



2024 ANNUAL REPORT



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4 FINANCIAL INFORMATION 2024

PROPERTY, PLANT AND EQUIPMENT OWNED BY THE COMPANY

The movement of the Property, plant and equipment during the year 2024 is summarized as follows:

2024

	Land and buildings	Vessels and floating equipment	Other fixed assets	Assets under construction	Total
Cost	67	1,821	82	81	2,051
Accumulated depreciation and impairment	(45)	(1,637)	(62)	-	(1,744)
Book value at 1 January	22	185	21	81	308
Additions	0	-	14	44	58
Disposals	-	-	(0)	(2)	(2)
Depreciation	(1)	(33)	(10)	-	(44)
(Impairment)/impairment reversal	-	(39)	-	-	(39)
Foreign currency variations	(1)	0	(2)	(0)	(3)
Other movements	(4)	(39)	7	(57)	(94)
Total movements	(6)	(110)	9	(15)	(123)
Cost	59	1,215	84	65	1,423
Accumulated depreciation and impairment	(44)	(1,140)	(55)	-	(1,238)
Book value at 31 December	15	74	29	65	184

2023

	Land and buildings	Vessels and floating equipment	Other fixed assets	Assets under construction	Total
Cost	60	1,813	78	16	1,967
Accumulated depreciation and impairment	(41)	(1,596)	(56)	-	(1,693)
Book value at 1 January	19	217	23	16	274
Additions	0	3	6	70	79
Disposals	(0)	-	(0)	-	(0)
Depreciation	(2)	(30)	(9)	-	(41)
(Impairment)/impairment reversal	-	(6)	-	-	(6)
Foreign currency variations	0	(0)	1	0	1
Other movements	5	(0)	1	(6)	0
Total movements	3	(32)	(2)	65	34
Cost	67	1,821	82	81	2,051
Accumulated depreciation and impairment	(45)	(1,637)	(62)	-	(1,744)
Book value at 31 December	22	185	21	81	308

During the 2024 period, the following main events occurred regarding owned property, plant and equipment:

- US\$44 million of annual depreciation charges, following the normal depreciation schedule;
- US\$58 million in additions, mainly related to capitalized major overhaul costs related to repair works performed on *FPSO Cidade de Anchieta*;
- US\$(94) in other movements, mainly related to the impact of the full and final settlement agreement signed during the last quarter 2024 with its insurers relating to the tanks repair works project for *FPSO Cidade de Anchieta*;
- US\$(39) million impairment on *FPSO Cidade de Anchieta*.

Property, plant and equipment at year-end comprises of:

- One (2023: one) integrated floating production, storage and offloading system (*FPSO Cidade de Anchieta*) consisting of a converted tanker, a processing plant and one mooring system. This FPSO is leased to third parties under an operating lease contract; and
- One (2023: one) semi-submersible production platform, *Thunder Hawk*, leased to third parties under an operating lease contract.

The depreciation charge for the semi-submersible production facility *Thunder Hawk* is calculated based on its future anticipated economic benefits, resulting in a depreciation plan based on the unit of production method. All other property, plant and equipment is depreciated on a straight-line basis.

Company-owned property, plant and equipment with a carrying amount of US\$71 million (December 31, 2023: US\$178 million) has been pledged as security for liabilities, mainly for external financing.

No interest has been capitalized during the financial year as part of the additions to property, plant and equipment (2023: nil).

FPSO Cidade de Anchieta

FPSO Cidade de Anchieta was shut down from January 22, 2022 until December 17, 2022, following observation of oil near the vessel. Adequate anti-pollution measures were immediately deployed and were effective and inspections quickly identified oil leaks from two tanks. For the safe restart of the vessel, four tanks were repaired, in agreement with the client and approved by Class and local authorities. This enabled a safe restart at full production on December 17, 2022. Repair of other tanks have continued since the restart, with good progress and will continue over the coming years.

During the last quarter of 2024, the Company signed a full and final settlement agreement with its insurers relating to this incident and performed its regular review of revised estimates of future maintenance and repair costs. Based on this analysis, actual values and future cash flows were re-estimated, leading to an impairment charge of US\$39 million accounted for in the 2024 results.

The recoverable amount of the vessel was determined using its value in use. Significant estimates are part of the impairment calculation:

- If the discount rate (7%) used in the impairment test were to vary by +/- 1%, the impairment would change by +/- US\$7 million; and
- If the cash outflow were to vary by +/- US\$10 million, the impairment would change by +/- US\$9.5 million.

RIGHT-OF-USE ASSETS

As of December 31, 2024, the Company leases buildings and cars. The movement of the right-of-use assets during the year 2024 is summarized as follows:

2024

	Buildings	Other fixed assets	Total
Book value at 1 January	75	2	77
Additions	32	1	33
Disposals	(7)	-	(7)
Depreciation	(15)	(1)	(16)
(Impairment)/impairment reversal	-	-	-
Foreign currency variations	(5)	(0)	(5)
Other movements	(1)	(0)	(1)
Total movements	4	1	6
Cost	116	5	121
Accumulated depreciation and impairment	(36)	(3)	(39)
Book value at 31 December	80	2	82