



2025 ANNUAL REPORT



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The decrease in net financing costs is mainly due to (i) the full repayment of the project loans for FPSOs *Liza Destiny* and *Prosperity* in 2024 following the 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, and (v) lower interest expense on the Company's RCF. This was partially offset by (vi) the new construction financing for FPSO *Jaguar* in 2025, (vii) the sale and leaseback financing agreement for FPSO *Cidade de Paraty*, (viii) increased financing to fund the construction of FPSO *Almirante Tamandaré*, FPSO *Alexandre de Gusmão* and FPSO *ONE GUYANA* during the period and (ix) the amortization of the *ONE GUYANA* project financing transaction costs up to the expected purchase of the unit in early 2026.

4.3.10 INCOME TAX EXPENSE

The relationship between the Company's income tax expense and profit before income tax (referred to as the 'effective tax rate') can vary significantly from period to period due to factors such as: (i) changes in the blend of income that is taxed based on revenues versus profit, (ii) the shift in operations of the Company where the different statutory tax rates are applied and (iii) the ability to recognize deferred tax assets on tax losses when sufficient future taxable profits are expected.

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	2025	2024
Corporation tax on profits for the year		(166)	(157)
Adjustments in respect of prior years		11	9
Movements in uncertain tax positions		(42)	5
Total current income tax		(197)	(143)
Deferred tax	4.3.17	80	71
Total		(117)	(73)

The Company's operational activities are subject to taxation at rates which range up to 36% (2024: 35%).

The reconciliation of the effective tax rate is as follows:

Reconciliation of total income tax charge

	2025		2024	
	%		%	
Profit/(Loss) before income tax		1,226		283
Share of profit of equity-accounted investees		(4)		19
Profit/(Loss) before income tax and share of profit of equity-accounted investees		1,230		265
Income tax using the domestic corporation tax rate (25,8% for the Netherlands)	25,8%	(317)	25,8%	(68)
Tax effects of :				
Different statutory taxes related to subsidiaries operating in other jurisdictions	(12%)	151	(9%)	24
Withholding taxes and taxes based on deemed profits	8%	(93)	30%	(79)
Non-deductible expenses	6%	(69)	30%	(80)
Non-taxable income	(2%)	26	(7%)	19
Adjustments related to prior years	(1%)	11	(3%)	9
Tax effect originating from current year timing differences, unused tax losses and tax credits for which no deferred tax is recognized ¹	(18%)	218	(37%)	98
Movements in uncertain tax positions	3%	(42)	(2%)	5
Total tax effects	(16%)	200	2%	(5)
Total of tax charge on the Consolidated Income Statement	10%	(117)	27%	(73)

¹ This line includes reversal(s) and/or addition(s) of deferred tax on outside basis differences.

The effective tax rate over 2025 decreased to 10%, compared with 27% in the year-ago period. The decrease in the effective tax rate is mainly explained by (i) recognition of a deferred tax asset in relation to the profit recognition of *FPSO Almirante Tamandaré* and *FPSO Alexandre de Gusmão* as a result of the first oil of those units, (ii) the early sale of *FPSO ONE GUYANA* completed on February 4, 2026, resulting in the partial release of a deferred tax liability and (iii) lower tax on the Guyanese projects following the sales of two FPSOs in 2024.

Similar to last year, the effective tax rate was also impacted by unrecognized deferred tax assets concerning Brazil, USA, Luxembourg, Monaco and the Netherlands.

As of 2025 Bermuda has an effective 15% domestic top-up tax, Luxembourg decreased its statutory tax rate from 24.94% (2024) to 23.87% (2025), and Portugal from 21% (2024) to 20% (2025). No other jurisdictions applicable to the Company updated their statutory corporate income tax rates compared with the previous year.

Details of the withholding taxes and other taxes per country are as follows:

Withholding taxes per country

	2025	2024
Withholding Tax and Overseas Taxes (per location)	Withholding tax	Withholding tax
Angola	(35)	(20)
Brazil	(20)	(14)
Guyana	(37)	(43)
Other	(1)	(1)
Total withholding and overseas taxes	(93)	(79)

Brazil withholding tax

The Company incurs Brazilian withholding tax in relation to its Brazilian fleet time charter revenue. Following completion of construction of *FPSO Almirante Tamandaré* and *FPSO Alexandre de Gusmão*, the Company started incurring Brazilian withholding tax in 2025 regarding operations of these units.

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Guyana withholding tax

The Company's construction and lease activities that relate to Guyana are subject to Guyanese withholding tax. The decrease of withholding tax between 2025 and 2024 is mainly explained by the withholding tax incurred for FPSO *Prosperity* and FPSO *Liza Destiny* which were purchased by the client at the end of 2024, resulting in no withholding tax incurred in 2025. This decrease was only partially offset by the withholding tax incurred for operations of FPSO *ONE GUYANA*, following its first oil in August 2025.

Angola withholding tax

The Company incurs Angolan withholding tax in relation to its three units operating in this country under time charter contracts.

TAX RETURNS AND TAX CONTINGENCIES

The Company files federal and local tax returns in several jurisdictions throughout the world. Tax returns in the major jurisdictions in which the Company operates are generally subject to examination for periods ranging from three to six years. Tax authorities in certain jurisdictions are examining tax returns and, in some cases, have issued assessments. The Company believes there is a sound basis for its tax positions in those jurisdictions. The Company provides for taxes that it considers probable of being payable as a result of these audits and for which a reasonable estimate may be made. While the Company cannot predict or provide assurance as to the final outcome of these proceedings, the Company does not expect the ultimate liability to have a material effect on its consolidated statement of financial position or results of operations.

Each year, management completes a detailed review of uncertain tax positions across the Company and makes provisions based on the probability of a liability arising. The principal risks that arise for the Company are in respect of permanent establishment, transfer pricing, taxable basis and other similar international tax issues. In line with other international groups, the difference in alignment between the Company's global operating model and the jurisdictional approach of tax authorities often leads to uncertainty on tax positions.

As a result of the above, in the period, the Company recorded a net tax increase of US\$37 million in respect of ongoing tax audits and in respect of the Company's review of its uncertain tax positions. This increase is in relation to overall uncertain tax positions on corporate income tax for an amount of US\$42 million, that especially relate to jurisdictions where administrative practice is rapidly evolving. However, it is possible that the ultimate resolution of the tax exposures could result in tax charges that are materially higher or lower than the amount provided.

The Company recognized a deferred tax asset in relation to a tax goodwill in Switzerland (refer to note 4.3.17 Deferred Tax Assets and Liabilities). In determining the taxable profits, the Company updated its assessment and modeling to determine that an amount of US\$1,860 million could possibly be unrecoverable (2024: US\$1,995 million), which is driven by the assessment of profitability and commercial uncertainties (i.e. future awards) impacting future profits. Based on the uncertainty of recovering this tax asset in future years, in light of applicable enacted Swiss tax regulations, the Company determined the expected value based on a range of possible outcomes. As a result, the Company as of December 31, 2025, reassessed the amount of its net deferred tax asset related to the tax goodwill in Switzerland to US\$98 million (2024: US\$157 million) in accordance with IAS 12 and IFRIC 23.

The Company conducts operations through its various subsidiaries in a number of countries throughout the world. Each country has its own tax regimes with varying nominal rates, deductions and tax attributes. From time to time, the Company may identify changes to previously evaluated tax positions, which could result in adjustments to its recorded assets and liabilities. Although the Company is unable to predict the outcome of these changes, it does not expect the impact, if any, resulting from these adjustments to have a material effect on its consolidated statement of financial position, results of operations or cash flows.

IMPACT OF THE GLOBE PILLAR TWO MODEL RULES

In December 2021, the OECD released the GloBE Pillar Two model rules, also referred to as the 'Global Anti-Base Erosion' or 'GloBE' rules. These rules aim to ensure large multinational enterprises (MNEs) pay a minimum amount of tax on income arising in each jurisdiction in which they operate through introducing a global minimum corporate income tax rate set at 15%. Under GloBE rules, the Company is liable to pay a top up tax in the jurisdiction for which the GloBE effective tax rate is below the 15% minimum rate.

On December 15, 2022, the EU adopted Directive 2022/2523 setting out harmonized implementation of the Pillar Two model rules in the EU, comprising the income Inclusion Rule (IIR), the Under-Taxed Payments Rule (UTPR), as well as the Qualified Domestic Minimum Top-Up Tax (QDMTT).

The Company is within the scope of the OECD Pillar Two model rules which came into effect on 1 January 2024. The Netherlands, the jurisdiction in which the Company is incorporated, transposed the EU directive into its legislation under the Minimum Tax Act 2024, effective from January 1, 2024.

QDMTTs allow countries to charge top-up tax on local profits. Timing and implementation of QDMTTs by jurisdictions where the Company has a presence is uneven. The Netherlands, Switzerland, Portugal, Norway, Luxembourg, France, Canada, The Bahamas, Brazil, Cyprus, Gurnsey, Hong Kong, Isle of Man, Malaysia, Qatar, Singapore and the United Kingdom have all implemented QDMTTs applicable for financial year 2025. Additionally, Japan has also implemented QDMTTs with an effective date of April 1, 2026.

The assessment is complex and is based on legislation that is subject to further developments and interpretation. Based on the current rules and the result for 2025, the Company has estimated that the current tax expense related to the application of Pillar Two represents an amount of less than US\$1 million and would impact the annual effective tax rate by less than 1%. For 2025, this impact primarily concerns entities within the jurisdiction of Malta. The Company highlights that the disclosed impact is on the basis of certain assumptions, which eventually might deviate from the actual impact due to differences in interpretation, divergence in rules between jurisdictions and further guidance to be issued.

As various laws, regulations or guidance are still evolving, there are uncertainties regarding the exact impact of the Pillar Two legislation at year-end. Nevertheless, the Company does not foresee a material impact on its effective tax rate.

The company applies the IAS12 exception issued by the IASB in May 2023 to recognize and disclose information about deferred tax assets and liabilities arising from Pillar Two model rules.

4.3.11 EARNINGS/(LOSS) PER SHARE

The basic earnings per share for the year amounts to US\$5.33 (2024: US\$0.84), and the fully diluted earnings per share amounts to US\$5.25 (2024: US\$0.83).

Basic earnings/(loss) per share amounts are calculated by dividing net profit/(loss) for the period attributable to shareholders of the Company by the weighted average number of shares outstanding (shares issued and fully paid excluding treasury shares) during the period.

Diluted earnings/(loss) per share amounts are calculated by dividing the net profit/(loss) attributable to shareholders of the Company by the weighted average number of shares outstanding during the period plus the weighted average number of shares that would be issued on the conversion of all the potential dilutive shares into ordinary shares.

The following reflects the share data used in the basic and diluted earnings per share computations:

Earnings per share

	2025	2024
Earnings attributable to shareholders (in thousands of US\$)	922,401	150,061
Number of shares outstanding at January 1	174,562,451	179,019,227
Average number of treasury shares transferred to employee share programs	1,364,045	1,448,155
Average number of shares repurchased / cancelled	(2,804,328)	(1,817,660)
Weighted average number of shares outstanding	173,122,168	178,649,722
Potential dilutive shares from stock option scheme and other share-based payments	2,545,704	2,364,009
Weighted average number of shares (diluted)	175,667,872	181,013,731
Basic earnings per share in US\$	5.33	0.84
Fully diluted earnings per share in US\$	5.25	0.83