



2025 ANNUAL REPORT



TRUE.
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Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from transactional currency exposures, primarily with respect to the euro, Singapore dollar, Chinese yuan and Brazilian real. The exposure arises from sales or purchases in currencies other than the Company's functional currency. The Company uses forward currency contracts to eliminate the currency exposure once the Company has entered into a firm commitment of a project contract.

For foreign currency risk, the principal terms of the forward currency contract (notional and settlement date) and the future expense or revenue (notional and expected cash flow date) are identical. The Company has established a hedge ratio of 1:1 for all its hedging relationships.

The main Company's exposure to foreign currency risk is as follows based on notional amounts:

Foreign exchange risk (summary)

in millions of local currency	31 December 2025				31 December 2024			
	EUR	SGD	BRL	CNY	EUR	SGD	BRL	CNY
Fixed assets	204	2	463	30	213	-	851	32
Current assets	128	5	522	25	145	5	1,304	37
Long-term liabilities	(181)	(1)	(456)	(22)	(190)	(0)	(1,063)	(22)
Current liabilities	(220)	(12)	(1,100)	(164)	(235)	(16)	(1,622)	(140)
Gross balance sheet exposure	(70)	(7)	(570)	(132)	(68)	(12)	(530)	(93)
Estimated forecast sales	18	-	-	-	-	-	-	-
Estimated forecast purchases	(1,370)	(473)	(3,008)	(3,481)	(1,688)	(764)	(3,053)	(4,836)
Gross exposure	(1,423)	(479)	(3,578)	(3,613)	(1,755)	(776)	(3,583)	(4,929)
Forward exchange contracts	1,461	473	3,621	3,657	1,808	775	3,609	4,937
Net exposure	38	(7)	43	44	53	(1)	25	8
Net exposure in USD	45	(5)	8	6	55	(1)	4	1

Overall, currency gross exposure decreased due to progress in the construction of FPSO *Jaguar* and FPSO *GranMorgu*, as well as the completion of the three FPSOs delivered in 2025: FPSO *Almirante Tamandaré*, FPSO *Alexandre de Gusmão* and FPSO *ONE GUYANA*. Future BRL requirements remain almost stable, as the construction costs in BRL are offset by the operational needs of the Company's two new vessels operating in Brazil.

The estimated forecast purchases relate to project expenditure and overhead expenses for up to three years. The main currency exposures of overhead expenses and Brazilian operations are hedged at 100% for the coming year, between 66% and 100% for the year after, and between 33% and 100% for the subsequent year, depending on internal review of the foreign exchange market conditions.

Foreign exchange risk (exchange rates applied)

	2025	2024	2025	2024
	Average rate		Closing rate	
EUR 1	1.1298	1.0824	1.1750	1.0389
SGD 1	0.7654	0.7487	0.7779	0.7335
BRL 1	0.1791	0.1865	0.1826	0.1617
CNY 1	0.1391	0.1390	0.1428	0.1370

The sensitivity on equity and the income statement resulting from a change of 10% of the US dollar's value against the following currencies at December 31, would have increased (decreased) profit or loss and equity by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis as for 2024.

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Foreign exchange risk (sensitivity)

	Profit or loss		Equity	
	10% increase	10% decrease	10% increase	10% decrease
31 December 2025				
EUR	(1)	1	(162)	162
SGD	1	(1)	(37)	37
BRL	(0)	0	(56)	56
CNY	(0)	0	(50)	50
31 December 2024				
EUR	1	(1)	(182)	182
SGD	0	(0)	(56)	56
BRL	(1)	1	(49)	49
CNY	0	(0)	(67)	67

As set out above, by managing foreign currency risk, the Company aims to reduce the impact of short-term market price fluctuations on the Company's earnings. Over the long-term however, permanent changes in foreign currency rates would have an impact on consolidated earnings.

Interest rate risk

The Company's exposure to risk from changes in market interest rates relates primarily to the Company's long-term debt obligations with a floating interest rate. In respect of controlling interest rate risk, the floating interest rates of long-term loans are hedged by fixed rate swaps and options for the entire maturity period. The revolving credit facility is intended for the fluctuating needs of construction financing and bears interest at floating rates, which is also swapped for fixed rates when exposure is significant.

For interest rate risk, the principal terms of the interest rate swap or option (notional amortization, rate-set periods) and the financing (repayment schedule, rate-set periods) are identical. The Company has established a hedge ratio of 1:1, as the hedging layer component matches the nominal amount of the interest rate swap for all its hedging relationships.

At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments (excluding transaction costs) was:

Interest rate risk (summary)

	2025	2024
Fixed rate instruments		
Financial assets	13,173	6,728
Financial liabilities	(620)	(802)
Total	12,553	5,926
Variable rate instruments (SOFR)		
Financial assets	-	-
Financial liabilities (SOFR)	(8,773)	(8,474)
Financial liabilities (future) (SOFR)	(505)	(1,652)
Total	(9,278)	(10,126)