement loss on defined benefit plans, net of tax  | -                         | -                           | -   | -                        | -  | (4)                                    | -                              | (4)                                | -  | (4)           |
| <b>Total comprehensive income, net of tax</b>  | <b>-</b>                  | <b>171</b>                  | <b>(105)</b>  | <b>(2)</b>               | <b>-</b>                                 | <b>(4)</b>                             | <b>-</b>                       | <b>60</b>                          | <b>20</b>                                | <b>80</b>     |
| <i>Transactions with owners</i>  |                           |                             |   |                          |  |  |                                |                                    |  |               |
| Share based payments expense   | -                         | -                           | -   | -                        | 34                                       | -                                      | -                              | 34                                 | -  | 34            |
| Transfer to issued capital on issuance of shares to satisfy performance rights                   | 18                        | -                           | -   | -                        | (21)                                     | -                                      | -                              | (3)                                | -  | (3)           |
| Non-controlling interest on new entity   | -                         | -                           | -   | -                        | -  | -                                      | -                              | -                                  | 13                                       | 13            |
| Dividends paid   | -                         | (208)                       | -   | -                        | -  | -                                      | -                              | (208)                              | (9)                                      | (217)         |
| <b>As at 30 June 2020</b>  | <b>5,301</b>              | <b>922</b>                  | <b>(342)</b>  | <b>5</b>                 | <b>68</b>                                | <b>(9)</b>                             | <b>(64)</b>                    | <b>5,881</b>                       | <b>59</b>                                | <b>5,940</b>  |

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.



## Statement of cash flows

For the financial year ended 30 June 2021

|   | NOTES    | CONSOLIDATED |              |
|---|----------|--------------|--------------|
|   |          | 2021<br>\$M  | 2020<br>\$M  |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |          |              |              |
| Receipts from customers   |          | 10,087       | 13,847       |
| Payments to suppliers and employees   |          | (9,446)      | (12,856)     |
|   |          | 641          | 991          |
| Dividends received from associates  |          | 3            | 4            |
| Interest received   |          | 4            | 8            |
| Finance costs paid  |          | (63)         | (121)        |
| Income taxes paid   |          | (52)         | (53)         |
| <b>Net cash inflow from operating activities</b>  | <b>7</b> | <b>533</b>   | <b>829</b>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |          |              |              |
| Payments for acquisition of controlled entities, net of cash acquired and other investments |          | (53)         | (47)         |
| Payments for purchase of property, plant and equipment                                      |          | (51)         | (38)         |
| Payments for computer software and other intangible assets                                  |          | (29)         | (26)         |
| Proceeds from disposal of investments   |          | 40           | 5            |
| Proceeds from sale of property, plant and equipment   |          | 1            | 2            |
| <b>Net cash outflow from investing activities</b>   |          | <b>(92)</b>  | <b>(104)</b> |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   |          |              |              |
| Repayments of loans and borrowings  |          | (4,363)      | (4,173)      |
| Proceeds from loans and borrowings  |          | 4,368        | 3,838        |
| Lease liability payments  |          | (136)        | (147)        |
| Costs of bank facilities  |          | (11)         | (11)         |
| Net loans from/(to) related parties   |          | 6            | (7)          |
| Cash received on maturing of cross currency swap  |          | 0            | (1)          |
| Dividends paid to members of Worley Limited   | 18(B)    | (261)        | (208)        |
| Dividends paid to non-controlling interests   |          | (17)         | (9)          |
| <b>Net cash outflow from financing activities</b>   |          | <b>(414)</b> | <b>(718)</b> |
| <b>Net increase in cash</b>   |          | <b>27</b>    | <b>7</b>     |
| Cash and cash equivalents at the beginning of the financial year                            |          | 490          | 492          |
| Effects of foreign exchange rate changes on cash  |          | (24)         | (9)          |
| <b>Cash and cash equivalents at the end of the financial year</b>                           | <b>7</b> | <b>493</b>   | <b>490</b>   |

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.



# Notes to the financial statements

For the financial year ended 30 June 2021

## 1. CORPORATE INFORMATION

The financial report of Worley Limited (the "Company" or "Parent Entity") for the financial year ended 30 June 2021 was authorized for issue in accordance with a resolution of the directors on 25 August 2021. The financial report is for the Group consisting of Worley Limited and its subsidiaries.

Worley Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange (ASX: WOR). Worley Limited is a for-profit entity for the purposes of preparing the financial statements.

The nature of the operations and principal activities of the Company are described in notes 3 and note 4.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (A) BASIS OF ACCOUNTING

#### (i) Basis of preparation

This general purpose financial report has been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards (AAS) and other authoritative pronouncements of the Australian Accounting Standards Board (AASB).

The Group is of a kind referred to in ASIC Corporations Instrument 2016/191 (Rounding in Financial/Directors' Reports) issued by the Australian Securities and Investments Commission which relates to the "rounding off" of amounts in the Directors' Report and financial statements. Unless otherwise expressly stated, amounts have been rounded off to the nearest one million dollars in accordance with that Instrument. Amounts shown as 0 represent amounts less than AUD \$500,000 which have been rounded down. Prior period financial information has been rounded to the nearest million for comparative purposes.

#### (ii) Statement of compliance

The consolidated financial report complies with International Financial Reporting Standards and interpretations as issued by the International Accounting Standards Board (IASB).

#### (iii) Historical cost convention

The financial report has been prepared on a historical cost basis, except for derivative financial instruments that have been measured at fair value. The carrying values of recognized assets and liabilities that are hedged with fair value hedges are adjusted to record changes in the fair values attributable to the risks that are being hedged.

The Group has not early adopted any standards or interpretations not yet effective. The potential impacts of these standards and interpretations are disclosed in note 2(A)(vi).

#### (iv) Critical accounting estimates

In the application of AAS, Management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities. The estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Management has identified the following critical accounting policies for which significant judgments, estimates and assumptions are made:

- revenue recognition, refer note 4;
- credit loss allowance, refer note 8;
- goodwill and intangible assets with identifiable useful lives, refer note 10;
- project, warranty and other provisions, refer note 11; and
- recovery and valuation of deferred tax assets and liabilities, refer note 29.

Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

#### (v) Adoption of new and amended accounting standards and interpretations

The new and revised standards, amendments or AASB interpretations did not have any impact on the Group.

##### *Interest Rate Benchmark Reform - Amendments to AASB 9, AASB 139 and AASB 7*

These amendments were issued in response to the effects of Interbank Offered Rates ("IBOR") reform on financial reporting. The amendments, amongst other changes, provide a practical expedient to treat changes in the cash flow that are directly required by the reform, to be treated as changes to a floating interest rate equivalent to a movement in a market rate of interest. This amendment does not have a material impact on the Group's results.

##### *Configuration or customization in a cloud computing arrangement - April 2021 IFRS Interpretations Committee's (IFRIC) Agenda decision*

This decision discusses whether configuration or customization expenditure relating to cloud computing arrangements can be recognized as an intangible asset and, if not, over what time period the expenditure is expensed. This amendment does not have a material impact on the Group's results.



## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (vi) New accounting standards not yet applicable

##### Effective 1 July 2023

##### AASB 17 Insurance Contracts (AASB 17)

The overall objective of AASB 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in AASB 4 Insurance Contracts which are largely based on grandfathering previous local accounting policies, AASB 17 provides a comprehensive model for insurance contracts, covering all relevant accounting concepts.

Although the Group has not fully assessed the impact of the amendments, they are unlikely to have a material impact on the Group.

##### Classification of liabilities as current or non-current - Amendments to AASB 101 Presentation of Financial Statements

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right; and
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

Although the Group has not fully assessed the impact of the amendments, they are unlikely to have a material impact on the Group.

##### (B) BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by Worley Limited as at 30 June 2021 and the results of all controlled entities for the financial year then ended. Worley Limited and its controlled entities together are referred to in this financial report as the consolidated entity or Group. Investments in associates are equity accounted and are not part of the consolidated entity (refer note 22).

The impact of all transactions between entities in the consolidated entity is eliminated. Non-controlling interests in the results and equity of controlled entities are shown separately in the Statement of Financial Performance and Other Comprehensive Income and Statement of Financial Position.

Non-controlling interests not held by the Company are allocated their share of net profit after tax and total comprehensive income net of tax in the Statement of Financial Performance and Other Comprehensive Income and are presented within equity in the Statement of Financial Position separately from the equity of members of Worley Limited.

##### (C) FOREIGN CURRENCY TRANSLATION

##### (i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the Group's presentation currency.

##### (ii) Translation of foreign currency transactions

Transactions denominated in a foreign currency are converted at the foreign exchange rate at the date of the transaction. Foreign currency denominated receivables and payables at balance date are translated at foreign exchange rates at balance date. Foreign exchange gains and losses are brought to account in determining the profit and loss for the financial year.

##### (D) RESTATEMENT OF COMPARATIVES

As noted in the 31 December 2020 Interim Financial Report, in connection with the integration of the ECR business onto one ERP system, an inconsistency in the aging of trade receivables was identified. There is no change to the total trade receivables amount disclosed at 30 June 2020, however, a reclassification has occurred between the aging buckets as shown below.

|                                      | 30 June 2020<br>Disclosed Note 19 | Change   | 30 June 2020<br>Revised Disclosure |
|--------------------------------------|-----------------------------------|----------|------------------------------------|
| 0-60 days                            | 1,807                             | 133      | 1,940                              |
| Past due 61-120 days                 | 252                               | (133)    | 119                                |
| Gross aged receivables 0-120 days    | 2,059                             | -        | 2,059                              |
| Gross receivables more than 121 days | 430                               | -        | 430                                |
| <b>Total</b>                         | <b>2,489</b>                      | <b>-</b> | <b>2,489</b>                       |

Also, in connection with the integration of the ECR business onto one ERP system, an inconsistent application of the tax groups applied at 30 June 2020 to determine the deferred tax asset and liability offset was identified. The restated offset of \$134 million, an increase of \$73 million, is applied equally to deferred tax assets and liabilities, and accordingly there is no change to the Group's net assets at 30 June 2020. Refer to note 29.

##### (E) OTHER ACCOUNTING POLICIES

Significant and other accounting policies that summarize the measurement basis used and are relevant to the understanding of the financial statements are provided throughout the notes. Where required, the prior year balances were restated for comparative purposes.



## 3. SEGMENT INFORMATION

### (A) IDENTIFICATION OF OPERATING SEGMENTS

Effective 1 July 2020, The Group completed a restructure of its operating model which has resulted in a revision to its operating segments. Segment reporting will now occur on a regional basis as APAC, EMEA and Americas. Prior to the change, the Group's business model consisted of four business lines. Being: Energy and Chemical Services; Mining, Minerals and Metal Services; Major Projects & Integrated Solutions; and Advisian. The change in operating structure represents a change to the operating segments reported in the previous corresponding period. The previous reported segment results for the year ended 30 June 2020 have been restated for comparison purposes as required by AASB 8 Operating Segments.

The Group has also included additional information segmented according to its market sector groups which are consistent with 30 June 2020. The 30 June 2020 market sector groups segment revenue and results have been restated in accordance with a review of project allocations to these sector groups.

### (B) OPERATING SEGMENTS

|  | APAC         |              | EMEA         |              | AMERICAS     |              | TOTAL        |               |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
|  | 2021<br>\$M  | 2020<br>\$M  | 2021<br>\$M  | 2020<br>\$M  | 2021<br>\$M  | 2020<br>\$M  | 2021<br>\$M  | 2020<br>\$M   |
| Professional services revenue  | 1,575        | 1,830        | 2,297        | 2,914        | 1,758        | 2,999        | 5,630        | 7,743         |
| Construction and fabrication revenue                                     | -            | 11           | 887          | 704          | 1,792        | 2,005        | 2,679        | 2,720         |
| Procurement revenue at margin  | 94           | 94           | 149          | 197          | 219          | 483          | 462          | 774           |
| Other income   | 3            | 9            | -            | -            | -            | 3            | 3            | 12            |
| <b>Total segment revenue<sup>1</sup></b>                                 | <b>1,672</b> | <b>1,944</b> | <b>3,333</b> | <b>3,815</b> | <b>3,769</b> | <b>5,490</b> | <b>8,774</b> | <b>11,249</b> |
| Segment result <sup>2</sup>  | 152          | 178          | 202          | 250          | 263          | 493          | 617          | 921           |
| Segment margin   | 9.1%         | 9.2%         | 6.1%         | 6.6%         | 7.0%         | 9.0%         | 7.0%         | 8.2%          |
| <i>Other segment information</i>   |              |              |              |              |              |              |              |               |
| Depreciation and amortization expense <sup>3</sup>                       | 37           | 58           | 84           | 78           | 61           | 95           | 182          | 231           |
| Share of net profits of associates accounted for using the equity method | 2            | 4            | 11           | 2            | (1)          | (1)          | 12           | 5             |
| Carrying value of equity accounted associates                            | 14           | 32           | 142          | 149          | 16           | 17           | 172          | 198           |
| Purchase of non-current assets   | 15           | 11           | 30           | 22           | 35           | 31           | 80           | 64            |

### (C) MARKET SECTOR GROUPS

|                                      | ENERGY       |              | CHEMICALS    |              | RESOURCES    |              | TOTAL        |               |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
|                                      | 2021<br>\$M  | 2020<br>\$M  | 2021<br>\$M  | 2020<br>\$M  | 2021<br>\$M  | 2020<br>\$M  | 2021<br>\$M  | 2020<br>\$M   |
| Professional services revenue        | 2,272        | 3,314        | 2,309        | 3,551        | 1,049        | 878          | 5,630        | 7,743         |
| Construction and fabrication revenue | 1,861        | 1,652        | 818          | 814          | -            | 254          | 2,679        | 2,720         |
| Procurement revenue at margin        | 258          | 324          | 123          | 160          | 81           | 290          | 462          | 774           |
| Other income                         | 3            | 12           | -            | -            | -            | -            | 3            | 12            |
| <b>Total segment revenue</b>         | <b>4,394</b> | <b>5,302</b> | <b>3,250</b> | <b>4,525</b> | <b>1,130</b> | <b>1,422</b> | <b>8,774</b> | <b>11,249</b> |
| Segment result                       | 302          | 391          | 240          | 446          | 75           | 84           | 617          | 921           |
| Segment margin                       | 6.9%         | 7.4%         | 7.4%         | 9.9%         | 6.6%         | 5.9%         | 7.0%         | 8.2%          |

### (D) RECONCILIATION OF SEGMENT REVENUE TO TOTAL REVENUE AND OTHER INCOME PER THE STATEMENT OF FINANCIAL PERFORMANCE

|  | TOTAL        |               |
|--|--------------|---------------|
|  | 2021<br>\$M  | 2020<br>\$M   |
| Segment revenue  | 8,774        | 11,249        |
| Certain one off other income items   | -            | 7             |
| Impact of the arbitration award <sup>4</sup>                                     | -            | 3             |
| Gain on sale of subsidiary/investment  | 7            | 2             |
| Procurement revenue at nil margin (including share of revenue from associates)   | 949          | 2,190         |
| Share of revenue from associates <sup>5</sup>                                    | (210)        | (393)         |
| Interest income  | 6            | 10            |
| <b>Total revenue and other income per the Statement of Financial Performance</b> | <b>9,526</b> | <b>13,068</b> |

<sup>1</sup> Segment revenue represents aggregated revenue, which is defined as statutory revenue and other income plus share of revenue from associates, less procurement revenue at nil margin, pass-through revenue at nil margin and interest income. The directors believe the disclosure of revenue attributable to associates provides additional information in relation to the financial performance of the Group.

<sup>2</sup> Segment result is segment revenue less segment expenses and excludes the items listed in note 3(G). It is the key financial measure that is presented to the chief operating decision-maker.

<sup>3</sup> Excludes amortization on acquired intangible assets and impairments.

<sup>4</sup> Reduction in revenue from an arbitration award in relation to a dispute with a state owned enterprise.

<sup>5</sup> Calculated on an aggregate revenue basis.



## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### 3. SEGMENT INFORMATION (CONTINUED)

(E) RECONCILIATION OF SEGMENT RESULT TO PROFIT AFTER INCOME TAX EXPENSE PER THE STATEMENT OF FINANCIAL PERFORMANCE

|   | TOTAL        |              |
|---|--------------|--------------|
|   | 2021<br>\$'M | 2020<br>\$'M |
| Segment result  | 617          | 921          |
| Global support costs <sup>1</sup>   | (146)        | (169)        |
| Interest and tax for associates   | (3)          | (9)          |
| <b>Total underlying earnings before interest, tax and amortization of intangibles acquired through business combinations (underlying EBITA)</b> | <b>468</b>   | <b>743</b>   |
| Total underlying EBITA margin on aggregated revenue for the Group   | 5.3%         | 6.6%         |
| <i>Impact of transformation and restructuring:</i>  |              |              |
| Payroll restructuring   | (43)         | (41)         |
| Impairment of property assets   | (38)         | (51)         |
| Onerous contracts and other costs   | (63)         | (29)         |
| International Government subsidies, net of direct costs <sup>2</sup>  | 70           | 18           |
| Transition costs  | (55)         | (147)        |
| Impairment of assets  | (12)         | -            |
| Impact of the arbitration award <sup>3</sup>  | -            | 3            |
| Gain on sale of subsidiary/investment   | 7            | 2            |
| Certain one off other income items  | -            | 7            |
| Certain one off other items   | 1            | -            |
| Impairment of investment in equity accounted associates   | (11)         | (7)          |
| <b>Total EBITA</b>  | <b>324</b>   | <b>498</b>   |
| EBITA margin on aggregated revenue for the Group  | 3.7%         | 4.4%         |
| Amortization of acquired intangible assets  | (100)        | (109)        |
| Net finance costs   | (77)         | (122)        |
| Income tax expense  | (62)         | (79)         |
| <b>Profit after income tax expense per the Statement of Financial Performance</b>   | <b>85</b>    | <b>188</b>   |

(F) GEOGRAPHIC SEGMENTS<sup>4</sup>

Revenue from external customers<sup>5</sup>

| 2021   | AGGREGATED<br>REVENUE<br>\$'M | ADD:  | ADD:   | LESS:  | LESS:                   | TOTAL  |
|--|-------------------------------|---|--|--|-------------------------|--|
|  |                               | PROCUREMENT<br>REVENUE AT<br>NIL MARGIN<br>\$'M | PASS-THROUGH<br>REVENUE AT<br>NIL MARGIN<br>\$'M | SHARE OF<br>REVENUE FROM<br>ASSOCIATES<br>\$'M | OTHER<br>INCOME<br>\$'M | REVENUE<br>FROM<br>EXTERNAL<br>CUSTOMERS<br>\$'M |
| Australia, Pacific, Asia and China   | 1,671                         | 42  | -  | (31)   | (3)                     | 1,679  |
| Europe, Middle East and Africa   | 3,334                         | 193   | -  | (156)  | -                       | 3,371  |
| United States of America   | 1,881                         | 637   | -  | (6)  | -                       | 2,512  |
| Other Americas   | 1,888                         | 77  | -  | (17)   | -                       | 1,948  |
| <b>Total</b>   | <b>8,774</b>                  | <b>949</b>                                      | <b>-</b>   | <b>(210)</b>                                   | <b>(3)</b>              | <b>9,510</b>                                     |
| Other income per Segment   |                               |   |  |  |                         | 3  |
| Adjustments excluded from the underlying results                                 |                               |   |  |  |                         | 7  |
| Interest income  |                               |   |  |  |                         | 6  |
| <b>Total revenue and other income per the Statement of Financial Performance</b> |                               |   |  |  |                         | <b>9,526</b>                                     |

<sup>1</sup> The Group has allocated certain global support costs into the segment result in the current period. Prior period professional services costs, construction and fabrication costs and global support costs were restated for comparative purposes. Total expenses on the Statement of Financial Performance and Other Comprehensive Income have not changed.

<sup>2</sup> \$89m (2020: \$40m) income was recognized from International Government subsidies in relation to the COVID-19 pandemic in Canada, the UK and Singapore. These grants were provided as payroll assistance. As such in accordance with the Group's accounting policy, this income was offset with \$19m (2020: \$22m) payroll costs resulting in a net \$70m of subsidies (2020: \$18m) recognized. \$101m (2020: \$20m) of International Government subsidies was received in cash in the current reporting period.

<sup>3</sup> Reduction in revenue from an arbitration award in relation to a dispute with a state owned enterprise.

<sup>4</sup> Geographic locations are presented across all business lines. This is different to the internal reports presented to the chief operating decision makers.

<sup>5</sup> Revenue is attributed to the geographic location based on the entity providing the services.



### 3. SEGMENT INFORMATION (CONTINUED)

(F) GEOGRAPHIC SEGMENTS (CONTINUED)

| 2020   | AGGREGATED<br>REVENUE<br>\$'M | ADD:<br>PROCUREMENT<br>REVENUE AT<br>NIL MARGIN<br>\$'M | ADD:<br>PASS-THROUGH<br>REVENUE AT<br>NIL MARGIN<br>\$'M | LESS:<br>SHARE OF<br>REVENUE FROM<br>ASSOCIATES<br>\$'M | LESS:<br>OTHER<br>INCOME<br>\$'M | TOTAL<br>REVENUE<br>FROM<br>EXTERNAL<br>CUSTOMERS<br>\$'M |
|--|-------------------------------|---|--|---|----------------------------------|---|
| Australia, Pacific, Asia and China   | 1,944                         | 144   | -  | (147)   | (9)                              | 1,932   |
| Europe, Middle East and Africa   | 3,815                         | 243   | -  | (211)   | -                                | 3,847   |
| United States of America   | 2,947                         | -   | -  | -   | (3)                              | 2,944   |
| Other Americas   | 2,543                         | 1,803   | -  | (35)  | -                                | 4,311   |
| <b>Total</b>   | <b>11,249</b>                 | <b>2,190</b>  | <b>-</b>   | <b>(393)</b>  | <b>(12)</b>                      | <b>13,034</b>   |
| Other income per segment   |                               |   |  |   |                                  | 12  |
| Adjustments excluded from the underlying results                                 |                               |   |  |   |                                  | 12  |
| Interest income  |                               |   |  |   |                                  | 10  |
| <b>Total revenue and other income per the Statement of Financial Performance</b> |                               |   |  |   |                                  | <b>13,068</b>   |

|  | 2021<br>\$'M | 2020<br>\$'M |
|--|--------------|--------------|
| Non-current assets by geographical location <sup>1</sup> |              |              |
| Australia, Pacific, Asia and China                       | 112          | 213          |
| Europe, Middle East and Africa                           | 273          | 396          |
| United States of America                                 | 1,382        | 1,408        |
| Other Americas   | 88           | 180          |
| <b>Non-current assets by geographical location</b>       | <b>1,855</b> | <b>2,197</b> |

### (G) ACCOUNTING POLICIES AND INTER-SEGMENT TRANSACTIONS

Segment revenues and expenses are those that are directly attributable to a segment and the relevant portion that can be allocated to the segment on a reasonable basis. Segment revenues, expenses and results include transactions between segments incurred in the ordinary course of business. These transactions are priced on an arm's length basis and are eliminated on consolidation. The accounting policies used by the Group in reporting segments internally are the same as those contained in these financial statements and are consistent with those in the prior period. The segment result includes the allocation of overhead that can be directly attributed to an individual business segment. The following items and associated assets and liabilities are not allocated to segments as they are not considered part of the core operations of any segment:

- global support costs;
- interest and tax for associates;
- amortization of acquired intangible assets;
- transition, transformation and restructuring costs;
- other gains and losses as described in note 3(E);
- income tax expense as required on the above items; and
- tax from changes in tax legislation.

|                                       | CONSOLIDATED |               |
|---------------------------------------|--------------|---------------|
|                                       | 2021<br>\$'M | 2020<br>\$'M  |
| <b>4. REVENUE AND OTHER INCOME</b>    |              |               |
| Professional services revenue         | 5,420        | 7,350         |
| Procurement revenue                   | 1,411        | 2,964         |
| Construction and fabrication revenue  | 2,679        | 2,720         |
| Interest income                       | 6            | 10            |
| <b>Revenue</b>                        | <b>9,516</b> | <b>13,044</b> |
| Other income                          | 10           | 24            |
| <b>Total revenue and other income</b> | <b>9,526</b> | <b>13,068</b> |

The amount of revenue recognized in the financial year 2021 from performance obligations satisfied (or partially satisfied) in previous periods is \$19 million (2020: \$11 million) and is mainly due to the changes in the estimate of the stage of completion.

In addition to billings in advance balances, \$350 million (2020: \$403 million) of revenue (lump sum projects with an expected duration of one year or more) is expected to be recognized in the future, relating to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date.

<sup>1</sup> Excludes goodwill, deferred tax assets and derivative financial instruments.



## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### 4. REVENUE AND OTHER INCOME (CONTINUED)

#### RECOGNITION AND MEASUREMENT

Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is recognized and disclosed net of trade allowances, duties and taxes paid.

The Group utilizes a five-step approach to revenue recognition which requires the Group to identify contracts and performance obligations, determine the transaction price, allocate the transaction price to each performance obligation and recognize revenue as each performance obligation is satisfied.

The Group exercises judgment, taking into consideration all the relevant facts and circumstances when applying each step of the model to contracts with its customers.

The Group's main revenue streams are as follows:

#### Professional services revenue

- The Group performs engineering design and project delivery services. These activities are usually highly integrated and accordingly where appropriate are accounted for as a single performance obligation. Performance obligations are fulfilled over time as the services are delivered, as the Group has a right of payment for services delivered to date together with the highly customized nature of the services provided. Consequently, the Group recognizes revenue for these service contracts over time. Payment terms depend on the contracts specifics and usually are within 30 to 60 days term.

#### Construction and fabrication revenue

- The Group performs construction and fabrication services. These activities are highly integrated and accordingly, where appropriate, are accounted for as a single performance obligation. Performance obligations are fulfilled over time as the services are delivered, as the Group has a right of payment for services delivered to date together with the highly customized nature of the services provided. Consequently, the Group recognizes revenue for these construction contracts over time. Payment terms are usually based on milestones achieved and are within 30 to 60 days from the date of the invoice.

#### Procurement revenue

- Procurement revenue represents services from contracts entered into with customers to acquire, on their behalf, equipment produced by various suppliers and/or services provided by different subcontractors. The Group executes procurement services as a principal and as an agent. Where the Group controls the promised goods or services before transferring them to the customer, the Group is a principal and records revenue and costs on a gross basis. If the Group does not control the promised goods and services before transferring to the customer, i.e. the Group's role is to arrange for another entity to provide the goods or services, then the Group is an agent and records revenue and costs at the net amount that it retains for its agency services (margin). The performance obligation is satisfied over time and payment is usually due upon receipt of the equipment by the customer or as subcontractor services are performed, depending on the terms of the contract. Payment terms are usually within 30 to 60 days.

The Group measures revenue on the basis of the effort expended relative to the total expected effort to complete the service. Revenue on reimbursable contracts is recognized in the same period as the associated costs based on agreed rates in accordance with the timing of work performed as it reflects the expected effort to fulfil the performance obligation. For lump sum contracts, the Group considers the terms of the contract, internal models and other sources when estimating the projected total cost and stage of completion. The percentage of completion is estimated by qualified professionals within the project teams. Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change.

Variable consideration, including performance incentives, is recognized from the outset of the contract but only to the extent that it is highly probable that a significant revenue reversal will not occur. This estimate takes into account the facts and circumstances of each individual contract and historical experience and is reassessed throughout the life of the contract.

The Group provides assurance warranties for general rework which are accounted for in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets.

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. Therefore, the Group does not adjust any of the transaction prices for the time value of money.

#### Government grants

Government grants are recognized under the requirements of AASB 120 Accounting for Government Grants and Disclosure of Government Assistance.

Government grants are only recognized where there is reasonable assurance that the conditions attached will be complied with, and the grant will be received. Government grants are recognized in profit and loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Government grants are recognized immediately in the Statement of Financial Performance if they are a receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support with no further related costs. Government grants are recorded against the related expense in the Statement of Financial Performance and Other Comprehensive Income.

#### Interest

Interest income is recognized as it accrues using the effective interest rate method including interest income on subleases that are classified as finance leases under AASB 16.

#### Dividends

Revenue is recognized when the Group's right to receive the payment is established.

#### Contract costs

Costs to obtain or fulfil a contract (contract costs) include all costs directly related to specific contracts that are specifically chargeable to the customer under the terms of the contract, and an allocation of overhead expenses incurred in connection with the Group's activities in general. The Group's contract costs are expensed as incurred, unless they are allowed for capitalization under the accounting standards.



## 5. EXPENSES AND LOSSES/(GAINS)

Profit before income tax expense includes the following specific expenses and losses/(gains):

|   | CONSOLIDATED |              |
|---|--------------|--------------|
|   | 2021<br>\$M  | 2020<br>\$M  |
| <b>EXPENSES AND LOSSES</b>                                      |              |              |
| Short term employee benefits                                    | 5,316        | 5,394        |
| Post-employment benefits  | 102          | 185          |
| Share based payments  | 24           | 34           |
| <b>Total staff costs</b>  | <b>5,442</b> | <b>5,613</b> |
| <i>Impact of transformation and restructuring:</i>              |              |              |
| Payroll restructuring   | 43           | 41           |
| Impairment of assets including right of use assets              | 38           | 51           |
| Onerous contracts and other costs                               | 63           | 29           |
| International Government subsidies, net of direct costs         | (70)         | (18)         |
| Transition costs  | 55           | 147          |
| <b>Total transition, transformation and restructuring costs</b> | <b>129</b>   | <b>250</b>   |
| <b>EXPENSES AND LOSSES</b>                                      |              |              |
| Short term, low-value and variable leases expense               | 35           | 53           |
| Amortization of intangible asset and ROU assets                 | 227          | 296          |
| Depreciation  | 55           | 75           |
| <b>MOVEMENTS IN PROVISIONS<sup>1</sup></b>                      |              |              |
| Employee benefits   | 219          | 300          |
| Insurance   | 2            | 9            |
| Onerous contracts   | 22           | 19           |
| Warranty  | 8            | 11           |
| Project losses  | 29           | 19           |

### RECOGNITION AND MEASUREMENT

#### Employee benefits

Employee benefits expenses are charged against profit on a net basis in their respective categories.

#### Share based payments – equity and cash settled rights

Equity rights (rights) over the ordinary shares of Worley Limited are granted to executive directors and other executives of the consolidated entity for nil consideration in accordance with performance guidelines approved by the Board. The fair values of the rights are amortized on a straight line basis over their performance period. For share settled rights, the fair value of the rights is the share price at grant date adjusted for the impact of performance hurdles and other vesting or exercise criteria attached to the right. For cash settled rights, the fair value of the rights is recalculated at the end of each reporting period and amortized on a straight line basis over their vesting period. The accounting estimates and assumptions relating to equity settled rights would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

Fair value per right at grant date is independently determined using an appropriate option pricing model that takes into account the exercise price, the term of the right, the vesting and performance criteria, the impact of dilution, the non-traded nature of the right, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the right. This amount represents the actual cost to the Company. A Monte Carlo simulation is applied to fair value the TSR component and the SPPRs. For the EPS, EBIT, strategic hurdle rights and "continuous employment" condition, the Black-Scholes model is utilized. Total fair value at grant date is calculated by multiplying the fair value per right by the number of rights granted. This does not represent the actual value the executive will derive from the grant which will depend on the achievement of performance hurdles measured over the vesting period. The maximum value of the rights granted has been estimated based on the fair value per right. The minimum total value of the rights granted, if the applicable performance hurdles are not met, is nil.

#### Borrowing costs

Borrowing costs are recognized as expenses in the period in which they are incurred, except when they are included in the costs of qualifying assets.

Borrowing costs include:

- interest on bank overdrafts, short term and long term loans and borrowings;
- amortization of discounts or premiums relating to loans and borrowings and non-current payables; and
- interest on lease liabilities.

<sup>1</sup> Excludes amounts utilized.



## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### 5. EXPENSES AND LOSSES/(GAINS) (CONTINUED)

#### Depreciation and amortization

##### Property, plant and equipment

Depreciation is calculated on a straight line basis to write off the net cost of each item of property, plant and equipment (excluding land) over its expected useful life to the consolidated entity. The expected useful lives for plant and equipment range from 3 to 10 years and buildings range from 30 to 40 years. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

The cost of improvements to or on leasehold properties is amortized over the unexpired period of the lease or the estimated useful life of the improvement to the consolidated entity, whichever is the shorter.

##### Identifiable intangible assets

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortized over the useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period for an intangible asset with a finite useful life is reviewed at least each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the amortization period. The amortization expense on intangible assets with finite lives is recognized in the Statement of Financial Performance and Other Comprehensive Income on a straight line basis over the following periods:

- customer contracts and relationships 3-15 years;
- trade names 5-20 years;
- computer software 7 years; and
- other 3-10 years.

##### Goods and services tax (GST)

Expenses are recognized net of the amount of GST, except where the GST incurred is not recoverable from the taxation authority. In these circumstances, GST is recognized as part of the expense.

|   | CONSOLIDATED |           |
|---|--------------|-----------|
|   | 2021         | 2020      |
|   | \$M          | \$M       |
| <b>6. INCOME TAX</b>  |              |           |
| <i>(A) INCOME TAX EXPENSE</i>   |              |           |
| Current tax   | 100          | 67        |
| Deferred tax  | (28)         | 1         |
| (Over)/under provision in previous financial periods  | (10)         | 11        |
| <b>Income tax expense</b>   | <b>62</b>    | <b>79</b> |
| Deferred income tax expense included in income tax expense comprises:                       |              |           |
| Decrease in deferred tax assets   | (43)         | (20)      |
| Decrease in deferred tax liabilities  | 15           | 21        |
| <b>Deferred tax</b>   | <b>(28)</b>  | <b>1</b>  |
| <br>  |              |           |
|   | CONSOLIDATED |           |
|   | 2021         | 2020      |
|   | \$M          | \$M       |
| <i>(B) RECONCILIATION OF PRIMA FACIE TAX PAYABLE TO INCOME TAX EXPENSE</i>                  |              |           |
| Profit before income tax expense  | 147          | 267       |
| Prima facie tax expense at Worley Limited's statutory income tax rate of 30% (2020: 30%)    | 44           | 80        |
| Tax effect of amounts which are non-deductible/(non-taxable) in calculating taxable income: |              |           |
| Non-deductible disposal of goodwill   | 2            | -         |
| Non-deductible performance rights   | 10           | 11        |
| Non-deductible impairment of associate  | 2            | 2         |
| Share of losses of associates accounted for using the equity method                         | 2            | 2         |
| Tax losses not previously recognized  | (1)          | (2)       |
| (Over)/under provision in previous financial periods  | (10)         | 11        |
| Tax expense in relation to changes in tax legislation                                       | 7            | 1         |
| Permanent difference due to valuation allowances for brought forward tax losses             | 4            | -         |
| Difference in overseas tax rates and other  | 2            | (26)      |
| <b>Income tax expense</b>   | <b>62</b>    | <b>79</b> |



## 6. INCOME TAX (CONTINUED)

### (C) AMOUNTS RECOGNIZED DIRECTLY IN EQUITY

Aggregate amount of tax arising in the reporting period and not recognized in profit after income tax expense but directly credited to equity:

|  |      |   |
|--|------|---|
| Deferred tax - credited directly to equity | (20) | 6 |
|--|------|---|

### (D) TAX LOSSES

The Group has tax losses for which no deferred tax asset is recognized on the Statement of Financial Position:

|   |     |     |
|---|-----|-----|
| Unused tax losses for which no deferred tax asset has been recognized | 321 | 181 |
| Potential tax benefit at 30%  | 96  | 54  |

The benefit for tax losses will only be recognized if:

- the relevant tax entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realized; or
- the losses are transferred to an eligible entity in the relevant tax entity; and
- the relevant tax entity continues to comply with conditions for deductibility imposed by tax legislation; and
- no changes in legislation adversely affect the relevant entity in realizing the benefit from the deductions for the losses.

### RECOGNITION AND MEASUREMENT

#### Income tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities as well as any adjustments required between prior periods' current tax expense and income tax returns and any relevant withholding taxes.

Current and deferred tax amounts relating to items recognized directly in equity are recognized in equity and not in the Statement of Financial Performance.

#### Tax consolidation

Worley Limited and its wholly owned Australian entities elected to form a tax consolidated group from 1 July 2003. On formation of the tax consolidated group, the entities in the tax consolidated group entered into a tax sharing agreement which, in the opinion of the directors, limits the joint and several liability of the wholly owned entities in the case of a default by the head entity, Worley Limited.

The entities have also entered into a tax funding agreement under which the wholly owned entities fully compensate Worley Limited for any current tax liability assumed and are compensated by Worley Limited for any current tax loss, deferred tax assets and tax credits that are transferred to Worley Limited under the tax consolidation legislation.



## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

|  | NOTES | CONSOLIDATED |             |
|--|-------|--------------|-------------|
|  |       | 2021<br>\$M  | 2020<br>\$M |
| <b>7. CASH AND CASH EQUIVALENTS</b>  |       |              |             |
| Cash and cash equivalents per Statement of Financial Position  |       | 522          | 467         |
| Procurement cash and cash equivalents  | 27    | 4            | 23          |
| <b>Cash at bank and on hand</b>  |       | <b>526</b>   | <b>490</b>  |
| Less: bank overdraft   | 13    | (33)         | -           |
| <b>Balance per the Statement of Cash Flows</b>   |       | <b>493</b>   | <b>490</b>  |
| <b>Reconciliation of profit after income tax expense to net cash inflow from operating activities:</b> |       |              |             |
| Profit after income tax expense  |       | 85           | 188         |
| <i>NON-CASH ITEMS</i>  |       |              |             |
| Amortization   |       | 227          | 296         |
| Depreciation   |       | 55           | 75          |
| Impairment of PPE, ROU and intangible assets   |       | 50           | 51          |
| Share based payments expense   |       | 24           | 34          |
| Doubtful debts expense   |       | (4)          | 14          |
| Share of associates' dividends received in excess of share of profits                                  |       | (4)          | (4)         |
| Impairment of investments in equity accounted associates   |       | 11           | 7           |
| Gain on sale of subsidiary   |       | (7)          | -           |
| Other  |       | (9)          | 3           |
| Cash flow adjusted for non-cash items  |       | 428          | 664         |
| <i>CHANGES IN ASSETS AND LIABILITIES ADJUSTED FOR EFFECTS OF PURCHASE OF CONTROLLED ENTITIES</i>       |       |              |             |
| Decrease in trade and other receivables  |       | 376          | 351         |
| Decrease in prepayments and other assets   |       | 75           | 37          |
| Decrease/(increase) in deferred tax assets   |       | 36           | (19)        |
| Increase in income tax receivable  |       | (12)         | (30)        |
| Decrease in trade and other payables   |       | (180)        | (437)       |
| (Decrease)/increase in billings in advance   |       | (80)         | 103         |
| (Decrease)/increase in income tax payable  |       | (1)          | 16          |
| (Decrease)/increase in deferred tax liabilities  |       | (51)         | 25          |
| (Decrease)/increase in provisions  |       | (58)         | 119         |
| <b>Net cash inflow from operating activities</b>   |       | <b>533</b>   | <b>829</b>  |

### RECOGNITION AND MEASUREMENT

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and short term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents, as defined above, net of outstanding bank overdrafts. Bank overdrafts are included within interest bearing loans and borrowings and lease liabilities in current liabilities in the Statement of Financial Position. Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities is classified as an operating cash flow.

Where cash and cash equivalents held by the Group are subject to external restrictions, the nature of the restrictions and value of cash subject to these restrictions are disclosed below.

### PROCUREMENT AND RESTRICTED CASH AND CASH EQUIVALENTS

Cash and cash equivalents include restricted cash that is available for use under certain circumstances by the Group of \$6 million (2020: \$5 million). Included within procurement assets are cash and cash equivalents of \$4 million (2020: \$23 million).

Procurement cash is held in relation to procurement activities undertaken by the Group on behalf of its customers (refer note 27). Restricted cash is held in relation to guarantees (refer note 25(A)) and financing activities.



|  | NOTES | CONSOLIDATED |              |
|--|-------|--------------|--------------|
|  |       | 2021<br>\$M  | 2020<br>\$M  |
| <b>8. TRADE AND OTHER RECEIVABLES</b>  |       |              |              |
| <i>CURRENT TRADE RECEIVABLES</i>   |       |              |              |
| Trade receivables  |       | 1,088        | 1,271        |
| Unbilled contract revenue  |       | 779          | 934          |
| Retentions   |       | 64           | 77           |
| Allowance for impairment of trade receivables <sup>1</sup>   |       | (30)         | (39)         |
| Less: procurement trade and other receivables  | 27    | (219)        | (301)        |
|  |       | <b>1,682</b> | <b>1,942</b> |
| Movement in impairment allowance in respect of trade receivables and contract assets during the year was as follows: |       |              |              |
| Balance at the beginning of the financial year   |       | 39           | 40           |
| Net remeasurement of loss allowance  |       | (2)          | 4            |
| Amounts written off against the opening allowance  |       | (5)          | (7)          |
| Differences arising on translation of foreign operations   |       | (2)          | 2            |
| <b>Balance at the end of the financial year</b>  |       | <b>30</b>    | <b>39</b>    |
| <i>NON-CURRENT TRADE RECEIVABLES<sup>2</sup></i>   |       |              |              |
| Trade receivables  |       | 123          | 133          |
| Unbilled contract revenue  |       | 69           | 74           |
| Allowance for impairment of trade receivables  |       | (23)         | (25)         |
|  |       | <b>169</b>   | <b>182</b>   |
| <i>OTHER RECEIVABLES</i>   |       |              |              |
| Other receivables  |       | 230          | 201          |
| Amounts receivable from associates and related parties   | 31(B) | 26           | 56           |
|  |       | <b>256</b>   | <b>257</b>   |

Significant movements in unbilled contract revenue are primarily due to normal trading activity.

#### RECOGNITION AND MEASUREMENT

A trade receivable is recognized when the goods and services are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. Trade receivables are generally on terms of 30 to 60 days. Receivables are stated with the amount of GST included.

Unbilled contract revenue is initially recognized when the Group provides services or procures goods for a customer before the customer pays consideration or before a payment is due. Unbilled contract revenue represents the Group's contract assets at the reporting date. These assets are reclassified to trade receivables when the customer is billed as stipulated in the contract, i.e. when the rights to consideration become unconditional. Unbilled contract revenue is stated at the aggregate of contract costs incurred to date plus recognized profits less recognized losses and progress billings.

Trade and other receivables are measured at amortized cost as they are held to collect contractual cash flows that consist solely of payments of principal and interest on the principal amounts outstanding. At initial recognition, the Group measures trade and other receivables at transaction value with subsequent measurement at amortized cost.

For trade receivables and contract assets, the Group applies a simplified approach in calculating Expected Credit Loss (ECLs). Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

<sup>1</sup> Allowance for impairment of trade receivables has been net off against the gross receivable position where it is unlikely that recovery will be received.

<sup>2</sup> Non-current trade receivables and unbilled contract revenue relate to projects where recovery is expected to take greater than twelve months. As at 30 June 2021, \$44m of non-current payables relate to these non-current trade receivables and unbilled contract revenue (30 June 2020: \$48m).



## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

|   | NOTES | CONSOLIDATED |              |
|---|-------|--------------|--------------|
|   |       | 2021<br>\$M  | 2020<br>\$M  |
| <b>9. TRADE AND OTHER PAYABLES</b>                |       |              |              |
| CURRENT   |       |              |              |
| Trade payables                                    |       | 639          | 683          |
| Accruals  |       | 342          | 414          |
| Amounts payable to associates and related parties | 31(B) | -            | -            |
| Billings in advance                               |       | 322          | 419          |
| Accrued staff costs                               |       | 187          | 230          |
| Less: procurement trade and other payables        | 27    | (228)        | (276)        |
|   |       | <b>1,262</b> | <b>1,470</b> |
| NON-CURRENT                                       |       |              |              |
| Trade payables <sup>1</sup>                       |       | 44           | 48           |
|   |       | <b>44</b>    | <b>48</b>    |

Significant movements in billings in advance are primarily due to normal trading activity.

The Group's exposure to currency and interest rate risk for trade and other payables is disclosed in note 19.

### RECOGNITION AND MEASUREMENT

Liabilities for trade and other payables are measured at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Group. Payables are stated with the amount of GST included.

Billings in advance or unearned revenue represent the Group's obligation to transfer goods or services to a customer for which the Group has billed the customer or received advance consideration from the customer. Billings in advance are recognized as revenue when the Group performs under the contract. Billings in advance are classified as measured at amortized cost subsequent to their initial recognition at fair value.

|   | CONSOLIDATED |              |
|---|--------------|--------------|
|   | 2021<br>\$M  | 2020<br>\$M  |
| <b>10. INTANGIBLE ASSETS</b>                |              |              |
| <i>Goodwill</i>                             |              |              |
| At cost                                     | 5,420        | 5,622        |
| Accumulated impairment                      | (200)        | (200)        |
|   | <b>5,220</b> | <b>5,422</b> |
| <i>Customer contracts and relationships</i> |              |              |
| At cost                                     | 870          | 884          |
| Accumulated amortization                    | (223)        | (118)        |
|   | <b>647</b>   | <b>766</b>   |
| <i>Trade names</i>                          |              |              |
| At cost                                     | 36           | 36           |
| Accumulated amortization                    | (35)         | (33)         |
|   | <b>1</b>     | <b>3</b>     |
| <i>Computer software</i>                    |              |              |
| At cost                                     | 641          | 621          |
| Accumulated amortization                    | (453)        | (410)        |
|   | <b>188</b>   | <b>211</b>   |
| <b>Total intangible assets</b>              | <b>6,056</b> | <b>6,402</b> |

<sup>1</sup> Non-current payables of \$44m (2020: \$48m) relate to non-current trade receivables and unbilled contract revenue on projects where recovery is expected to take greater than twelve months as disclosed in note 8.



## 10. INTANGIBLE ASSETS (CONTINUED)

### RECONCILIATIONS

Reconciliations of intangible assets at the beginning and end of the current and previous financial years are set out below:

|  | CONSOLIDATED |   |                |                                |  | TOTAL<br>\$'M |
|--|--------------|---|----------------|--------------------------------|--|---------------|
|  | GOODWILL     | CUSTOMER CONTRACTS<br>AND RELATIONSHIPS | TRADE<br>NAMES | COMPUTER SOFTWARE<br>AND OTHER |  |               |
|  | \$'M         | \$'M                                    | \$'M           | \$'M                           |  |               |
| Balance at 1 July 2020                                   | 5,422        | 766                                     | 3              | 211                            |  | 6,402         |
| Additions through business combinations                  | 24           | 6                                       | -              | -                              |  | 30            |
| Additions  | -            | -                                       | -              | 23                             |  | 23            |
| Disposals  | (42)         | -                                       | -              | -                              |  | (42)          |
| Amortization   | -            | (89)                                    | (2)            | (34)                           |  | (125)         |
| Impairment   | -            | -                                       | -              | (5)                            |  | (5)           |
| Differences arising on translation of foreign operations | (184)        | (36)                                    | -              | (7)                            |  | (227)         |
| <b>Balance at 30 June 2021</b>                           | <b>5,220</b> | <b>647</b>                              | <b>1</b>       | <b>188</b>                     |  | <b>6,056</b>  |
| Balance at 1 July 2019                                   | 5,447        | 861                                     | 5              | 212                            |  | 6,525         |
| Additions through business combinations restated         | 31           | -                                       | -              | -                              |  | 31            |
| Additions  | -            | -                                       | -              | 40                             |  | 40            |
| Amortization   | -            | (98)                                    | (2)            | (40)                           |  | (140)         |
| Differences arising on translation of foreign operations | (56)         | 3                                       | -              | (1)                            |  | (54)          |
| <b>Balance at 30 June 2020</b>                           | <b>5,422</b> | <b>766</b>                              | <b>3</b>       | <b>211</b>                     |  | <b>6,402</b>  |

### RECOGNITION AND MEASUREMENT

#### Goodwill

Goodwill represents the excess of the purchase consideration over the fair value of identifiable net assets acquired at the time of acquisition of a business or shares in controlled entities or associates. Goodwill on acquisition of controlled entities is included in intangible assets, and goodwill on acquisition of associates is included in investments in associates. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

#### Identifiable intangible assets

Intangible assets acquired separately or in a business combination have finite useful lives and are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets are not capitalized, and expenditure is recognized in the profit and loss in the year in which the expenditure is incurred.

Research costs are expensed as incurred. An intangible asset arising from development expenditure on an internal project is recognized only when the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete and its ability to use or sell the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete the development; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

#### Impairment of assets

Goodwill is not amortized; instead, it is tested annually, unless impairment is indicated. Goodwill is carried at cost less accumulated impairment.

For the purposes of impairment testing, goodwill acquired in a business combination is allocated to groups of cash generating units (CGUs) that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those groups of CGUs.

Impairment is determined by assessing the recoverable amount of the groups of CGUs to which the goodwill relates. The recoverable value of each CGU is estimated based on its value in use consistent with prior periods. When the recoverable amount of the groups of CGUs is less than the carrying amount, an impairment loss is recognized. Where certain assets cease to be a part of a CGU (including but not limited to rights of use assets) they are tested for impairment individually and, where required are written down to their recoverable value.

Impairment losses recognized for goodwill are not subsequently reversed. Impairment losses recognized for right of use assets can be subsequently reversed where it is supported by the recoverable value amount.

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs).



## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### 10. INTANGIBLE ASSETS (CONTINUED)

#### Impairment of assets (continued)

The Group adopted a new operating model effective 1 July 2020. This resulted in a change in CGU's used for impairment testing.

Management has assessed that the lowest level at which goodwill is monitored is the three operating regions reporting to the CEO being Americas, EMEA and APAC. As required by AASB 136, Management has reallocated goodwill as at 1 July 2020 to the revised CGU's using a relative fair value approach.

The reallocation of goodwill is based on a discounted cash flow valuation for each CGU. The discounted cash flow valuation utilizes the same assumptions as the impairment assessment performed at 30 June 2020 and represents the earnings of the business remapped to the new operating units. The proportion of each CGU's relative value to the total value has then been used to determine the percentage of goodwill to be allocated.

Impairment testing value in use calculations use cash flow projections based on financial forecasts of how the business is expected to perform consistent with current and historical experience and external data. The estimation of future cash flows requires assumptions to be made regarding future uncertain events. Our strategy considers the global transition of the world's energy to renewable fuels and the continued focus on delivering a more sustainable world. These trends have been considered in the market data utilized to assess each CGU's growth rate for impairment testing.

#### KEY ESTIMATES

The goodwill allocated to the material CGUs and the key assumptions used for the value in use impairment testing are as follow:

| 2021  | APAC  | EMEA  | AMERICAS |
|---|-------|-------|----------|
|   | \$'M  | \$'M  | \$'M     |
| Opening balance restated                    | 1,377 | 1,462 | 2,583    |
| Allocated goodwill (closing balance)        | 1,325 | 1,433 | 2,461    |
| Risk-weighted pre-tax discount rate         | 18.8% | 8.7%  | 8.2%     |
| Risk-adjusted growth rate beyond five years | 3.3%  | 2.1%  | 2.2%     |

#### FORECAST CASH FLOWS

Forecast cash flows have been based on the group's past experience and the assessment of economic and regulatory factors affecting the markets within which the Group operates. The Group's pivot to sustainability provides the structural framework for growth and we are winning work in line with our strategy. The Group is seeing sustainability opportunities accelerate across all of our sectors and is well positioned to capture these opportunities with both new and existing customers. The risk adjusted revenue growth rates for the CGUs range from 4% to 5% for the first five years. The forecast cash flows considers the impacts of COVID-19 through the FY2022 forecast, and compound annual growth rates for CGUs range from 8% to 10% (noting the current period earnings have been impacted by COVID-19 economic conditions which are expected to recover in future periods).

#### SENSITIVITY ANALYSIS

The combined recoverable values of all CGUs exceed the carrying value by \$2 billion (30 June 2020: \$1 billion). Management recognizes that the cash flow projections and the discount and growth rates used to calculate the value in use may vary from what has been estimated.

The value in use estimate is particularly sensitive to the achievement of long-term growth rates, discount rates and the forecast performance. The Group has performed detailed sensitivity analysis as part of its impairment testing to ensure that the results of its testing are reasonable.

Sensitivity analysis on the inputs for all CGUs is as follows:

- terminal growth rates: a 0.5% decrease in the terminal growth rate will result in all the CGUs listed above being free of impairment at reporting date;
- post-tax discount rates: a 1% increase in the discount rate will result in all the CGUs listed above being free of impairment at reporting date; and
- forecast cash flows: a 10% decrease in the forecast cash flows will result in all the CGUs listed above being free of impairment at reporting date.

|                       | CONSOLIDATED |              |
|-----------------------|--------------|--------------|
|                       | 2021<br>\$'M | 2020<br>\$'M |
| <b>11. PROVISIONS</b> |              |              |
| <b>CURRENT</b>        |              |              |
| Employee benefits     | 405          | 469          |
| Project losses        | 126          | 140          |
| Insurance             | 27           | 29           |
| Onerous contracts     | 19           | 16           |
| Warranty              | 5            | 9            |
| Other                 | 84           | 56           |
|                       | <b>666</b>   | <b>719</b>   |
| <b>NON-CURRENT</b>    |              |              |
| Employee benefits     | 83           | 79           |
| Onerous contracts     | 2            | 7            |
| Warranty              | 20           | 14           |
| Other                 | 32           | 28           |
|                       | <b>137</b>   | <b>128</b>   |



## 11. PROVISIONS (CONTINUED)

### RECONCILIATIONS

Reconciliations of each class of current and non-current provisions at the beginning and end of the current and previous financial years are set out below:

| CONSOLIDATED   |                              |                           |                   |                              |                  |               |
|--|------------------------------|---------------------------|-------------------|------------------------------|------------------|---------------|
| CURRENT  | EMPLOYEE<br>BENEFITS<br>\$'M | PROJECT<br>LOSSES<br>\$'M | INSURANCE<br>\$'M | ONEROUS<br>CONTRACTS<br>\$'M | WARRANTY<br>\$'M | OTHER<br>\$'M |
| Balance at 1 July 2020                                     | 469                          | 140                       | 29                | 16                           | 9                | 56            |
| Additional provisions                                      | 284                          | 29                        | 4                 | 23                           | 1                | 4             |
| Transfers  | -                            | -                         | -                 | 6                            | -                | 25            |
| Release of unused provision                                | (71)                         | -                         | (2)               | (1)                          | -                | -             |
| Amounts utilized   | (259)                        | (41)                      | (3)               | (25)                         | (4)              | (1)           |
| Differences arising from translation of foreign operations | (18)                         | (2)                       | (1)               | -                            | (1)              | -             |
| <b>Balance at 30 June 2021</b>                             | <b>405</b>                   | <b>126</b>                | <b>27</b>         | <b>19</b>                    | <b>5</b>         | <b>84</b>     |
| Balance at 1 July 2019                                     | 337                          | 127                       | 41                | 26                           | 7                | 65            |
| Reclassified as impairment of RoU on adoption of AASB 16   | -                            | -                         | -                 | (15)                         | -                | -             |
| Additional provisions                                      | 359                          | 40                        | 9                 | 21                           | 16               | 2             |
| Transfers  | 19                           | -                         | (19)              | 6                            | -                | -             |
| Release of unused provision                                | (27)                         | (21)                      | -                 | (4)                          | (14)             | (4)           |
| Amounts utilized   | (215)                        | (2)                       | (3)               | (18)                         | -                | (7)           |
| Differences arising from translation of foreign operations | (4)                          | (4)                       | 1                 | -                            | -                | -             |
| <b>Balance at 30 June 2020</b>                             | <b>469</b>                   | <b>140</b>                | <b>29</b>         | <b>16</b>                    | <b>9</b>         | <b>56</b>     |

| CONSOLIDATED   |                              |                              |                  |               |
|--|------------------------------|------------------------------|------------------|---------------|
| NON-CURRENT  | EMPLOYEE<br>BENEFITS<br>\$'M | ONEROUS<br>CONTRACTS<br>\$'M | WARRANTY<br>\$'M | OTHER<br>\$'M |
| Balance at 1 July 2020                                     | 79                           | 7                            | 14               | 28            |
| Transfers  | -                            | (6)                          | -                | (25)          |
| Additional provisions                                      | 49                           | 1                            | 7                | 31            |
| Release of unused provision                                | -                            | -                            | -                | -             |
| Amounts utilized   | (40)                         | -                            | (1)              | (2)           |
| Differences arising from translation of foreign operations | (5)                          | -                            | -                | -             |
| <b>Balance at 30 June 2021</b>                             | <b>83</b>                    | <b>2</b>                     | <b>20</b>        | <b>32</b>     |
| Balance at 1 July 2019                                     | 72                           | 31                           | 15               | 7             |
| Reclassified as impairment of RoU on adoption of AASB 16   | -                            | (23)                         | -                | -             |
| Transfers  | -                            | (6)                          | -                | -             |
| Additional provisions                                      | 9                            | 7                            | 12               | 23            |
| Release of unused provision                                | -                            | (2)                          | (3)              | (2)           |
| Amounts utilized   | (3)                          | -                            | (9)              | -             |
| Differences arising from translation of foreign operations | 1                            | -                            | (1)              | -             |
| <b>Balance at 30 June 2020</b>                             | <b>79</b>                    | <b>7</b>                     | <b>14</b>        | <b>28</b>     |

### RECOGNITION AND MEASUREMENT

Provisions are recognized when the consolidated entity has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events. It is probable that a future sacrifice of economic benefits will be required, and a reliable estimate can be made of the amount of the obligation.

#### Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave, sick leave, severance pay and long service leave.

Liabilities arising in respect of wages and salaries, annual leave, sick leave and any other employee benefits expected to be settled within 12 months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefits or liabilities are measured at the present value of the estimated future cash outflows to be made in respect of services provided by the employees up to the reporting date. In determining the present value of future cash outflows, the high quality corporate bond rate with terms to maturity approximating the terms of the related liability is used.



## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### 11. PROVISIONS (CONTINUED)

#### *Project losses*

Where additional costs are expected to be incurred on a project but where timing and exact magnitude are uncertain, a provision is recognized using Management's best estimate based on the project circumstances. Additionally, where the outcome for a services contract is expected to result in an overall loss over the life of the project, this loss is provided for when it first becomes known that a loss will be incurred.

#### *Insurance*

Provision for insurance liabilities is recognized in line with actuarial calculations of unsettled insurance claims, net of insurance recoveries. The provision is based on the aggregate amount of individual claims incurred but not reported that are lower in value than the insurance deductible of the consolidated entity. It is based on the estimated cost of settling claims, and consideration is given to the ultimate claim size and future inflation as well as the levels of compensation awarded through the courts.

#### *Onerous contracts*

Provisions for onerous contracts are recognized when the unavoidable costs of meeting the contract obligations exceed the economic benefits expected to be received under it.

#### *Warranty*

The Group provides a general warranty for rework which is accounted for in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets.

The provision is estimated having regard to prior warranty experience. In calculating the liability at balance date, amounts were not discounted to their present value as the effect of discounting was not material. It is expected that these costs will be incurred within two years of balance date.

In determining the level of provision required for warranties, the Group has made judgments in respect of the expected performance and the costs of fulfilling the warranty. Historical experience and current knowledge have been used in determining this provision.

#### *Other provisions*

Other provisions are recognized when the Group has a present obligation (legal or constructive) other than obligations described above as a result of a past event and where it is probable that resources will be expected to settle the obligation and the amount of such obligations can be reliably estimated.

### 12. CAPITAL MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on equity which the Group defines as profit after income tax expense divided by the average total shareholders' equity, excluding non-controlling interests. The Board also determines the level of dividends to ordinary shareholders.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Board monitors this through the gearing ratio (net debt/net debt plus total equity), the size of available banking facilities and the assessment of the outlook for the Group operations. The target for the Group's gearing ratio is between 25% and 35%. The gearing ratio at 30 June 2021 and 30 June 2020 was as follows:

|  | CONSOLIDATED |              |
|--|--------------|--------------|
|  | 2021<br>\$M  | 2020<br>\$M  |
| Total interest bearing loans and borrowings excluding lease liabilities <sup>1</sup> | 1,761        | 1,867        |
| Add: Lease liabilities   | 311          | 435          |
| Less: derivatives <sup>2</sup>   | -            | (48)         |
| Less: cash and cash equivalents <sup>3</sup>   | (526)        | (490)        |
| Net debt   | 1,546        | 1,764        |
| Total equity   | 5,601        | 5,940        |
| <b>Gearing</b>   | <b>21.6%</b> | <b>22.9%</b> |

There were no changes in the Group's approach to capital management during the financial year.

Neither the Group nor any of its subsidiaries is in breach of externally imposed capital requirements.

<sup>1</sup> Excluding capitalized borrowing costs.

<sup>2</sup> Only includes mark to market cross currency swaps.

<sup>3</sup> Includes procurement cash.



|  | CONSOLIDATED |              |
|--|--------------|--------------|
|  | 2021<br>\$M  | 2020<br>\$M  |
| <b>13. INTEREST BEARING LOANS AND BORROWINGS AND LEASE LIABILITIES</b> |              |              |
| <b>CURRENT</b>   |              |              |
| Notes payable  | -            | 254          |
| Unsecured bank loans   | 102          | 223          |
| Bank overdraft   | 33           | -            |
| Lease liabilities  | 112          | 153          |
| Capitalized borrowing costs  | (1)          | (4)          |
|  | <b>246</b>   | <b>626</b>   |
| <b>NON-CURRENT</b>   |              |              |
| Notes payable  | 1,068        | 298          |
| Unsecured bank loans   | 558          | 1,092        |
| Lease liabilities  | 199          | 282          |
| Capitalized borrowing costs  | (12)         | (10)         |
|  | <b>1,813</b> | <b>1,662</b> |

## FY2021

In the second half of FY2021, the group issued a EUR500 million sustainability-linked bond under a Euro medium term note program. The bond has a five-year maturity, has a fixed interest rate of 0.875% and was priced at a yield of 0.99%. Proceeds will be used for general corporate purposes and to refinance the group's existing bank facilities.

The Group's property rationalization program is continuing, as noted in note 28, with termination options held under certain property agreements have been assessed as reasonably certain to be exercised as at 30 June 2021. Should these options not be exercised, the lease liability would increase by \$10 million.

## FY2020

In the second half of FY2020, approximately \$480 million of debt facilities were renewed for a further 12 months (to April 2021), and \$465 million additional facilities were secured for a period of 12 months to April 2021.

Due to the Group's property rationalization program noted in note 28, termination options held under certain property agreements have been assessed as reasonably certain to be exercised as at 30 June 2020. Should these options not be exercised, the lease liability would increase by \$11 million.

## RECOGNITION AND MEASUREMENT

### Interest bearing loans and borrowings

Loans and borrowings are initially recognized at fair value, net of transaction costs incurred. Loans and borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the Statement of Financial Performance over the period of the loan using the effective interest rate method.

### Lease liabilities

The Group defines a lease as a contract or part of a contract that conveys the right to control the use of an asset (the underlying asset) for a period of time in exchange for consideration. At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone price.

The Group's vast majority of leases are properties with a small portion comprised of leases of construction equipment, vehicles and IT equipment.

As a lessee, the Group uses a single model for lease accounting and, at lease commencement date, recognizes a RoU representing the Group's right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

At the lease commencement date, the lease liability is measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that cannot be readily determined, the applicable incremental borrowing rate. Subsequently, the lease liability is adjusted for interest and lease payments as well as the impact of lease modifications. It is remeasured when there is a change in future lease payments arising from changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised and under some other special circumstances. The Group applies judgment to determine the lease term for some leases in which it is a lessee that include renewal options.

Some property leases contain extension options or termination options exercisable by the Group before the end of the non-cancellable contract period. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension or termination option. These are reassessed if there is a significant event or changes in circumstance within its control.

### Finance costs

Borrowing costs are recognized as expenses in the period in which they are incurred, except when they are included in the costs of qualifying assets. A qualifying asset is defined as an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing costs include:

- interest on bank overdrafts, short term and long term loans and borrowings;
- amortization of discounts or premiums relating to loans and borrowings and non-current payables; and
- lease liability interest.

Included in the total finance costs of \$83m (2020: \$132m), disclosed in the Statement of Financial Performance and Other Comprehensive Income, is \$16m recognized on lease liabilities (2020: \$23m).



## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### 13. INTEREST BEARING LOANS AND BORROWINGS AND LEASE LIABILITIES (CONTINUED)

#### TERMS AND CONDITIONS

##### Notes payable

Unsecured notes payable on the Group's balance sheet as at 30 June 2021 were issued in the EURO market and listed on the Singapore exchange and in the United States private debt capital market in June 2021 and September 2012 as follows:

| AMOUNT, MILLION | DATE OF ISSUE  | DATE OF MATURITY | FIXED COUPON PER ANNUM |
|-----------------|----------------|------------------|------------------------|
| EURO 500        | June 2021      | June 2026        | 0.875%                 |
| USD 205         | September 2012 | September 2022   | 4.00%                  |

Unsecured notes payable of USD 175 million, issued in the United States private debt capital market in March 2011, matured and was repaid in March 2021. In FY20, unsecured notes payable of USD 75 million, issued in the United States private debt capital market in September 2012, matured and were repaid in September 2019.

Cross currency swaps entered into previously have expired on 24 March 2021. In FY20, these cross currency swaps swapped USD 120 million of notes payable into CAD 118 million, representing 32% of the outstanding notes.

##### Unsecured bank loans

Unsecured bank loans are floating interest rate debt facilities and are subject to negative pledge arrangements which require the Group to comply with certain minimum financial requirements.

### 14. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

The movements in financial liabilities and related financial assets are as follows:

|   | CONSOLIDATED            |                               |                    |                                       |                            | AS AT<br>30 June<br>\$'M |
|---|-------------------------|-------------------------------|--------------------|---------------------------------------|----------------------------|--------------------------|
|   | AS AT<br>1 JULY<br>\$'M | RECLAS-<br>SIFICATION<br>\$'M | CASH FLOWS<br>\$'M | FOREIGN EXCHANGE<br>MOVEMENTS<br>\$'M | OTHER <sup>1</sup><br>\$'M |                          |
| <b>2021</b>                                       |                         |                               |                    |                                       |                            |                          |
| Current interest bearing loans and borrowings     | 477                     | 54                            | (339)              | (57)                                  | -                          | 135                      |
| Non-current interest bearing loans and borrowings | 1,390                   | (54)                          | 344                | (54)                                  | -                          | 1,626                    |
| Lease liabilities                                 | 435                     | -                             | (136)              | (7)                                   | 19                         | 311                      |
| <b>Liabilities</b>                                | <b>2,302</b>            | <b>-</b>                      | <b>(131)</b>       | <b>(118)</b>                          | <b>19</b>                  | <b>2,072</b>             |
| <b>2020</b>                                       |                         |                               |                    |                                       |                            |                          |
| Current interest bearing loans and borrowings     | 166                     | 312                           | (15)               | 14                                    | -                          | 477                      |
| Non-current interest bearing loans and borrowings | 1,987                   | (312)                         | (320)              | 35                                    | -                          | 1,390                    |
| Lease liabilities                                 | 461                     | -                             | (147)              | (1)                                   | 122                        | 435                      |
| <b>Liabilities</b>                                | <b>2,614</b>            | <b>-</b>                      | <b>(482)</b>       | <b>48</b>                             | <b>122</b>                 | <b>2,302</b>             |

|  | CONSOLIDATED             |                          |              |              |
|--|--------------------------|--------------------------|--------------|--------------|
|  | 2021<br>NUMBER OF SHARES | 2020<br>NUMBER OF SHARES | \$'M         | \$'M         |
| <b>15. ISSUED CAPITAL</b>                |                          |                          |              |              |
| Ordinary shares, fully paid <sup>2</sup> | 523,079,821              | 521,477,245              | 5,321        | 5,301        |
| Special voting share                     | 1                        | 1                        | -            | -            |
|  | <b>523,079,822</b>       | <b>521,477,246</b>       | <b>5,321</b> | <b>5,301</b> |

#### (A) MOVEMENTS IN SHARES

|   | 2021               |              | 2020               |              |
|---|--------------------|--------------|--------------------|--------------|
|   | NUMBER OF SHARES   | \$'M         | NUMBER OF SHARES   | \$'M         |
| Balance at the beginning of the financial year                              | 521,477,246        | 5,301        | 520,041,807        | 5,283        |
| Ordinary shares issued on redemption of exchangeable shares                 | -                  | -            | 30,000             | 1            |
| Exchangeable shares exchanged for ordinary shares                           | -                  | -            | (30,000)           | (1)          |
| Transfer from performance rights reserve on issuance of shares <sup>3</sup> | 1,602,576          | 20           | 1,435,439          | 18           |
| <b>Balance at the end of the financial year</b>                             | <b>523,079,822</b> | <b>5,321</b> | <b>521,477,246</b> | <b>5,301</b> |

<sup>1</sup> Represents new leases entered, interest expense not yet paid net of changes in lease term on termination options reasonably certain to be exercised.

<sup>2</sup> Included in ordinary shares are 1,006,193 (2020: 1,006,193) exchangeable shares. The issuance of the exchangeable shares and the attached special voting share replicate the economic effect of issuing ordinary shares in the Company. Accordingly, for accounting purposes, exchangeable shares are treated in the same single class of issued capital as ordinary shares. In addition, the Australian Securities Exchange (ASX) treats these exchangeable shares to have been converted into ordinary shares of the company at the time of their issue for the purposes of the ASX Listing Rules. Ordinary shares have no par value and the Company does not have a limited amount of authorized capital. The Worley Limited Plans Trust holds nil (2020: nil) shares of the company.

<sup>3</sup> Includes nil SPPR amendments (2020: 311,855)



## 15. ISSUED CAPITAL (CONTINUED)

### RECOGNITION AND MEASUREMENT

Issued and paid up capital is recognized at the fair value of the consideration received by the Group. Any transaction costs arising on the issue of ordinary shares are recognized directly in equity as a reduction of the share proceeds received.

### (B) TERMS AND CONDITIONS OF ISSUED CAPITAL

#### Ordinary shares

Ordinary shares have the right to receive dividends as declared and, in the event of the winding up of the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

#### Exchangeable shares

The exchangeable shares were issued by Worley Canada SPV Limited as part of the consideration for the acquisition of the Colt Group. Exchangeable shares may be exchanged into ordinary shares of the Company on a one for one basis (subject to adjustments) at any time by the exchangeable shareholders.

Exchangeable shares have the right to receive the same cash dividends or cash distributions as declared on the ordinary shares into which they are convertible. In the event of the winding up of the Company, the exchangeable shares would convert to ordinary shares which would participate in the proceeds from the sale of all surplus assets pro-rata with other ordinary shares.

The exchangeable shares, through a voting trust which holds a special voting share in the Company, entitle their holders to vote at the Company's general meetings as though they hold ordinary shares. During the financial year ended 30 June 2021, no exchangeable shares were exchanged (2020: 30,000).

#### Special voting share

The special voting share was issued to Computershare Trust Company of Canada Limited (Trustee) as part of the consideration for the acquisition of the Colt Group. The special voting share does not have the right to receive dividends as declared, and in the event of the winding up of the Company is unable to participate in the proceeds from the sale of all surplus assets. The special voting share has a right to vote together as one class of share with the holders of ordinary shares in the circumstances in which shareholders have a right to vote, subject to the Company's Constitution and applicable law. The Trustee must vote in the manner instructed by an exchangeable shareholder in respect of the number of votes that would attach to the ordinary shares to be received by that exchangeable shareholder on exchange of its exchangeable shares. The special voting share has an aggregate number of votes equal to the number of votes attached to ordinary shares into which the exchangeable shares are retracted or redeemed.

### (C) PERFORMANCE RIGHTS

The policy in respect of performance rights is outlined in note 5.

|   | NUMBER OF PERFORMANCE RIGHTS |                  |
|---|------------------------------|------------------|
|   | 2021                         | 2020             |
| Balance at the beginning of the financial year  | 5,730,966                    | 4,369,433        |
| Rights granted                                  | 3,192,277                    | 3,813,632        |
| Rights exercised                                | (1,602,576)                  | (1,779,479)      |
| Rights lapsed or expired                        | (934,281)                    | (672,620)        |
| <b>Balance at the end of the financial year</b> | <b>6,386,386</b>             | <b>5,730,966</b> |
| Exercisable at the end of the financial year    | nil                          | nil              |
| <b>Weighted average exercise price</b>          | <b>\$nil</b>                 | <b>\$nil</b>     |

#### Performance rights

The outstanding balance as at 30 June 2021 is represented by:

- 134,073 performance rights, vesting on 30 September 2021 and expiring on 29 October 2025;
- 2,011,662 performance rights, vesting on 30 September 2021 and expiring on 29 October 2026;
- 2,269,366 performance rights, vesting on 30 September 2022 and expiring on 29 October 2026;
- 1,235,799 performance rights, vesting on 30 September 2023 and expiring on 29 October 2026; and
- 735,486 performance rights, vesting on 30 September 2024 and expiring on 29 October 2026.

#### Weighted average remaining contractual life

The weighted average remaining life for the rights outstanding as at 30 June 2021 is 1.3 years (2020: 1.2 years).

#### Weighted average fair value

The weighted average fair value of rights granted during the financial year was \$8.05 (2020: \$11.92).



## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### 15. ISSUED CAPITAL (CONTINUED)

#### KEY ESTIMATES

##### Pricing model

The following table lists the inputs to the models used for the financial years ended 30 June 2021 and 30 June 2020:

|  | PERFORMANCE RIGHTS<br>PLAN TSR, EPS AND SPPR |              |
|--|--|--------------|
|  | 2021   | 2020         |
| Dividend yield (%)   | 4.95-5.37                                    | 4.00-4.24    |
| Expected volatility (%) <sup>1</sup>                         | 50   | 37.5         |
| Risk-free interest rate (%)                                  | 0.09-0.28                                    | 0.83-0.85    |
| Expected life of rights (years)                              | 2-4  | 2-4          |
| Rights exercise price (\$)                                   | nil  | nil          |
| <b>Weighted average share price at measurement date (\$)</b> | <b>9.41</b>                                  | <b>14.00</b> |

|                                      | CONSOLIDATED |              |
|--------------------------------------|--------------|--------------|
|                                      | 2021<br>\$ M | 2020<br>\$ M |
| <b>16. RESERVES</b>                  |              |              |
| Foreign currency translation reserve | (510)        | (342)        |
| Hedge reserve                        | 2            | 5            |
| Performance rights reserve           | 67           | 68           |
| Defined benefits reserve             | -            | (9)          |
| Acquisition reserve                  | (64)         | (64)         |
|                                      | <b>(505)</b> | <b>(342)</b> |

#### (A) FOREIGN CURRENCY TRANSLATION RESERVE

The foreign currency translation reserve is used to record foreign exchange differences arising from the translation of the financial statements of foreign controlled entities and associates and the net investments hedged in their entities.

#### (B) HEDGE RESERVE

The hedge reserve is used to record gains or losses on hedging instruments used in the cash flow hedges that are recognized directly in equity. Amounts are recognized in the Statement of Financial Performance when the associated hedged transaction affects the profit and loss.

No amount was recognized in the Statement of Financial Performance in relation to hedge ineffectiveness for the year ended 30 June 2021 (2020: nil).

#### RECOGNITION AND MEASUREMENT

##### Specific hedges

Hedging is undertaken to avoid or minimize potential adverse financial effects of movements in foreign currency exchange rates. Gains or losses arising upon entry into a hedging transaction intended to hedge the purchase or sale of goods or services, together with subsequent foreign exchange gains or losses resulting from those transactions, are deferred up to the date of the purchase or sale and included in the measurement of the purchase or sale.

Foreign exchange gains and losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognized directly in equity in the foreign currency translation reserve.

At each balance date, the Group measures the effectiveness of its cash flow hedges. The effective portion of the gain or loss on the hedging instrument is recognized directly in equity, while the ineffective portion is recognized in the profit and loss. The following effectiveness criteria are applied:

- An economic relationship exists between the hedged item and hedging instrument;
- The effect of credit risk does not dominate the fair value changes; and
- The hedge ratio applied for hedge accounting purposes should be the same as the hedge ratio used for risk management purposes.

#### (C) PERFORMANCE RIGHTS RESERVE

The performance rights reserve is used to recognize the fair value of performance rights issued but not vested.

#### (D) DEFINED BENEFITS RESERVE

The defined benefits reserve is used for remeasurements of the net defined benefit liability which comprises actual gains and losses, the return on plan assets (if applicable) and any asset ceilings where applicable.

#### (E) ACQUISITION RESERVE

The acquisition reserve is used to record differences between the carrying value of non-controlling interests before acquisition and the consideration paid upon acquisition of an additional shareholding where the transaction does not result in a loss of control.

<sup>1</sup> The expected volatility was determined based on the historical share price volatility of the Company. The resulting expected volatility therefore reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.



## 17. EARNINGS PER SHARE

|  | CONSOLIDATED  |               |
|--|---------------|---------------|
|  | 2021<br>CENTS | 2020<br>CENTS |
| <i>ATTRIBUTABLE TO MEMBERS OF WORLEY LIMITED</i> |               |               |
| Basic earnings per share                         | 16.5          | 32.8          |
| Diluted earnings per share                       | 16.3          | 32.7          |

The following reflects the income and security data used in the calculation of basic and diluted earnings per share:

### (A) RECONCILIATION OF EARNINGS USED IN CALCULATING EARNINGS PER SHARE

|   | \$M | \$M |
|---|-----|-----|
| Earnings used in calculating basic and diluted earnings per share | 86  | 171 |

### (B) WEIGHTED AVERAGE NUMBER OF SHARES USED AS THE DENOMINATOR

|   | Number             | Number             |
|---|--------------------|--------------------|
| Weighted average number of ordinary securities used in calculating basic earnings per share                   | 522,675,378        | 521,055,017        |
| Performance rights which are considered potentially dilutive  | 3,770,681          | 2,589,170          |
| <b>Adjusted weighted average number of ordinary securities used in calculating diluted earnings per share</b> | <b>526,446,059</b> | <b>523,644,187</b> |

Within the total number of performance rights which are considered dilutive, the weighted average number of converted, lapsed or cancelled potential ordinary shares used in calculating diluted earnings per share was 18,093 (2020: 159,798).

### MEASUREMENT

#### Basic earnings per share

Basic earnings per share is determined by dividing the profit attributable to members of Worley Limited by the weighted average number of ordinary shares outstanding during the financial year.

#### Diluted earnings per share

Diluted earnings per share is calculated as profit attributable to members of Worley Limited adjusted for:

- costs of servicing equity (other than dividends);
- the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognized as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares, divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

|  | CONSOLIDATED |             |
|--|--------------|-------------|
|  | 2021<br>\$M  | 2020<br>\$M |

## 18. DIVIDENDS

### (A) FINAL DIVIDEND PROPOSED

|  |     |     |
|--|-----|-----|
| Dividend in respect of the six months to 30 June 2021:<br>25.0 cents per share | 131 | -   |
| Dividend in respect of the six months to 30 June 2020:<br>25.0 cents per share | -   | 130 |

The directors have resolved to pay a final dividend of 25.0 cents per fully paid ordinary share, including exchangeable shares, unfranked (2020: 25.0 cents per share). The Company will make total dividend payments of 50.0 cents per share for the financial year ended 30 June 2021 (2020: 50.0 cents per share).

The final dividend will be paid on 29 September 2021 for shareholders on the register at the record date, being 1 September 2021.

In accordance with AASB 110 Events after the Reporting Period, the aggregate amount of the proposed final dividend of \$131 million is not recognized as a liability as at 30 June 2021.

### (B) DIVIDENDS PAID DURING THE FINANCIAL YEAR

|  |            |            |
|--|------------|------------|
| 25.0 cents per share (unfranked) dividend in respect of the six months to 31 December 2020 | 131        | n/a        |
| 25.0 cents per share (unfranked) dividend in respect of the six months to 30 June 2020     | 130        | n/a        |
| 25.0 cents per share (unfranked) dividend in respect of the six months to 31 December 2019 | n/a        | 130        |
| 15.0 cents per share (unfranked) dividend in respect of the six months to 30 June 2019     | n/a        | 78         |
|  | <b>261</b> | <b>208</b> |



## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### 19. FINANCIAL RISK MANAGEMENT

#### (A) OVERVIEW

The Group's principal financial instruments comprise receivables, payables, bank loans and overdrafts, lease liabilities, cash and short term deposits and derivatives. The Group has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk and the management of capital. Quantitative disclosures are included throughout this financial report. The Board has overall responsibility for the establishment and oversight of the risk management framework. The Audit and Risk Committee assists the Board in overseeing the integrity of the Group's financial reporting risk management framework and internal controls. The Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Committee.

Risk management policies are established to identify and analyze the risks faced by the Group, set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

#### (B) CREDIT RISK

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The financial assets of the Group comprise cash and cash equivalents, trade and other receivables, derivative financial instruments and off-Statement of Financial Position guarantees and letters of credit. The Group's maximum exposure to credit risk is equal to the carrying amount of these instruments. Exposure at balance date is addressed in each applicable note. Credit exposure of derivatives is considered to be any positive market value.

#### Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The profiles of the Group's customer base including the default risk of the industry and country in which customers operate have less of an influence on credit risk. Geographically and on a customer basis, there is no concentration of credit risk.

The Group has a credit policy under which each new customer is analyzed for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available, and in some cases bank references.

The Group has established an allowance for expected credit losses that represents its estimate of expected credit losses in respect of trade and other receivables.

#### Guarantees

Details of outstanding guarantees are provided in note 25(A). The Group is, in the normal course of business, required to provide guarantees and letters of credit on behalf of controlled entities, associates and related parties in respect of their contractual performance related obligations.

#### Maximum credit exposure

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

|   | CARRYING AMOUNT<br>CONSOLIDATED |              |
|---|---------------------------------|--------------|
|   | 2021<br>\$'M                    | 2020<br>\$'M |
| Cash and cash equivalents   | 526                             | 490          |
| Trade receivables, unbilled contract revenue and retentions, net of credit loss allowance | 2,070                           | 2,425        |
| Other receivables   | 230                             | 201          |
| Amounts receivable from associates and related parties                                    | 26                              | 56           |
| Derivatives   | 4                               | 57           |
|   | <b>2,856</b>                    | <b>3,229</b> |

The ageing of the Group's trade receivables, unbilled contract revenue and retentions at the reporting date was:

|                                      | GROSS<br>2021<br>\$'M |              | IMPAIRMENT<br>ALLOWANCE<br>2021<br>\$'M |              | GROSS<br>RESTATED<br>2020<br>\$'M |              | IMPAIRMENT<br>ALLOWANCE<br>2020<br>\$'M |              |
|--------------------------------------|-----------------------|--------------|---|--------------|-----------------------------------|--------------|---|--------------|
|                                      | 2021<br>\$'M          | 2021<br>\$'M | 2021<br>\$'M                            | 2021<br>\$'M | 2020<br>\$'M                      | 2020<br>\$'M | 2020<br>\$'M                            | 2020<br>\$'M |
| 0-60 days                            | 1,732                 | -            | -                                       | -            | 1,940                             | -            | -                                       | -            |
| Past due 61-120 days                 | 72                    | -            | -                                       | -            | 119                               | -            | -                                       | -            |
| Gross aged receivables 0-120 days    | 1,804                 | (13)         | -                                       | -            | 2,059                             | (11)         | -                                       | -            |
| Gross receivables more than 121 days | 319                   | (40)         | -                                       | -            | 430                               | (53)         | -                                       | -            |
| <b>Total</b>                         | <b>2,123</b>          | <b>(53)</b>  | <b>(13)</b>                             | <b>(40)</b>  | <b>2,489</b>                      | <b>(64)</b>  | <b>(11)</b>                             | <b>(53)</b>  |



## 19. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (B) CREDIT RISK (CONTINUED)

For trade receivables and contract assets, the Group applies a simplified approach in calculating Expected Credit Loss (ECLs). Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The allowance amounts are used to record impairment losses, unless the Group is satisfied that no recovery of the amount owing is possible; at that point, the amount is considered irrecoverable and is written off against the financial asset directly.

### (C) LIQUIDITY RISK

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The Group has unrestricted access at balance date to the following lines of credit:

|  | CONSOLIDATED |              |
|--|--------------|--------------|
|  | 2021<br>\$M  | 2020<br>\$M  |
| <b>UNSECURED FACILITIES</b>  |              |              |
| Total facilities available:  |              |              |
| Loan facilities  | 2,480        | 3,098        |
| Overdraft facilities   | 235          | 158          |
| Lease liabilities  | 311          | 435          |
| Bank guarantees and letters of credit  | 1,685        | 1,709        |
|  | <b>4,711</b> | <b>5,400</b> |
| Facilities utilized at balance date:   |              |              |
| Loan facilities <sup>1</sup>   | 1,719        | 1,867        |
| Overdraft facilities   | 41           | -            |
| Lease liabilities  | 311          | 435          |
| Bank guarantees and letters of credit  | 931          | 1,112        |
|  | <b>3,002</b> | <b>3,414</b> |
| Facilities available at balance date:  |              |              |
| Loan facilities  | 761          | 1,231        |
| Overdraft facilities   | 194          | 158          |
| Lease liabilities  | -            | -            |
| Bank guarantees and letters of credit  | 754          | 597          |
|  | <b>1,709</b> | <b>1,986</b> |
| The maturity profile in respect of the Group's total unsecured loan, overdraft facilities and lease liabilities are set out below: |              |              |
| Within one year  | 465          | 1,318        |
| Between one and four years   | 1,729        | 2,313        |
| After four years   | 832          | 60           |
|  | <b>3,026</b> | <b>3,691</b> |

Subsequent to year end, the Group completed a refinance of one of its facilities which resulted in the extension of the maturity by 1 year and increased the available facilities of the Group by USD \$40 million. This refinance is not reflected in the table above.

<sup>1</sup> Excludes capitalized borrowing costs.



## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### 19. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### (C) LIQUIDITY RISK

The table below analyzes the Group's financial liabilities into relevant maturity groupings based on the remaining period from balance date to the contractual maturity date. As the amounts disclosed in the table are the contractual undiscounted cash flows, their balances will not necessarily agree with the amounts disclosed in the Statement of Financial Position.

|                                | CONSOLIDATED                     |   |   |   |                     |  | TOTAL FINANCIAL LIABILITIES<br>\$'M |
|--------------------------------|----------------------------------|---|---|---|---------------------|--|-------------------------------------|
|                                | TRADE AND OTHER PAYABLES<br>\$'M | AMOUNTS PAYABLE TO ASSOCIATES AND RELATED PARTIES<br>\$'M | INTEREST BEARING LOANS AND BORROWINGS AND LEASE LIABILITIES<br>\$'M | EXPECTED FUTURE INTEREST PAYMENTS<br>\$'M | DERIVATIVES<br>\$'M |  |                                     |
| As at 30 June 2021             |                                  |   |   |   |                     |  |                                     |
| Due within one year            | 981                              | -   | 215   | 42  | 10                  |  | 1,248                               |
| Due between one and four years | 44                               | -   | 993   | 65  | -                   |  | 1,102                               |
| Due after four years           | -                                | -   | 832   | 9   | -                   |  | 841                                 |
|                                | <b>1,025</b>                     | <b>-</b>  | <b>2,040</b>  | <b>116</b>                                | <b>10</b>           |  | <b>3,191</b>                        |
| As at 30 June 2020             |                                  |   |   |   |                     |  |                                     |
| Due within one year            | 1,114                            | -   | 630   | 71  | 3                   |  | 1,818                               |
| Due between one and four years | 48                               | -   | 1,612   | 106                                       | -                   |  | 1,766                               |
| Due after four years           | -                                | -   | 60  | 2   | -                   |  | 62                                  |
|                                | <b>1,162</b>                     | <b>-</b>  | <b>2,302</b>  | <b>179</b>                                | <b>3</b>            |  | <b>3,646</b>                        |

#### (D) MARKET RISK

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Group enters into derivatives and also incurs financial liabilities in order to manage market risk. Generally, the Group seeks to apply hedge accounting in order to reduce volatility in the profit and loss.

#### (i) Currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities. In the ordinary course of business, the Group structures its contracts to be in the functional currency of the country where the work is performed, and costs incurred.

The Group uses forward exchange contracts and foreign currency options to hedge its currency risk, most with a maturity of less than one year from the reporting date. When necessary, forward exchange contracts are rolled over at maturity.

Interest on loans and borrowings is denominated in currencies that match the cash flows generated by the underlying operations for the Group, resulting in an economic hedge. Interest is primarily AUD, CAD, GBP and USD denominated.

A number of the Group controlled entities have a functional currency other than AUD. The exchange gains or losses on the net equity investment of foreign operations are reflected in the foreign currency translation reserve within the equity attributable to members of Worley Limited. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

#### (1) CROSS CURRENCY SWAPS

The Group has previously used cross currency swaps (CCS) to hedge its foreign currency interest rate risk which has matured during the financial year.

|  | WEIGHTED AVERAGE EXCHANGE RATE |      | AMOUNT RECEIVABLE/(PAYABLE) |              | AMOUNT RECEIVABLE/(PAYABLE) |              |
|--|--------------------------------|------|-----------------------------|--------------|-----------------------------|--------------|
|  | 2021                           | 2020 | 2021<br>\$'M                | 2021<br>\$'M | 2020<br>\$'M                | 2020<br>\$'M |
| <b>Contracts to buy USD and sell CAD</b> |                                |      |                             |              |                             |              |
| Matured 13 September 2019                | -                              | 1.01 | -                           | -            | -                           | -            |
| Matured 24 March 2021                    | -                              | 0.99 | -                           | -            | USD 120                     | CAD (118)    |

The following gains and losses have been deferred at balance date:

|  | CONSOLIDATED |              |
|--|--------------|--------------|
|  | 2021<br>\$'M | 2020<br>\$'M |
| Fair value gain on cross currency hedge              | -            | 48           |
| Foreign exchange loss on hedge relationship          | (3)          | (49)         |
| <b>Net gain/(loss) pre-tax in hedge relationship</b> | <b>(3)</b>   | <b>(1)</b>   |



## 19. FINANCIAL RISK MANAGEMENT (CONTINUED)

(D) MARKET RISK

### (2) FORWARD EXCHANGE CONTRACTS

The Group is exposed to foreign exchange rate transaction risk on foreign currency sales and purchases and loans to and from related entities. The most significant foreign exchange risk is USD receipts by Australian and other non-US entities. When required, hedging is undertaken through transactions entered into in the foreign exchange markets. Forward exchange contracts have been used for hedging purposes and are generally accounted for as cash flow hedges. At balance date, the details of significant outstanding contracts were:

|  | WEIGHTED AVERAGE EXCHANGE RATE |       | AMOUNT RECEIVABLE/(PAYABLE) |           | AMOUNT RECEIVABLE/(PAYABLE) |          |
|--|--------------------------------|-------|-----------------------------|-----------|-----------------------------|----------|
|  | 2021                           | 2020  | 2021                        | 2020      | 2020                        | 2020     |
|  |                                |       | \$'M                        | \$'M      | \$'M                        | \$'M     |
| <b>Maturing in the next 6 months from the reporting date</b> |                                |       |                             |           |                             |          |
| BUY AUD and Sell USD   | 0.75                           | 0.69  | AUD 16                      | USD (12)  | AUD 36                      | USD 27   |
| Buy AUD and Sell CAD   | -                              | 1.07  | -                           | -         | AUD 85                      | CAD (77) |
| Buy CAD and Sell USD   | 1.28                           | -     | CAD 28                      | USD (23)  | -                           | -        |
| Buy NOK and Sell USD   | 8.76                           | 10.20 | NOK 563                     | USD (68)  | NOK 266                     | USD (26) |
| Buy NOK and Sell AUD   | 6.54                           | 6.56  | NOK 240                     | AUD (37)  | NOK293                      | AUD (44) |
| Buy EUR and Sell USD   | 0.84                           | 0.89  | EUR 35                      | USD (42)  | EUR 20                      | USD (22) |
| Buy GBP and Sell AUD   | 0.55                           | -     | GBP 18                      | AUD (32)  | -                           | -        |
| Buy GBP and Sell RUB   | 0.01                           | -     | GBP 5                       | RUB (565) | -                           | -        |
| Buy RUB and Sell GBP   | 0.01                           | -     | RUB 565                     | GBP (5)   | -                           | -        |
| Buy GBP and Sell USD   | 0.74                           | 0.80  | GBP 6                       | USD (8)   | GBP 39                      | GBP (49) |
| Buy USD and Sell AUD   | -                              | 0.69  | -                           | -         | USD 28                      | AUD (41) |

As these contracts are hedging anticipated future receipts and sales, to the extent that they satisfy hedge accounting criteria, any unrealized gains and losses on the contracts, together with the cost of the contracts, are deferred and will be recognized in the measurement of the underlying transaction provided the underlying transaction is still expected to occur as originally designated. Included in the amounts deferred are any gains and losses on hedging contracts terminated prior to maturity where the related hedged transaction is still expected to occur as designated.

The timescale (future cash flow timings) of the foreign exchange forward contracts is in line with future detailed forecast cash flows in foreign currencies. Start dates and completion dates are tracked, and the transactions are based on won projects and are highly probable to occur, resulting in immaterial ineffectiveness. The change in fair values between the hedging instrument and item are materially the same with the proportion of the risk that is hedged being at or near 100%.

The gains and losses deferred in the Statement of Financial Position were as follows:

|   | CONSOLIDATED |            |
|---|--------------|------------|
|   | 2021         | 2020       |
|   | \$'M         | \$'M       |
| Effective hedge – unrealized gains            | -            | 11         |
| Effective hedge – unrealized losses           | -            | (12)       |
| <b>Net unrealized gains/(losses), pre-tax</b> | <b>-</b>     | <b>(1)</b> |



## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### 19. FINANCIAL RISK MANAGEMENT (CONTINUED)

(D) MARKET RISK

#### (3) FOREIGN CURRENCY RISK EXPOSURE

The Group's year end Statement of Financial Position exposure to foreign currency risk was as follows, based on notional amounts. The following are financial assets and liabilities (unhedged amounts) in currencies other than the functional currencies of the entity in which they are recorded:

|   | CONSOLIDATED |             |             |             |                            |
|---|--------------|-------------|-------------|-------------|----------------------------|
|   | CAD<br>\$ M  | GBP<br>\$ M | USD<br>\$ M | EUR<br>\$ M | OTHER <sup>1</sup><br>\$ M |
| As at 30 June 2021                                    |              |             |             |             |                            |
| Cash and cash equivalents                             | 1            | 6           | 91          | 6           | 44                         |
| Trade receivables                                     | 8            | 4           | 64          | 30          | 42                         |
| Trade payables  | (1)          | (10)        | (96)        | (54)        | (12)                       |
| <b>Gross Statement of Financial Position exposure</b> | <b>8</b>     | <b>-</b>    | <b>59</b>   | <b>(18)</b> | <b>74</b>                  |
| As at 30 June 2020                                    |              |             |             |             |                            |
| Cash and cash equivalents                             | -            | 3           | 76          | 8           | 25                         |
| Trade receivables                                     | 1            | -           | 50          | 17          | 22                         |
| Trade payables  | (2)          | (6)         | (95)        | (8)         | (16)                       |
| <b>Gross Statement of Financial Position exposure</b> | <b>(1)</b>   | <b>(3)</b>  | <b>31</b>   | <b>17</b>   | <b>31</b>                  |

#### (4) CURRENCY SENSITIVITY ANALYSIS

A 10% weakening of the Australian dollar against the following currencies at 30 June 2021 in relation to the preceding foreign currency exposures would have increased equity and profit by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

| EFFECTS IN MILLIONS OF AUD | CONSOLIDATED |        |        |        |
|----------------------------|--------------|--------|--------|--------|
|                            | 2021         |        | 2020   |        |
|                            | EQUITY       | PROFIT | EQUITY | PROFIT |
| CAD                        | -            | 1      | -      | -      |
| GBP                        | -            | -      | -      | -      |
| USD                        | -            | 6      | -      | 4      |
| EUR                        | -            | (2)    | -      | 2      |
| Other                      | -            | 5      | -      | 2      |

A 10% strengthening of the Australian dollar against the above currencies at 30 June 2021 would have had the equal but opposite effect on the above currencies to the amounts shown above on the basis that all other variables remain constant.

The following significant exchange rates against the AUD applied during the financial year:

|     | AVERAGE EXCHANGE RATE |        | REPORTING DATE SPOT EXCHANGE RATE |        |
|-----|-----------------------|--------|-----------------------------------|--------|
|     | 2021                  | 2020   | 2021                              | 2020   |
|     | CAD                   | 0.9575 | 0.8996                            | 0.9572 |
| GBP | 0.5547                | 0.5325 | 0.5525                            | 0.5540 |
| USD | 0.7470                | 0.6710 | 0.7486                            | 0.6886 |
| EUR | 0.6261                | 0.6067 | 0.6257                            | 0.6138 |

<sup>1</sup> Represented in AUD currency millions as indicated.



## 19. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (D) MARKET RISK

#### (ii) Interest rate risk

Interest rate risk is the risk that changes in interest rates will affect the Group's income or the value of its holdings of financial instruments.

#### (1) INTEREST RATE RISK EXPOSURES

The Group's exposure to interest rate risk and the effective weighted average interest rate by maturity periods are set out in the following table:

|                           | WEIGHTED<br>AVERAGE<br>INTEREST<br>RATE<br>% PA | FLOATING<br>INTEREST<br>RATE<br>\$'M | 1 YEAR<br>OR LESS<br>\$'M | 1 TO<br>2 YEAR(S)<br>\$'M | 2 TO<br>3 YEARS<br>\$'M | 3 TO<br>4 YEARS<br>\$'M | 4 TO<br>5 YEARS<br>\$'M | MORE THAN<br>5 YEARS<br>\$'M | NON-INTEREST<br>BEARING<br>\$'M | TOTAL<br>\$'M |
|---------------------------|---|--------------------------------------|---------------------------|---------------------------|-------------------------|-------------------------|-------------------------|------------------------------|---------------------------------|---------------|
| As at 30 June 2021        |   |                                      |                           |                           |                         |                         |                         |                              |                                 |               |
| Cash and cash equivalents | 1.5   | 526                                  | -                         | -                         | -                       | -                       | -                       | -                            | -                               | 526           |
| Bank loans <sup>1</sup>   | 2.1   | -                                    | 102                       | 54                        | 347                     | 157                     | -                       | -                            | -                               | 660           |
| Notes payable             | 1.7   | -                                    | -                         | 275                       | -                       | -                       | 793                     | -                            | -                               | 1,068         |
| Lease liabilities         | 5.3   | -                                    | 112                       | 74                        | 52                      | 34                      | 22                      | 17                           | -                               | 311           |
| As at 30 June 2020        |   |                                      |                           |                           |                         |                         |                         |                              |                                 |               |
| Cash and cash equivalents | 1.7   | 490                                  | -                         | -                         | -                       | -                       | -                       | -                            | -                               | 490           |
| Bank loans                | 2.7   | -                                    | 223                       | 56                        | 56                      | 980                     | -                       | -                            | -                               | 1,315         |
| Notes payable             | 4.7   | -                                    | 254                       | -                         | 298                     | -                       | -                       | -                            | -                               | 552           |
| Lease liabilities         | 4.6   | -                                    | 153                       | 114                       | 65                      | 43                      | 28                      | 32                           | -                               | 435           |

Only bank loans in the table above are at floating interest rates with the effect of changes in interest rates by 1%, changing total interest expense by 10%. Notes payable are at fixed interest rates. Lease liabilities are recognized at the incremental borrowing rates at inception of the lease that do not change unless there are certain modifications or remeasurements to the lease.

## 20. FAIR VALUES

### DETERMINATION OF FAIR VALUES

The Group's accounting policies and disclosures require the determination of fair value for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions used in determining fair values is disclosed in the notes specific to that asset or liability.

#### Derivatives

The fair value of forward exchange contracts is estimated by discounting the difference between the contractual forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds). The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated cash flows based on the terms and maturity of each contract and using market interest rates for similar instruments at the measurement date.

#### Non-derivative financial liabilities

Fair value which is determined for disclosure purposes is the price that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date.

#### FAIR VALUES COMPARED TO CARRYING AMOUNTS

The fair values of financial assets and liabilities approximate to their carrying values with the exception of interest bearing loans and borrowings which have a fair value of \$1,776 million (2020: \$1,908 million) and a carrying value of \$1,760 million (2020: \$1,867 million).

The Group uses the following hierarchy for determining the fair value of a financial asset or liability:

- Level 1 – the fair value is calculated using quoted prices in active markets; and
- Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). The Group's interest bearing loans and borrowings and derivative instruments including interest rate swaps and forward exchange contracts fall within Level 2 of the hierarchy.

Derivative instruments including interest rate swaps and forward exchange contracts are restated to fair values at each reporting date based on market observable inputs such as foreign exchange spot and forward rates, interest rate curves and forward rate curves.

Fair values of the Group's interest bearing loans and borrowings are determined by discounting future cash flows using period-end borrowing rates on loans and borrowings with similar terms and maturity.

There were no transfers between Level 1 and 2, and no financial instruments were measured at Level 3 (where fair value is measured using unobservable inputs for the asset or liability) for the periods presented in this report.

<sup>1</sup> Excludes capitalized borrowing costs.



## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### 21. INVESTMENTS IN CONTROLLED ENTITIES

| ENTITY                                | COUNTRY OF INCORPORATION | BENEFICIAL INTEREST HELD BY CONSOLIDATED ENTITY |        |
|---------------------------------------|--------------------------|---|--------|
|                                       |                          | 2021 %  | 2020 % |
| <i>(A) SIGNIFICANT ENTITIES</i>       |                          |   |        |
| Worley No 2 Pty Limited <sup>1</sup>  | Australia                | 100   | 100    |
| Worley Canada Services Ltd            | Canada                   | 100   | 100    |
| Worley Cord Limited                   | Canada                   | 100   | 100    |
| Worley Engineering Pty Limited        | Australia                | 100   | 100    |
| Worley Financial Services Pty Limited | Australia                | 100   | 100    |
| Worley Group Inc                      | USA                      | 100   | 100    |
| Rosenberg Worley AS                   | Norway                   | 100   | 100    |
| Worley US Holding Corporation         | USA                      | 100   | 100    |
| Worley US Finance Sub Limited         | USA                      | 100   | 100    |
| Worley Corporation                    | USA                      | 100   | 100    |
| Worley SPV1 Pty Ltd                   | Australia                | 100   | 100    |
| Worley ECR Services Inc               | USA                      | 100   | 100    |
| Worley Field Services Incorporated    | USA                      | 100   | 100    |
| Worley Nederland BV                   | Netherlands              | 100   | 100    |
| Worley Equipment Incorporated         | USA                      | 100   | 100    |
| Worley India Private Limited          | India                    | 100   | 100    |

In accordance with the accounting standards, the Group discloses only significant entities identified on the basis of materiality.

#### *(B) ACQUISITION OF CONTROLLED ENTITIES*

##### **FY2021**

On 9 July 2020, Worley acquired 50% of the shares in TW Power Services Pty Ltd ('TWPS') it did not previously own for cash consideration of \$10.5 million. TWPS is an operations and maintenance (O&M) business providing services to support critical power infrastructures across Australia, New Zealand and South Asia.

##### **FY2020**

On 25 October 2019, Worley acquired a 100% share in 3sun Group Ltd (3sun); a UK based offshore wind and energy installation, inspection and maintenance business. The total purchase price consideration amounts to \$40 million (GBP 21 million) and comprises a \$34 million cash consideration paid and \$6 million contingent consideration. Other smaller acquisitions were also made during the period.

#### *(C) DISPOSAL OF CONTROLLED ENTITIES*

On 26 March 2021, Worley finalized the sale of the Capital Projects Advisory - Australia and New Zealand ('CPA ANZ') businesses for consideration of \$48 million. CPA ANZ is a small part of Worley's Advisian consulting business specialising in capital project delivery within the public infrastructure sector. \$36 million of the consideration was received during FY21 with the remaining funds to be received during FY22. A gain on sale of \$7 million has been recognized.

#### *RECOGNITION AND MEASUREMENT*

##### **Controlled entities**

Where control of an entity is obtained during a financial year, its results are included in the Statement of Financial Performance and Other Comprehensive Income from the date on which control commences. Where control of an entity ceases during a financial year, its results are included for that part of the year during which control existed.

A change in the ownership interest of a subsidiary that does not result in a loss of control is accounted for as an equity transaction.

##### **Acquisition of assets and business combinations**

The acquisition method of accounting is used to account for all business combinations regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given up, shares issued or liabilities undertaken or assumed at the date of acquisition. Transaction costs directly attributable to the acquisition are expensed as incurred. Where equity instruments are issued in a business combination, the value of the instruments is their market price as determined by market valuation at the acquisition date. Transaction costs arising on the issue of equity instruments are recognized directly in equity.

If the business combination is achieved in stages, the acquisition date fair value of the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through the profit and loss.

<sup>1</sup> Entities subject to ASIC Corporations Instrument 2016/785.



## 21. INVESTMENTS IN CONTROLLED ENTITIES (CONTINUED)

### RECOGNITION AND MEASUREMENT (CONTINUED)

#### Acquisition of assets and business combinations (continued)

Except for non-current assets or disposal groups classified as held for sale (which are measured at fair value less costs to sell), all identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of the business combination over the net fair value of the Group's share of the identifiable net assets acquired is recognized as goodwill. If the cost of acquisition is less than the Group's share of the net fair value of the identifiable net assets of the subsidiary, the difference is recognized as a gain in the Statement of Financial Performance and Other Comprehensive Income but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of the consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the Group's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

## 22. EQUITY ACCOUNTED ASSOCIATES

### (A) DETAILS OF EQUITY ACCOUNTED ASSOCIATES

The Group's largest equity accounted investments are listed below. None are considered individually material to the Group.

| ENTITY  | PRINCIPAL PLACE OF BUSINESS | PRINCIPAL ACTIVITY | OWNERSHIP INTEREST CONSOLIDATED |        | CARRYING AMOUNT CONSOLIDATED |            |
|---|-----------------------------|--------------------|---------------------------------|--------|------------------------------|------------|
|   |                             |                    | 2021 %                          | 2020 % | 2021 \$M                     | 2020 \$M   |
| <b>Significant investments</b>                            |                             |                    |                                 |        |                              |            |
| Jacobs Engineering SA Joint Ventures                      | Africa                      | Chemicals          | 50                              | 50     | 122                          | 118        |
| DeltaAfrik Engineering Limited                            | Nigeria                     | Energy             | 50                              | 50     | 16                           | 28         |
| Transfield Worley Power Services Pty Limited <sup>1</sup> | Australia                   | Infrastructure     | -                               | 50     | -                            | 18         |
| Other investments   |                             |                    |                                 |        | 34                           | 34         |
|   |                             |                    |                                 |        | <b>172</b>                   | <b>198</b> |

### (B) CARRYING AMOUNT OF EQUITY ACCOUNTED ASSOCIATES

|   | CONSOLIDATED |            |
|---|--------------|------------|
|   | 2021 \$M     | 2020 \$M   |
| Balance at the beginning of the financial year  | 198          | 213        |
| Acquisition of previously held equity associate   | (18)         | -          |
| Share of net profit of investments accounted for using the equity method, excluding impairments | -            | 1          |
| Dividends declared by equity accounted associates   | (3)          | (7)        |
| Change in nature of investment and investment acquired  | 3            | -          |
| Impairment of investments in equity accounted associates  | (7)          | (7)        |
| Disposal of investments   | -            | (4)        |
| Movement in foreign currency translation reserve of equity accounted associates                 | (1)          | 2          |
| <b>Balance at the end of the financial year</b>   | <b>172</b>   | <b>198</b> |

### (C) NET PROFIT ATTRIBUTABLE TO EQUITY ACCOUNTED ASSOCIATES

|  |          |          |
|--|----------|----------|
| <b>Net profit of equity accounted associates</b> | <b>-</b> | <b>1</b> |
|--|----------|----------|

### (D) REVENUE ATTRIBUTABLE TO EQUITY ACCOUNTED ASSOCIATES

|  |     |     |
|--|-----|-----|
| Share of revenue from equity accounted associates <sup>2</sup> | 210 | 393 |
|--|-----|-----|

### (E) RESERVES ATTRIBUTABLE TO EQUITY ACCOUNTED ASSOCIATES

| FOREIGN CURRENCY TRANSLATION RESERVE            |             |             |
|---|-------------|-------------|
| Balance at the beginning of the financial year  | (15)        | (17)        |
| Movement in reserve                             | (1)         | 2           |
| <b>Balance at the end of the financial year</b> | <b>(16)</b> | <b>(15)</b> |

<sup>1</sup> Acquired the remaining 50% during the financial year, refer note 21 (B).

<sup>2</sup> Revenue as defined in note 3, Operating Segments.



## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### 22. EQUITY ACCOUNTED ASSOCIATES (CONTINUED)

|   | CONSOLIDATED |             |
|---|--------------|-------------|
|   | 2021<br>\$M  | 2020<br>\$M |
| <i>(F) RETAINED PROFITS ATTRIBUTABLE TO EQUITY ACCOUNTED ASSOCIATES</i>   |              |             |
| Balance at the beginning of the financial year  | 79           | 92          |
| Acquisition of previous equity accounted associates   | (18)         | -           |
| Share of net profits of investments accounted for using the equity method   | -            | 1           |
| Impairment of investments in equity accounted associates  | (7)          | (7)         |
| Dividends declared by equity accounted associates   | (3)          | (7)         |
| <b>Balance at the end of the financial year</b>   | <b>51</b>    | <b>79</b>   |
| <i>(G) SHARE OF EQUITY ACCOUNTED ASSOCIATES' CONTINGENT LIABILITIES</i>   |              |             |
| Performance related guarantees issued   | 4            | 3           |
| <i>(H) SHARE OF EQUITY ACCOUNTED ASSOCIATES' EXPENDITURE COMMITMENTS</i>  |              |             |
| Expenditure commitments   | -            | -           |
| <i>(I) SUMMARY OF FINANCIAL POSITION OF EQUITY ACCOUNTED ASSOCIATES</i>   |              |             |
| The consolidated entity's share of aggregate assets and liabilities of equity accounted associates is as follows: |              |             |
| Current assets  | 313          | 376         |
| Non-current assets  | 73           | 107         |
| Current liabilities   | (214)        | (261)       |
| Non-current liabilities   | -            | (24)        |
| Net assets  | 172          | 198         |
| <b>Balance at the end of the financial year</b>   | <b>172</b>   | <b>198</b>  |

#### RECOGNITION AND MEASUREMENT

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting. Under this method, the consolidated entity's share of the post-acquisition profits or losses after tax of associates is recognized in the Statement of Financial Performance and Other Comprehensive Income, and its share of post-acquisition movements in reserves is recognized in consolidated reserves. The cumulative post-acquisition movements are adjusted against the cost of the investment. Associates are those entities over which the consolidated entity exercises significant influence, but not control.

### 23. INTERESTS IN JOINT OPERATIONS

| JOINT OPERATION   | PRINCIPAL ACTIVITY | OWNERSHIP INTEREST<br>CONSOLIDATED |           |
|---|--------------------|------------------------------------|-----------|
|   |                    | 2021<br>%                          | 2020<br>% |
| The Group's largest joint operation is listed below. It is not individually material to the Group.  |                    |                                    |           |
| Kazakh Projects Joint Venture   | Energy             | 50                                 | 50        |
| The consolidated entity's interests in the assets and liabilities employed in all joint operations are included in the Statement of Financial Position under the following classifications: |                    |                                    |           |

|                                  | CONSOLIDATED |             |
|----------------------------------|--------------|-------------|
|                                  | 2021<br>\$M  | 2020<br>\$M |
| <i>CURRENT ASSETS</i>            |              |             |
| Cash and cash equivalents        | 7            | 21          |
| Trade and other receivables      | 37           | 54          |
| <b>Total current assets</b>      | <b>44</b>    | <b>75</b>   |
| <b>TOTAL ASSETS</b>              | <b>44</b>    | <b>75</b>   |
| <i>CURRENT LIABILITIES</i>       |              |             |
| Trade and other payables         | 39           | 68          |
| <b>Total current liabilities</b> | <b>39</b>    | <b>68</b>   |
| <b>TOTAL LIABILITIES</b>         | <b>39</b>    | <b>68</b>   |
| <b>NET ASSETS</b>                | <b>5</b>     | <b>7</b>    |

#### RECOGNITION AND MEASUREMENT

The Group recognizes its proportionate interest in the assets, liabilities, revenues and expenses of any joint operations. These balances are incorporated in the financial statements under the appropriate headings.



|  | CONSOLIDATED |             |
|--|--------------|-------------|
|  | 2021<br>\$M  | 2020<br>\$M |
| <b>24. COMMITMENTS FOR EXPENDITURE</b>   |              |             |
| <i>(A) CAPITAL EXPENDITURE COMMITMENTS</i>   |              |             |
| Commitments for minimum amount payable for the acquisition of intangible assets or property, plant and equipment are payable as follows: |              |             |
| Within one year  | 24           | 34          |
| Later than one year and not later than five years  | -            | -           |
| Later than five years  | -            | -           |
| <b>Commitments not recognized in the financial statements</b>  | <b>24</b>    | <b>34</b>   |

*(B) OPERATING EXPENDITURE COMMITMENTS AND LEASE COMMITMENTS*

Estimated commitments for operating expenditure (primarily in relation to software and information technology) and lease commitments payable are as follows:

|   |            |            |
|---|------------|------------|
| Within one year   | 104        | 116        |
| Later than one year and not later than five years             | 83         | 103        |
| Later than five years   | -          | 1          |
| <b>Commitments not recognized in the financial statements</b> | <b>187</b> | <b>220</b> |

**25. CONTINGENT LIABILITIES**

*(A) GUARANTEES*

The Company is, in the normal course of business, required to provide guarantees and letters of credit on behalf of controlled entities, associates and related parties in respect of their contractual performance related obligations.

These guarantees and letters of credit only give rise to a liability where the entity concerned fails to perform its contractual obligation.

|   | CONSOLIDATED |              |
|---|--------------|--------------|
|   | 2021<br>\$M  | 2020<br>\$M  |
| Bank guarantees outstanding at balance date in respect of contractual performance | 931          | 1,112        |
| <b>Commitments not recognized in the financial statements</b>                     | <b>931</b>   | <b>1,112</b> |

*(B) ACTUAL AND PENDING CLAIMS*

The Company is subject to various actual and pending claims arising in the normal course of business. The Company has regular claims reviews, including updates from corporate and outside counsel, to assess the need for accounting recognition or disclosure of these contingencies. The directors are currently of the view that the consolidated entity is adequately provided in respect of these claims in accordance with the accounting policy set out in note 11.

*(C) ASBESTOS*

Certain previously acquired subsidiaries have been, and continue to be, the subject of litigation relating to the handling of or exposure to asbestos. Due to the existing indemnity and asbestos claims administration arrangements between the prior owners of the acquired subsidiaries, the Group is not aware of any circumstance that is likely to lead to a residual contingent exposure for the Group in respect of asbestos liabilities.

**26. SUBSEQUENT EVENTS**

Since the end of the financial year, the directors have resolved to pay a final dividend of 25.0 cents per fully paid ordinary share including exchangeable shares, unfranked (2020: 25.0 cents per share).

In accordance with AASB 110 Events after the Reporting Period, the aggregate amount of the proposed final dividend of \$131 million is not recognized as a liability as at 30 June 2021.

Unless disclosed elsewhere in the financial statements, no other material matter or circumstance has arisen since 30 June 2021 that has significantly affected or may significantly affect:

- the consolidated entity's operations in future financial years;
- the results of those operations in future financial years; or
- the consolidated entity's state of affairs in future financial years.



## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### 27. PROCUREMENT

In certain situations, the Group enters into contracts with its customers which require the Group to procure goods and services on behalf of the customer. Where the risks and rewards associated with the procurement activities are assumed by the Group, the revenues and expenses as well as the assets and liabilities are recognized on a gross basis in the Statement of Financial Performance and Statement of Financial Position.

The following procurement revenues and costs as well as the assets and liabilities have been recognized on a gross basis in the Statement of Financial Performance and Statement of Financial Position:

|   | CONSOLIDATED |              |
|---|--------------|--------------|
|   | 2021<br>\$'M | 2020<br>\$'M |
| <i>REVENUE AND EXPENSES<sup>1</sup></i> |              |              |
| Procurement revenue at margin           | 462          | 774          |
| Procurement costs at margin             | (447)        | (690)        |
| Procurement revenue at nil margin       | 949          | 2,190        |
| Procurement costs at nil margin         | (949)        | (2,190)      |
| <i>ASSETS AND LIABILITIES</i>           |              |              |
| Cash and cash equivalents               | 4            | 23           |
| Trade and other receivables             | 219          | 301          |
| Trade and other payables                | 228          | 276          |

|  | CONSOLIDATED |              |
|--|--------------|--------------|
|  | 2021<br>\$'M | 2020<br>\$'M |
| <b>28. PROPERTY, PLANT AND EQUIPMENT AND RIGHT OF USE (ROU) ASSETS</b> |              |              |
| <i>Land and buildings</i>  |              |              |
| At cost  | 314          | 367          |
| Accumulated depreciation   | (47)         | (71)         |
|  | <b>267</b>   | <b>296</b>   |
| <i>Property RoU assets</i>   |              |              |
| At cost  | 500          | 527          |
| Accumulated depreciation   | (301)        | (222)        |
|  | <b>199</b>   | <b>305</b>   |
| <i>Leasehold improvements</i>  |              |              |
| At cost  | 230          | 299          |
| Accumulated amortization   | (198)        | (252)        |
|  | <b>32</b>    | <b>47</b>    |
| <i>Plant and equipment and RoU assets</i>                              |              |              |
| At cost  | 377          | 428          |
| Accumulated depreciation   | (295)        | (319)        |
|  | <b>82</b>    | <b>109</b>   |
| <i>IT equipment</i>  |              |              |
| At cost  | 199          | 210          |
| Accumulated depreciation   | (161)        | (184)        |
|  | <b>38</b>    | <b>26</b>    |
| <b>Total property, plant and equipment and RoU assets</b>              | <b>618</b>   | <b>783</b>   |

<sup>1</sup> Revenue and expenses exclude procurement revenue and expenses from associates.



## 28. PROPERTY, PLANT AND EQUIPMENT AND RIGHT OF USE (ROU) ASSETS (CONTINUED)

### RECONCILIATIONS

Reconciliations of the carrying amounts of each class of property, plant and equipment and RoU assets at the beginning and end of the current and previous financial years are set out below:

|   | CONSOLIDATED       |                     |                        |                                    |              |            |
|---|--------------------|---------------------|------------------------|------------------------------------|--------------|------------|
|   | LAND AND BUILDINGS | PROPERTY ROU ASSETS | LEASEHOLD IMPROVEMENTS | PLANT AND EQUIPMENT AND ROU ASSETS | IT EQUIPMENT | TOTAL      |
|   | \$'M               | \$'M                | \$'M                   | \$'M                               | \$'M         | \$'M       |
| Balance at 1 July 2020  | 296                | 305                 | 47                     | 109                                | 26           | 783        |
| Additions   | -                  | 21                  | 4                      | 17                                 | 30           | 72         |
| Transfer  | -                  | -                   | (3)                    | 6                                  | (3)          | -          |
| Disposal and remeasurements                                       | -                  | (1)                 | (5)                    | -                                  | (1)          | (7)        |
| Impairments   | -                  | (30)                | (3)                    | (12)                               | -            | (45)       |
| Depreciation  | (7)                | -                   | (7)                    | (27)                               | (14)         | (55)       |
| Amortization  | -                  | (91)                | -                      | (11)                               | -            | (102)      |
| Differences arising on translation of foreign operations          | (22)               | (5)                 | (1)                    | -                                  | -            | (28)       |
| <b>Balance at 30 June 2021</b>                                    | <b>267</b>         | <b>199</b>          | <b>32</b>              | <b>82</b>                          | <b>38</b>    | <b>618</b> |
| Balance at 1 July 2019  | 304                | n/a                 | 52                     | 87                                 | 19           | 462        |
| Adoption of AASB 16 on 1 July 2019                                | -                  | 375                 | -                      | 32                                 | -            | 407        |
| Additions   | -                  | 138                 | 6                      | 32                                 | 19           | 195        |
| Other movements including lease termination options and disposals | -                  | (13)                | 8                      | 2                                  | 6            | 3          |
| Impairments   | -                  | (47)                | (4)                    | -                                  | -            | (51)       |
| Depreciation  | (9)                | -                   | (14)                   | (35)                               | (17)         | (75)       |
| Amortization  | -                  | (145)               | -                      | (11)                               | -            | (156)      |
| Differences arising on translation of foreign operations          | 1                  | (3)                 | (1)                    | 2                                  | (1)          | (2)        |
| <b>Balance at 30 June 2020</b>                                    | <b>296</b>         | <b>305</b>          | <b>47</b>              | <b>109</b>                         | <b>26</b>    | <b>783</b> |

### RECOGNITION AND MEASUREMENT

Property, plant and equipment and right of use assets are stated at cost less accumulated depreciation, amortization and impairment, if any.

The Group has undergone a property rationalization program by reducing the number of offices required and increasing utilization of office space. As a result, the Group has recognized an impairment of certain RoUs and related leasehold improvements and property, plant and equipment as at 30 June 2021 for \$30 million and \$8 million respectively (30 June 2020: \$47 million and \$4 million respectively). The property rationalization program also resulted in onerous contract cost provisions recognized as at 30 June 2021 of \$24 million (30 June 2020: \$23 million), relating to the service component (non-lease component) of leases considered onerous in line with AASB 137 Provisions, Contingent Liabilities and Contingent Assets. These costs are included in the transformation and restructuring costs in note 5.

The aforementioned assets were impaired on an individual basis where they could be distinguished as a stand-alone asset (generate largely independent cash flows). Where assets could not be individually distinguished they are grouped and tested within the appropriate CGU as described further in note 10.

The RoU impairments represent the difference between the pre-impairment carrying value at assessment date less the recoverable amount. The recoverable amounts include an assessment of potential sub-lease income which requires an element of judgment and are based on Management's best estimate.



## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

|   | CONSOLIDATED |                      |
|---|--------------|----------------------|
|   | 2021<br>\$M  | 2020 RESTATED<br>\$M |
| <b>29. DEFERRED TAX</b>                                       |              |                      |
| <i>(A) DEFERRED TAX ASSETS</i>                                |              |                      |
| The balance comprises temporary differences attributable to:  |              |                      |
| Amounts recognized in the Statement of Financial Performance: |              |                      |
| Allowance for impairment of trade receivables                 | 9            | 8                    |
| Employee benefits provisions                                  | 74           | 76                   |
| Warranty provisions   | 11           | 5                    |
| Project provisions  | 42           | 29                   |
| Other provisions  | 100          | 80                   |
| Property, plant and equipment and right of use assets         | 63           | 69                   |
| Sundry accruals   | 14           | 25                   |
| Recognized tax losses   | 113          | 87                   |
| Unused foreign tax credits                                    | 3            | 3                    |
| Unrealized foreign exchange losses                            | 7            | 4                    |
| Other   | (22)         | (17)                 |
| <b>Total deferred tax assets</b>                              | <b>414</b>   | <b>369</b>           |
| Deferred tax asset and liabilities offset                     | (194)        | (134)                |
| <b>Net deferred tax assets</b>                                | <b>220</b>   | <b>235</b>           |
| Amounts recognized directly in equity:                        |              |                      |
| Foreign exchange losses                                       | (7)          | 14                   |
| <b>Deferred tax assets</b>                                    | <b>213</b>   | <b>249</b>           |
| Balance at the beginning of the financial year                | 249          | 303                  |
| Additions through business combinations                       | -            | -                    |
| Credited to the Statement of Financial Performance            | 43           | 20                   |
| Charged to equity   | (20)         | 6                    |
| Deferred tax offset movement                                  | (61)         | (73)                 |
| Differences arising on translation of foreign operations      | 2            | (7)                  |
| <b>Balance at the end of the financial year</b>               | <b>213</b>   | <b>249</b>           |
| <i>(B) DEFERRED TAX LIABILITIES</i>                           |              |                      |
| The balance comprises temporary differences attributable to:  |              |                      |
| Amounts recognized in the Statement of Financial Performance: |              |                      |
| Identifiable intangible assets and goodwill                   | 194          | 198                  |
| Unbilled contract revenue                                     | 46           | 37                   |
| Property, plant and equipment and right of use assets         | 25           | 20                   |
| Unrealized foreign exchange gains                             | 5            | 4                    |
| Prepayments   | -            | 2                    |
| Other   | (16)         | (17)                 |
| <b>Total deferred tax liabilities</b>                         | <b>254</b>   | <b>244</b>           |
| Deferred tax asset and liabilities offset                     | (194)        | (134)                |
| <b>Net deferred tax liabilities</b>                           | <b>60</b>    | <b>110</b>           |
| Amounts recognized directly in equity:                        |              |                      |
| Other   | -            | 1                    |
| <b>Deferred tax liabilities</b>                               | <b>60</b>    | <b>111</b>           |
| Balance at the beginning of the financial year                | 111          | 159                  |
| Additions through business combinations                       | -            | -                    |
| Charged to the Statement of Financial Performance             | 15           | 21                   |
| Charged to equity   | (1)          | -                    |
| Deferred tax offset movement                                  | (61)         | (73)                 |
| Differences arising on translation of foreign operations      | (4)          | 4                    |
| <b>Balance at the end of the financial year</b>               | <b>60</b>    | <b>111</b>           |



## 29. DEFERRED TAX (CONTINUED)

### RECOGNITION AND MEASUREMENT

Deferred tax assets and liabilities are recognized for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantially enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognized in relation to these temporary differences if they arose in a transaction, other than a business combination that at the time did not affect either accounting profit or taxable profit and loss.

Deferred tax assets and liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax amounts relating to items recognized directly in equity are also recognized in equity and not in the Statement of Financial Performance.

### KEY ESTIMATES

Deferred tax assets are recognized for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences. The Group assesses the recoverability of recognized and unrecognized deferred taxes on a consistent basis, using estimates and assumptions relating to projected earnings and cash flows as applied in the Group impairment process.

## 30. DEFINED BENEFIT PLANS

The Group operates defined benefit pension plans which require contributions to be made to a separately administered fund. Also, the Group provides certain post-employment healthcare benefits to employees (unfunded). Except for plans in Saudi Arabia, all plans are closed to the new participants.

The balances in relation to defined benefit plans are as follows:

|  | CONSOLIDATED |              |
|--|--------------|--------------|
|  | 2021<br>\$'M | 2020<br>\$'M |
| Amounts recognized in the Statement of Financial Position: |              |              |
| Net defined benefits liability                             | 51           | 65           |

### RECOGNITION AND MEASUREMENT

Defined benefit obligation calculation is performed by qualified actuaries using the projected credit method.

The Group's net obligation in respect of defined benefits plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned, discounted with the fair value of the plan assets deducted.

Remeasurements of the net defined benefit liability which comprise actual gains and losses, the return on plan assets and any asset ceilings where applicable are recognized in OCI. Remeasurements are not reclassified to profit or loss in subsequent periods.

Net interest expense and other expenses relating to defined benefit plans are recognized in profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized in profit and loss. Gains and losses on settlement of a defined benefit plan are recognized when settlement occurs.

## 31. RELATED PARTIES

### (A) DIRECTORS

The names of persons who were directors of the Company at any time during the financial year were as follows:

John Grill, AO (Chair)

Andrew Liveris, AO (Deputy Chair and Lead Independent Director)

Thomas Gorman

Christopher Haynes, OBE

Roger Higgins

Martin Parkinson, AC

Emma Stein (Appointed 10 December 2020)

Juan Suárez Coppel

Anne Templeman-Jones

Wang Xiao Bin

Sharon Warburton

Chris Ashton (Chief Executive Officer)



## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### 31. RELATED PARTIES (CONTINUED)

#### (B) OTHER RELATED PARTIES

|  | CONSOLIDATED    |                 |
|--|-----------------|-----------------|
|  | 2021<br>\$ '000 | 2020<br>\$ '000 |
| Aggregate amounts brought to account in relation to other transactions with each class of other related parties were as follows: |                 |                 |
| <i>Net loan repayments from:</i>   |                 |                 |
| Associates and related parties   | (6,000)         | 7,000           |
| <i>Dividends received from:</i>  |                 |                 |
| Dividend revenue from associates   | 3,000           | 7,000           |
| Aggregate amounts receivable from and payable to each class of other related parties at balance date were as follows:            |                 |                 |
| <i>Current receivables</i>   |                 |                 |
| Associates and related parties   | 26,000          | 56,000          |
| <i>Current payables</i>  |                 |                 |
| Associates and related parties   | -               | -               |

Related entities provide specific advisory services to controlled entities in the normal course of business. These transactions are made on normal terms and conditions and at market rates.

#### (C) CONTROLLING ENTITIES

Worley Limited is the ultimate Australian parent company.

|  | CONSOLIDATED |            |
|--|--------------|------------|
|  | 2021<br>\$   | 2020<br>\$ |

### 32. REMUNERATION OF AUDITORS

Remuneration for audit or review of the financial reports of the Parent Entity or any other entity in the Group:

|   |                  |                  |
|---|------------------|------------------|
| Fees for auditing the statutory financial reports of the Parent Entity and any controlled entities covering the Group | 2,621,893        | 3,093,937        |
| Fees for non-audit services:  |                  |                  |
| -Tax related services   | 1,309            | 9,985            |
| -Other non-audit services   | 486,000          | 100,056          |
| <b>Total fees to Ernst &amp; Young (Australia)</b>  | <b>3,109,202</b> | <b>3,203,978</b> |
| <i>(A) REMUNERATION OF OVERSEAS MEMBER FIRMS OF ERNST &amp; YOUNG</i>   |                  |                  |
| Fees for auditing the statutory financial reports of the Parent and any controlled entities covering the Group        | 2,822,427        | 3,194,985        |
| Fees for auditing the statutory financial reports of any controlled entities excluded from the Group audit            | 2,441,825        | 1,818,018        |
| Fees for non-audit services:  |                  |                  |
| -Tax related services   | 1,044,625        | 680,735          |
| -Other non-audit services   | -                | 74,940           |
| <b>Total fees to overseas member firms of Ernst &amp; Young</b>   | <b>6,308,877</b> | <b>5,768,678</b> |
| <b>Total remuneration of Ernst &amp; Young</b>  | <b>9,418,079</b> | <b>8,972,656</b> |
| Other auditors of controlled entities   | 62,398           | 281,994          |
| <b>Total Audit remuneration</b>   | <b>9,480,477</b> | <b>9,254,650</b> |

|  | CONSOLIDATED |            |
|--|--------------|------------|
|  | 2021<br>\$   | 2020<br>\$ |

### 33. KEY MANAGEMENT PERSONNEL

|                              |                   |                   |
|------------------------------|-------------------|-------------------|
| Short term employee benefits | 9,841,000         | 14,492,000        |
| Post-employment benefits     | 204,000           | 284,000           |
| Termination benefits         | -                 | 1,737,000         |
| Other long term benefits     | 18,000            | 60,000            |
| Share based payments         | 2,582,000         | 5,854,000         |
| <b>Total compensation</b>    | <b>12,645,000</b> | <b>22,427,000</b> |



## 34. PARENT ENTITY DISCLOSURES

### (A) PARENT ENTITY

Worley Limited Parent Entity financial statements include investments in the following entities:

| ENTITY  | COUNTRY OF INCORPORATION | 2021<br>\$'M | 2020<br>\$'M |
|---|--------------------------|--------------|--------------|
| Worley SPV1 Pty Limited   | Australia                | 2,977        | 2,977        |
| Worley Financial Services Pty Limited                           | Australia                | 440          | 440          |
| Worley Canada Holdings Pty Limited                              | Australia                | 198          | 198          |
| Worley Canada Callco Ltd  | Canada                   | 121          | 121          |
| Worley Engineering Pty Limited                                  | Australia                | 100          | 100          |
| Engineering Securities Pty Limited atf The Worley Limited Trust | Australia                | 94           | 94           |
|   |                          | <b>3,930</b> | <b>3,930</b> |

The parent entity's summary financial information as required by the *Corporations Act 2001* is as follows:

|  | 2021<br>\$'M | 2020<br>\$'M |
|--|--------------|--------------|
| <b>STATEMENT OF FINANCIAL PERFORMANCE</b>                |              |              |
| Profit before income tax expense                         | 213          | 363          |
| Income tax expense                                       | (5)          | (1)          |
| <b>Profit after income tax</b>                           | <b>208</b>   | <b>362</b>   |
| Profit attributable to members of Worley Limited         | 208          | 362          |
| Retained profits at the beginning of the financial year  | 114          | (40)         |
| Net dividends paid                                       | (261)        | (208)        |
| <b>Retained profits at the end of the financial year</b> | <b>61</b>    | <b>114</b>   |
| <b>STATEMENT OF COMPREHENSIVE INCOME</b>                 |              |              |
| Profit after income tax expense                          | 208          | 362          |
| <b>Total comprehensive income, net of tax</b>            | <b>208</b>   | <b>362</b>   |
| <b>STATEMENT OF FINANCIAL POSITION</b>                   |              |              |
| Current assets   | 1,701        | 1,634        |
| Total assets   | 5,620        | 5,567        |
| Current liabilities                                      | 171          | 57           |
| Total liabilities  | 171          | 84           |
| <b>Net assets</b>  | <b>5,449</b> | <b>5,483</b> |
| Issued capital   | 5,321        | 5,301        |
| Performance rights reserve                               | 67           | 68           |
| Retained profits   | 61           | 114          |
| <b>Total equity</b>                                      | <b>5,449</b> | <b>5,483</b> |

The Parent Entity has bank guarantees in respect of contractual performance outstanding at 30 June 2021 for the amount of nil (2020: \$nil). These commitments have not been recognized in the financial statements.

The Parent Entity has no commitments for expenditure.



## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### 34. PARENT ENTITY DISCLOSURES (CONTINUED)

#### (B) CLOSED GROUP

Worley Limited together with Worley No 2 Pty Limited, Worley Engineering Pty Limited, Worley Financial Services Pty Limited, Worley Services Pty Limited, Engineering Securities Pty Limited, Advisian Group Pty Limited, Advisian Pty Ltd, Worley SPV1 Pty Limited, Worley EA Holdings Pty Limited, Worley Infrastructure Holdings Pty Limited, Worley SEA Pty Limited, Worley South America Holdings Pty Limited, Worley Africa Holdings Pty Limited, Energy Resourcing Australia Pty Limited, INTECSEA Pty Ltd, Worley ECR Pty Ltd and TW Power Services Pty Limited (added in FY21) entered into a Deed of Cross Guarantee. The effect of the deed is that Worley Limited has guaranteed to pay any deficiency in the event of the winding up of the abovementioned controlled entities. The controlled entities have also given a similar guarantee in the event that Worley Limited is wound up. As a result, ASIC Corporations Instrument 2016/785 relieves certain of the controlled entities from the *Corporations Act 2001* requirements for preparation, audit and lodgement of financial reports.

The Statement of Financial Performance and Statement of Financial Position of the entities which are parties to the Deed of Cross Guarantee and The Worley Limited Trust (Closed Group) are as follows:

|  | CLOSED GROUP |              |
|--|--------------|--------------|
|  | 2021<br>\$M  | 2020<br>\$M  |
| <b>STATEMENT OF FINANCIAL PERFORMANCE</b>  |              |              |
| Profit before income tax expense   | 123          | 137          |
| Income tax expense   | (12)         | (30)         |
| <b>Profit after income tax expense</b>   | <b>111</b>   | <b>107</b>   |
| Profit attributable to members of Worley Limited                                     | 111          | 107          |
| Retained profits at the beginning of the financial year                              | 709          | 772          |
| Retained profits of entities that became party to the deed during the financial year | (9)          | 38           |
| Dividends paid   | (261)        | (208)        |
| <b>Retained profits at the end of the financial year</b>                             | <b>550</b>   | <b>709</b>   |
| <b>STATEMENT OF FINANCIAL POSITION</b>   |              |              |
| <b>ASSETS</b>  |              |              |
| <i>Current assets</i>  |              |              |
| Cash and cash equivalents  | 6            | 9            |
| Trade and other receivables  | 2,149        | 2,270        |
| Other current assets   | 73           | 62           |
| <b>Total current assets</b>  | <b>2,228</b> | <b>2,341</b> |
| <i>Non-current assets</i>  |              |              |
| Deferred tax assets  | 47           | 66           |
| Intangible assets  | 249          | 256          |
| Property, plant and equipment  | 54           | 12           |
| Other non-current assets   | 5,600        | 5,651        |
| <b>Total non-current assets</b>  | <b>5,950</b> | <b>5,985</b> |
| <b>TOTAL ASSETS</b>  | <b>8,178</b> | <b>8,326</b> |
| <b>LIABILITIES</b>   |              |              |
| <i>Current liabilities</i>   |              |              |
| Trade and other payables   | 1,884        | 1,753        |
| Interest bearing loans and borrowings and lease liabilities                          | 50           | 134          |
| Provisions   | 109          | 114          |
| Derivatives  | 6            | 3            |
| <b>Total current liabilities</b>   | <b>2,049</b> | <b>2,004</b> |
| <i>Non-current liabilities</i>   |              |              |
| Trade and other payables   | 10           | 9            |
| Interest bearing loans and borrowings and lease liabilities                          | 200          | 247          |
| Deferred tax liabilities   | 14           | 16           |
| <b>Total non-current liabilities</b>   | <b>224</b>   | <b>272</b>   |
| <b>TOTAL LIABILITIES</b>   | <b>2,273</b> | <b>2,276</b> |
| <b>NET ASSETS</b>  | <b>5,905</b> | <b>6,050</b> |
| <b>EQUITY</b>  |              |              |
| Issued capital   | 5,321        | 5,301        |
| Reserves   | 34           | 40           |
| Retained profits   | 550          | 709          |
| <b>TOTAL EQUITY</b>  | <b>5,905</b> | <b>6,050</b> |



## Directors' declaration

In accordance with a resolution of the directors of Worley Limited, I state that:

1. In the opinion of the directors:
  - (a) the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
    - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the year ended on that date; and
    - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*;
  - (b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2(A);
  - (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
  - (d) as at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in note 34(B) will be able to meet any obligations or liabilities to which they are or may become subject, by virtue of the Deed of Cross Guarantee.
2. This declaration has been made after receiving the declarations required to be made to the directors from the chief executive officer and chief financial officer in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2021.

On behalf of the Board

**JOHN GRILL, AO**  
Chair  
Sydney, 25 August 2021



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## Independent auditor's report to the members of Worley Limited

### Report on the audit of the financial report

#### Opinion

We have audited the financial report of Worley Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of financial performance and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2021 and of its consolidated financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

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## 1. Revenue Recognition and Measurement

### Why significant

The Group recognises revenue from contracts with customers as performance obligations are fulfilled over time. This occurs when services are performed or goods are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the revenue is recognised, estimates can be required due to the nature and extent of varying contract conditions, which are unique and can be complex.

The accurate recording of revenue is highly dependent upon the following factors:

- ▶ Appropriate knowledge of individual contract characteristics and status of work - key characteristics would be the industry and/or geography of the project and length and type of contract (lump sum basis or time and materials basis);
- ▶ Determination of variable consideration, including performance incentives, which are recognised from the outset of the contract but only to the extent that it is highly probable that a significant revenue reversal will not occur; and
- ▶ Determination of claims received from customers, including an assessment of the probability that such claims will result in an outflow of economic resources.

This was considered a key audit matter given the complexity of the contracts and the level of judgement required to estimate the amount of revenue recognised.

The Group's disclosures are included in Note 4 of the financial report.

### How our audit addressed the key audit matter

Our audit procedures included the following:

- ▶ We assessed whether the policies and methodology used by the Group to recognise revenue met the requirements of Australian Accounting Standards.
- ▶ We assessed the effectiveness of the Group's controls in the following areas:
  - initiation, processing and approval of new customers and/or contracts;
  - review and approval of project costs incurred;
  - authorisation of monthly project variations;
  - review and assessment of significant changes in work in progress balances; and
  - review of unapproved variations and claims.
- ▶ Performed data analytical procedures to corroborate the expected correlation between revenue and related accounts during the year.
- ▶ We selected a sample of contracts based on qualitative and quantitative factors and performed the following procedures:
  - reviewed contract terms and conditions and assessed whether the individual characteristics of each contract were appropriately accounted for;
  - assessed the Group's ability to deliver budgeted contract margins by analysing the historical accuracy of forecasting margins and the relationship of contract cost versus billing status;
  - agreed material contract revenue and cost variations and claims to information provided by third parties;
  - assessed any variable consideration and the basis for recognition and measurement;
  - assessed related contract provisions and the probability of a reversal of revenue with reference to contract terms and customer claims; and
  - for contracts accounted for using the percentage of completion method, we assessed the forecast cost to complete calculations.
- ▶ We evaluated the adequacy of the related disclosures in the financial report including those made with respect to judgements and estimates.



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## 2. Impairment of trade receivables

### Why significant

An allowance for impairment is made by the Group for the expected credit losses associated with its trade receivables and unbilled contract revenue. The Group has \$328 million of trade receivables and unbilled contract revenue as at 30 June 2021 that are more than 121 days past due with an associated impairment allowance of \$40 million, as disclosed in Note 19(B).

The Group applies a lifetime expected loss model to measure expected credit losses. The Group uses judgement in making the assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking assumptions.

This was a key audit matter due to the judgement involved in making the assumptions and estimating the inputs to the impairment calculation.

The Group's disclosures are included in Notes 8 and 19(B) of the financial report.

### How our audit addressed the key audit matter

Our audit procedures included the following:

- ▶ We assessed whether the process for recognising impairment of trade receivables met the requirements of Australian Accounting Standards.
- ▶ We assessed the Group's estimates of the expected credit losses, with reference to historical losses and the ageing of trade receivables and unbilled contract revenue.
- ▶ We selected a sample of trade receivables and unbilled contract revenue based on qualitative and quantitative factors and performed the following procedures:
  - We analysed the ageing of trade receivables, past payment and credit history of the customers;
  - We assessed the economic environment applicable to these customers, including the impact of COVID-19 and oil price fluctuations;
  - We considered the historical accuracy of forecasting expected credit losses;
  - Where applicable we evaluated evidence from legal and external experts; and
  - We evaluated the Group's assessment of collectability considering the process to achieve recovery, the likely timing of these processes and events that could delay or impact the collectability.
- ▶ We evaluated the adequacy of the related disclosures in the financial report including those made with respect to judgements and estimates.



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### 3. Impairment of Goodwill

#### Why significant

In accordance with the requirements of Australian Accounting Standards, the Group performed an annual impairment test of goodwill after allocating goodwill to groups of cash-generating units (CGUs).

On 1 July 2020, the Group adopted a new operating model resulting in a change to the CGUs. As set out in Note 10, The Group now defines the groups of CGUs as Americas, EMEA and APAC and goodwill was reallocated to the revised CGUs using a relative fair value approach on 1 July 2020.

A value in use model based on discounted cash flow forecasts is used to calculate the recoverable amount of each group of CGUs. The cash flow forecasts and growth rates include consideration of the impact of COVID-19, oil price fluctuations and the focus on sustainability on the business.

This was considered to be a Key Audit Matter due to the level of judgement required to forecast cash flows and discount rates used to calculate the recoverable amount of each Group of CGUs.

The Group's disclosures are included in Note 10 of the financial report.

#### How our audit addressed the key audit matter

Our audit procedures included the following:

- ▶ We assessed whether the methodology used by the Group met the requirements of Australian Accounting Standards.
- ▶ We assessed the reallocation of goodwill to the revised CGUs on 1 July 2020, with reference to the assumptions used in the value in use models at 30 June 2020.
- ▶ We involved our valuation specialists in performing the following procedures relating to the value in use models of the Group's CGUs:
  - We assessed the basis of preparing cash flow forecasts considering the impact of COVID-19, oil price fluctuations, the company's strategic move to sustainability, historical accuracy of previous forecasts and board approved budgets and current trading performance;
  - We assessed the appropriateness of other key assumptions such as the discount rates and growth rates with reference to publicly available information on comparable companies in the industry and markets in which the Group operates;
  - We tested the mathematical accuracy of the cash flow models; and
  - We performed sensitivity analyses and evaluated whether a reasonably possible change in assumptions could cause the carrying amount of the cash generating unit to exceed its recoverable amount.
- ▶ We evaluated the adequacy of the related disclosures in the financial report including those made with respect to judgements and estimates.



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### **Information Other than the Financial Report and Auditor's Report Thereon**

The directors are responsible for the other information. The other information comprises the information included in the Company's 2021 Annual Report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the directors for the Financial Report**

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the audit of the financial report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on the audit of the Remuneration Report

### Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 62 to 88 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Worley Limited for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.



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### Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Scott Jarrett  
Partner  
Sydney  
25 August 2021



## Shareholder information

### TOP 20 HOLDINGS OF FULLY PAID ORDINARY SHARES AS AT 2 AUGUST 2021

| NAME   | SHARES             | % OF ISSUED CAPITAL | RANK |
|--|--------------------|---------------------|------|
| HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED                              | 204,920,448        | 39.18               | 1    |
| J P MORGAN NOMINEES AUSTRALIA PTY LIMITED                              | 74,779,850         | 14.30               | 2    |
| MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED                         | 51,427,952         | 9.83                | 3    |
| CITICORP NOMINEES PTY LIMITED  | 34,787,295         | 6.65                | 4    |
| WILACI PTY LIMITED ATF THE SERPENTINE TRUST                            | 22,390,562         | 4.28                | 5    |
| NATIONAL NOMINESS LIMITED  | 19,119,307         | 3.66                | 6    |
| BNP PARIBAS NOMS PTY LTD <DRP>   | 5,734,921          | 1.10                | 7    |
| SERPENTINE FOUNDATION PTY LIMITED <SERPENTINE FOUNDATION A/C>          | 5,400,000          | 1.03                | 8    |
| BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>                  | 3,885,285          | 0.74                | 9    |
| HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C> | 3,186,940          | 0.61                | 10   |
| NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>                      | 3,123,342          | 0.60                | 11   |
| BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM                           | 3,118,003          | 0.60                | 12   |
| MR JOHN MICHAEL GRILL  | 2,826,277          | 0.54                | 13   |
| HAJU PTY LIMITED <HAJU A/C>  | 1,715,000          | 0.33                | 14   |
| JUHA PTY LIMITED <JUHA A/C>  | 1,704,289          | 0.33                | 15   |
| SANDHURST TRUSTEES LTD <HARPER BERNAYS LTD A/C>                        | 1,479,696          | 0.28                | 16   |
| TAYLOR SQUARE DESIGNS PTY LTD  | 1,423,641          | 0.27                | 17   |
| BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD <DRP A/C>                     | 1,008,899          | 0.19                | 18   |
| A&J WANG PTY LTD <A&J FAMILY A/C>                                      | 1,000,000          | 0.19                | 19   |
| CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>           | 999,054            | 0.19                | 20   |
| <b>Total</b>   | <b>444,030,761</b> | <b>84.90</b>        |      |

Total number of current holders for all named classes is 30,081.

The table above includes exchangeable shares. The ASX treats these shares as having been converted into ordinary shares of the Company at the time of their issue for the purposes of the ASX Listing Rules.

### SUBSTANTIAL HOLDERS AS AT 4 AUGUST 2021\*

| NAME  | NOTICE DATE      | SHARES**    |
|---|------------------|-------------|
| Dar Al-Handasah Consultants Shair and Partners Holdings Ltd (Dar) | 14 November 2019 | 118,544,857 |
| Jacobs Engineering Group Inc                                      | 25 June 2019     | 51,381,257  |
| John Grill & associated companies                                 | 16 November 2018 | 34,336,128  |
| T. Rowe Price Associates, Inc                                     | 16 June 2020     | 27,400,338  |

\* As disclosed in substantial shareholder notices received by the Company.

\*\* Represents the total number of votes attached to all the voting shares in the Company that the substantial holder or their associates have a relevant interest in.

### RANGE OF FULLY PAID ORDINARY SHARES AS AT 2 AUGUST 2021

|                  | HOLDERS       | SHARES             | % OF ISSUED CAPITAL |
|------------------|---------------|--------------------|---------------------|
| 1 – 1,000        | 17,685        | 7,369,196          | 1.41                |
| 1,001 – 5,000    | 10,017        | 23,356,057         | 4.47                |
| 5,001 – 10,000   | 1,460         | 10,619,164         | 2.03                |
| 10,001 – 100,000 | 834           | 18,853,347         | 3.60                |
| 100,001 and over | 85            | 462,882,057        | 88.49               |
| <b>Total</b>     | <b>30,081</b> | <b>523,079,821</b> | <b>100.00</b>       |

### UNMARKETABLE PARCELS

|  | MINIMUM PARCEL SIZE | HOLDERS | SHARES |
|--|---------------------|---------|--------|
| Minimum \$500 parcel at \$11.30 per unit | 45                  | 1,032   | 20,696 |

The table above includes exchangeable shares. The ASX treats these exchangeable shares to have been converted into ordinary shares of the Company at the time of their issue for the purposes of the ASX Listing Rules. In addition to the shares set out in the table, there is one special voting share issued to Computershare Trust Company of Canada Limited as part of the consideration for the acquisition of the Colt Group.

### VOTING RIGHTS

All ordinary shares carry one vote per share without restriction. In the case of the exchangeable shares, voting rights are provided through the special voting share which carries an aggregate number of votes equal to the number of votes attached to the ordinary shares into which the exchangeable shares are exchangeable.



## Glossary

**\$, \$m** Australian dollars unless otherwise stated, Australian millions of dollars.

**Americas** Services business line region encompassing sub-regions of North America and Latin America.

**APAC** Services business line region encompassing Australia, Pacific, Asia and China.

**ASIC** Australian Securities and Investments Commission

**ASX** Australian Securities Exchange

**Backlog** Backlog is the total dollar value of the amount of revenues expected to be recorded as a result of work performed under contracts or purchase/work orders already awarded to the Group. With respect to discrete projects an amount is included for the work expected to be received in the future. For multi-year contracts (i.e. framework agreements and master services agreements) and O&M contracts we include an amount of revenue we expect to receive for 36 months, regardless of the remaining life of the contract.

Due to the variation in the nature, size, expected duration, funding commitments and the scope of services required by our contracts and projects, the timing of when the backlog will be recognized as revenue can vary significantly between individual contracts and projects.

**Board** The Board of directors of the Company. This includes non-executive directors and the Chief Executive Officer. The Group Company Secretary is not included as a member of the Board.

**CEO** Chief Executive Officer.

**Company** or **Worley** Worley Limited ACN 096 090 158.

**Downstream** The refining of petroleum crude oil and the processing and purifying of raw natural gas, as well as the marketing and distribution of products derived from crude oil and natural gas.

**EBIT** Earnings before interest and tax.

**EBITA** Earnings before interest and tax and amortization on acquired intangibles.

**ECR** Energy, Chemicals and Resources division acquired from Jacobs Engineering Group Inc in the financial year 2019.

**EMEA** Services business line region encompassing Europe, Middle East and Africa.

**EPC** Engineering, Procurement and Construction.

**EPC contract** Under an EPC contract, we will generally be responsible for the design of, the procurement of equipment and materials for, and the construction and commissioning of an asset, such as a power station. This will generally require us to ensure that the completed asset meets certain specified performance targets. To do so, we will generally procure the necessary equipment and materials and engage various sub-contractors ourselves.

**EPCM** Engineering, Procurement and Construction Management.

**EPCM contract** Under an EPCM contract, we will generally be responsible for providing our professional services, but unlike an EPC contract, will not be responsible for delivering a completed asset to our customer. Instead, we will provide engineering and design services to our customer, procure equipment but only as agent for our customer and manage our customer's other suppliers as the customer's representative. We will generally be paid an hourly rate for the services we provide.

**EPS** Earnings per share. Determined by dividing the Group NPAT by the weighted average number of the Company's ordinary shares on issue during the financial year.

**Executive** Executives include both executive directors and group executives and have authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

**Front-end engineering design (FEED)** Basic engineering design providing owners and their financiers with information enabling them to determine whether or not and, if so, how to commit resources to a proposed project to maximize its projected returns.

**FY2020 and FY2021** Financial year 2020 and financial year 2021.

**Group** Worley Limited and the entities it controls.

**HSE** Health, Safety and Environment.

**Key Management Personnel (KMP)** Those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. KMP comprise Executives and Non-Executive Directors.

**Non-Executive Director (NED)** Non-executive directors of the entity have authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

**NPAT (net profit after tax)** The net profit earned by the Group after deducting all expenses including interest, depreciation and tax. From time to time, in determining outcomes under the incentive plans, the Board may use its discretion to apply the underlying NPAT which in the Board's opinion reflects the Company's operating results.

**NPATA (net profit after tax before amortization of acquired intangibles)** The net profit after tax excluding the post tax impact of amortization on intangible assets acquired through business combinations. From time to time, in determining outcomes under the incentive plans, the Board may use its discretion to apply the underlying NPATA which in the Board's opinion reflects the Company's operating results.

**Total shareholder return (TSR)** Provides a measure of the change in the value of the Company's share price over a period, including reinvested dividends, expressed as a percentage of the opening value of the shares.

**Upstream** The searching for potential underground or underwater crude oil and natural gas fields, drilling of exploratory wells and the subsequent drilling and operation of the wells that recover and bring the crude oil and/or raw natural gas to the surface.



## Corporate information

Worley Limited  
ACN 096 090 158

### DIRECTORS

John Grill, AO (Chair)  
Andrew Liveris, AO (Deputy Chair and Lead Independent Director)  
Thomas Gorman  
Christopher Haynes, OBE  
Roger Higgins  
Martin Parkinson, AC  
Emma Stein  
Juan Suárez Coppel  
Anne Templeman-Jones  
Wang Xiao Bin  
Sharon Warburton  
Chris Ashton (Chief Executive Officer)

### GROUP COMPANY SECRETARY

Nuala O'Leary

### REGISTERED OFFICE

Level 17  
141 Walker Street  
North Sydney NSW 2060

### AUDITORS

Ernst & Young

### BANKERS

Arab Banking Corporation  
Bank of America Merrill Lynch  
Bank of China  
Barclays Bank  
BMO Harris Bank  
BNP Paribas  
China Merchants Bank  
Commonwealth Bank of Australia  
Credit Agricole Corporation and Investment Bank  
First Abu Dhabi Bank  
HSBC Bank  
ING Bank  
Intesa Sanpaolo Bank  
Mizuho Bank  
Macquarie Bank  
Royal Bank of Canada  
Standard Chartered Bank  
State Bank of India  
UBS AG  
U.S. Bank National  
Wells Fargo  
Westpac Banking Corporation

### LAWYERS

Herbert Smith Freehills

### SHARE REGISTRY

Computershare Investor Services Pty Limited  
Level 3, 60 Carrington Street  
Sydney NSW 2000  
Australia  
Phone: 1300 850 505

### ANNUAL GENERAL MEETING

Worley's 2021 Annual General Meeting will convene on Wednesday 3 November 2021. Meeting details will be included in the Notice of Meeting. The closing date for the receipt of director nominations is Wednesday 15 September 2021.



[worley.com](https://www.worley.com)