2024 ANNUAL REPORT

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4.3.2 OPERATING SEGMENTS AND DIRECTIONAL REPORTING

OPERATING SEGMENTS

The Company's reportable operating segments as defined by IFRS 8 'Operating segments' are:

- Lease and Operate;
- Turnkey;
- Other.

DIRECTIONAL REPORTING

Strictly for the purposes of this note, the operating segments are measured under Directional reporting, which in essence follows IFRS, but with three main exceptions:

- All lease contracts are classified and accounted for as if they were operating lease contracts under IFRS 16. Some lease and operate contracts may provide for defined invoicing ('upfront payments') to the client occurring during the construction phase or at first-oil (beginning of the lease phase), to cover specific construction work and/or services performed during the construction phase. These 'upfront payments' are recognized as revenues and the costs associated with the construction work and/or services are recognized as 'Cost of sales' with no margin during the construction. As a consequence, these costs are not capitalized in the gross value of the assets under construction.
- All investees related to Lease and Operate contracts are accounted for at the Company's share as if they were classified as joint operations under IFRS 11, whereby all lines of the income statement, statement of financial position and cash flow statement are consolidated, based on the Company's percentage of ownership (hereafter referred to as 'percentage of ownership consolidation'). All joint ventures and associates within the Turnkey segment (such as yards and installation vessel) remain equity accounted. Therefore, when the Company has partners in the lessor-related SPV owning the lease contract with the client, the Company recognizes revenue as well as margin associated with the EPC works to the extent of the partners' shares in the lessor SPV. In situations where the Company reduces its percentage of ownership after the award date of the contract, due to a disposal of shares to a partner, the relevant portion of the assets and liabilities already accounted at transaction date are derecognized. This derecognition is accounted against (i) the recognition of the fair value of any consideration received and associated revenue and (ii) the recognition of cost of sales, from contract award to transaction date, and to the extent of the ownership divested.
- All deferred tax impacts generated by intragroup elimination are not recognized.

In 2024, all other accounting principles remain unchanged, compared with applicable IFRS standards.

The above differences to the consolidated financial statements between Directional reporting and IFRS are highlighted in the reconciliations provided in this note on revenue, gross margin, EBIT and EBITDA, as required by IFRS 8 'Operating segments'. The Company also provides the reconciliation of the statement of financial position and cash flow statement under IFRS and Directional reporting. The statement of financial position and the cash flow statement under Directional reporting are evaluated regularly by the Management Board in assessing the financial position and cash generation of the Company. The Company believes that these disclosures should enable users of its financial statements to better evaluate the nature and financial effects of the business activities in which it engages, while facilitating the understanding of Directional reporting by providing a straightforward reconciliation with IFRS for all key financial metrics.

SEGMENT HIGHLIGHTS

The Directional Lease and Operate revenue increased versus the year-ago period. This reflects mainly the following events: (i) FPSO *Prosperity* and *FPSO Sepetiba* joining the fleet upon successful delivery, respectively during the last quarter of 2023 and early January 2024, (ii) the acquisition of interests held by Sonangol related to FPSOs *N'Goma*, *Saxi Batuque* and *Mondo* in June 2024, and (iii) an increase in reimbursable scope on the fleet, partially offset by (iv) reduced revenue on FPSO *Liza Unity* only contributing in 2024 as an operating contract, following the purchase of the unit by the client, end of 2023 (no contribution to lease revenue in 2024).

The increase of the Directional Lease and Operate EBITDA compared with the prior period is largely driven by (i) the same drivers as for the Directional Lease and Operate revenue, (ii) the net gain arising from the acquisition of interests held by Sonangol related to FPSOs *N'Goma*, *Saxi Batuque* and *Mondo* and the divestment in the parent company of the Paenal shipyard in Angola, recognized in Other operating income (both impacting the Lease and Operate segment due to their strategic and commercial link), and (iii) the *N'Goma* dividends, partially offset by (iv) additional non-recurring maintenance costs for the fleet under operation.

The Directional Turnkey Revenue and Directional Turnkey EBITDA increased versus the year-ago period. This resulted mainly from (i) the sale of FPSOs *Prosperity* and *Liza Destiny,* completed in November and December 2024 respectively, (ii) the awarded contracts for the *FPSO Jaguar* project and the *GranMorgu FPSO* project (with limited impact on EBITDA), (iii) the 13.5% divestment in *FPSO Sepetiba* to CMFL, completed in October 2024, (iv) the increased support to the fleet through brownfield projects, and (v) an improved performance in some projects in the portfolio, affected in prior years by the historical consequences of the pandemic and pressure on the global supply chain positively impacting Directional EBITDA, partially offset by (vi) the sale of FPSO *Liza Unity,* which occurred in November 2023, (vii) the completion of FPSO *Prosperity* during the last quarter of 2023 and of *FPSO Sepetiba*, early January 2024, and (viii) a reduced level of progress during 2024, compared with 2023, on *FPSO Almirante Tamandaré* and *FPSO Alexandre de Gusmão,* as those projects approached completion during the period.

It should be noted that, with respect to the awarded contract for the *GranMorgu FPSO* project which contributed to the Directional revenue during the period, no contribution to Directional EBITDA was recognized, as the project had not reached the requisite 'stage of completion' to allow margin to be recognized at the end of the current period. With regards to *FPSO Jaguar*, the contribution to Directional EBITDA is very limited over the period as the project only reached the requisite 'stage of completion' during the last quarter. Regarding FSO Trion, which is 100% owned by the Company at year end, despite the increase in activity, a very limited contribution to the Directional EBITDA was recognized during the period as the direct payments received during construction and before first oil are recognized as revenue but without contribution to gross margin, in accordance with the Company policy for Directional reporting.

2024 operating segments (Directional)

	Lease and Operate	Turnkey	**Reported segments**	Other	**Total Directional reporting**
Directional revenue	**2,369**	**3,743**	**6,111**	-	**6,111**
Directional Cost of sales	(1,682)	(2,949)	(4,631)	-	(4,630)
Directional Gross margin	**686**	**794**	**1,480**	-	**1,480**
Directional Other operating income/expense	57	21	78	(4)	**74**
Directional Selling and marketing expenses	(4)	(19)	(23)	(0)	**(23)**
Directional General and administrative expenses	(25)	(53)	(77)	(85)	**(162)**
Directional Research and development expenses	(6)	(34)	(40)	(0)	**(40)**
Directional Net impairment gains/(losses) on financial and contract assets	0	(7)	(7)	(1)	**(8)**
Directional Operating profit/(loss) (EBIT)	**709**	**702**	**1,410**	**(90)**	**1,321**
Directional Net financing costs					(314)
Directional Share of profit of equity-accounted investees					5
Directional Income tax expense					(105)
Directional Profit/(Loss)					**907**
Directional Operating profit/(loss) (EBIT)	709	702	1,410	(90)	**1,321**
Directional Depreciation, amortization and impairment	553	22	574	2	**576**
Directional EBITDA	**1,261**	**724**	**1,984**	**(89)**	**1,896**
Other segment information :					
Directional Impairment charge/(reversal)	39	(0)	39	(0)	**39**

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Reconciliation of 2024 operating segments (Directional to IFRS)

	Reported segments under Directional reporting	Impact of lease accounting treatment	Impact of consolidation methods	Total Consolidated IFRS
Revenue				
Lease and Operate	2,369	(546)	252	2,074
Turnkey	3,743	(1,111)	79	2,710
Total revenue	**6,111**	(1,657)	331	**4,784**
Gross margin				
Lease and Operate	686	(91)	157	752
Turnkey	794	(439)	25	380
Total gross margin	**1,480**	(530)	182	**1,132**
EBITDA				
Lease and Operate	1,261	(563)	145	842
Turnkey	724	(443)	6	287
Other	(89)	-	0	(88)
Total EBITDA	**1,896**	(1,006)	151	**1,041**
EBIT				
Lease and Operate	709	(104)	145	750
Turnkey	702	(441)	8	270
Other	(90)	-	(0)	(91)
Total EBIT	**1,321**	(545)	153	**928**
Net financing costs	(314)	(194)	(155)	(663)
Share of profit of equity-accounted investees	5	-	14	19
Income tax expense	(105)	23	9	(73)
Profit/(loss)	**907**	(716)	20	211
Impairment charge/(reversal)	39	(2)	(0)	36

The reconciliation from Directional reporting to IFRS comprises two main steps:

- In the first step, those lease contracts that are classified and accounted for as finance lease contracts under IFRS are restated from an operating lease accounting treatment to a finance lease accounting treatment.
- In the second step, the consolidation method is changed (i) from percentage of ownership consolidation to full consolidation for those Lease and Operate-related subsidiaries over which the Company has control, and (ii) from percentage of ownership consolidation to the equity method for those Lease and Operate-related investees that are classified as joint ventures, in accordance with IFRS 11.

Impact of lease accounting treatment

For the Lease and Operate segment, the restatement from an operating to a finance lease accounting treatment has the main following impacts for the 2024 period:

- Revenue is reduced by US$(546) million. During the lease period, under IFRS, the revenue from finance leases is limited to that portion of charter rates that is recognized as interest, using the interest effective method. Under Directional reporting, in accordance with the operating lease treatment, the full charter rate is recognized as revenue, on a straight-line basis. Directional Lease and Operate EBITDA is similarly impacted (reduction of US$(563) million) for the same reasons.
- Gross margin is reduced by US$(91) million. Under IFRS, gross margin and EBIT from finance leases equal the recognized revenue, following the declining profile of the interest recognized using the effective interest method. On the other side, under the operating lease treatment applied under Directional, the gross margin and the EBIT correspond to the revenue, less depreciation of the recognized property, plant and equipment, both accounted for on a straight-line basis over the lease period.

For the Turnkey segment, the restatement from operating to finance lease accounting treatment had the following impacts over the 2024 period:

- Revenue and gross margin decreased by US$(1,111) million and US$(439) million respectively. This primarily resulted from the following opposite effects:
  - A decrease following the FPSO *Liza Destiny* and FPSO *Prosperity* sale, where the consideration received in the amount of US$1,760 million was recognized as Directional Revenue and the net book value in the amount of US$1,112 million was derecognized as Directional cost of sales, generating a positive impact in Directional profit or loss in the amount of US$648 million under Directional reporting. Under IFRS reporting, the consideration received was already included in the finance lease receivable and led to a derecognition of the finance lease receivable against the payment received by the Company, with no impact on the net result.
  - A decrease following the divestment of a 13.5% ownership interest in the special purpose companies of *FPSO Sepetiba* to CMFL. Under IFRS, this divestment has been accounted for as an equity transaction with no impact on revenue and gross margin as the Company continues to have control over the entities that own *FPSO Sepetiba*. On the contrary, under Directional reporting, this transaction, which was initiated in 2021 during the construction period of the FPSO, has been recognized during 2024 in the Turnkey segment where the revenue and margin associated with the EPC works to the extent of the portion of the sale to partners was recognized.
  - Partly offset by an increase mainly due to the accounting treatment of the Company's FPSOs that were under construction during the period (*FPSO Almirante Tamandaré*, *FPSO Alexandre de Gusmão* and FPSO *ONE GUYANA*) and accounted for as finance leases under IFRS. Under IFRS, a finance lease is considered as if it were a sale of the asset leading to recognition of revenue during the construction of the asset corresponding to the present value of the future lease payments. This (mostly not-yet-cash) revenue is recognized within the Turnkey segment.
- The impact on Turnkey EBIT and EBITDA is largely in line with the impact on gross margin.

Net financing costs increased by US$(194) million. During construction, interest on project loans is expensed under IFRS while capitalized in the vessel under construction under Directional. As a result of the above elements, restatement from operating to finance lease accounting treatment results in an aggregate decrease of net profit of US$(716) million under IFRS when compared with Directional reporting.

Impact of consolidation methods

The impact of consolidation methods in the above table describes the net impact from:

- Percentage of ownership consolidation to full consolidation for those Lease and Operate-related subsidiaries over which the Company has control, resulting in an increase of revenue, gross margin, EBIT and EBITDA; and
- Percentage of ownership consolidation to the equity accounting method for those Lease and Operate-related investees that are classified as joint ventures, in accordance with IFRS 11, resulting in a decrease of revenue, gross margin, EBIT and EBITDA.

For the Lease and Operate segment, the impact of the changes in consolidation methods result in a net increase of revenue, gross margin, EBIT, EBITDA and net profit under IFRS when compared with Directional reporting. This reflects the fact that the majority of the Company's FPSOs that are leased under finance lease contracts, are owned by subsidiaries over which the Company has control and which are consolidated using the full consolidation method under IFRS. Before completion of the Sonangol transaction (refer to note 4.3.30 Business Combinations for Angolan FPSOs and Paenal Divestment) FPSOs *N'Goma*, *Saxi Batuque* and *Mondo* were owned by equity-accounted investees, leading to a decrease of US$116 million in revenue and US$16 million in gross margin when restating the impact of consolidation methods from Directional reporting to IFRS. Additionally, it is noted that following the completion of the Sonangol transaction, the entity owning *FPSO N'Goma* has distributed dividends, which led to the recognition of a gain of US$27 million under Directional reporting included in 'Directional Other operating income/(expense)' in 2024, while under IFRS this effect was recognized within equity (refer to note 4.3.31 Information on Non-controlling Interests).

For the Turnkey segment, the impact of the changes in consolidation methods results in a net increase of revenue, gross margin, EBIT and EBITDA. This reflects the fact that under IFRS reporting the Company recognizes the full revenue, gross margin, EBIT and EBITDA in the subsidiaries that are not totally owned by the Company, but over which the Company has control. Additionally, it is noted that following the completion of the divestment of a 13.5% ownership interest in the special purpose companies of *FPSO Sepetiba* to CMFL, the Company recognized a net gain on sale in 'Directional Other operating income/(expense)' in 2024, while under IFRS this effect was recognized within equity (refer to note 4.3.31 Information on Non-controlling Interests).

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As a result of the above elements, the restatement of the impact of consolidation methods results in an aggregate increase of net profit of US$20 million under IFRS when compared with Directional reporting.

2023 operating segments (Directional)

	Lease and Operate	Turnkey	**Reported segments**	Other	**Total Directional reporting**
Directional revenue	**1,954**	**2,578**	**4,532**	**-**	**4,532**
Directional Cost of sales	(1,285)	(2,185)	(3,469)	-	(3,469)
Directional Gross margin	**669**	**394**	**1,063**	**-**	**1,062**
Directional Other operating income/ expense	0	0	0	(11)	**(11)**
Directional Selling and marketing expenses	(0)	(22)	(22)	(0)	**(22)**
Directional General and administrative expenses	(30)	(62)	(92)	(91)	**(183)**
Directional Research and development expenses	(7)	(30)	(37)	(0)	**(37)**
Directional Net impairment gains/(losses) on financial and contract assets	1	(21)	(20)	(2)	**(22)**
Directional Operating profit/(loss) (EBIT)	**633**	**259**	**892**	**(104)**	**788**
Directional Net financing costs					(238)
Directional Share of profit of equity-accounted investees					4
Directional Income tax expense					(30)
Directional Profit/(Loss)					**524**
Directional Operating profit/(loss) (EBIT)	633	259	892	(104)	**788**
Directional Depreciation, amortization and impairment	492	37	529	3	532
Directional EBITDA	**1,124**	**296**	**1,421**	**(101)**	**1,319**
Other segment information					
Directional Impairment charge/(reversal)	6	-	6	-	**6**

Reconciliation of 2023 operating segments (Directional to IFRS)

	Reported segments under Directional reporting	Impact of lease accounting treatment	Impact of consolidation methods	Total Consolidated IFRS
Revenue				
Lease and Operate	1,954	(529)	139	1,563
Turnkey	2,578	707	115	3,400
Total revenue	**4,532**	177	253	**4,963**
Gross margin				
Lease and Operate	669	(94)	97	671
Turnkey	394	290	64	748
Total gross margin	**1,063**	196	161	**1,420**
EBITDA				
Lease and Operate	1,124	(527)	98	695
Turnkey	296	284	65	646
Other	(101)	-	(0)	(101)
Total EBITDA	1,319	(243)	163	**1,239**
EBIT				
Lease and Operate	633	(91)	96	638
Turnkey	259	287	66	612
Other	(104)	-	0	(104)
Total EBIT	**788**	196	162	**1,145**
Net financing costs	(238)	(218)	(119)	(575)
Share of profit of equity-accounted investees	4	-	15	19
Income tax expense	(30)	(2)	57	25
Profit/(loss)	524	(24)	114	614
Impairment charge/(reversal)	6	0	2	8

Reconciliation of 2024 statement of financial position (Directional to IFRS)

	Reported under Directional reporting	Impact of lease accounting treatment	Impact of consolidation methods	Total Consolidated IFRS
ASSETS				
Property, plant and equipment and Intangible assets[1]	7,490[2]	(7,047)	(0)	442
Investment in associates and joint ventures	20	-	1	21
Finance lease receivables	0	4,047	2,611	6,658
Other financial assets	272[3]	(132)	(4)	136
Contract assets	326	4,474	2,009	6,809
Trade receivables and other assets	1,797	(29)	27	1,795
Derivative financial instruments	264	-	165	429
Cash and cash equivalents	606	(0)	200	806
Assets held for sale	40	40	(20)	60
Total Assets	**10,815**	1,352	4,988	**17,157**
EQUITY AND LIABILITIES				
Equity attributable to parent company	2,008	1,606	4	3,619
Non-controlling interests	(6)	20	2,212	2,225
Equity	**2,002**	1,626	2,216	**5,844**
Borrowings and lease liabilities	6,325[4]	-	2,618	8,943
Provisions	680	(213)	98	565
Trade payable and other liabilities	1,367	79	63	1,508
Deferred income	157	(140)	13	30
Derivative financial instruments	266	-	-	266
Liabilities held for sale	18	-	(18)	-
Total Equity and Liabilities	**10,815**	1,352	4,989	**17,157**

1 Under Directional, the cost related to the Brazilian local content penalty is capitalized in line with construction progress of related assets and presented in the Directional statement of financial position under 'Property, plant and equipment and Intangible assets'. Under IFRS the same cost is directly recognized as cost of sales in the IFRS consolidated income statement

2 Includes US$3,957 million related to units under construction (i.e. Almirante Tamandaré, ONE GUYANA, FSO Trion and Alexandre de Gusmao).

3 Includes US$261 million related to demobilization receivable

4 Includes US$2.2 billion non-recourse debt and US$93 million lease liability.

Consistent with the reconciliation of the key income statement line items, the above table details:

- The restatement from the operating lease accounting treatment to the finance lease accounting treatment for those lease contracts that are classified and accounted for as finance lease contracts under IFRS; and
- The change from percentage of ownership consolidation to either full consolidation or equity, accounting for investees related to Lease and Operate contracts.

Impact of lease accounting treatment

For the statement of financial position, the main adjustments from Directional reporting to IFRS as of December 31, 2024 are:

- For those lease contracts that are classified and accounted for as finance lease contracts under IFRS, derecognition of property, plant and equipment recognized under Directional reporting (US$(7,047) million) and subsequent recognition of (i) finance lease receivables (US$4,047 million), and (ii) contract assets (US$4,474 million) for those assets still under construction;
- For operating lease contracts with non-linear bareboat day rates, a deferred income provision is recognized to show linear revenues under Directional reporting. The part of the balance (US$(140) million) is derecognized for the contracts that are classified and accounted for as finance lease contracts under IFRS; and
- Restatement of the provisions for demobilization and associated non-current receivable assets, mainly impacting other financial assets (US$(132) million) and provisions (US$(213) million).

As a result, the restatement from operating to finance lease accounting treatment gives rise to an aggregate increase of equity of US$1,626 million under IFRS when compared with Directional reporting. This primarily reflects the earlier margin recognition on finance lease contracts.

Impact of consolidation methods

The above table of statement of financial position also describes the net impact of moving from percentage of ownership consolidation to either full consolidation, for those lease related investees in which the Company has control, or equity accounting, for those investees that are classified as joint ventures under IFRS 11. The two main impacts are:

- Full consolidation of asset-specific entities that mainly comprise finance lease receivables (representing the net present value of the future lease payments to be received) and non-recourse project debts; and
- Derecognition of the individual line items from the statement of financial positions for those entities that are equity-accounted under IFRS, rolling up in the line item 'Investment in associates and joint ventures'.

As a result, the restatement of the impact of consolidation methods gives rise to an aggregate increase of equity of US$2,216 million under IFRS when compared with Directional reporting.

Reconciliation of 2024 cash flow statement (Directional to IFRS)

	Reported under Directional reporting	Impact of lease accounting treatment	Impact of consolidation methods	Total Consolidated IFRS
EBITDA	**1,896**	(1,006)	151	**1,041**
Adjustments for non-cash and investing items	1,062	(1,092)	55	24
Changes in operating assets and liabilities	(288)	(990)	(506)	(1,784)
Reimbursement finance lease assets	(0)	2,226	152	2,378
Income taxes paid	(178)	3	(3)	(178)
Net cash flows from (used in) operating activities	**2,492**	(859)	(151)	**1,482**
Capital expenditures	(937)	821	(0)	(116)
Other investing activities	80	14	115	208
Net cash flows from (used in) investing activities	**(858)**	835	115	**92**
Equity payment from/(repayment to) partners	-	-	196	196
Additions and repayments of borrowings and lease liabilities	(970)	(0)	120	(849)
Dividends paid to shareholders and non-controlling interests	(154)	-	(94)	(249)
Interest paid	(327)	24	(54)	(356)
Share repurchase program	(102)	-	-	(102)
Payments from/to non-controlling interests for change in ownership	0	0	53	53
Net cash flows from (used in) financing activities	**(1,552)**	24	221	**(1,307)**
Net cash and cash equivalents as at 1 January	563	-	(20)	543
Net increase/(decrease) in net cash and cash equivalents	46	(0)	220	267
Foreign currency variations	(3)	(0)	(1)	(4)
Net cash and cash equivalents as at 31 December	**606**	(0)	200	**806**

Impact of lease accounting treatment

At net cash level, the difference in lease accounting treatment is almost neutral. The impact of the different lease accounting treatment under Directional reporting versus IFRS is limited to reclassifications between cash-flow activities.

Following the announcement that ExxonMobil Guyana Limited exercised the purchase option for FPSO *Prosperity* and FPSO *Liza Destiny* (refer to note 4.3.1 Financial Highlights), the Company received the proceeds of the purchase in the amount of US$1,760 million, which is presented under IFRS reporting as inflow within cash flows from operating activities in the line 'Reimbursement finance lease assets'. Under Directional, the proceeds are also presented within cash flows from operating activities under EBITDA which should be considered together with 'Adjustments for non-cash and investing items' where the net book value of the FPSO *Prosperity* and FPSO *Liza Destiny* in the amount of US$1,112 million recognized as cost of sales was cancelled.

A large part of the capital expenditures (US$821 million) is reclassified from investing activities under Directional to net cash flows from operating activity under IFRS, where finance lease contracts are accounted for as construction contracts.

Furthermore, the financing costs incurred during the construction of the FPSOs, which are capitalized under Directional as part of asset under construction (and therefore presented in investing activities), are reclassified to financing activities under IFRS.

The impact of the change of lease accounting treatment at EBITDA level is described in further detail in the earlier reconciliation of the Company's income statement.

Impact of consolidation methods

The impact of the consolidation method on the cash flow statement is in line with the impact described for the statement of financial position. The full consolidation of asset specific entities, mainly comprising finance lease receivables and the related non-recourse project debts, results in increased additions and repayments of borrowings under IFRS versus Directional.

The impact in net cash flows from operating activities (US$(151) million) mainly includes the effect of changing consolidation method from percentage of ownership consolidation under Directional to full consolidation or equity method under IFRS. This effect is partially compensated (US$221 million) in the cash flows from financing activities, mostly driven by the recognition (under IFRS) of cash flows from/to equity partners arising from the recognition of partners' percentage of ownership, which are recognized as non-controlling interests where the full consolidation method is applied. The impact in net cash flows from investing activities (US$115 million) mainly includes the effect of full consolidation of the acquired cash and cash equivalents of Angolan subsidiaries upon completion of the Sonangol transaction (refer to note 4.3.30 Business Combinations) under IFRS, compared with the incremental change in percentage of ownership under Directional reporting for the same entities, partially offset by the recognition under Directional reporting of a cash inflow of US$27 million arising from dividends received from the *FPSO N'Goma* according to the percentage of legal ownership at distribution date (refer to note 4.3.31 Information on Non-controlling Interests).

Other investing activities (US$115 million) also includes the impact of the 13.5% divestment of minority interests in the special purpose companies of in *FPSO Sepetiba* to CMFL, which has been reported in financing activities under IFRS as the entities continued to be fully consolidated.

Reconciliation of 2023 statement of financial position (Directional to IFRS)

	Reported under Directional reporting	Impact of lease accounting treatment	Impact of consolidation methods	Total Consolidated IFRS
ASSETS				
Property, plant and equipment and Intangible assets[1]	8,515[2]	(7,977)	(0)	538
Investment in associates and joint ventures	10	-	278	288
Finance lease receivables	0	5,373	1,428	6,801
Other financial assets	244[3]	(167)	18	95
Contract assets	282	4,706	2,146	7,134
Trade receivables and other assets	1,275	40	46	1,361
Derivative financial instruments	326	-	90	416
Cash and cash equivalents	563	-	(20)	543
Assets held for sale	0	-	-	0
Total Assets	**11,214**	1,975	3,986	**17,176**
EQUITY AND LIABILITIES				
Equity attributable to parent company	1,450	2,280	3	3,733
Non-controlling interests	(2)	13	1,786	1,797
Equity	**1,448**	2,293	1,790	**5,530**
Borrowings and lease liabilities	7,218[4]	-	2,072	9,290
Provisions	682	(188)	92	586
Trade payable and other liabilities	1,570	56	19	1,646
Deferred income	211	(187)	2	27
Derivative financial instruments	86	-	11	97
Total Equity and Liabilities	**11,214**	1,975	3,986	**17,176**

1 Under Directional, the cost related to the Brazilian local content penalty is capitalized in line with construction progress of related assets and presented in the Directional statement of financial position under 'Property, plant and equipment and Intangible assets'. Under IFRS the same cost is directly recognized as cost of sales in the IFRS consolidated income statement

2 Includes US$4,346 million related to units under construction (i.e. FPSOs Sepetiba, Almirante Tamandaré, ONE GUYANA and Alexandre de Gusmao).

3 Includes US$220 million related to demobilization receivable

4 Includes US$3.3 billion non-recourse debt and US$85 million lease liability.

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Reconciliation of 2023 cash flow statement (Directional to IFRS)

	Reported under Directional reporting	Impact of lease accounting treatment	Impact of consolidation methods	Total Consolidated IFRS
EBITDA	**1,319**	(243)	163	**1,239**
Adjustments for non-cash and investing items	972	(859)	29	142
Changes in operating assets and liabilities	(571)	(2,050)	(572)	(3,193)
Reimbursement finance lease assets	0	1,718	24	1,743
Income taxes paid	(104)	(0)	4	(101)
Net cash flows from (used in) operating activities	**1,616**	(1,433)	(352)	**(169)**
Capital expenditures	(1,658)	1,486	(1)	(173)
Other investing activities	19	1	11	31
Net cash flows from (used in) investing activities	**(1,639)**	1,487	10	**(142)**
Equity payment from/repayment to partners	-	-	235	235
Additions and repayments of borrowings and lease liabilities	287	0	165	452
Dividends paid to shareholders and non-controlling interests	(197)	-	(82)	(279)
Interest paid	(248)	(54)	(64)	(366)
Share repurchase program	(5)	-	-	(5)
Payments to non-controlling interests for change in ownership	155	-	0	155
Net cash flows from (used in) financing activities	**(29)**	(54)	254	**171**
Net cash and cash equivalents as at 1 January	615	-	68	683
Net increase/(decrease) in net cash and cash equivalents	(52)	(0)	(89)	(141)
Foreign currency variations	0	0	0	1
Net cash and cash equivalents as at 31 December	**563**	-	(20)	**543**

Deferred income (Directional)

	31 December 2024	31 December 2023
Within one year	44	52
Between 1 and 2 years	37	44
Between 2 and 5 years	33	59
More than 5 years	44	56
Balance at 31 December	**157**	**211**

Directional deferred income is mainly related to the revenue of those lease contracts that include a decreasing day-rate schedule. As revenue from lease contracts with customers is recognized in the income statement on a straight-line basis with reference to IFRS 16 'Leases', the difference between the yearly straight-line revenue and the contractual day rates is recognized as deferred income. The deferral will be released through the income statement over the remaining duration of the relevant lease contracts.

GEOGRAPHICAL INFORMATION

The classification by country is determined by the final destination of the product for both revenues and non-current assets.

The revenue by country is analyzed as follows:

2024 geographical information (revenue by country and segment)

	Directional			IFRS		
	Lease and Operate	Turnkey	**Reported segments**	Lease and Operate	Turnkey	**Reported segments**
Brazil	936	543	1,479	1,087	697	1,784
Guyana	799	2,632	3,431	602	1,375	1,977
Angola	451	47	498	262	92	354
Equatorial Guinea	102	2	104	91	1	92
Malaysia	48	6	54	(0)	9	9
The United States of America	27	3	31	27	3	31
France	-	20	20	-	20	20
Suriname	-	316	316	-	316	316
Nigeria	-	36	36	-	36	36
Norway	-	20	20	-	20	20
Other	5	118	123	5	141	146
Total revenue	**2,368**	**3,743**	**6,111**	**2,074**	**2,710**	**4,784**

Under IFRS, the revenue generated in Angola following the acquisition of the shares in the lease and operating entities related to FPSOs *N'Goma*, *Saxi Batuque* and *Mondo* has been reported from the acquisition date on June 11th, 2024 forward.

2023 geographical information (revenue by country and segment)

	Directional			IFRS		
	Lease and Operate	Turnkey	**Reported segments**	Lease and Operate	Turnkey	**Reported segments**
Brazil	832	572	1,405	940	1,505	2,445
Guyana	688	1,826	2,514	485	1,694	2,179
Angola	247	19	266	4	38	43
Equatorial Guinea	108	1	109	104	0	104
Malaysia	49	3	51	0	5	6
The United States of America	28	2	30	28	2	30
France	-	43	43	-	43	43
Mozambique	-	-	-	-	-	-
Nigeria	-	22	22	-	22	22
Norway	-	25	25	-	25	25
Other	2	65	67	2	65	67
Total revenue	**1,954**	**2,578**	**4,532**	**1,563**	**3,400**	**4,963**

The non-current assets by country are analyzed as follows:

Geographical information (non-current assets by country)

	31 December 2024		31 December 2023	
	IFRS	DIR	IFRS	DIR
Brazil	6,726	5,998	5,276	6,115
Guyana	18	1,634	1,753	2,468
Angola	159	106	252	132
Switzerland	120	120	93	93
Monaco	60	60	77	77
Malaysia	8	8	64	13
Equatorial Guinea	24	47	41	70
The United States of America	18	18	19	19
France	12	12	12	12
Netherlands	33	33	6	6
Mexico	0	23	-	-
Other	181	161	163	138
Total	**7,358**	**8,220**	**7,757**	**9,143**

RELIANCE ON MAJOR CUSTOMERS

Under IFRS, two customers represent more than 10% of the consolidated revenue each. Total revenue from these major customers amounts to US$3,966 million (US$2,249 million and US$1,716 million respectively). In 2023, two customers accounted for more than 10% of the consolidated revenue (US$4,598 million, US$2,213 and US$2,386 million respectively).

Under Directional reporting, two customers represent more than 10% of the consolidated revenue each. Total revenue from these two major customers amounts to US$5,142 million (US$3,728 million and US$1,414 million respectively). In 2023, the revenue related to two major customers was US$3,979 million (US$2,643 million and US$1,335 million respectively). In both 2024 and 2023, revenue from these major customers was mainly related to the Lease and Operate segment. The revenue from the sale of FPSO *Liza Unity*, FPSO *Liza Destiny* and FPSO *Prosperity* were reported in the Turnkey segment.

4.3.3 REVENUE

The Company's revenue mainly originates from construction contracts and lease and operate contracts. Revenue originating from construction contracts is presented in the Turnkey segment while revenue from lease and operate contracts is presented in the Lease and Operate segment. Around 39% of the Company's 2024 Lease and Operate revenue is made of charter rates related to lease contracts, while the remaining amount originates from operating contracts. The Company recognizes most of its revenue (i.e. more than 99%) over time.

The Company's policy regarding revenue recognition is described in further detail in note 4.2.7 B. Critical Accounting Policies – (d) Revenue. For the disaggregation of total revenue by country and by segment, please refer to Geographical Information under note 4.3.2 Operating Segments and Directional Reporting.

The Company's construction contracts can last for several years, depending on the type of product, scope and complexity of the project, while the Company's Lease and Operate contracts are generally multiple-year contracts. As a result, the Company has (partially) outstanding performance obligations to its clients (unsatisfied performance obligations) at December 31, 2024. These unsatisfied performance obligations relate to:

- Ongoing construction contracts, including the construction of vessels under finance leases that still need to be completed;
- Ongoing multiple-year operating contracts. Note that for this specific disclosure on unsatisfied performance obligations, the lease component of the Lease and Operate contracts is excluded (this component being described in further detail in notes 4.3.13 Property, Plant and Equipment and 4.3.15 Finance Lease Receivables). As noted, some contracts include (performance) bonuses when earned or penalties incurred under the Company's Lease and Operate contracts. The net amount of performance-related payments for 2024 decreased to US$22 million (2023: US$132 million). This decrease is mostly related to the temporary shutdown of three units during the period.