



## 2024 Investor Presentation

February 14, 2025

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- I. 2024 Highlight
  - II. Company Overview
  - III. Industry Landscape
  - IV. Financial Summary
  - V. Financial Guidance
  - VI. Appendix

## I. 2024 Highlights

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### Revenue

**\$ 4,186MM**

- 97% achievement ratio against FY2024 revised guidance
- \$611MM (+17%) increase compared to FY2023
- Record high

### Net Income

**\$ 220MM**

- 110% achievement ratio against FY2024 revised guidance
- \$123MM (+128%) increase compared to FY2023
- Record high

### Adjusted EBITDA

**\$ 328MM**

- \$109MM (+50%) increase compared to FY2023

### Credit Rating (Fitch)

**BBB-/Positive**

- EPCI: Steady progress of 3 EPCI projects
- O&M: Improved fleet performance reflecting the better uptime and the cost improvements
- Charter: Full-year contribution of two new charter projects (charter commencement: MV32 - 2023/5, MV33 – 2023/8)

# 2024 Highlight – 1H 2024 Topics

## New FEED Contract / Secondary Offering of Shares / Efforts to Reduce GHG Emissions / Sangomar FPSO Achieved First Oil

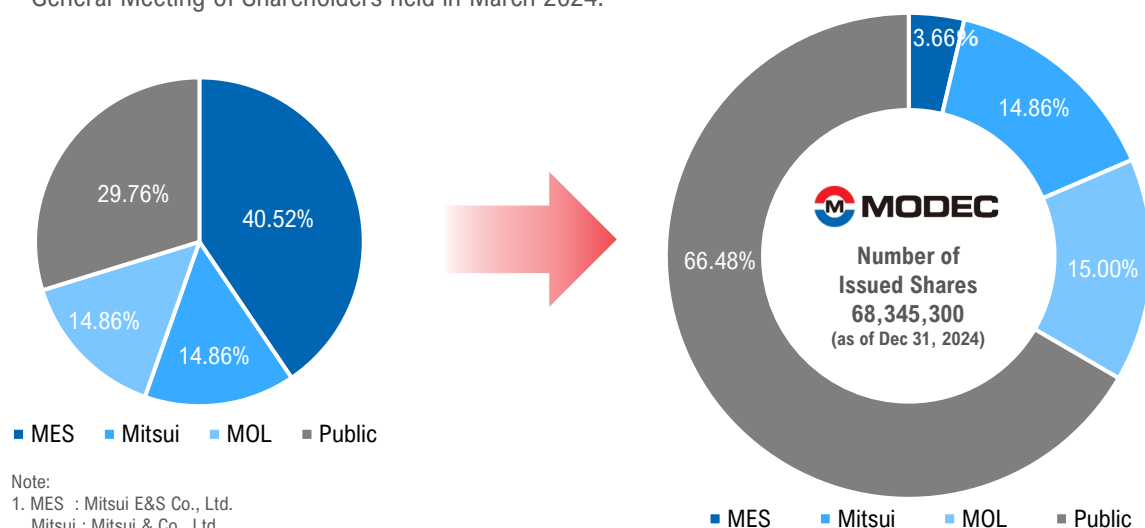
### Shell Gato do Mato FPSO - Secured New FEED Contract (March 2024)

- MODEC was awarded [single source Front-End Engineering and Design \(“FEED”\) contract](#).
- The FPSO will be moored at a water depth of approximately 2,000 meters, 250 kilometers off the coast of Brazil. It would be the second unit to be delivered to Shell by MODEC.

Client	Shell do Brasil Ltda
Contract	FEED Contract
Field	Gato do Mato Field
Country	Brazil

### Secondary Offering of Shares Completed (May 2024)

- Mitsui E&S (“MES”), which owned 40.5% MODEC shares, sold 36.9% of the shares to the public market through the secondary offering.
- While the relationship with the Mitsui Group companies is maintained, the secondary offering has [expanded the MODEC's shareholder base, improved the market liquidity of MODEC shares](#), and satisfied the [listing criteria for the Prime Market](#) of the Tokyo Stock Exchange's Prime Market.
- MODEC transitioned to a company with an Audit and Supervisory Committee after the approval at the Annual General Meeting of Shareholders held in March 2024.



### FPSO Bacalhau - Received DNV Abate Notation (May 2024)

- FPSO Bacalhau, currently under construction, is the world's first FPSO equipped with [Gas Turbine Combined Cycle \(“GTCC”\) power generation system](#). GTCC has a capability to reduce more than 100,000 tons of CO2 emission annually.
- With GHG emission measures implemented including the GTCC power generation system, FPSO Bacalhau will become the FPSO [with the lowest CO2 emissions per barrel of oil produced](#).
- FPSO Bacalhau has received the Approval in Principle (“AiP”) for Abate Notation in four classes (P+, F, Pr, S) from the classification society DNV in Norway.

### Woodside Sangomar FPSO Achieved First Oil and Started Operation (June 2024)

- The FPSO is safely delivered and deployed 100 kilometers south of Dakar, [Senegal's first offshore oil development](#).
- MODEC provides the operation and maintenance services for the FPSO.

Client	Woodside Energy B.V.
Contract	EPCI + O&M (10 years+ 10 one-year extension options)
Field	Sangomar Field
Country	Senegal



# 2024 Highlight – 2H 2024 Topics

## Strengthening Global Capabilities / Blue Ammonia FPSO AiP / Bacalhau FPSO Sailaway for Brazil / Fleet Update Summary

### Establishment of New Offices in Malaysia and India (May, October 2024)

- MODEC announced that it opened new offices in Malaysia and India, through Offshore Frontier Solutions Pte. Ltd. (“OFS”), a J/V with Toyo Engineering Corporation (“TOYO”), to further strengthen its EPCI capabilities.

#### OFS Malaysia (Kuala Lumpur)

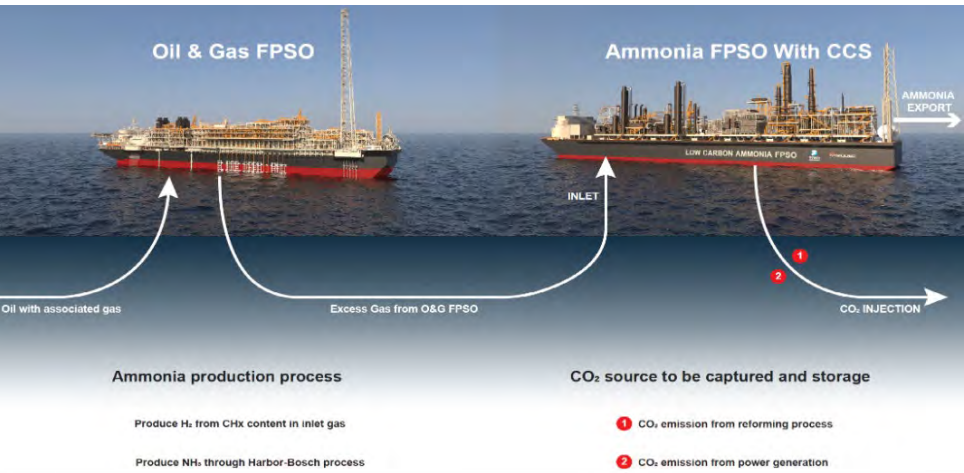
- ✓ Strategic base in Southeast Asia to support the management and execution of EPCI projects.
- ✓ In addition to relocating employees from Singapore, more than 200 new personnels in engineering and other corporate support functions will be hired.

#### OFS India (Bangalore)

- ✓ Global capability center in South Asia to execute Front End Engineering & Design (“FEED”), detailed engineering, and procurement support service for EPCI projects.
- ✓ Team of over 450 personnels will be formed.

### Obtained Approval in Principle (AiP) for Blue Ammonia FPSO (January 2025))

- MODEC and TOYO have jointly obtained Approval in Principle (“AiP”) from the American Bureau of Shipping (“ABS”) for their innovative Blue Ammonia FPSO.
- Blue Ammonia FPSO is designed to produce, store, and offload blue ammonia by utilizing associated gas that has conventionally been reinjected into reservoir without specific applications. It is also equipped with Carbon Capture and Storage (“CCS”) which minimizes the CO2 emissions.
- This joint development is positioned as the first “Concept Design of Floating Alternative Energy Production Facility” as stated in the Mid-term Business Plan 2024-2026 “Explore a Sustainable Future with Innovation”.



### FPSO Bacalhau Departs Singapore for Brazil (December 2024)

- FPSO Bacalhau is on its way to the field. The FPSO is the first pre-salt project in Brazil for Equinor.
- One of the largest FPSOs to be delivered to Brazil, the FPSO will be deployed at the Bacalhau field in the Santos Basin some 185 kilometers from the state of Sao Paulo.
- FPSO Bacalhau is the 17th FPSO/FSO vessel delivered by MODEC to Brazil.



### Fleet Update Summary

- Fleet update continues with the older vessels being replaced by the newer vessels.

Fluminense	O&M ended in Jun 2024
Sangomar	O&M started in Jun 2024
MV12	Charter ended and the sale of FPSO to the charterer completed in Nov 2024
MV18	Finished production and commenced decommission in Jan 2024
MV20	Finished production in Dec 2024 and commenced decommission in Jan 2025
MV17	Charter contracted extended by 1 year to 2026 in Dec 2024
MV22	Charter contract extended by 5 years to 2030 in Jan 2025
MV10	Charter ended and the sale of FPSO to the charterer completed in Feb 2025



## II. Company Overview

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Company Overview

World's Leading Player in the Offshore Oil & Gas Production Industry



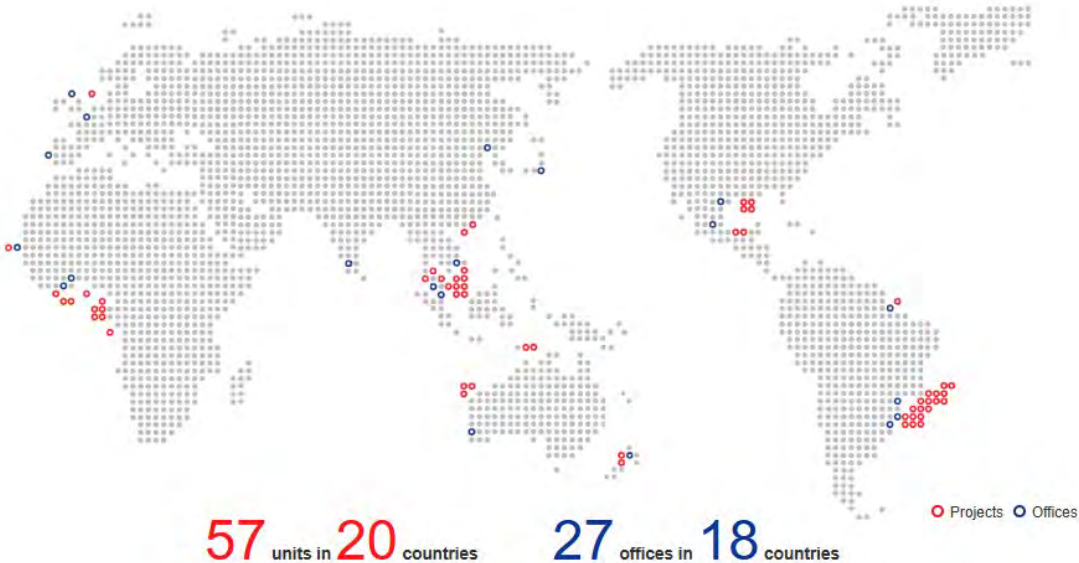
Founded in 1968, MODEC has established a strong presence in all major offshore oil & gas producing regions of the world, providing a reliable one-stop solution to its clients across EPCI, O&M and Charter Services

MODEC at a Glance			
2024 Service Segment Profits		2024 Consolidated Earnings	
EPCI/O&M <sup>1</sup>	US\$344MM	Net Income	US\$220MM
Charter <sup>2</sup>	US\$237MM	Adj. EBITDA	US\$328MM
2024 Financial Metrics			
Total Debt		US\$514MM	
Equity		US\$1,180MM	
Total Debt / Equity		0.44x	
Total Debt / Adj. EBITDA		1.6x	

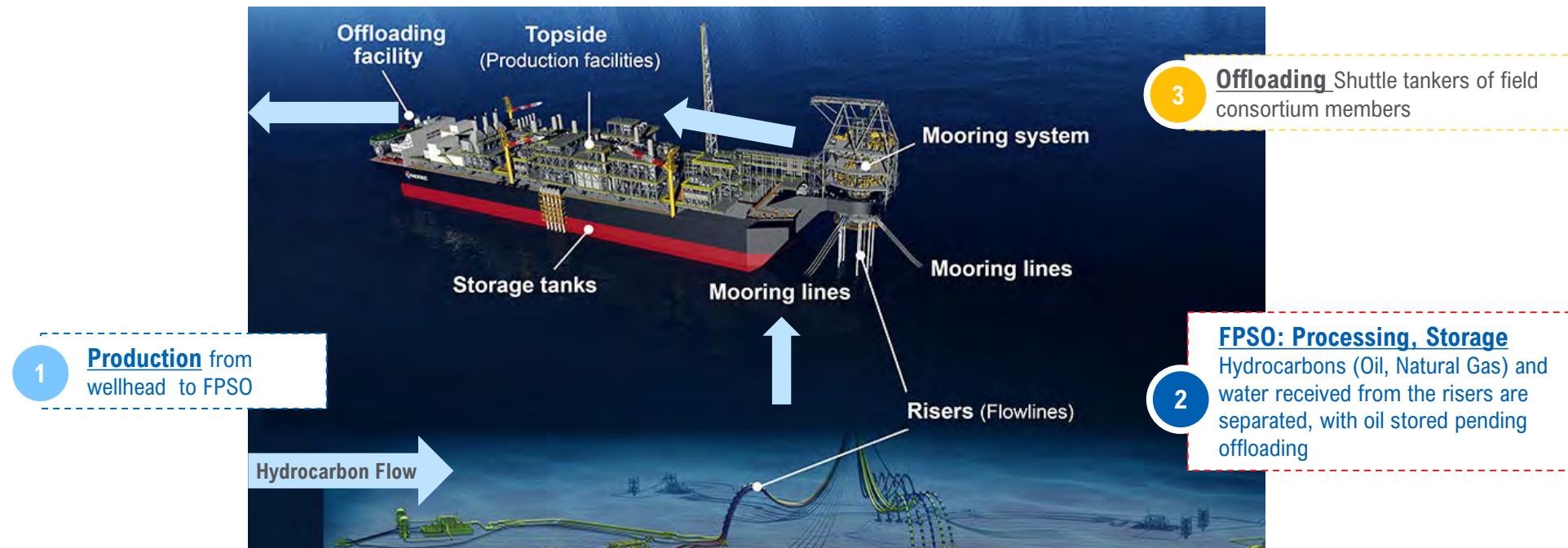
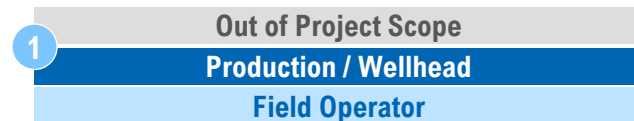
<div>FPSO</div> 	<div>Floating facility with capability to process and store hydrocarbons</div> <div>Depth up to ultra deepwater</div> <div>Completed34</div> <div>In Operation18</div>
<div>FSO</div> 	<div>Floating facility used only for storage of hydrocarbons</div> <div>No production capability</div> <div>Depth up to ultra-deepwater</div> <div>Completed11</div> <div>In Operation2</div>
<div>TLP/MOPU</div> 	<div>1<sup>st</sup> largest track record of TLP construction</div> <div>MODEC to utilize expertise of TLP/Semi-sub technology to develop floating offshore wind platforms</div> <div>TLP Completed6</div> <div>MOPU Completed1</div>

Source:  
(\*) MODEC research, EMA Floating Production Systems Outlook Report 2024-2028 Outlook  
(\*\*) MODEC website. Projects on map includes projects where work has been completed  
Notes:  
1. Not including Service Fee payable by SPCs  
2. Profit from Charter Business is comprised of the equity in net income of affiliates, the service fee and the interest income on shareholder's loan

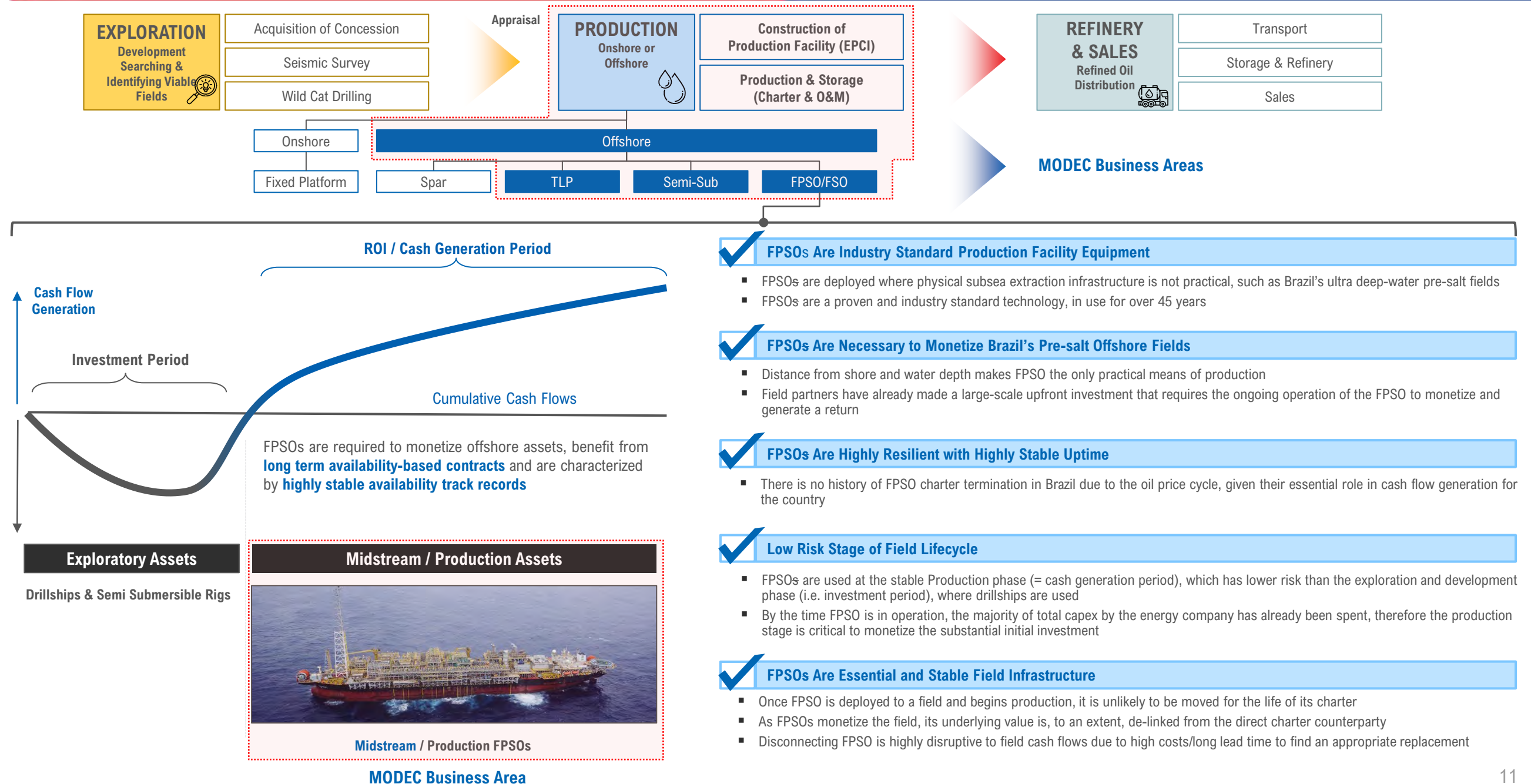
Global Footprint, Established Track Record (as of December 2024)(*)	
✓	1 <sup>st</sup> largest (50%) market share of global leased FPSOs (by Ultra Deepwater Units)
✓	300+ cumulative years of O&M experience with 34 FPSOs/FSOs
✓	52 completed vessels and 3 units under construction
✓	Ownership interest in 17 FPSOs/FSOs operating around the world 24/365
✓	20 FPSOs/FSOs are currently under O&M contracts
✓	Diverse team comprised of around 6,000 employees



Description	<ul style="list-style-type: none"> <li>FPSO is offshore <b>midstream production/storage facility</b> that is used to <b>extract/transport</b>, <b>process</b> and <b>store</b> deepwater hydrocarbons</li> <li>Either converted from an existing oil tanker, or based on a new build hull, into a floating production and storage platform</li> </ul>
Cost	<ul style="list-style-type: none"> <li>US\$1 - 3 billion and typically takes about 3 - 5 years to construct</li> </ul>
Contractual Structure	<ul style="list-style-type: none"> <li>MODEC takes a minority ownership stake in the SPC that owns the vessel (typically 25 - 35%) where FPSO is chartered by end user</li> <li>The partnership strategy allows MODEC to diversify its investments, share development risk and optimize its capital structure</li> <li>Once constructed, FPSO is usually leased through a Charter arrangement (10 - 25 years) between its owner(s) and a consortium of oil and gas companies. Field partners have already made a large-scale upfront investment that requires the ongoing operation of the FPSO to monetize and generate return</li> <li>In some instances, MODEC constructs FPSO and subsequently enters into an O&amp;M-only agreement with the client whereby MODEC does not maintain an ownership interest in the vessel.</li> </ul>



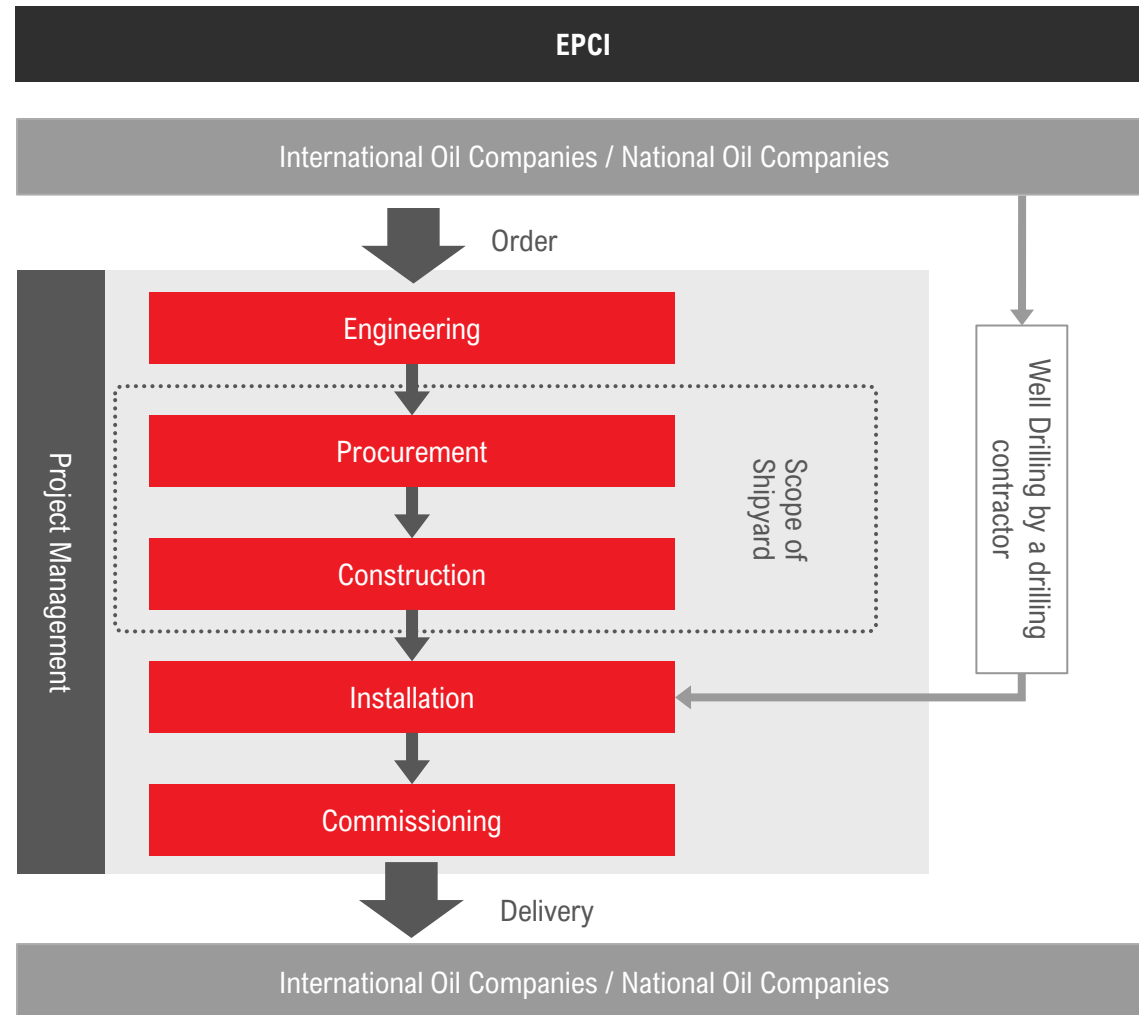
## FPSO is a Critical Asset in the Production Phase of Field Development



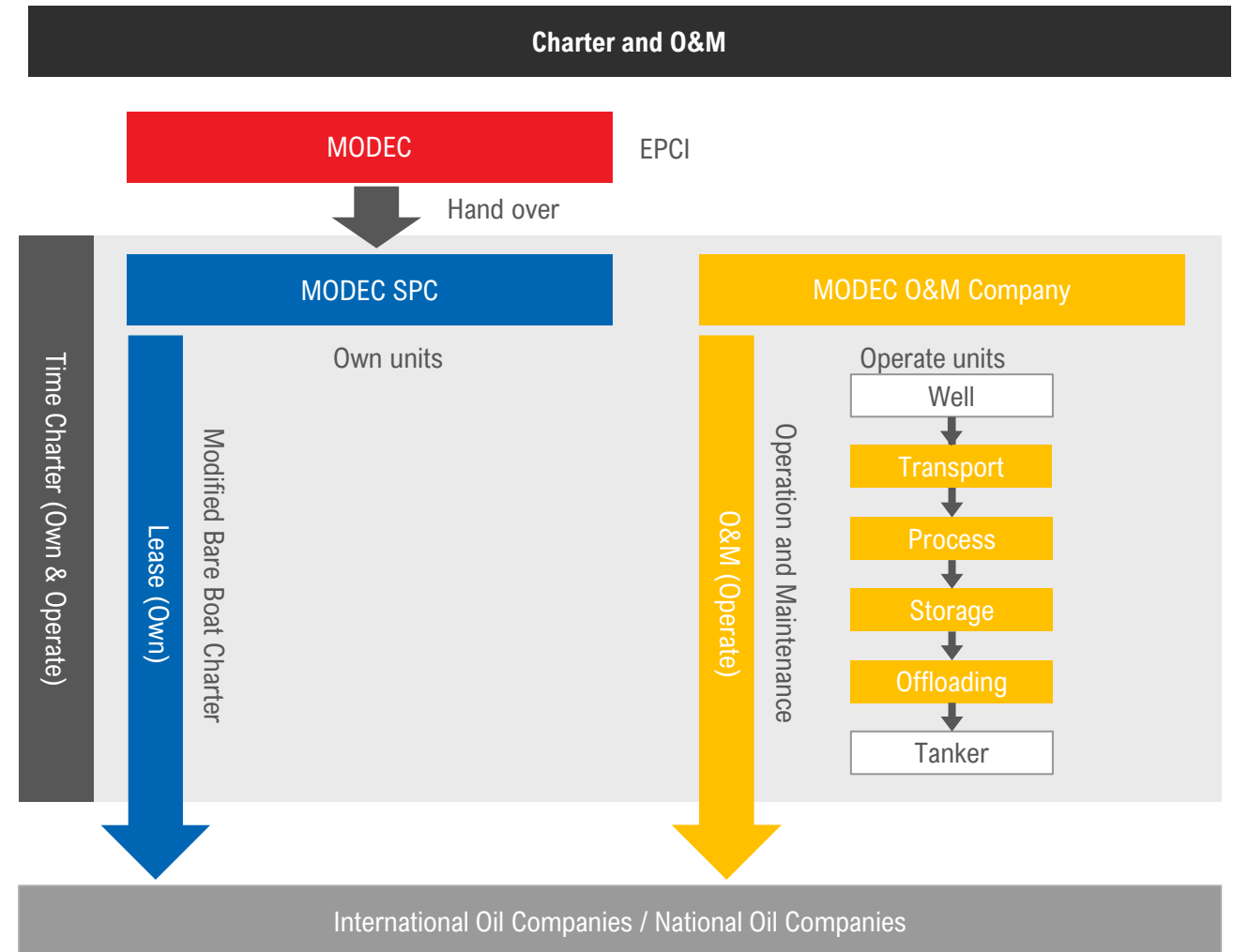
# Business Model

## Diversified Business Model Across EPCI, O&M and Charter Services

- As an EPCI contractor, MODEC manages the entire production process, including managing various vendors and shipyards
- In the operational phase, MODEC provides Charter and O&M services to its clients



- EPCI revenue is based on the long-term contract (3-5 years) and recognized based on the [percentage-of-completion](#) (“POC”) method for accounting purpose or paid in cash based on the [contractual milestones](#) or monthly schedule for cash purpose.
- EPCI contract is a lump-sum turn-key contract. The cost fluctuation risk is mitigated through the contractual mechanism and subcontractor contract on a lump-sum basis with appropriate warranties.



- Charter revenue is based on the non-cancellable long-term contract (10-25 years) and the [fixed day rate](#) in USD is payable by the client, subject to FPSO’s availability (uptime), [irrespective of actual oil production or oil prices](#).
- O&M revenue is based on the non-cancellable long-term contract with the fixed day rate (just like the Charter contract).

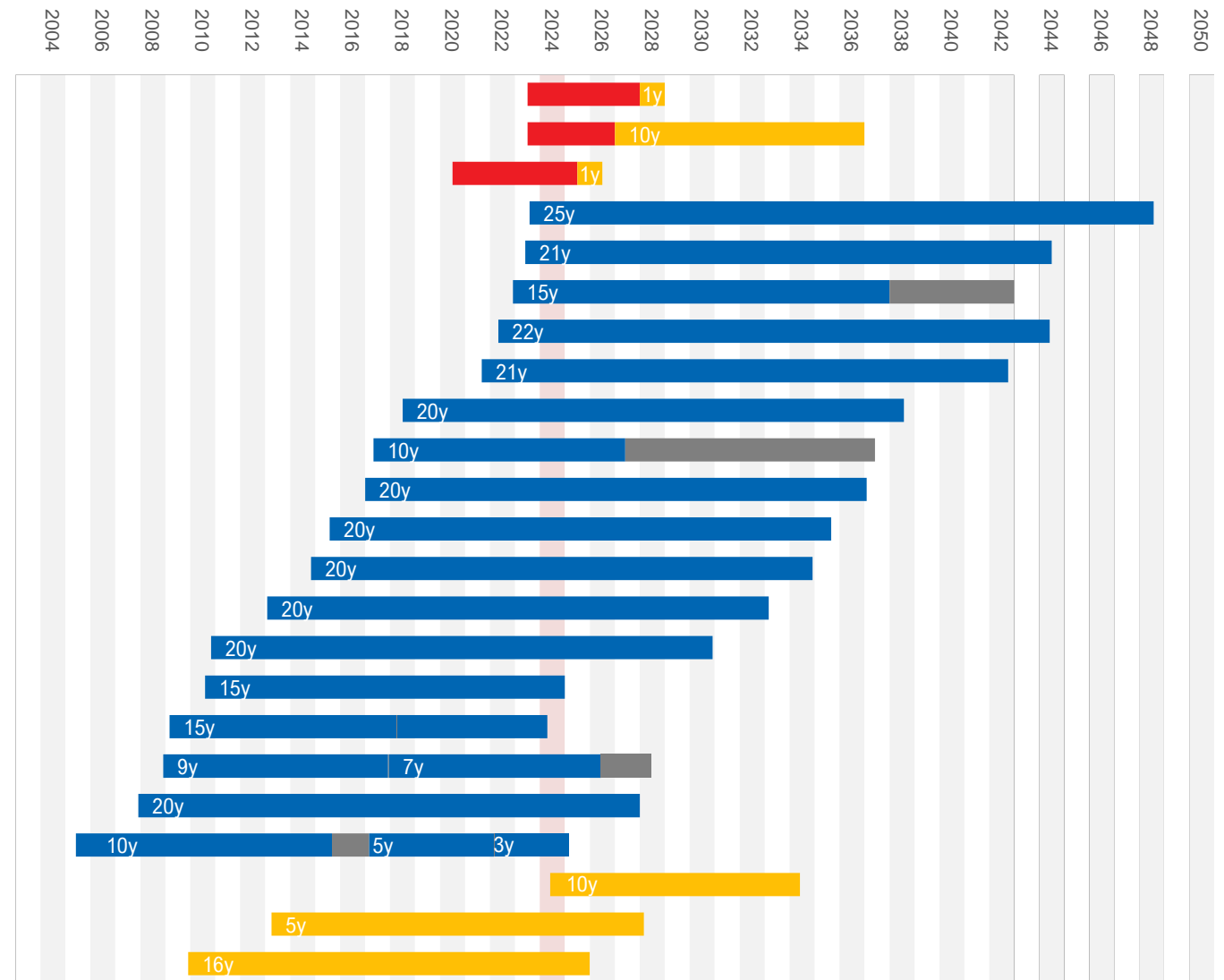


# Financial Summary

## EPCI / Charter / O&M Projects at Glance



#	Current Stage	(%) <sup>1</sup>	Ship Name	Offtakers	Asset Location	Charter Start Date	Charter End Date
1	EPCI	-	FPSO Raia	Equinor		-	-
2	EPCI	-	FPSO Uaru	ExxonMobil		-	-
3	EPCI	-	FPSO Bacalhau	Equinor		-	-
1	Charter	32.5%	FPSO Anita Garibaldi MV33	Petrobras		2023	2048
2	Charter	35.0%	FPSO Almirante Barroso MV32	Petrobras		2023	2044
3	Charter	35.0%	FPSO MIAMTE MV34	Eni Consortium		2022	2037
4	Charter	29.4%	FPSO Guanabara MV31	Petrobras Consortium		2022	2044
5	Charter	29.4%	FPSO Carioca MV30	Petrobras Consortium		2021	2042
6	Charter	29.4%	FPSO Cidade de Campos dos Goytacazes MV29	Petrobras Consortium		2018	2038
7	Charter	25.0%	FPSO Prof. John Evans Atta Mills MV25	Tullow Consortium		2017	2027
8	Charter	29.4%	FPSO Cidade de Caraguatatuba MV27	Total Consortium		2016	2036
9	Charter	29.4%	FPSO Cidade de Itaguaí MV26	Petrobras Consortium		2015	2035
10	Charter	29.4%	FPSO Cidade de Mangaratiba MV24	Petrobras Consortium		2014	2034
11	Charter	34.0%	FPSO Cidade de São Paulo MV23	Petrobras Consortium		2013	2033
12	Charter	42.5%	FPSO Cidade de Angra dos Reis MV22 - 5y extended	Petrobras Consortium		2010	2030
13	Charter	70.0%	FPSO Cidade de Santos MV20 - in decommission	Petrobras		2010	-
14	Charter	67.0%	FPSO Cidade de Niterói MV18 - in decommission	Petrobras		2009	-
15	Charter	65.0%	FSO Rang Dong MV17 - 1y extended	JVPC Consortium		2008	2026
16	Charter	40.6%	FSO Cidade de Macaé MV15	Petrobras		2007	2027
17	Charter	50.0%	FPSO Baobab MV10 - Charter ended, sold in Feb '25	CNR Consortium		2005	2025
1	O&M	-	FPSO Sangomar - O&M started in Jun '24	Woodside		-	-
2	O&M	-	FPSO Raroa	OMV		-	-
3	O&M	-	FPSO Pyrenees Venture	Woodside		-	-
-	O&M	-	FPSO Fluminense - O&M ended in Jun '24	Shell		-	-
-	Charter	42.0%	FSO Rong Doi MV12 - Charter ended, sold in Nov '24	KNOC Consortium		2007	2024



As of December 31, 2024

Notes:  
1. (%) Share % Owned by MODEC group companies (Equity Method Companies)

■ EPCI period  
■ Time Charter fixed period  
■ Time Charter option period  
■ O&M period



### Long-Term, Contractual, Stable & Predictable Business Model

- 100% of revenues/cash flows are based on **long-term contracts** with reputable counterparties, ranging from 3-5 years (EPCI) to as long as 20+ years (Charter, O&M), and thus insulated from the general economic cycle or the volatility in the energy market



### Solid Operating Environment

- Despite the volatility of oil prices, major E&P companies continue the exploration of oil reserves in deep sea areas globally. The deep water and the ultra-deepwater reserves have a **low breakeven cost** and remain profitable even with oil prices below US\$40/barrel, creating a pipeline of opportunity for new vessels



### Leading Industry Position

- There are only a few players in the sector that have a comprehensive capability to deliver EPCI, O&M and Charter; thus, competition is limited. The sector is dominated by two major players: MODEC and SBM



### Substantial Track Record

- MODEC has successfully completed 52 EPCI projects with a 100% completion rate



### Strong EPCI Backlog

- 3 FPSOs are currently under construction. Backlog for EPCI, O&M and Charter remains high, reflecting MODEC's leading position and ample track records in the active ultra-deepwater market (MODEC's primary target)



### Large, Diversified Contracted Fleet

- Among MODEC's SPC's, 17 are chartered to diverse group of counterparties (MODEC provides O&M-only services to 3 additional projects).



### Stable and Improved Charter Profits Backed by Long-Term Contracts

- Profits from the Charter business are stable and predictable due to the availability-based nature of the contracts. Annual profits from Charter Business amount over US\$200 million. Incremental profits in recent years reflect the profits from five new FPSOs (MV30-MV34) which entered into the Charter phase during 2021-2023



### Improved Financial Performance

- MODEC saw improved profitability as a result of (i) the absence of COVID impact in the legacy EPCI projects and the commencement of new EPCI projects, (ii) the improved O&M profits due to the better uptime of older vessels in Brazil, the improved cost management and the commencement of new vessels and (iii) the enhanced profits from the charter business due to the commencement of operations of new vessels. Credit Rating from Fitch is **BBB-/Positive**

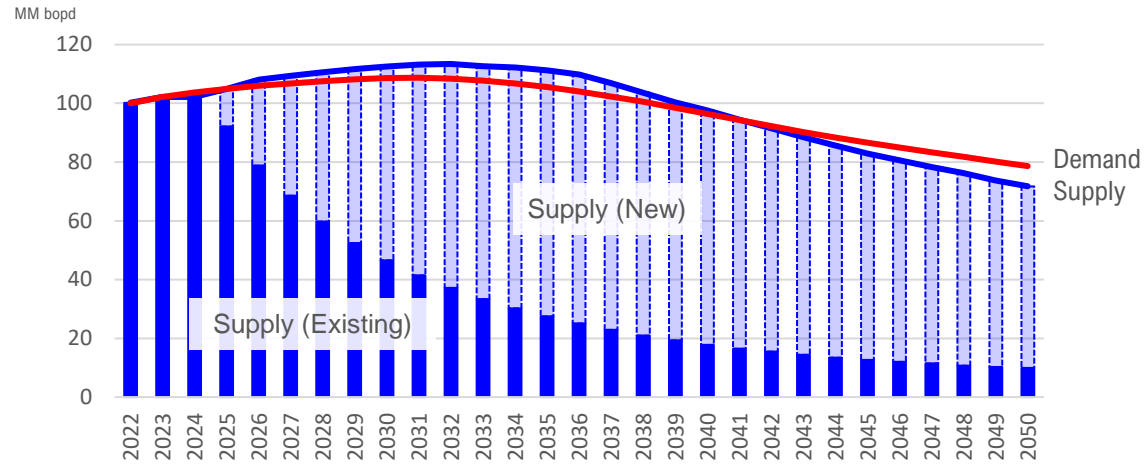
### III. Industry Landscape

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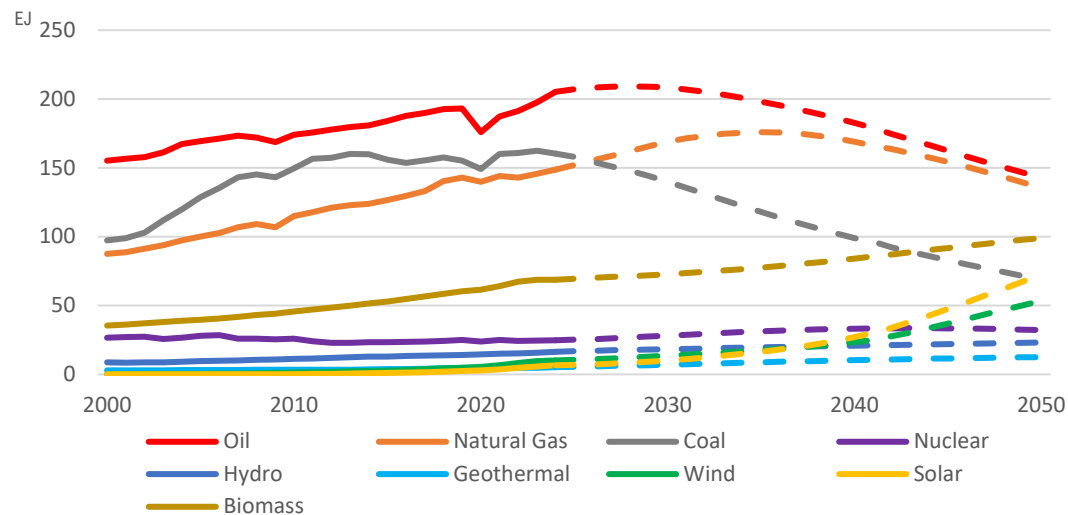
## Solid Operating Environments with Competitive Deep Water Fields

- Oil is expected to remain the leading source of energy supply even though alternative energy are expected to grow
- MODEC's primary target market is **the deepwater and the ultra-deepwater reserves**, which are **cost-competitive** and will remain profitable even in a depressed oil price environment
- Latin America (Brazil, Guyana)** and **West Africa** remain key regions for deepwater and the ultra-deepwater projects

### Oil Demand & Supply<sup>1</sup>



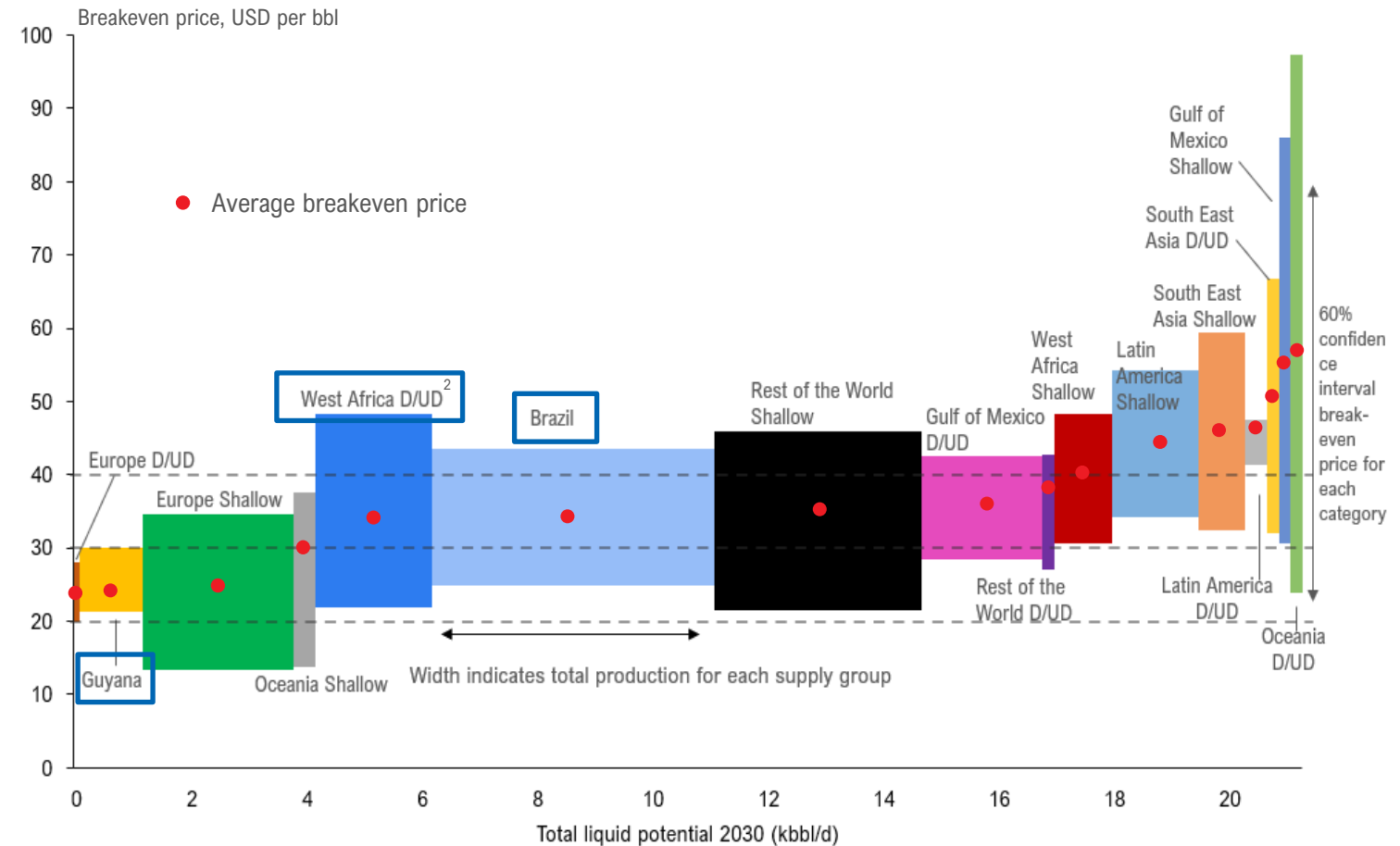
### Supply by Energy Type<sup>1</sup>



1. Source: Rystad Energy December 2024

2. D/UD: Deepwater/Ultra Deepwater

### Cost Curve (liquid offshore fields excl Middle East)<sup>1</sup>



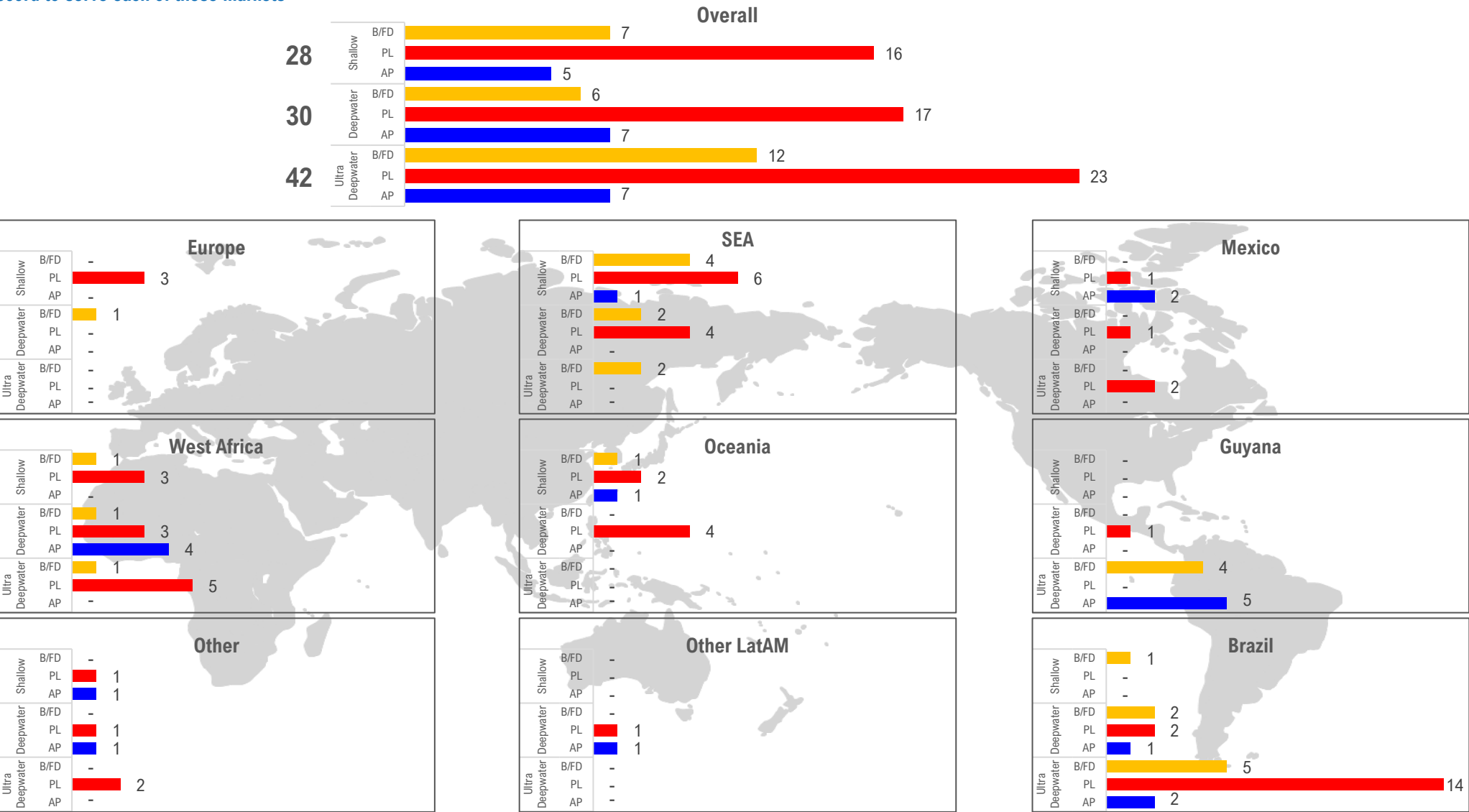


# Industry Landscape

## Strong Global Pipeline



- Global FPSO pipeline remains robust with Latin America, West Africa and Southeast Asia leading the market. For deepwater/ultra-deepwater, Latin America and West Africa are promising areas.
- MODEC has the track record to serve each of these markets

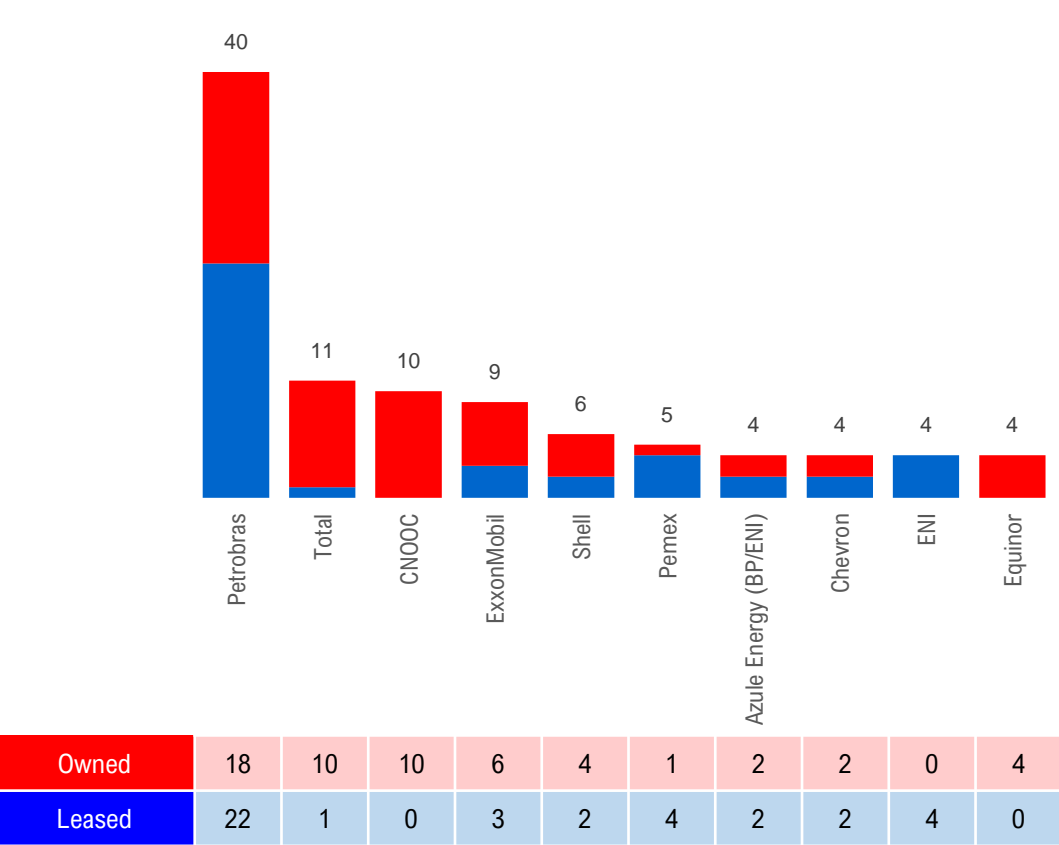


Source: EMA-Floating Production Report Data Q4 2024

- Bidding & Final Design (B/FD):** Bidding process or FEED process for FPSOs after planning stage completed
- Planning (PL):** Making of development plan after confirming project's feasibility; firming up estimate for FPSO that would be needed but before actual bidding process started
- Appraisal (AP):** Appraisal of oil reservoir's production capacity and the recoverable volume from a technical and economical perspective after wildcat drilling; preliminary assessment of potential FPSOs needed if reservoir is commercially viable

Owned vs Leased FPSOs by Oil Company

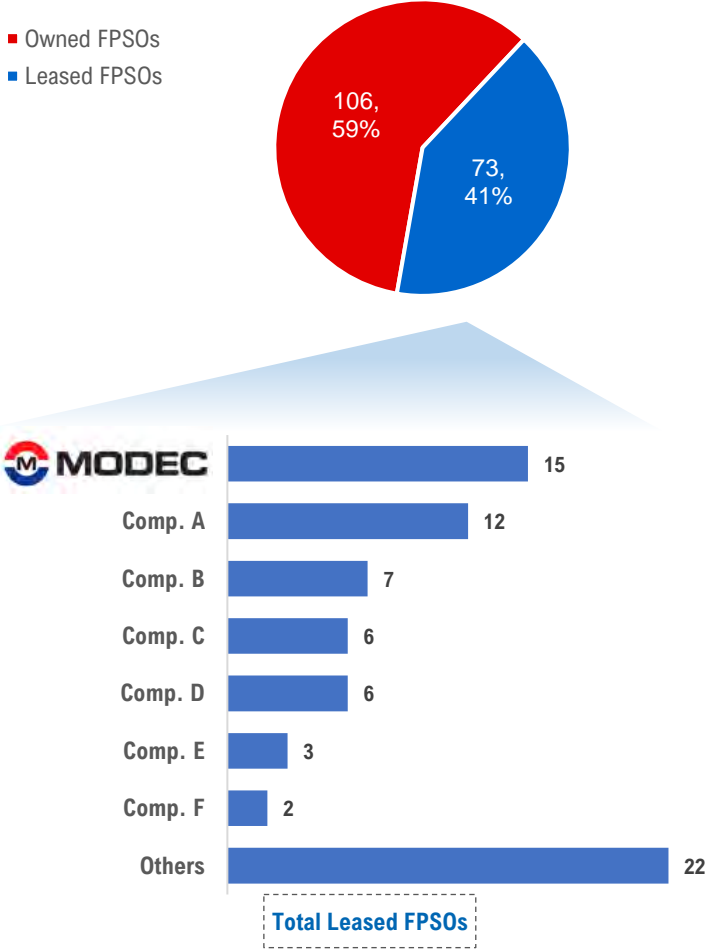
- All the FPSO users are the large global energy companies that can afford the large upfront investments in the exploration and development phase.
- Brazil is the single largest market for FPSOs globally, a function of the distance from shore and depth of the country’s offshore fields, in particular the prized pre-salt.
- FPSOs have high utilization rates, with very few idle vessels, reflecting their role as stable production assets



Source:  
EMA Floating Production Systems Quarterly Report January 2025

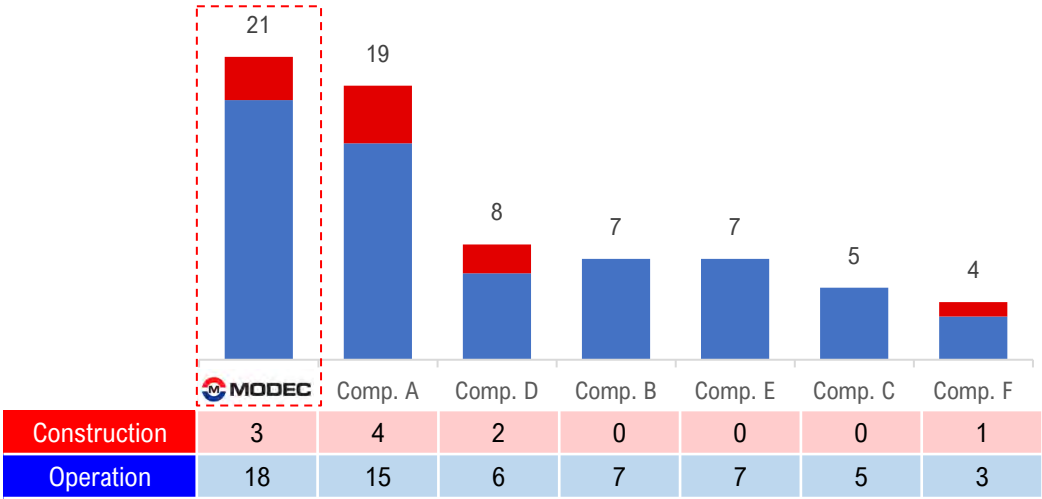
Leased FPSO Market

- Leasing FPSOs continues to remain a strong alternative to owning, providing oil companies with more financial flexibility eliminating labor, training and budget constraints associated with the ownership and operation of the assets
- MODEC is one of the very few global players that has comprehensive capabilities to deliver a full suite of EPCI, O&M and Charter services, with an **21% market share** by total leased FPSOs

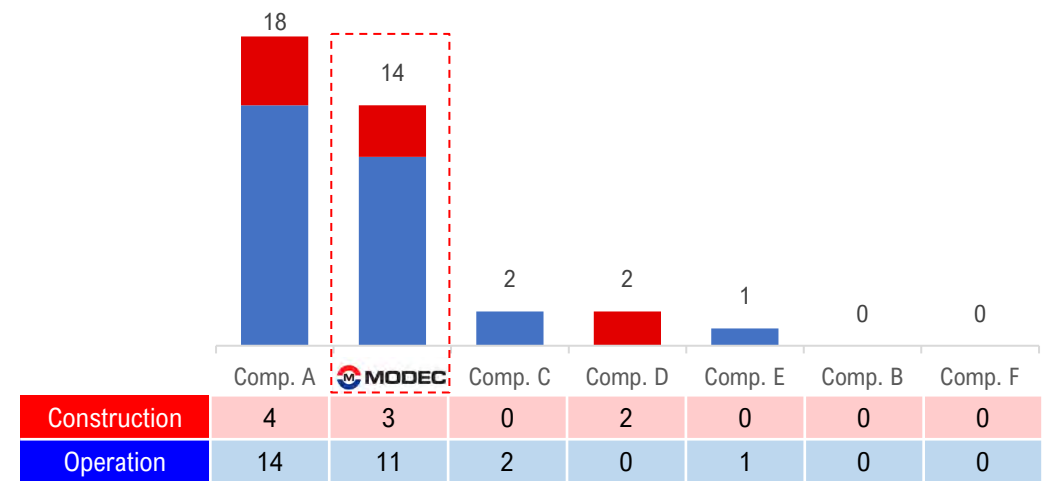


MODEC stands with the **largest overall and ultra-deepwater fleet in the market**

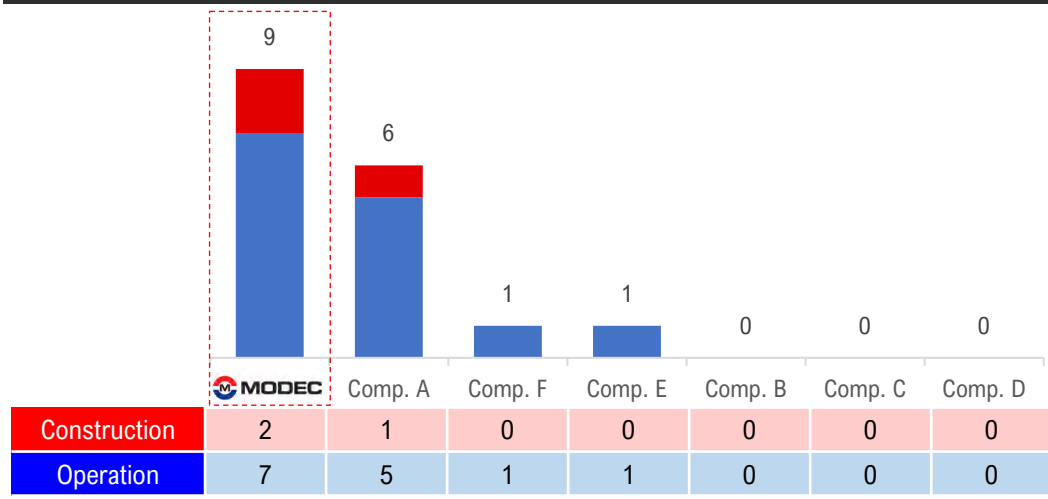
Total Fleet<sup>1,2</sup>



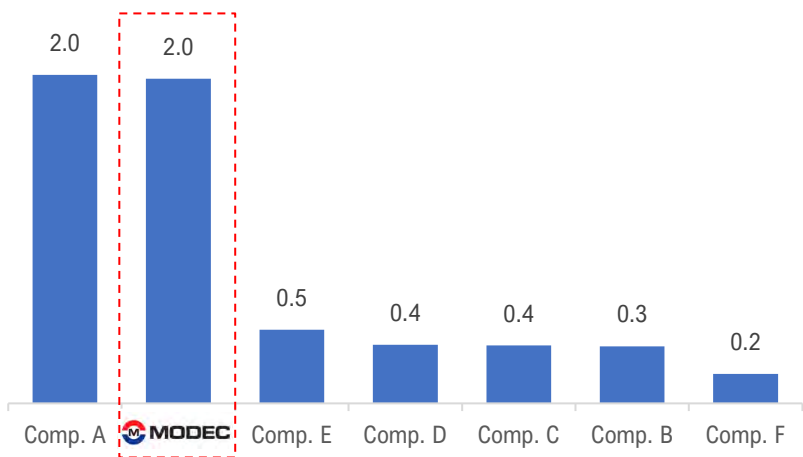
Large Production Capacity Units (100K bopd+)



Ultra Deepwater Units (2,000m+)



Oil Processing Capacity (MMbopd)



Source: MODEC Research

Notes:

1. FPSOs only for all companies

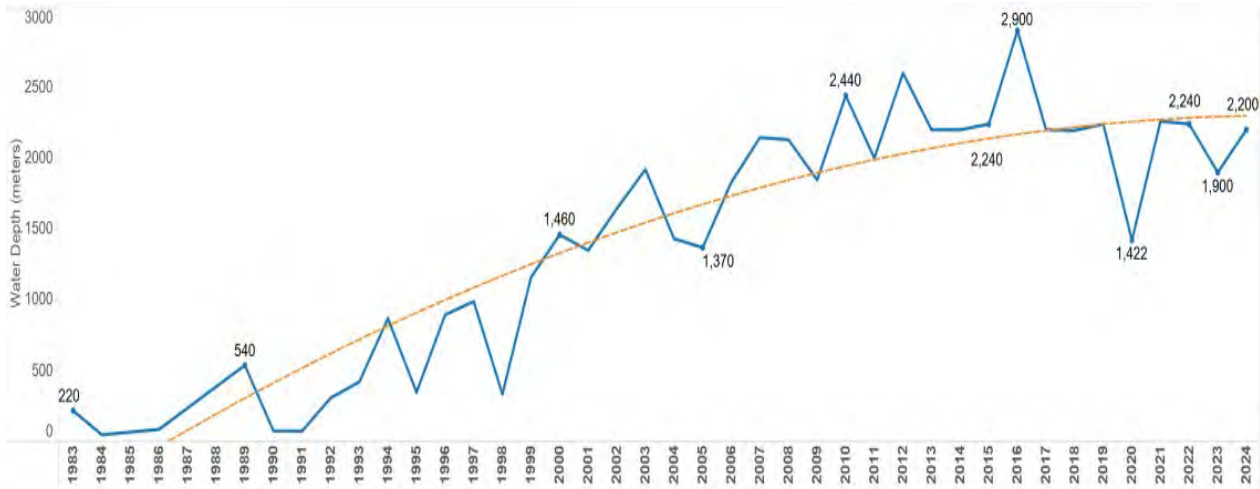
2. Top seven companies from Leased FPSO Market (EMA Floating Production Systems Quarterly Report January 2025)

The industry is heading toward the development of the deeper water reserves where only a limited number of the players have the sufficient track record.

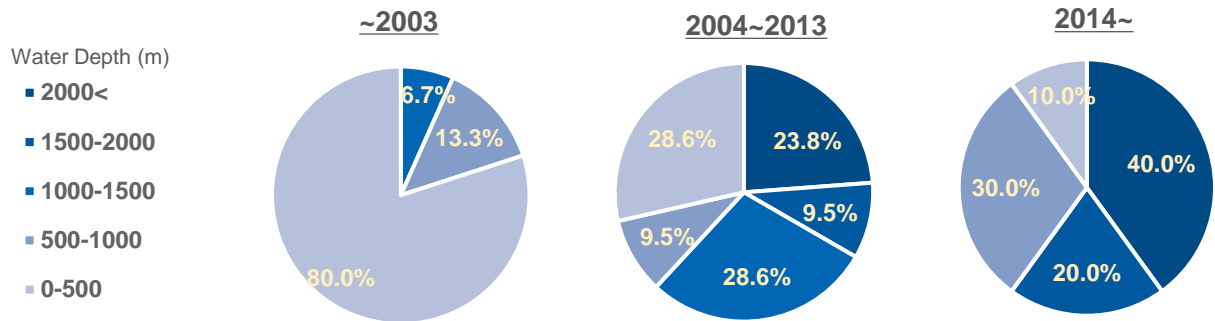
Total Fleets (Oil Production / Water Depth)<sup>1</sup>



Installed FPS Units by Maximum Water Depth<sup>2</sup>



% Breakdown of MODEC Awards by Water Depth



Source:  
1. MODEC Research  
2. EMA-Floating Production Report Data Q4 2024



## IV. Financial Summary

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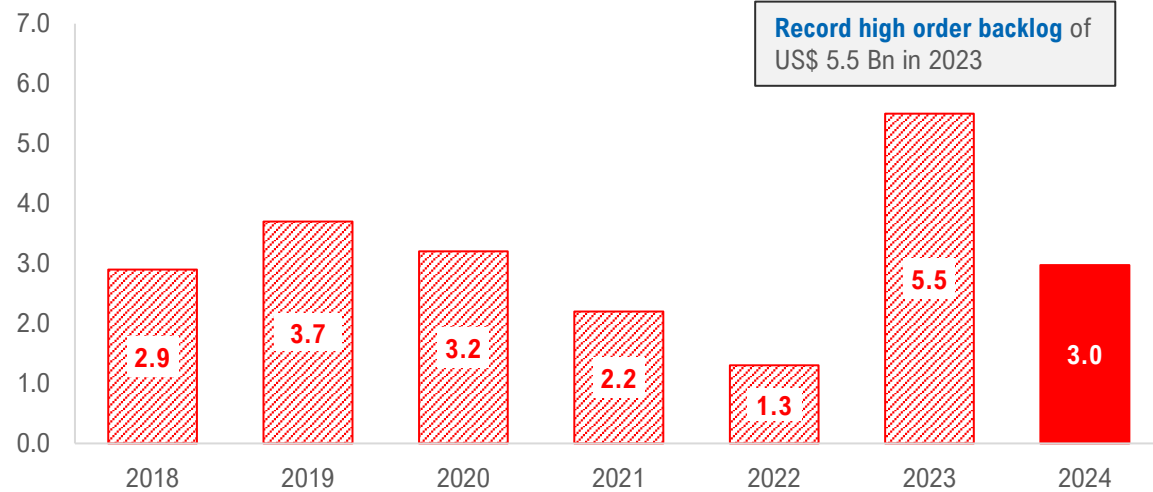
# Financial Summary

## High Backlog in EPCI and O&M Business

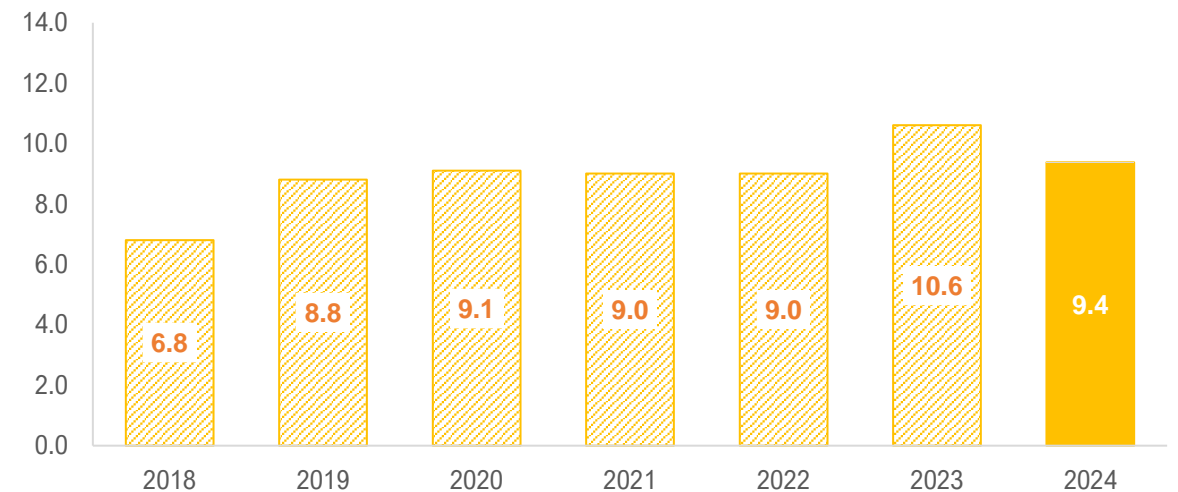


- EPCI backlog increased significantly due to two large contracts, Uaru and Raia awarded in 2023.
- During 2024, the construction of EPCI projects made steady progress, while Modec was awarded FEED for Gato do Mato project on a single source basis.
- O&M backlog remains at a high level with long-term contracts.

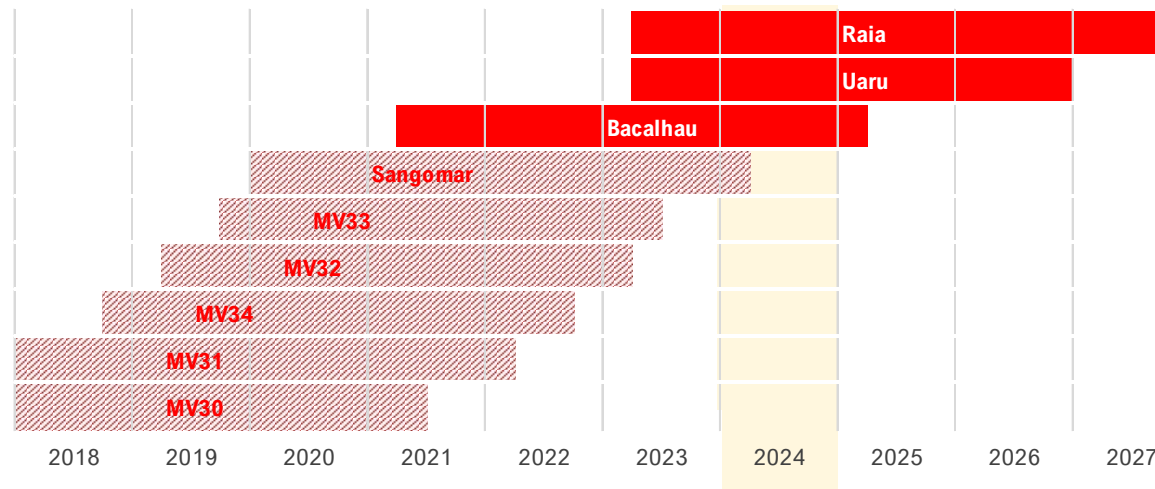
EPCI Backlog (US\$ Bn)



O&M Backlog (US\$ Bn)



EPCI Construction Period



EPCI Project	Client	Revenue 2024	POC <sup>1</sup> Cumulative	FID <sup>2</sup>	First Oil (Planned)
Uaru	ExxonMobil	\$ 1,360MM	70%	2023	2026
Raia	Equinor	\$ 1,090MM	50%	2023	2027
Bacalhau	Equinor	\$ 270MM	96%	2020	2025

### <FEED Phase>

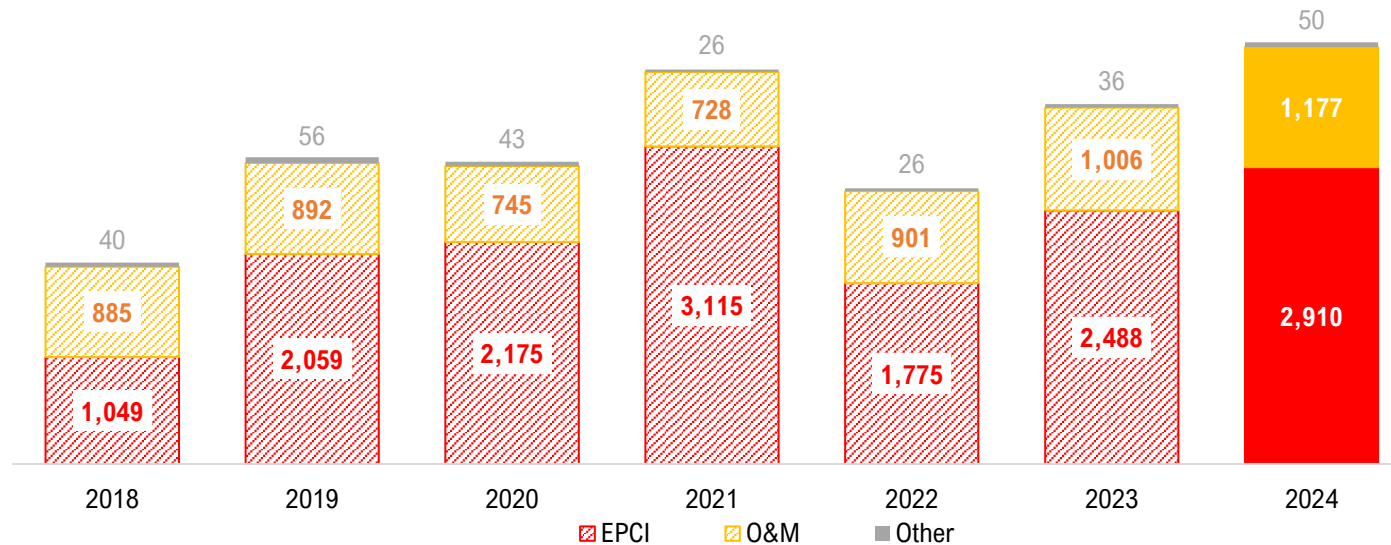
- FEED for Shell Gato do Mato is continuing, being conducted on a single source basis, targeting the award of a new EPCI and O&M contract

Note:  
1. POC: Percentage of Completion  
2. FID: Final Investment Decision

# Financial Summary

## Significant improvement in EPCI / O&M Performance<sup>1</sup>

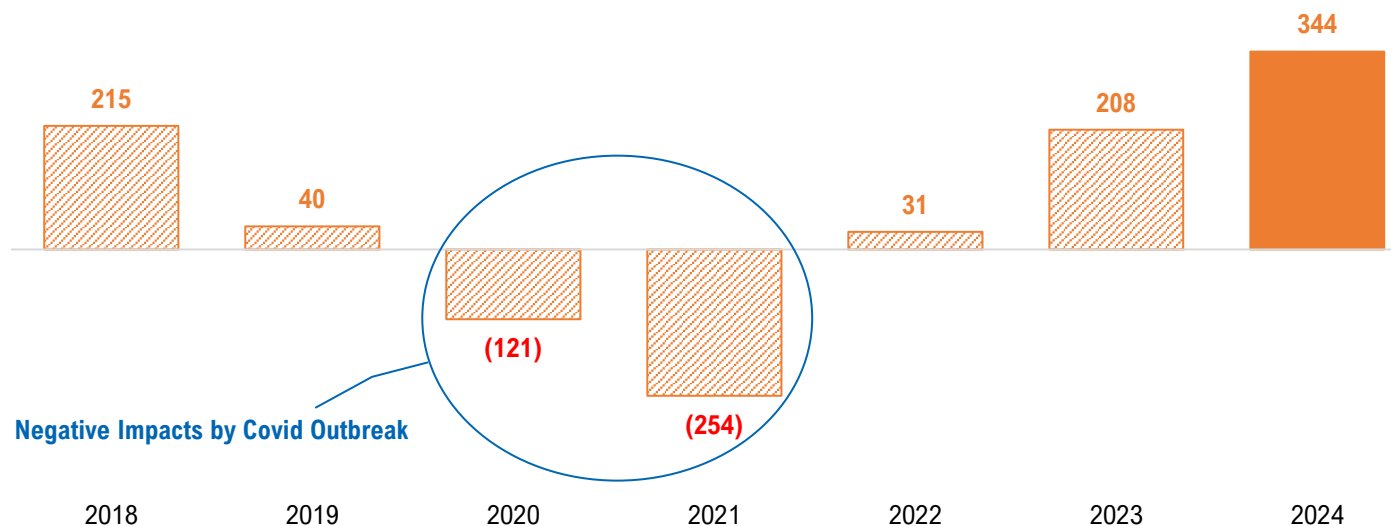
### Revenues<sup>2</sup> (US\$ MM)



### Record High Revenue in 2024

- Lower revenues in FY2022 reflect the multiple EPCI projects entering into the final phase and the lack of new project awards
- Higher revenues in FY2023 and FY2024 reflect new contract awards for Uaru and Raia and the steady construction progress

### EPCI/O&M Gross Profits (US\$ MM)



Negative Impacts by Covid Outbreak

### Record High Gross Profits in 2024

Earning growth since 2023 reflects:

- Completion of the legacy old EPCI projects by 2023 which had been affected by Covid pandemic
- Steady progress in the newer EPCI construction projects
- Improved operating performance of the existing vessels due to the positive impact from the Special Maintenance conducted in prior years and the incremental profits from the new O&M contracts

Note:  
 1. Presented in accordance with JGAAP up to 2020 and thereafter IFRS.  
 2. EPCI revenues represent contract amount recognized in the relevant calendar year based on POC (percentage of completion) method. O&M revenues represent contractual payments received under existing O&M contracts in the relevant calendar year  
 3. USD/JPY conversion rate at the end of each year 2018 (111.02), 2019 (109.54), 2020 (103.50) from MODEC Audited Financial Statement.

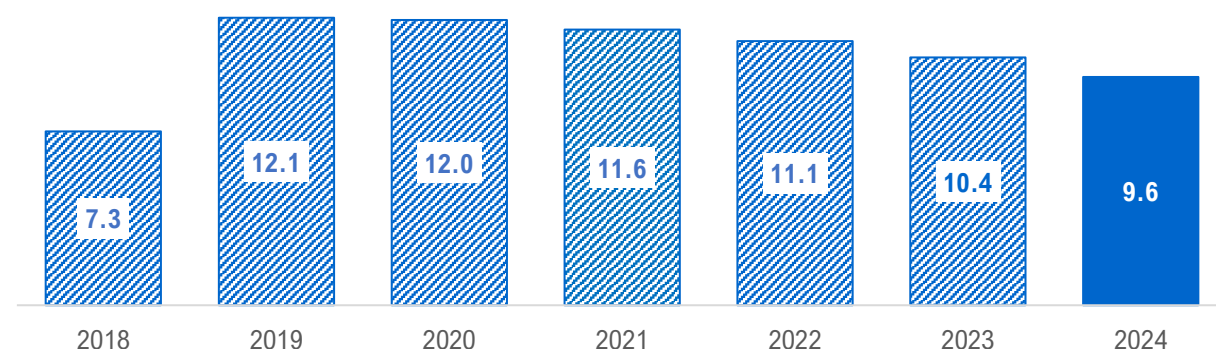
# Financial Summary

## Predictable & Stable Charter Earnings under Long-Term Availability-based Contracts

159 cumulative years of Charter contracts with 12.6-year remaining average life

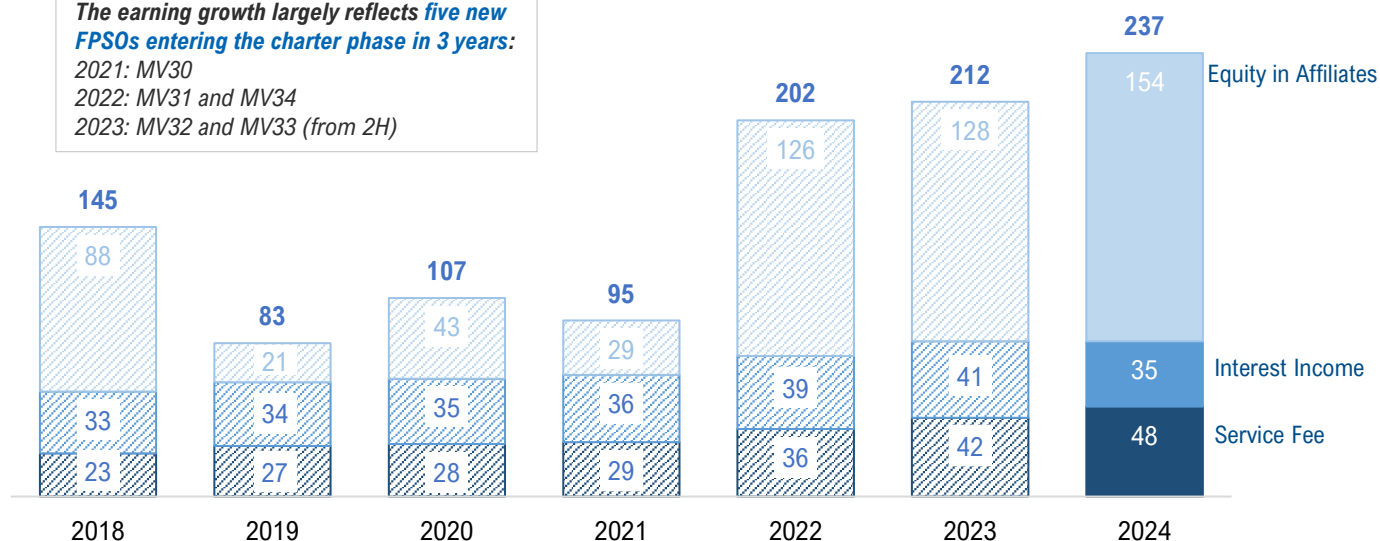
- MODEC does not consolidate its minority stakes in the SPCs. MODEC's share of SPCs' net earnings are recognized under the equity method in the consolidated income statement
- SPCs are typically capitalized through a combination of (a) the equity investment and (b) the shareholders' subordinated loans from which MODEC receives the interest income
- SPCs also pays the fixed amount of the service fees to the sponsors as the sponsors are responsible for the management of SPCs

### Charter Backlog (US\$ Bn)



### Charter Business Performance (US\$ MM)

*The earning growth largely reflects five new FPSOs entering the charter phase in 3 years:*  
 2021: MV30  
 2022: MV31 and MV34  
 2023: MV32 and MV33 (from 2H)



### Charter Agreements - Main Terms

Parties	<ul style="list-style-type: none"> <li>MODEC's minority owned SPC enters into the Charter Agreement with the Field Operator(s) governing the use of the vessel</li> <li>MODEC typically enters into a concurrent O&amp;M agreement with the SPC to operate and maintain the vessel</li> </ul>
Term	<ul style="list-style-type: none"> <li>Range from 10 to 25 years, with extension options</li> </ul>
Compensation	<ul style="list-style-type: none"> <li>Fixed day rate in US\$ based on vessel's availability (uptime), <b>irrespective of actual oil production or oil prices</b></li> </ul>
Termination Rights	<ul style="list-style-type: none"> <li>Charter Agreement structured as non-cancellable contract</li> <li>In the event of early termination, termination fee payable to make the SPC whole</li> </ul>
Environmental Liabilities	<ul style="list-style-type: none"> <li>SPC liability typically capped at a certain amount per event (~US\$10MM), unless caused by willful misconduct or gross negligence</li> <li>SPC maintains Protection &amp; Indemnity insurance to cover unexpected claims</li> </ul>

### Fleet Uptime <sup>1</sup>

2018	2019	2020	2021	2022	2023	2024
97.7%	98.7%	96.4%	97.9%	98.5%	97.6%	98.7%

Note:

1. Median uptime of all the operating vessels



# Financial Summary

## Income Statement<sup>1</sup>



(US\$ MM)	2018	2019	2020	2021	2022	2023	2024	2023 vs 2024
Revenue								
EPCI	1,049	2,059	2,175	3,115	1,775	2,488	2,910	+ 421
O&M	885	892	745	728	901	1,006	1,177	+ 171
Service Fee	23	27	28	29	36	42	48	+ 5
Others	40	56	43	26	26	36	50	+ 18
Revenue Total	1,998	3,036	2,994	3,899	2,739	3,574	4,186	+ 611
EPCI + O&M Profits (excluding Service Fee)	215	40	(121)	(254)	31	208	344	+ 136
Charter Profits								
Service Fee	23	27	28	29	36	42	48	+ 5
Interest Income	33	34	35	36	39	41	35	- 6
Equity in Affiliates	88	21	43	29	126	128	154	+ 25
Charter Profits Total	145	83	107	95	202	212	237	+ 24
Other Income/Expense	0	(151)	17	24	33	2	0	- 1
SG&A	(104)	(112)	(116)	(145)	(153)	(188)	(223)	- 35
Finance Income <sup>2</sup>	22	20	6	18	24	48	32	- 28
Finance Expense								
Interest Expense <sup>3</sup>	(8)	(7)	(5)	(3)	(16)	(27)	(33)	- 6
Other Expense	(10)	(14)	0	(78)	(67)	(41)	(49)	- 7
Finance Expense Total	(18)	(22)	(6)	(82)	(84)	(69)	(83)	- 14
<b>EARNINGS BEFORE TAX</b>	<b>259</b>	<b>(142)</b>	<b>(113)</b>	<b>(344)</b>	<b>54</b>	<b>214</b>	<b>307</b>	<b>+ 93</b>
Tax	(56)	(19)	(11)	(15)	(13)	(88)	(44)	+ 44
Minority Interest	(5)	(4)	(1)	(4)	(3)	(29)	(42)	- 13
<b>NET INCOME</b>	<b>197</b>	<b>(166)</b>	<b>(126)</b>	<b>(363)</b>	<b>37</b>	<b>96</b>	<b>220</b>	<b>+ 123</b>

Note:

1. Presented in accordance with JGAAP up to 2020 and thereafter IFRS

2. Excluding Interest Income from Subordinated Loans

3. Represent the interest expenses on the borrowings

# Financial Summary

## Historical EBITDA Performance & Financial Metrics <sup>1,2</sup>



(US\$ MM)	2018	2019	2020	2021	2022	2023	2024	2023 vs 2024
EPCI + O&M Profits (Gross Profits excluding Service Fee)	215	40	(121)	(254)	31	208	344	+ 136
Charter Profits								
Service Fee	23	27	28	29	36	42	48	+ 5
Interest Income	33	34	35	36	39	41	35	- 6
Equity in Affiliates	88	21	43	29	126	128	154	+ 25
Charter Profits Total	145	83	107	95	202	212	237	+ 24
SG&A	(104)	(112)	(116)	(145)	(153)	(188)	(223)	- 35
Depreciation (CF)	20	31	33	41	39	40	38	- 1
Lease Obligation (CF)	0	(12)	(15)	(22)	(21)	(25)	(26)	+ 0
Minority Interest	(5)	(4)	(1)	(4)	(3)	(29)	(42)	- 13
<b>Adj. EBITDA before Unusual Items</b>	<b>271</b>	<b>26</b>	<b>(114)</b>	<b>(291)</b>	<b>95</b>	<b>218</b>	<b>328</b>	<b>+ 109</b>
Add Back: Unusual Items	0	65	206	366	106	87	0	- 87
<b>Adj. EBITDA after Unusual Items</b>	<b>271</b>	<b>91</b>	<b>93</b>	<b>76</b>	<b>202</b>	<b>306</b>	<b>328</b>	<b>+ 21</b>

### KEY BALANCE SHEET ITEMS (US\$ MM)

Cash & Deposits	461	478	638	810	492	1,013	1,253	239
Total Debt	279	226	130	426	393	570	514	-56
Net Debt	(181)	(252)	(508)	(383)	(99)	(443)	(738)	-295
Equity	1,375	1,111	883	532	811	992	1,180	187
Capitalization	1,654	1,337	1,013	959	1,204	1,563	1,694	131

### KEY FINANCIAL RATIOS

Debt / Adj. EBITDA before Unusual Items	1.0 x	8.6 x	(1.1 x)	(1.5 x)	4.1 x	2.6 x	1.6 x	-1.0 x
Debt / Adj. EBITDA after Unusual Items	1.0 x	2.5 x	1.4 x	5.6 x	1.9 x	1.9 x	1.6 x	-0.3 x
Debt / Capitalization	17%	17%	13%	44%	33%	37%	30%	-6%
Debt / Equity	20%	20%	15%	80%	48%	57%	44%	-14%

Note:

1. Presented in accordance with JGAAP up to 2020 and thereafter IFRS

2. Minority interest: SOFEC (JV with Mitsui E&S until 2024), OFS (JV with TOYO from 2022)

Adj EBITDA: Adjusted EBITDA before adjustments of the Unusual Items, specifically Covid-19 impact and Special Maintenance Campaign

Total Debt: Include Borrowing (Current liability) and Bonds and Borrowing (Non-current liabilities)

Net Debt: Total Debt minus Cash and Cash Equivalents

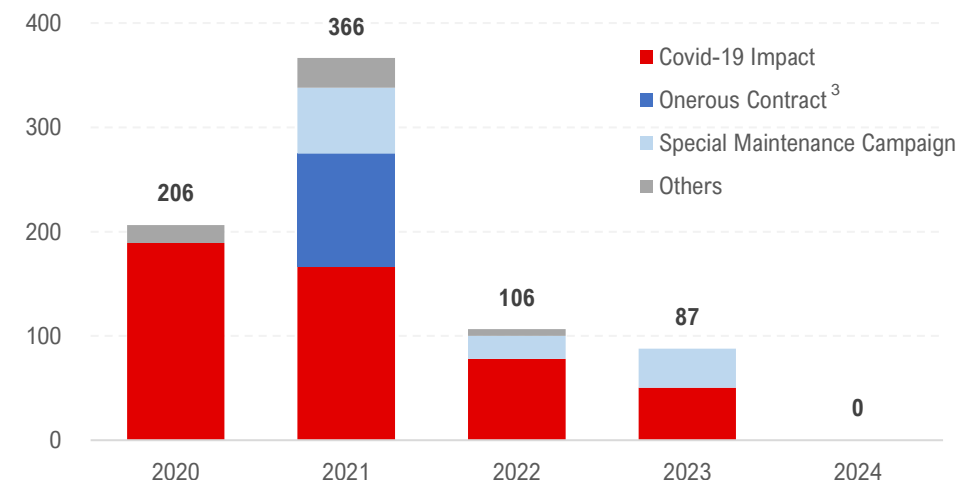
Capitalization: Sum of Total Debt and Equity

3. Onerous contract reserves, which were established for three older FPSOs in Brazil, is calculated in the amount of present value of future expected NET cash flow from both O&M and Charter contracts. Please note that PV of negative expected cash flow from O&M exceed the positive net cash flow from the charter, thus established onerous contract reserve.

### Highlights

- Strong EBITDA growth, now exceeding the pre-Covid record.
- Profit improvement stems from the **earning enhancement of all three service segments** as well as the progress in clients / **revenue diversification**.
- Solid financial conditions** maintained despite the difficult years of operations during Covid.
- Significant improvement in the financial metrics with the **debt leverage below 2.0x**.
- Successful **diversification of funding sources** allowed MODEC to weather the funding shortage during the difficult years.

### Unusual Items (US\$ MM)



# Financial Summary

## Balance Sheet<sup>1</sup>



Balance sheet (US\$ MM)	2018	2019	2020	2021	2022	2023	2024	2023 vs 2024
Cash & cash equivalents	461	478	638	810	492	1,013	1,253	+ 239
Trade & other receivables	856	1,491	1,205	379	478	592	752	+ 160
Contract assets	-	-	-	704	257	185	195	+ 10
ST loans receivable	387	76	-	14	-	27	6	- 21
Investment accounted for using equity method	643	659	652	739	1,114	1,374	1,587	+ 214
LT loans receivable	332	345	367	398	365	348	307	- 41
Other Assets	411	447	590	381	430	346	393	+ 47
<b>TOTAL ASSETS</b>	<b>3,092</b>	<b>3,498</b>	<b>3,454</b>	<b>3,425</b>	<b>3,136</b>	<b>3,887</b>	<b>4,496</b>	<b>+ 609</b>
Trade & other payables	879	1,377	1,462	1,356	921	1,189	1,326	+ 138
Contract liabilities	89	122	313	405	499	590	877	+ 287
LT bonds & borrowings	279	226	130	426	393	570	514	- 56
Other Liabilities	358	628	630	683	482	503	579	+ 77
Total Liabilities	1,608	2,353	2,536	2,870	2,295	2,852	3,298	+ 446
Non-controlling interests	109	32	34	22	29	42	18	- 24
Capital	549	542	574	562	562	377	359	- 18
Retained earnings	842	656	543	85	131	522	722	+ 200
Other components of equity	(16)	(85)	(232)	(115)	118	94	98	+ 5
Equity	1,375	1,111	883	532	811	992	1,180	+ 188
<b>EQUITY &amp; LIABILITIES</b>	<b>3,092</b>	<b>3,498</b>	<b>3,454</b>	<b>3,425</b>	<b>3,136</b>	<b>3,887</b>	<b>4,496</b>	<b>+ 609</b>

Note:

1. Presented in accordance with JGAAP up to 2020 and thereafter IFRS

## V. Financial Guidance

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FY2025 Earnings Forecast

- ✓ Revenue is expected to be lower than in 2024, mainly due to lower EPCI revenues (Bacalhau nearing completion and Uaru approaching its latter stages).
- ✓ Profits are expected to be higher than in 2024, mainly due to the higher earnings forecast from EPCI construction projects

	2024 Actual	2025 Forecast	(US\$ MM)
Revenue	4,186	3,700	(486)
Operating Income	322	410	+ 88
Earnings Before Tax	307	420	+ 113
Net Income	220	270	+ 50

FY2024 Year-End Dividend Forecast

- ✓ Subject to the General Shareholders Meeting in March 2025, the Company has decided to declare an increase in the FY2024 Year-end dividend from JPY30 per share to JPY50 per share.

<u>Previous Announcement</u>		<u>New Announcement</u>
Interim : JPY30		Interim : JPY30
Year-end : JPY30		Year-end : <b>JPY50</b>

FY2025 Annual Dividend Guidance

- ✓ The Company plans to pay an annual dividend of JPY120 per share in FY2025, increasing by JPY40 per share from FY2024.

<u>2024</u>		<u>2025</u>
Interim : JPY30 (actual)		Interim : <b>JPY60</b> (forecast)
Year-end : JPY50 (forecast)		Year-end : <b>JPY60</b> (forecast)



## Mid-term Business Plan 2024-2026 Financial KPIs

### Upward Revision to the FY2026 Targets

- ✓ Financial KPIs for the fiscal year ending December 31, 2026, the final year of the “MODEC Group Mid-term Business Plan 2024-2026” announced on February 14, 2024, is revised upwards.
- ✓ The targets for the fiscal year ending December 31, 2026, is revised in view of (i) the improved operating performance of the existing FPSOs through the intensive special maintenance campaign and the cost management and (ii) the higher earnings forecast from the EPCI projects through the improved schedule & cost management.

(US\$ MM)

	FY2023 (Actual)	FY2024 (Actual)	FY2026 (Target)
<b>Net Income<sup>(*1)</sup></b>	96	220	<b>175 → 300</b>
<b>ROE</b>	10.7%	20.3%	<b>12.0% → 20.0%</b>
<b>PBR</b>	1.1	1.2	<b>&gt; 1.0</b>
<b>Adjusted EBITDA<sup>(*2)</sup></b>	218	328	<b>300 → 450</b>







\* 1 Profit attributable to owners of parent

\* 2 Adjusted EBITDA represents EBITDA before adjustments of non-recurring extraordinary items

## VI. Appendix

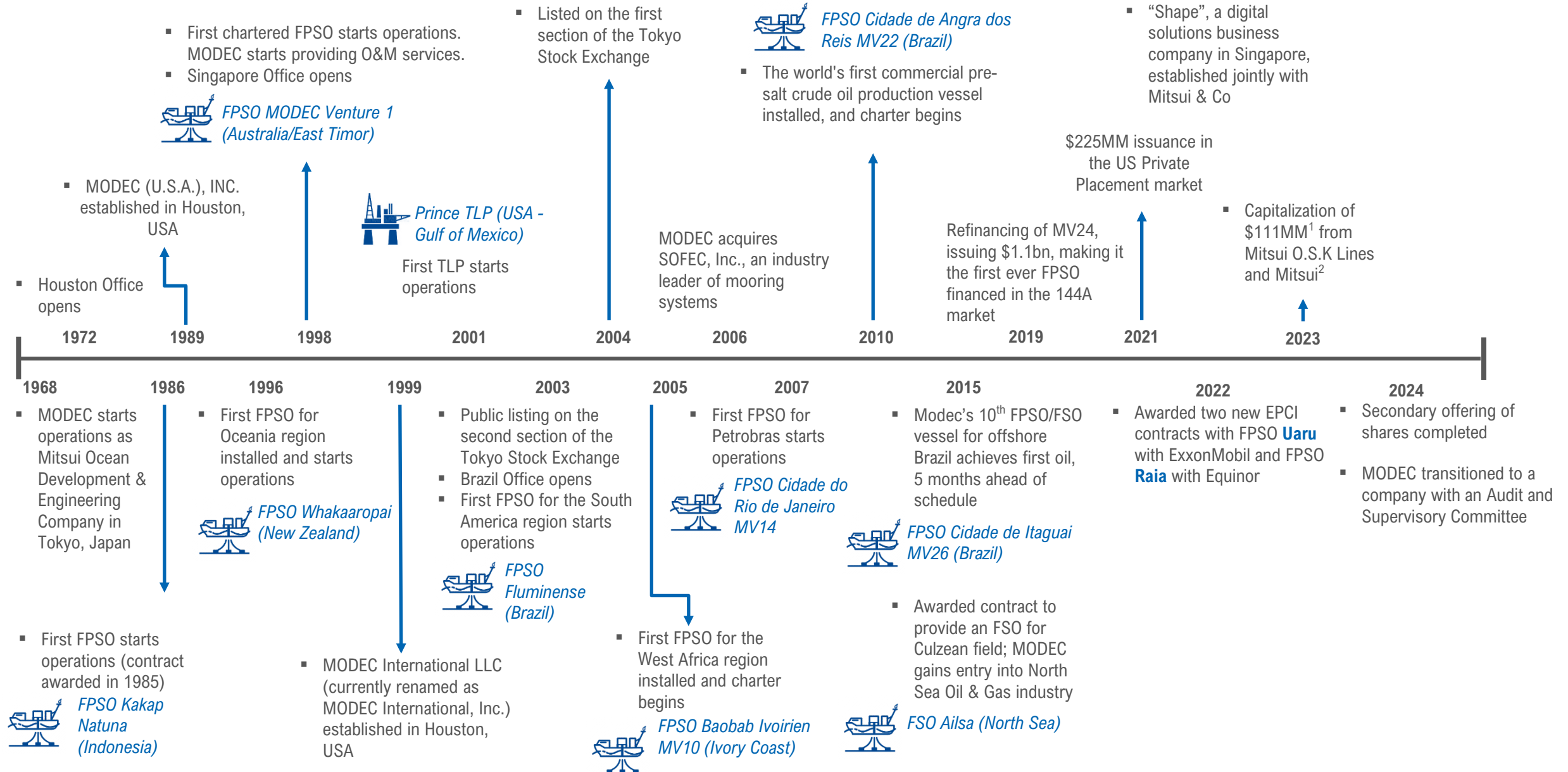
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3 FPSOs are under construction

	FPSO Bacalhau	FPSO Uaru	FPSO Raia
Client	Equinor	ExxonMobil	Equinor
Contract	EPCI + Short term O&M (1 year)	EPCI + O&M (10 years)	EPCI + Short term O&M (1 year)
FID	2020	2023	2023
First Oil (Planned)	2025	2026	2027
Field	Bacalhau	Stabroek	BM-C-33
Location	Brazil 	Guyana 	Brazil 
Water Depth	2,027 m	1,690 m	2,900 m
Storage/ Production	2,000,000 bbls 220,000 bopd 500 mmscfd 	2,000,000 bbls 250,000 bopd 540 mmscfd 	2,000,000 bbls 125,000 bopd 565 mmscfd 

# Company Overview

## A History of Proven Success



Notes:  
1. FX Rate on April 28, 2023: JPY136.3/USD  
2. Funded in June 2023

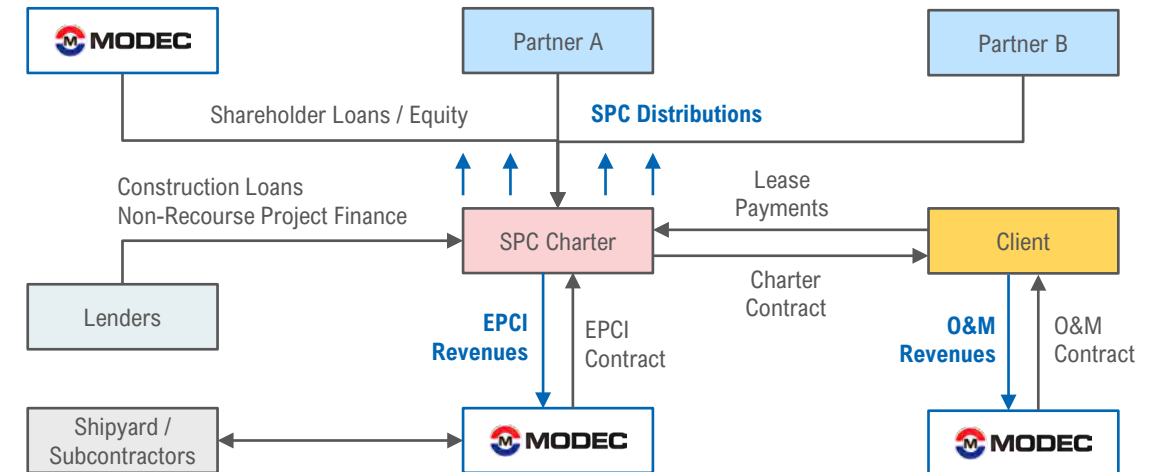
## MODEC Primarily Operates Under the EPCI-to-Charter Structure with Creditworthy Counterparties

### EPCI-to-Charter

17 out of 23 vessels in MODEC's fleet are under an EPCI-to-Charter structure

- In the EPCI-to-Charter modality, MODEC simultaneously acts as: (1) a minority equity owner (typically 25~35%) of the SPC which owns and leases the vessel to the client, (2) EPCI contractor to the SPC responsible for building and delivering the vessel, and (3) O&M counterparty to the SPC for the operation and maintenance of the vessel
- Top SPC partners include Blue Chip Japanese Corporates: Mitsui & Co Ltd, Mitsui O.S.K. Lines Ltd and Marubeni Corp
- In this modality, MODEC's client on the EPCI side is the SPC which has entered into (i) a long-term charter agreement with the client for the use of the vessel and (ii) construction financing guaranteed by the SPC partners (including MODEC) or directly lent to the SPC until the vessel delivery
- Post delivery of the vessel, SPCs receive charter revenues from the client and make ongoing distributions to MODEC/SPC partners after payment of the non-recourse project finance debt
- In the case there is asset level financing at the SPC, distributions to the sponsors from SPCs will typically be subject to a restricted payments test with a certain minimum DSCR. MODEC's fleet as a whole has maintained an average DSCR well above the minimum threshold level

Cash Generation: EPCI Revenues + O&M Revenues + SPC Distributions

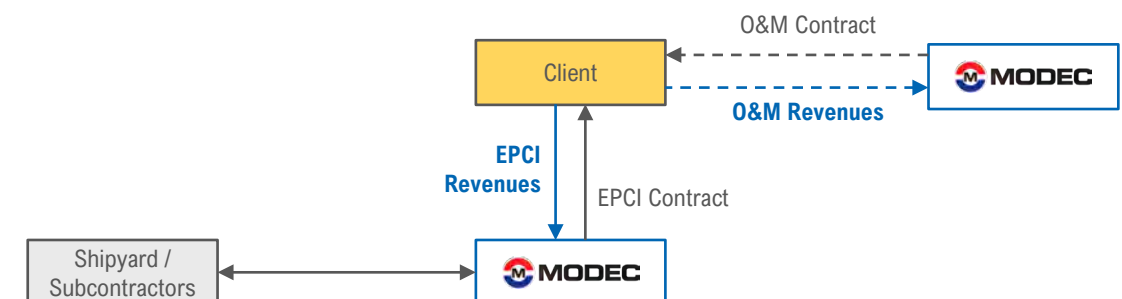


### EPCI Only or EPCI+O&M

6 out of 23 vessels in MODEC's fleet are under EPCI-Only or EPCI+O&M structure, 3 of which are currently under construction

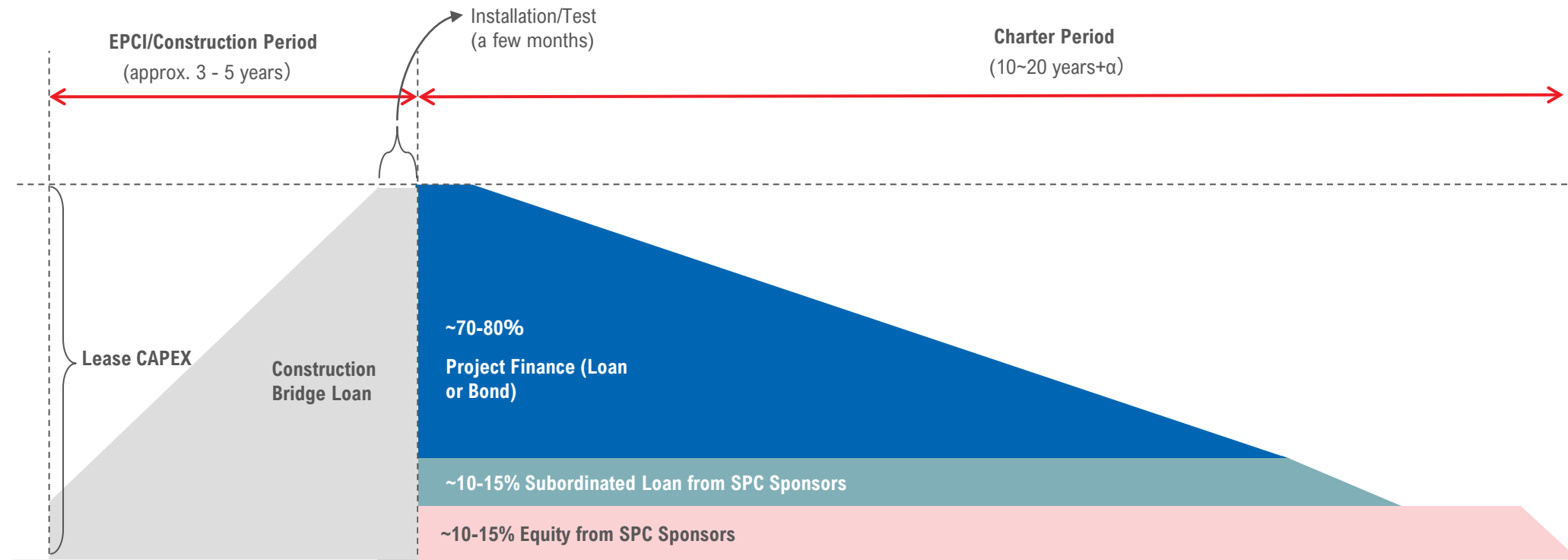
- In the EPCI Only arrangement, MODEC enters into a direct EPCI contract with the client – which owns the FPSO – for the construction and delivery of the vessel.
- MODEC may also provide O&M services, where MODEC operates and maintains the vessel without ownership

Cash Generation: EPCI Revenues + O&M Revenues





MODEC has established strong relationships with a core group of project finance lenders to ensure competitive financing of the FPSOs from the Construction through Charter Period



- **Construction Loan:** Each equity SPC sponsor arranges its portion of the construction loan to the SPC in an amount proportional to their equity ownership. Modec typically arranges its portion through a syndicated loan to the SPC, which is guaranteed by Modec until acceptance by the Charter counterparty.
- **Project Finance:** Arranged at the start of construction. Guaranteed construction loan converts into long-term non-recourse project financing at vessel completion/delivery.
- **Equity:** Typically contributed in the form of a subordinated loan and cash equity at vessel completion/delivery.

# Defined Terms

## Term & Definition

Term	Definition
<b>EPCI</b>	Engineering, Procurement, Construction, and Installation
<b>E&amp;P</b>	Exploration and Production (a large upstream segment of oil & gas)
<b>Deepwater</b>	Water depths between 500 meters and 1,999 meters
<b>FEED</b>	Front End Engineering and Design
<b>FPSO</b>	Floating Production, Storage, and Offloading vessel
<b>FSO</b>	Floating Storage and Offloading vessel (solely for transport and storage, not capable of production)
<b>Mtoe</b>	An acronym that stands for million or mega tonnes of oil equivalent
<b>MOPU</b>	Mobile Offshore Production Unit
<b>MV1 - MV34</b>	MODEC Venture (Vessel Designation)
<b>OECD</b>	Organization for Economic Co-operation and Development
<b>O&amp;M</b>	Operations and Maintenance
<b>SPC</b>	Special Purpose Company
<b>Special Maintenance Campaign</b>	Campaign to maintain the asset integrity of five old vessels in Brazil (MV15/18/20/22/23). It is a multi-year process (commenced in 2021) and uses an accommodation vessel (Flotel) in which up to 400 crew are on board to perform the intensive maintenance & repair works
<b>TLP</b>	Tension Leg Platform
<b>Ultra-Deepwater</b>	Water depths more than 2,000 meters
<b>Uptime</b>	Percentage of time that a vessel is in operation with respect to the life of the charter