

2025 ANNUAL REPORT

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Directional net debt slightly decreased by US$(68) million from US$5,719 million at December 31, 2024 to US$5,651 million at December 31, 2025. While the Turnkey (as a result of recent Sale and Operate contracts) and the Lease and Operate segments generated strong operating cash flows, the Company (i) implemented of a new financing tool with the sale and leaseback financing agreement for *FPSO Cidade de Paraty* fully drawn during the period, (ii) continued to draw on project finance facilities for *FPSO Alexandre de Gusmão* and FPSO *ONE GUYANA* to finalize the related investment in growth and (iii) implemented the construction financing for FPSO *Jaguar*. These were partially offset by (iv) the scheduled repayment of non-recourse project debt, (v) the full repayment of the MPF facility, (vi) the partial repayment of the RCF, (vii) the full repayment of the US private placement notes in relation to *FPSO Cidade de Anchieta* and (viii) the strong return to shareholders.

More than two thirds of the Company's Directional debt, as of December 31, 2025, consisted of non-recourse project financing (US$5.3 billion) in special purpose investees. The remainder (US$1.1 billion) comprised (i) the construction financing for FPSO *Jaguar* which will be repaid following completion of construction, and (ii) the Company's new RCF, which was drawn for US$100 million as at December 31, 2025. Directional cash and cash equivalents amounted to US$891 million (December 31, 2024: US$606 million) and lease liabilities totaled US$115 million (December 31, 2024: US$93 million).

Directional net debt is reconciled to IFRS figures as follows:

	Notes	FY 2025	FY 2024
Total Borrowings and lease liabilities	4.3.23	9,155	8,943
Less: Cash and cash equivalents	4.3.21	(1,086)	(806)
Net debt	**4.3.27**	**8,068**	**8,137**
Impact of lease accounting treatment	4.3.2	-	-
Impact of consolidation methods	4.3.2	(2,418)	(2,418)
Directional net debt		**5,650**	**5,719**

Directional total assets increased to US$11.7 billion as at December 31, 2025, compared with US$10.8 billion at year-end 2024, following (i) the investments in property, plant and equipment for FPSOs under construction during the period net of depreciation of the period on FPSOs under operation, (ii) the investments in multi-purpose floater hulls and related equipment under construction for use in future projects, (iii) the increase of contract assets and receivables mostly related to FPSO projects under construction at the end of the year and (iv) net cash generation.

Directional cash from operating activities for the period was positive at US$1,166 million. This reflected strong cash flows generated by the fleet under operations and the positive Turnkey cash flows benefiting mostly from client milestone payments on Sale and Operate model FPSO projects.

The relevant covenants (solvency ratio, interest cover ratio and backlog cover ratio) applicable for the Company's RCF, drawn for c. US$100 million as at year-end 2025, were all met at December 31, 2025. For more detailed information on covenants, please refer to section 4.3.23 Borrowings and Lease Liabilities. In line with previous years, the Company had no off-balance sheet financing.

CASH FLOW / LIQUIDITIES – DIRECTIONAL

Directional cash and undrawn committed credit facilities amount to US$2,396 million at December 31, 2025, of which US$505 million is considered as pledged to specific project debt-servicing related to FPSO *Jaguar,* or otherwise restricted in its utilization.

The consolidated cash flow statement under Directional reporting is as follows:

in millions of US$	2025	2024
Directional EBITDA	**1,709**	**1,896**
Adjustments for non-cash and investing items		
Directional Addition/(release) provision	58	23
Directional Effect of disposal of property, plant and equipment	(0)	1,112
Directional (Gain) / loss on disposal of equity-accounted investees	(31)	-
Directional (Gain) / loss on acquisition of shares in investees	(54)	(74)
Directional Share-based payments	23	21
Changes in operating assets and liabilities		
Directional (Increase)/Decrease in operating receivables	5	(1,181)
Directional Movement in contract assets	(279)	124
Directional (Increase)/Decrease in inventories	(300)	(26)
Directional Increase/(Decrease) in operating liabilities	174	773
Directional Income taxes paid	(139)	(178)
Directional Net cash flows from (used in) operating activities	**1,166**	**2,492**
Directional Capital expenditures	(487)	(937)
Directional (Addition) / repayments of funding loans	(0)	(4)
Directional Cash flows from changes in interests of subsidiaries	(28)	1
Directional Cash receipts from sale of investments in joint ventures	42	57
Directional Other investing activities	195	27
Directional Net cash flows from (used in) investing activities	**(278)**	**(858)**
Directional Additions and repayments of borrowings and lease liabilities	(7)	(969)
Directional Dividends paid to shareholders	(173)	(154)
Directional Share repurchase program	(174)	(102)
Directional Interest paid	(276)	(327)
Directional Net cash flows from (used in) financing activities	**(630)**	**(1,552)**
Directional Foreign currency variations	(10)	(3)
Directional Net increase/(decrease) in cash and cash equivalents	**248**	**79**

The Company generated strong Directional operating cash flows mainly as a result of the cash flow from the expanded fleet under operations and the positive turnkey cash flows benefiting from client's milestone payments on FPSO projects under construction (mostly on Sale and Operate contracts).

Cash generated from Directional operating cash flows and drawdowns on project and construction financing, together with some of the Company's existing cash, was primarily used to:

- Invest in the four Lease and Operate FPSOs/FSO under construction over the period and the Fast4Ward® new build multi-purpose hulls and related equipment for use in future projects;
- Full repayment of the US private placement notes in relation to the *FPSO Cidade de Anchieta* and the existing RCF;
- Return funds to shareholders through dividends and share repurchase programs; and
- Service the Company's non-recourse debt and interest in accordance with the respective repayment schedules.

The Company completed the acquisition of the shares in the lease and operating entities related to *FPSO Espirito Santo*, the sale of all its shares in the parent company of *FPSO Kikeh* and the sale of all its shares in the lease and operating entities related to *FPSO Aseng,* which are all reported as investing activities within the Directional cash flow statement.

As a result, Directional cash and cash equivalents increased from US$642 million (including US$36 million classified as held for sale) at year-end 2024 to US$891 million at year-end 2025.