



2024 ANNUAL REPORT



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4 FINANCIAL INFORMATION 2024

As at December 31, 2024, current contract liabilities are related only to minor construction projects.

Non-current contract liabilities of US\$28 million (December 31, 2023: US\$22 million) as at December 31, 2024, mostly relate to future demobilization performance obligations associated with expected demobilization costs in finance lease contracts.

The Company recognized revenue of US\$66 million during the period which was included in the contract liabilities as per December 31, 2023.

4.3.4 OTHER OPERATING INCOME AND EXPENSE

	2024	2023
Gains from sale of financial participations and property, plant and equipment	32	0
Other operating income	2	3
Total other operating income	34	3
Other operating expenses	(5)	(2)
Restructuring expenses	(0)	(11)
Total other operating expense	(5)	(13)
Total	29	(10)

In 2024, total other operating income and expense is mainly driven by a net gain in a total of US\$32 million arising from the acquisition of interests held by Sonangol, related to FPSOs *N'Goma*, *Saxi Batuque* and *Mondo*, and from the divestment in the parent company of the Paenal shipyard in Angola (refer to note 4.3.30 Business Combinations for details on these transactions).

For comparison, in 2023, the total Other operating income and expense was mainly driven by a restructuring expense in the amount of US\$11 million corresponding to severance costs relating to the implementation of an optimization plan for the Company's support functions' activities.

4.3.5 EXPENSES BY NATURE

The table below sets out expenses by nature for all items included in EBIT for the years 2024 and 2023:

	Note	2024	2023
Expenses on construction contracts		(1,704)	(2,130)
Employee benefit expenses	4.3.6	(995)	(842)
Vessels operating costs		(770)	(512)
Depreciation, amortization and impairment		(113)	(94)
Selling expenses		(9)	(10)
Other costs		(300)	(232)
Total expenses		(3,890)	(3,820)

'Expenses on construction contracts' decreased compared with prior year. Despite having five FPSO's under construction during both periods, the reduction is a result of (i) lower progress on *FPSO Almirante Tamandaré*, *FPSO Alexandre de Gusmão* and *FPSO ONE GUYANA*, as those projects approached completion during the period, and (ii) the completion of *FPSO Prosperity* during the last quarter of 2023 and of *FPSO Sepetiba* early January 2024, partially offset by (iii) progress on the awarded contracts for *FPSO Jaguar*, *GranMorgu FPSO*, *FSO Trion* and on brownfield projects.

'Employee benefit expenses' increased due to higher work-hour-related activities in Turnkey projects and the ramp-up of operations on the fleet in operation.

'Vessel operating costs' increased mainly as a result of a higher scope of work in several vessels and the operational start of *FPSO Prosperity* during the last quarter of 2023 and *FPSO Sepetiba* early 2024. Notwithstanding the sale of the units during 2024, *FPSO Liza Destiny* and *FPSO Prosperity* continue to be operated by the Company through the OMEA signed with the