



## 2024 ANNUAL REPORT



TRUE.  
BLUE.  
TRANSITION.

Regarding loans to joint ventures and associates, the maximum exposure to credit risk is the carrying amount of these instruments. As the counterparties of these instruments are joint ventures, the Company has visibility over the expected cash flows and can monitor and manage credit risk that mainly arises from the joint venture's final client.

### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and abnormal conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

In 2024, the Company again conducted various liquidity scenarios, financial stress tests and sensitivity analyses. The conclusion remained that the Company's lease portfolio and the existing financing facilities and overall financing capacity are sufficient to ensure that the Company will continue as a going concern in the foreseeable future and it can sustain future growth plans. Furthermore, under its Lease and Operate contractual arrangements with clients, the Company has considerable time under charters in which to deal with disruptions from events outside the Company's control, thus providing it with considerable financial protection.

Liquidity is monitored using rolling forecasts of the Company's liquidity reserves, based on expected cash flows. Flexibility is secured by maintaining availability under committed credit lines.

The table below analyses the Company's non-derivative financial liabilities, derivative financial liabilities and derivative financial assets in relevant maturity groupings, based on the remaining period at the statement of financial position date until the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. The future interest cash flows for borrowings and derivative financial instruments are based on the SOFR 3-month rates as at the reporting date.

### Liquidity risk 2024

|                                  | Note   | Less than 1 year | Between 1 and 5 years | Over 5 years | Total         |
|----------------------------------|--------|------------------|-----------------------|--------------|---------------|
| <b>31 December 2024</b>          |        |                  |                       |              |               |
| Borrowings                       |        | 1,112            | 8,096                 | 5,048        | 14,256        |
| Lease liabilities                |        | 10               | 30                    | 31           | 71            |
| Derivative financial liabilities |        | 215              | 74                    | -            | 289           |
| Derivative financial assets      |        | (186)            | (313)                 | (321)        | (820)         |
| Trade and other payables         | 4.3.25 | 1,088            | -                     | -            | 1,088         |
| <b>Total</b>                     |        | <b>2,239</b>     | <b>7,886</b>          | <b>4,759</b> | <b>14,884</b> |

### Liquidity risk 2023

|                                  | Note   | Less than 1 year | Between 1 and 5 years | Over 5 years | Total         |
|----------------------------------|--------|------------------|-----------------------|--------------|---------------|
| <b>31 December 2023</b>          |        |                  |                       |              |               |
| Borrowings                       |        | 436              | 7,327                 | 6,176        | 13,939        |
| Lease liabilities                |        | 11               | 44                    | 61           | 116           |
| Derivative financial liabilities |        | 80               | 10                    | -            | 90            |
| Derivative financial assets      |        | (302)            | (539)                 | (468)        | (1,310)       |
| Trade and other payables         | 4.3.25 | 1,170            | -                     | -            | 1,170         |
| <b>Total</b>                     |        | <b>1,395</b>     | <b>6,841</b>          | <b>5,769</b> | <b>14,005</b> |

### Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders, benefits for other stakeholders and to maintain a capital structure which optimizes the Company's cost of capital while ensuring diversification of sources of external funds.

The Company mainly uses its corporate revolving credit facility (RCF, US\$1 billion), supply-chain financing (SCF, US\$260 million) and the revolving credit facility for MPF hulls (US\$210 million) to bridge financing requirements on projects under

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construction, prior to putting a dedicated project finance facility in place. When a project finance facility is arranged and drawdowns have started, the RCF is repaid and a corporate guarantee from the Company is put in place for the construction period. When the project facility is drawn in full and the associated FPSO is producing, the corporate guarantee is recovered and the project finance becomes non-recourse debt.

As per December 31, 2024, all the debt associated with operating FPSOs is non-recourse.

The Company has limited appetite to decrease the existing debt in its structure, as this would involve breakage cost, through winding down the hedges and it would decrease the Company's return on equity. From time to time, it may decide to refinance existing facilities in order to increase and/or extend the tenor of leverage, subject to sufficient charter tenor and income.

Given the non-recourse nature of a large part of its debt, the Company monitors its capital risk, based on the Lease Backlog Cover Ratio, which is also used by the bank consortium supporting the Company's RCF. Generally, this ratio is calculated as the net present value of the future contracted net cash, after deducting the project finance debt and interest payments of a selected group of FPSO owning entities, divided by 1.5 (see note 4.3.23 Borrowings and Lease Liabilities).

The gearing ratios at December 31, 2024, and December 31, 2023, were as follows:

### Capital risk management

|  | 2024          | 2023          |
|--|---------------|---------------|
| Total borrowings and lease liabilities | 8,943         | 9,291         |
| Less: net cash and cash equivalents    | 806           | 543           |
| <b>Net debt</b>                        | <b>8,137</b>  | <b>8,748</b>  |
| Total equity                           | 5,844         | 5,531         |
| <b>Total capital</b>                   | <b>13,981</b> | <b>14,278</b> |
| Gearing ratio                          | 58.2%         | 61.3%         |

### Climate related risks

The Company has adopted three climate change scenarios to future-proof current strategy and take appropriate action. The scenarios are based on the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC) data, as explained in section 3.4.1 Climate Change Impact, Risk and Opportunity:

- The RCP 8.5 scenario, a climate change scenario where climate mitigation actions are not taken and emissions continue to grow according to previous rates, i.e., a worst-case scenario;
- The RCP 2.6 scenario, a climate action scenario providing for strong commitment towards targets, as per the Paris Agreement, i.e., the scenario consistent with a 1.5 degrees scenario.

Through its strategy process the Company tests the resilience of its portfolio and business model against each of these scenarios. Financial and non-financial information are aligned in order to ensure that the financial impact of climate related risks is identified. The Company assessed the physical and transitional risks disclosed in 3.4.1. Climate Change Risk & Opportunity from a consolidated financial statement perspective. Based on the reasonable and supportable information available to date and the outcome of risk assessments, the Company did not identify any circumstances which had an impact on impairment of non-financial assets, provisions nor contingent liabilities and assets in the 2024 consolidated financial statements.

Although climate related risks are key drivers of the Company strategy, budgeting exercise, capital allocation and prospects selection, the Company did not experience any significant impact on the financial statements of the reporting period.

The identified risks will however remain key points of attention, namely in the areas of impairment testing, estimation of remaining useful life, expected credit losses and provisions for future periods.