

2025 ANNUAL REPORT

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PROFITABILITY – DIRECTIONAL

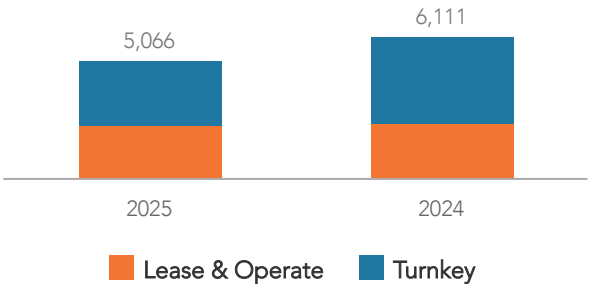
Accounting treatment of projects under construction

Please refer to note 4.3.2 Operating Segments and Directional Reporting for more information on the differences between IFRS and Directional over the accounting treatment of projects under construction in the Company's current project portfolio.

Directional Revenue

Total Directional revenue decreased by 17% to US$5,066 million compared with US$6,111 million in 2024. This decrease is further detailed by segment as follows:

Directional Revenue (in millions of US$)



Directional Turnkey revenue decreased to US$2,772 million, representing 55% of total Directional revenue in 2025. This compares with US$3,743 million, or 61% of total Directional revenue in 2024. This is mainly the result of:

- The sale of FPSOs *Prosperity* and *Liza Destiny*, completed in November and December 2024 respectively;
- The 13.5% divestment of ownership interest in *FPSO Sepetiba* to CMFL completed in October 2024;
- The reduced level of progress during the period compared with the prior year period on *FPSO Almirante Tamandaré* (completed in February 2025), *FPSO Alexandre de Gusmão* (completed in May 2025) and FPSO *ONE GUYANA* (completed in August 2025); and
- The completion of *FPSO Sepetiba* in early January 2024; partially offset by
- The increased progress on the construction projects FPSOs *Jaguar* and *GranMorgu* under Sale and Operate model.

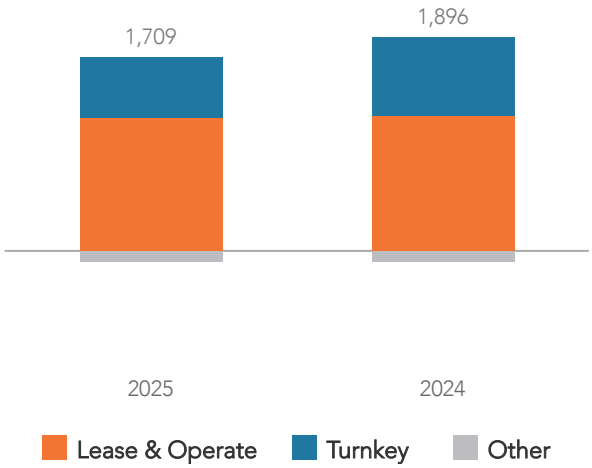
Directional Lease and Operate revenue came in at US$2,295 million, a decrease versus US$2,369 million in the year-ago period. This mainly reflects the following events:

- Reduced revenue from FPSOs *Liza Destiny* and *Prosperity* only contributing in the period as Operations and Maintenance contracts following the purchase of the units by the client in the last quarter of 2024 (therefore not contributing to lease revenue in 2025);
- Lower reimbursable scope on the fleet; and
- The end of *FPSO Serpentina* operations in the year-ago period; partially offset by
- FPSOs *Almirante Tamandaré, Alexandre de Gusmão and ONE GUYANA* joining the fleet upon successful delivery during the period; and
- Improved performance of the fleet.

Directional EBITDA

Directional EBITDA amounted to US$1,709 million, representing a 10% decrease compared with US$1,896 million in 2024. The variance of Directional EBITDA is further detailed by segment as follows:

Directional EBITDA (in millions of US$)



Directional Turnkey EBITDA decreased from US$724 million in the year-ago period to US$561 million in the current year. The key factors impacting Directional Turnkey EBITDA are:

- The sale of FPSOs *Prosperity* and *Liza Destiny*, completed respectively in November and December 2024;
- The 13.5% divestment of ownership interest in *FPSO Sepetiba* to CMFL completed in October 2024;
- The reduced level of progress during the period compared with the year-ago period on *FPSO Almirante Tamandaré* (completed in February) and *FPSO Alexandre de Gusmão* (completed in May); and
- The completion of *FPSO Sepetiba* in early January 2024; partially offset by
- Full margin contribution during 2025 from FPSO *Jaguar* and FPSO *GranMorgu* given that the projects reached the requisite 'stage of completion' to allow margin recognition during the last quarter of 2024 (limited margin contribution during 2024) and the second quarter of 2025 respectively; and
- The successful close-out of the construction activities of FPSOs *Almirante Tamandaré, Alexandre de Gusmão* and *ONE GUYANA*, delivered during the period.

Under Directional reporting, FSO *Chalchi* is classified as an operating lease where lessor-related entities are 100% owned by the Company. Therefore, under the Company's Directional accounting policy, revenue recognition for this project is as follows:

- The Company does not recognize any Directional revenue and Directional margin unless defined invoicing (if any) to the client occurs during the construction phase to cover specific construction work and/or services performed before the commencement of the lease. These upfront payments are recognized as revenues and the costs associated with the related construction work and/or services are recognized as cost of sales with no margin.
- Upon any partial divestment to partners, the Company will book Directional revenue and (once the 'stage of completion' is reached) Directional margin associated with the EPC works to the extent of the portion of the sale to partners in the special purpose entities.

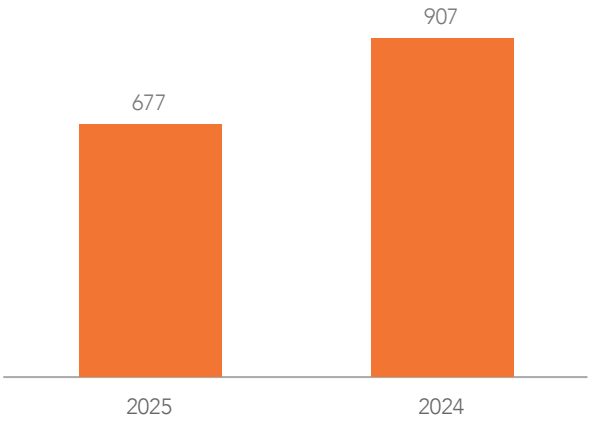
Directional Lease and Operate EBITDA slightly decreased from US$1,261 million in the year-ago period to US$1,235 million in the current period. This decrease resulted from:

- Reduced revenue from FPSOs *Liza Destiny* and *Prosperity* only contributing in the period as Operations and Maintenance contracts following the purchase of the units by the client in the last quarter of 2024 (therefore not contributing to lease revenue in 2025);
- The prior year 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;
- The impact of the full divestment of the lease and operating entities of the *FPSO Aseng* to GEPetrol completed in December 2025 which, while positive from a cash consideration received perspective, generated a loss recognized in 'Directional Other operating income'; and
- The change in ownership in *FPSO Sepetiba* following the divestment to CMFL in 2024; partially offset by

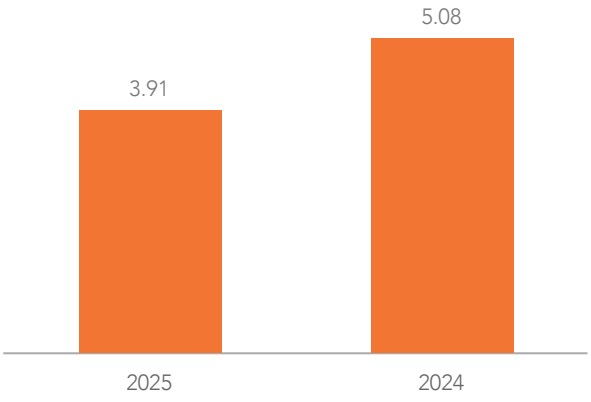
- FPSOs *Almirante Tamandaré, Alexandre de Gusmão and ONE GUYANA* joining the fleet upon successful delivery during the period;
- Improved performance of the fleet;
- The net gain over the period from the acquisition of interests held by MISC Berhad in *FPSO Espirito Santo* entities and the full divestment in *FPSO Kikeh* entities recognized in 'Directional Other operating income'; and
- The net gain arising from the *Thunder Hawk* sale completed during the period and recognized in 'Directional Other operating income'.

The other non-allocated costs charged to Directional EBITDA amounted to US$(87) million in 2025, a US$2 million decrease compared with the US$(89) million in the year-ago period, which is mainly explained by a reduction in general and administrative costs.

Directional Net income (in millions of US$)



Weighted Average Earnings Per Share Directional (in US$)



Directional depreciation, amortization and impairment amounted to US$503 million in 2025, a US$72 million decrease compared with US$576 million in the year ago period. This decrease resulted from (i) FPSOs *Liza Destiny* and *Prosperity* no longer contributing to depreciation following purchase of the units by the client at the end of 2024, (ii) *FPSO Cidade de Anchieta* having a lower depreciable base as a result of the impairment recognized in the last quarter of 2024, (iii) the 13.5% divestment of ownership interest in *FPSO Sepetiba* to CMFL completed in October 2024, (iv) the divestment of *FPSO Aseng*, which was classified as assets held for sale in the period ended June 30, 2025, and therefore ceased to be depreciated from that date onwards, while in 2024, it was depreciated during the full year, and (v) the release of the accumulated impairment on the demobilization receivable for *Thunder Hawk* as a result of the sale of the asset completed during the period. This was partially offset by (vi) FPSOs *Almirante Tamandaré*, *Alexandre de Gusmão* and *ONE GUYANA* joining the fleet upon successful delivery during 2025 and (vii) the start of amortization of the Company's new global ERP system following its first phase successful deployment mid-2025.

Directional net financing costs totaled US$(304) million in 2025, compared with US$(314) million in the year-ago period. This improvement of 3% mainly resulted from (i) lower interest expense on the project loans for FPSOs *Liza Destiny* and *Prosperity* following purchase of the units by the client, (ii) gains on forward currency contracts, (iii) higher interest income on cash and short-term investments, (iv) the scheduled amortization of project loans for the fleet under operations, (v) lower interest on the Company's RCF and (vi) the 13.5% divestment ownership interest in *FPSO Sepetiba* to CMFL completed in October 2024. This was partially offset by (vii) additional interest expense generated by the new construction financing of FPSO *Jaguar* in 2025, (viii) the new sale and leaseback financing agreement for *FPSO Cidade de Paraty*, (ix) increased financing to fund the construction of *FPSO Almirante Tamandaré*, *FPSO Alexandre de Gusmão* and FPSO *ONE GUYANA* during the period and (x) the amortization of the *ONE GUYANA* project financing transaction costs up to the expected purchase of the unit in early 2026.

The Directional effective tax rate increased to 25% versus 10% in the year-ago period. The increase is primarily driven due to the impact of the sale of FPSO *Unity* and FPSO *Prosperity* in 2024 and the corresponding recognition of the margin on the sale of these assets, which was not followed by the respective extent of corporate tax expense.

As a result, the Company recorded a Directional net profit of US$677 million, or US$3.91 per share, a 25% and 23% decrease respectively, when compared with the Directional net profit of US$907 million, or US$5.08 per share, in the previous year.

STATEMENT OF FINANCIAL POSITION – DIRECTIONAL

in millions of US$	2025	2024
Directional total equity	2,536	2,002
Directional net debt[1]	5,651	5,719
Directional cash and cash equivalents	891	606
Directional total assets	11,656	10,815
Solvency ratio[2]	32.7	31.9

1 Directional net debt is calculated as Directional total borrowings (including lease liabilities) less Directional cash and cash equivalents.
2 Solvency ratio is calculated in accordance with the definition provided in section 4.3.23 Borrowings and lease liabilities - Covenants

Directional total equity increased by US$534 million from US$2,002 million at December 31, 2024 to US$2,536 million at December 31, 2025. This increase is driven by (i) the positive net result over the period and (ii) the increase of the hedging reserve, partially offset by (iii) the dividends distributed to the shareholders of EUR150 million (equivalent to US$170 million[3]) and (iv) the cumulative share repurchase amount of EUR154 million, equivalent to US$174 million[4] (2024: EUR102 million, equivalent to US$102 million) in relation to:

- The EUR65 million share repurchase program effective from August 8, 2024 and fully completed on April 23, 2025; and
- The EUR141 million share repurchase program effective from April 24, 2025, which is expected to be completed by February 26, 2026.

In line with the progress of the share repurchase program, the Company cancelled 5,000,000 ordinary shares on November 3, 2025, representing 2.8% of the Company's issued share capital. The total and final number of shares to be cancelled will be determined upon completion of the share repurchase program.

The movement in the hedging reserve was mainly caused by (i) the increase in marked-to-market value of forward currency contracts, driven by the depreciation of the US$ exchange rate versus the hedged currencies (especially EUR and BRL), partially offset by (ii) the negative impact of the marked-to-market value of interest rate swaps due to decreasing US$ market interest rates.

It should be noted that under Directional policy, historically the contribution to profit and equity of the FPSOs program under construction has mainly materialized in the operating phase at the Company's share of ownership in lessor-related SPVs, in line with the generation of associated operating cash flows which is also applicable to FSO *Chalchi*. With regards to FPSO *Jaguar* and FPSO *GranMorgu* which, contrary to the other FPSOs under construction, are classified as construction contracts falling solely in the scope of IFRS 15, their contribution to profit and equity will largely materialize in the coming years during the construction period both under IFRS and Directional reporting principles.

3 Based on the EUR/US$ exchange rate on May 6, 2025. Dividends were paid in euro.
4 Based on the 2025 annual average EUR/US$ exchange rate.