



2024 ANNUAL REPORT



TRUE.
BLUE.
TRANSITION.

The depreciation charge for the semi-submersible production facility *Thunder Hawk* is calculated based on its future anticipated economic benefits, resulting in a depreciation plan based on the unit of production method. All other property, plant and equipment is depreciated on a straight-line basis.

Company-owned property, plant and equipment with a carrying amount of US\$71 million (December 31, 2023: US\$178 million) has been pledged as security for liabilities, mainly for external financing.

No interest has been capitalized during the financial year as part of the additions to property, plant and equipment (2023: nil).

FPSO Cidade de Anchieta

FPSO Cidade de Anchieta was shut down from January 22, 2022 until December 17, 2022, following observation of oil near the vessel. Adequate anti-pollution measures were immediately deployed and were effective and inspections quickly identified oil leaks from two tanks. For the safe restart of the vessel, four tanks were repaired, in agreement with the client and approved by Class and local authorities. This enabled a safe restart at full production on December 17, 2022. Repair of other tanks have continued since the restart, with good progress and will continue over the coming years.

During the last quarter of 2024, the Company signed a full and final settlement agreement with its insurers relating to this incident and performed its regular review of revised estimates of future maintenance and repair costs. Based on this analysis, actual values and future cash flows were re-estimated, leading to an impairment charge of US\$39 million accounted for in the 2024 results.

The recoverable amount of the vessel was determined using its value in use. Significant estimates are part of the impairment calculation:

- If the discount rate (7%) used in the impairment test were to vary by +/- 1%, the impairment would change by +/- US\$7 million; and
- If the cash outflow were to vary by +/- US\$10 million, the impairment would change by +/- US\$9.5 million.

RIGHT-OF-USE ASSETS

As of December 31, 2024, the Company leases buildings and cars. The movement of the right-of-use assets during the year 2024 is summarized as follows:

2024

	Buildings	Other fixed assets	Total
Book value at 1 January	75	2	77
Additions	32	1	33
Disposals	(7)	-	(7)
Depreciation	(15)	(1)	(16)
(Impairment)/impairment reversal	-	-	-
Foreign currency variations	(5)	(0)	(5)
Other movements	(1)	(0)	(1)
Total movements	4	1	6
Cost	116	5	121
Accumulated depreciation and impairment	(36)	(3)	(39)
Book value at 31 December	80	2	82

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2023

	Buildings	Other fixed assets	Total
Book value at 1 January	39	1	40
Additions	54	1	55
Disposals	(5)	-	(5)
Depreciation	(14)	(1)	(14)
(Impairment)/impairment reversal	-	-	-
Foreign currency variations	2	0	2
Other movements	(1)	(0)	(1)
Total movements	36	1	37
Cost	104	4	108
Accumulated depreciation and impairment	(29)	(2)	(31)
Book value at 31 December	75	2	77

During the year 2024, the main movements regarding right-of-use assets related to US\$33 million of capitalization of lease extensions and new lease office contracts, mainly arising from the new lease agreement for office space in Rotterdam beginning in July 2024, partially offset by US\$16 million of depreciation charges. Additions to right-of-use assets led to a similar increase in lease liabilities (refer to note 4.3.23 Borrowings and Lease Liabilities).

Office leases

Significant contracts under buildings relate to the lease of offices. The remaining contract periods of the Company's office rentals vary between one and ten years and most of the contracts include extension options between three and 12 years. The extension options have been taken into account in the measurement of lease liabilities when the Company is reasonably certain to exercise these options. The lease agreements do not impose any covenants.

OPERATING LEASES AS A LESSOR

The category 'Vessels and floating equipment' mainly relates to facilities leased to third parties under various operating lease agreements which terminate between 2025 and 2031. Leased facilities included in 'Vessels and floating equipment' amount to:

Leased facilities included in vessels and floating equipment

	31 December 2024	31 December 2023
Cost	1,215	1,821
Accumulated depreciation and impairment	(1,140)	(1,637)
Book value at 31 December	74	185

As of December 31, 2024, the units included under leased facilities are *FPSO Cidade de Anchieta* and the semi-submersible production facility *Thunder Hawk*. The book value of the leased facilities included in vessels and floating equipment has decreased by US\$110 million, mainly due to depreciation, impairment and capitalized major overhaul costs related to repair works performed net of the insurance recovery on *FPSO Cidade de Anchieta*.