2025 ANNUAL REPORT

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4.3.5 EXPENSES BY NATURE

The table below sets out expenses by nature for all items included in EBIT for the years 2025 and 2024:

	Note	2025	2024
Expenses on construction contracts		(2,000)	(1,704)
Employee benefit expenses	4.3.6	(1,074)	(995)
Vessels operating costs		(697)	(770)
Depreciation, amortization and impairment		(51)	(113)
Selling expenses		(29)	(9)
Other costs		(300)	(300)
Total expenses		**(4,151)**	**(3,890)**

'Expenses on construction contracts' increased compared with prior year, as a result of higher expenditure in the projects for FPSO *GranMorgu*, FPSO *Jaguar* and FSO *Chalchi*, partially offset by the lower progress on *FPSO Almirante Tamandaré*, *FPSO Alexandre de Gusmão* and FPSO *ONE GUYANA*, as those projects approached completion during the period.

'Employee benefit expenses' increased due to higher work-hour-related activities in Turnkey projects and the ramp-up of operations with 3 vessels joining the fleet in 2025.

'Vessel operating costs' decreased mainly as a result of prior year non-recurring increases in the scope of work in several vessels and the end of *FPSO Serpentina* operations in 2024, partially offset by the start of production of *FPSO Almirante Tamandaré*, *FPSO Alexandre de Gusmão* and FPSO *ONE GUYANA* .

'Depreciation, amortization and impairment' decreased compared with the prior year, mostly due to (i) *FPSO Cidade de Anchieta* having a lower depreciable base as a result of the impairment recognized in the last quarter of 2024, (ii) the impairment of funding loans provided to equity-accounted entities which was recognized in the previous year and (iii) the release of the accumulated impairment on the demobilization receivable for *Thunder Hawk* as a result of the sale of the asset completed during the period, partially offset by (iv) the start of amortization of the Company's new global ERP system following its first phase successful deployment mid-2025.

Selling expenses increased due to additional commercial activities for the FPSO market.

Expenses related to short-term leases and leases of low-value assets amounted to US$9 million (2024: US$5 million).

4.3.6 EMPLOYEE BENEFIT EXPENSES

Information with respect to employee benefits expenses are detailed as follows:

	Note	2025	2024
Wages and salaries		(581)	(503)
Social security costs		(73)	(67)
Contributions to defined contribution plans		(47)	(40)
Contributions to defined benefit plans		(2)	(2)
Share-based payment cost		(32)	(30)
Contractors' costs		(195)	(212)
Other employee benefits		(143)	(140)
Total employee benefits	4.3.5	**(1,074)**	**(995)**

Wages and salaries increased due to the higher number of workers needed to support the operation of three new vessels, while maintaining the strong FPSO construction portfolio.