



2024 ANNUAL REPORT



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4 FINANCIAL INFORMATION 2024

4.1.4 FINANCIAL REVIEW DIRECTIONAL

in US\$ million	FY 2024	FY 2023
Directional Revenue	6,111	4,532
Directional Lease and Operate revenue	2,369	1,954
Directional Turnkey revenue	3,743	2,578
Directional EBITDA	1,896	1,319
Directional Lease and Operate EBITDA	1,261	1,124
Directional Turnkey EBITDA	724	296
Other	(89)	(101)
Directional Profit/(loss) attributable to shareholders	907	524

in US\$ billion	FY 2024	FY 2023
Pro-forma Directional backlog	35.1	30.3

BACKLOG – DIRECTIONAL

Change in ownership scenarios and lease contract duration have the potential to significantly impact the Company's future cash flows, net debt balance as well as the profit and loss statement. The Company therefore provides a pro-forma Directional backlog based on the best available information regarding ownership scenarios and lease contract duration for the various projects.

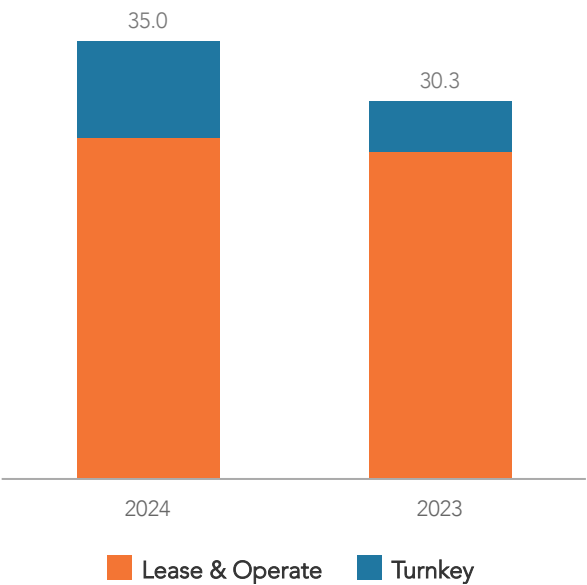
The pro-forma Directional backlog at the end of 2024 reflects the following key assumptions:

- The FPSO *ONE GUYANA* contract covers a maximum period of lease of two years, within which the FPSO ownership will transfer to the client. The impact of the subsequent sale is reflected in the Turnkey backlog.
- The FPSO *Jaguar* contract awarded to the Company in April 2024 covers the construction period within which the FPSO ownership will transfer to the client and is reported in the Turnkey backlog.
- 10 years of operations and maintenance are considered for FPSOs *Liza Destiny*, *Liza Unity*, *Prosperity* and *ONE GUYANA* following signature of the Operations and Maintenance Enabling Agreement ('OMEA') in 2023. For FPSO *Jaguar*, the proforma Directional backlog includes the operating and maintenance scope for 10 years as it has been agreed in principle, pending a final work order. This is consistent with prior years.
- The *GranMorgu* FPSO contract awarded to the Company in November 2024 covers the construction period within which the FPSO ownership will transfer to the client and is reported in the Turnkey backlog.
- The FSO Trion contract awarded to the Company in August 2024 is considered for 20 years in lease and operate contracts at the Company ownership share at year-end (100%).
- The transaction with MISC Berhad related to the FPSO *Espirito Santo* and FPSO *Kikeh* announced on September 6, 2024, and completed on January 31, 2025, has been reflected in the pro-forma Directional backlog.

The pro-forma Directional backlog at December 31, 2024 increased by US\$4.8 billion compared with the position at December 31, 2023, to a total of US\$35.1 billion. This was mainly the result of (i) the FPSO *Jaguar* contract awarded in April 2024, (ii) the FSO Trion contract awarded in August 2024, and (iii) the *GranMorgu* FPSO contract awarded in November 2024, partially offset by (iv) turnover for the period which consumed approximately US\$6.1 billion of backlog (including the sale of FPSO *Prosperity* completed in November 2024 and the sale of FPSO *Liza Destiny* completed in December 2024, in advance of the initial lease terms which were respectively in November 2026 and in December 2029), and (v) the 13.5% divestment to CMFL completed in October 2024, which was not reflected in the pro-forma Directional backlog end of 2023. The Company's backlog provides cash flow visibility up to 2050.

in billions of US\$	Turnkey	Lease & Operate	Total
2025	2.6	2.3	4.9
2026	1.6	2.6	4.2
2027	3.3	2.1	5.4
Beyond 2028	0.2	20.3	20.5
Total pro-forma Directional backlog	7.7	27.3	35.1

Pro-forma Directional backlog (in billions of US\$)



PROFITABILITY – DIRECTIONAL

Accounting treatment of projects under construction

Under IFRS, the construction of FPSO *ONE GUYANA* contributed to both Turnkey revenue and gross margin over the period. This is because the contract is classified as a finance lease under IFRS 16 and is therefore accounted for as a direct sale. Under Directional Reporting however, FPSO *ONE GUYANA* is qualified as an operating lease, with the lessor-related entities being 100% owned by the Company. Therefore, its contribution to the Directional Turnkey revenue is limited to those upfront payments and variation orders directly paid by the client before or at the commencement of the lease. FPSO *ONE GUYANA*'s contribution to the Directional profit and loss will largely materialize in the coming years, in line with the operating cash flows of FPSO *Prosperity*, which started contributing to the Directional Lease and Operate segment over the period following its start of production in 2023 and up to its sale, completed in November 2024.

The same treatment applied to the construction of FPSO *Almirante Tamandaré* and FPSO *Alexandre de Gusmão*, which fully contributed under IFRS to both Turnkey revenue and gross margin over the period, given these contracts are classified as finance leases. Under Directional reporting, the contribution to Turnkey Directional revenue and Directional gross margin for these projects is limited to the portion of the sale to partners in the special purpose entity owning the units (45% for each).

With regards to the early exercise of purchase options by the client for FPSOs *Prosperity* and *Liza Destiny*, completed in November and December 2024 respectively, those transactions did not contribute to revenue and margin under IFRS in the current year as finance lease arrangements are treated as direct sales under IFRS and therefore revenue and margin were recognized over time during the construction period for the present value of the future lease payments, which include the contractual sale price. However, under Directional reporting those FPSOs were treated as operating leases. Accordingly, the impacts of the sale of the units were booked as Directional revenue and Directional margin within the Turnkey segment during the period.

With regards to the awarded Sale and Operate contracts for the FPSO *Jaguar* and *GranMorgu FPSO* projects, the full construction revenue and margin will be recognized during the construction period in the same way under IFRS and Directional reporting. These contracts are qualified as a construction contract falling in the scope of IFRS 15 and the FPSO's full ownership is expected to be transferred to the client at the end of the construction period and before start of operations. The operating part of the contracts will be recognized separately during the operation phase.

Under IFRS, the FSO *Trion* contract is classified as a finance lease, as per IFRS 16, and is therefore accounted for as a direct sale. Therefore, the FSO *Trion* project will contribute to both Turnkey revenue and gross margin during construction, following the contract award in August 2024. However, under Directional reporting, the FSO *Trion* is classified as an