# 2024 ANNUAL REPORT

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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.

The following table presents the unsatisfied performance obligations as at December 31, 2024 (in billions of US$):

| Unsatisfied performance obligations related to: | 2024 | 2023 |
|---|---|---|
| - constructions contracts including finance leases | 7.0 | 2.4 |
| - operating contracts | 15.4 | 13.4 |
| **Total** | 22.4 | 15.8 |

The unsatisfied performance obligations for the committed construction contracts mostly relate to five major construction FPSO contracts and one FSO. Revenue related to these construction contracts is expected to be recognized over the coming two years in line with the construction progress on these projects.

The unsatisfied performance obligations for the operating contracts relate to i) the Company's vessels leased to clients where the Company is the operator (both operating and finance lease contracts) and ii) four operating contracts for operating services on a vessel that is owned by the client. The operating contracts end between 2024 and 2050. The Company will recognize the unsatisfied performance obligation over this period in line with the work performed.

The Company can agree on various payment arrangements which generally reflect the progress of delivered performance obligations. However, if the Company's delivered performance obligation exceeds installments invoiced to the client, a contract asset is recognized. If the installments invoiced to the client exceed the work performed, a contract liability is recognized.

As a result of various commercial discussions with clients, the Company recognized revenue amounting to US$28 million in 2024 (2023: US$7 million) originating from performance obligations satisfied in previous periods.

Lease revenue recognized for leases where the Company is the lessor, for both operating and finance leases, relates to fixed and variable lease payments. Most of the Company's revenue from lease contracts is based on fixed day-rates. To the extent that lease payments are dependent on an index or a rate, they are excluded from the initial recognition of the lease payments receivable. The impact related to a change in index or a rate is recognized in the consolidated income statement from the date the change occurs.

## CONTRACT BALANCES

The table below sets out the contract balances for the years 2024 and 2023:

| | *Notes* | 31 December 2024 | 31 December 2023 |
|---|---|---|---|
| Current contract liability | *4.3.25* | 31 | 74 |
| Non-current contract liability | *4.3.25* | 28 | 22 |
| **Total contract liabilities** | | **59** | 97 |
| Current contract assets | | 6,809 | 7,134 |
| **Total contract assets** | | **6,809** | 7,134 |

**Contract assets**

The contract asset balance decreased to US$6,809 million, compared with US$7,134 million at December 31, 2023. This is related to progress made during the period on the construction of *FPSO Almirante Tamandaré* , *FPSO Alexandre de Gusmão*, FPSO *ONE GUYANA*, *FPSO Jaguar* and the *GranMorgu* FPSO*,* more than offset by the finalization of the *FPSO Sepetiba* construction as the contract asset related to this unit was reclassified to finance lease receivables (refer to note 4.3.15 Finance Lease Receivables).

Regarding information about expected credit losses recognized for contract assets, refer to note 4.3.27 Financial Instruments – Fair Values and Risk Management.

**Contract liabilities**

Current contract liabilities of US$31 million (December 31, 2023: US$74 million) comprise the amounts of those individual contracts for which the total installments invoiced exceed the revenue recognized over time. Contract liabilities are reported in trade and other payables (see note 4.3.25 Trade and Other Payables).

As at December 31, 2024, current contract liabilities are related only to minor construction projects.

Non-current contract liabilities of US$28 million (December 31, 2023: US$22 million) as at December 31, 2024, mostly relate to future demobilization performance obligations associated with expected demobilization costs in finance lease contracts.

The Company recognized revenue of US$66 million during the period which was included in the contract liabilities as per December 31, 2023.

## 4.3.4 OTHER OPERATING INCOME AND EXPENSE

| | 2024 | 2023 |
|---|---|---|
| Gains from sale of financial participations and property, plant and equipment | 32 | 0 |
| Other operating income | 2 | 3 |
| **Total other operating income** | **34** | **3** |
| Other operating expenses | (5) | (2) |
| Restructuring expenses | (0) | (11) |
| **Total other operating expense** | **(5)** | **(13)** |
| **Total** | **29** | **(10)** |

In 2024, total other operating income and expense is mainly driven by a net gain in a total of US$32 million arising from the acquisition of interests held by Sonangol, related to FPSOs *N'Goma*, *Saxi Batuque* and *Mondo,* and from the divestment in the parent company of the Paenal shipyard in Angola (refer to note 4.3.30 Business Combinations for details on these transactions).

For comparison, in 2023, the total Other operating income and expense was mainly driven by a restructuring expense in the amount of US$11 million corresponding to severance costs relating to the implementation of an optimization plan for the Company's support functions' activities.

## 4.3.5 EXPENSES BY NATURE

The table below sets out expenses by nature for all items included in EBIT for the years 2024 and 2023:

| | *Note* | 2024 | 2023 |
|---|---|---|---|
| Expenses on construction contracts | | (1,704) | (2,130) |
| Employee benefit expenses | *4.3.6* | (995) | (842) |
| Vessels operating costs | | (770) | (512) |
| Depreciation, amortization and impairment | | (113) | (94) |
| Selling expenses | | (9) | (10) |
| Other costs | | (300) | (232) |
| **Total expenses** | | **(3,890)** | **(3,820)** |

'Expenses on construction contracts' decreased compared with prior year. Despite having five FPSO's under construction during both periods, the reduction is a result of (i) lower progress on *FPSO Almirante Tamandaré, FPSO Alexandre de Gusmão* and FPSO *ONE GUYANA,* as those projects approached completion during the period, and (ii) the completion of FPSO *Prosperity* during the last quarter of 2023 and of *FPSO Sepetiba* early January 2024, partially offset by (iii) progress on the awarded contracts for *FPSO Jaguar*, *GranMorgu FPSO*, FSO Trion and on brownfield projects.

'Employee benefit expenses' increased due to higher work-hour-related activities in Turnkey projects and the ramp-up of operations on the fleet in operation.

'Vessel operating costs' increased mainly as a result of a higher scope of work in several vessels and the operational start of FPSO *Prosperity* during the last quarter of 2023 and *FPSO Sepetiba* early 2024. Notwithstanding the sale of the units during 2024, FPSO *Liza Destiny* and FPSO *Prosperity* continue to be operated by the Company through the OMEA signed with the