



2024 ANNUAL REPORT



TRUE.
BLUE.
TRANSITION.

During the year 2024, the Company recognized a US\$(6) million net impairment loss on financial and contract assets (2023: loss of US\$(21) million mainly attributable to impairment of funding loans provided to equity-accounted entities).

4.3.9 NET FINANCING COSTS

| | 2024 | 2023 |
|--|--------------|--------------|
| Interest income on loans & receivables | 2 | 3 |
| Interest income on investments | 24 | 21 |
| Financial income | 26 | 25 |
| Interest expenses on financial liabilities at amortized cost | (832) | (731) |
| Interest income / (expenses) on hedging derivatives | 167 | 139 |
| Interest expenses on lease liabilities | (5) | (5) |
| Interest addition to provisions | (10) | (1) |
| Net cash flow hedges ineffectiveness | (3) | - |
| Net foreign exchange loss | (8) | (3) |
| Financial expenses | (690) | (601) |
| Net financing costs | (663) | (575) |

The increase in net financing costs is mainly due to (i) increased project financing to fund continued investment in growth on *FPSO Almirante Tamandaré*, *FPSO Alexandre de Gusmão* and *FPSO ONE GUYANA*, (ii) additional interest expense on the Company's RCF, (iii) additional interest expense generated by the construction financing of *FPSO Jaguar*, partially offset by (iv) lower interest expense on FPSOs *Liza Unity*, *Prosperity* and *Liza Destiny* following purchase of the units by the client and the full repayment of the project loans respectively in November 2023, November 2024 and December 2024 and (v) the scheduled amortization of project loans for the fleet under operations.

4.3.10 INCOME TAX EXPENSE

The relationship between the Company's income tax expense and profit before income tax (referred to as 'effective tax rate') can vary significantly from period to period considering among other factors: (i) changes in the blend of income that is taxed based on revenues versus profit, (ii) the different statutory tax rates in the location of the Company's operations and (iii) the possibility to recognize deferred tax assets on tax losses to the extent that suitable future taxable profits will be available.

Some of the taxes are withholding taxes (paid on revenues). The assessment of whether the withholding tax is in scope of IAS 12 is judgmental; the Company has performed this assessment in the past and some of the withholding taxes that the Company pays in certain countries qualify as income taxes, as it creates an income tax credit or it is considered as deemed profit taxation.

Consequently, income tax expense does not change proportionally with profit before income taxes. Significant decreases in profit before income tax typically lead to a higher effective tax rate, while significant increases in profit before income taxes can lead to a lower effective tax rate, subject to the other factors impacting income tax expense, noted above. Additionally, where a deferred tax asset is not recognized on a loss carry forward, the effective tax rate is impacted by the unrecognized tax loss.

The components of the Company's income taxes are:

Income tax recognized in the consolidated Income Statement

| | Note | 2024 | 2023 |
|---|--------|--------------|--------------|
| Corporation tax on profits for the year | | (157) | (129) |
| Adjustments in respect of prior years | | 9 | (1) |
| Movements in uncertain tax positions | | 5 | (2) |
| Total current income tax | | (143) | (131) |
| Deferred tax | 4.3.17 | 71 | 156 |
| Total | | (73) | 25 |