

FLUOR PROJECT SERVICES B.V.

TAURUSA VENUE 155

2132 LS HOOFDORP, THE NETHERLANDS

Annual Report 2023

CONTENTS

Board of Management Report

Board of Management Report	2
----------------------------	---

Financial Statements

Balance Sheet	4
Accounting policies	6
Notes to Financial Statements	11

Other Information

Subsequent events	
Appropriation of Net Result	13

The page number of the last page is	13
-------------------------------------	----

BOARD OF MANAGEMENT REPORT

General

The Company and its subsidiaries are members of the worldwide group of affiliated companies of Fluor Corporation, a U.S. corporation. Fluor Corporation is a publicly traded engineering, procurement, fabrication, construction (EPFC) and maintenance company, offering integrated solutions for Clients' complex and challenging capital projects. The Company is a wholly owned subsidiary of Fluor Enterprises Inc., a company registered in Delaware, U.S.A. The Company provides services for the Business Energy Solutions, Urban Solutions and Maintenance, Modification and Asset Management.

The company is registered with the Dutch Chamber of Commerce under number 60765143.

Sustainability

Fluor Corporation achieved our Net Zero 2023 commitment before the end of our 2023 financial year. This important milestone signifies a reduction of our Scope 1 and Scope 2 emissions to net zero from our offices and fleet.

As an office, we continue to give attention to the energy transition markets and currently, we have taken a further step in aligning the focus areas between the Amsterdam and Bergen op Zoom offices to further enhance our position in this market using the complementary strengths of both offices in our offering to clients.

2023 Result

The year 2023 resulted in a profit of EUR 3,753,901 versus 2022 EUR 3,507,486 due to starting activities in Denmark.

Management

There are no changes in management this year.

Currently none of the seats have been taken by women. Nonetheless, the Company believes that the composition of its Board of Management has a broad diversity of experience, expertise and backgrounds, and that the backgrounds and qualifications of the Board of Management, considered as a group, provide a significant mix of experience, knowledge, abilities and independence that we believe will allow our Board of Management to fulfill its responsibilities and properly execute its duties. The Board of Management will continue to be selected based on these criteria.

Traditional the engineering and construction industry is a male dominated world. In the Netherlands the availability of technical educated women is limited. In order to increase the number of women in senior functions, the Company launched the GROW program (Growing Representation & Opportunity for Women). The charter of GROW is:

“Men and women working together to cultivate opportunities to attract, retain and develop women; ensuring Fluor’s long term business success.”

Finance

No investments were made during 2023.

Future outlook

The anticipated projects for the period after December 31, 2023 will be covering Oil, Gas, Plant Engineering, Chemicals, Pharmaceutical, Infrastructure, Life Science and Advance Manufacturing as well as Maintenance, Modification and Asset Integrity projects. TRS continues to provide resources for the engineering industry.

The Company is operating in an international market and therefore the net income is exposed to the risk of financial instruments such as credit risks, liquidity risks and price risks, which comprise foreign exchange, interest rate and market risks. Reference is made to page 11 and 12 of the report.

Hoofddorp, May 30, 2024

Board of management

sto7
3308

Digitally signed
by sto73308
Date:
2024.08.05
14:31:32
+02'00'

M.J.H. Kuitens

BALANCE SHEET
December 31, 2023

A s s e t s

	2023		2022	
	EUR	EUR	EUR	EUR
Current assets				
Contract work in progress		60,396,272		66,250,578
Receivables				
• Trade	69,290,781		41,046,585	
• Due from affiliated companies	5,753,288		1,531,580	
• Income tax	—		—	
• Other	291,908		212,407	
Total receivables		75,335,977		42,790,572
Cash and cash equivalents		16,773,762		8,900,540
Total current assets		152,506,011		117,941,690
Total assets		<u>152,506,011</u>		<u>117,941,690</u>

See accompanying notes.

S h a r e h o l d e r ' s e q u i t y a n d l i a b i l i t i e s

		2023		2022	
		EUR	EUR	EUR	EUR
Shareholder's equity	1		12,770,878		5,694,891
Provisions			2,839,458		—
Current liabilities					
Advance billings on contracts		2,707,185		1,301,263	
Accounts payable		105,348,080		85,398,472	
Bank loans		17,047,302		12,121,722	
Due to affiliated companies		2,090,507		1,428,632	
Taxes other than income taxes		7,794,974		5,141,358	
Income tax		198,944		2,206,910	
Accrued liabilities		1,708,690		1,229,312	
Total current liabilities			136,895,675		108,827,669
Total shareholder's equity and liabilities			<u>152,506,011</u>		<u>117,941,690</u>

See accompanying notes

ACCOUNTING POLICIES

General

The Company is a member of the worldwide group of affiliated companies of Fluor Corporation, a U.S. Corporation. The Company is a wholly owned subsidiary of Fluor Consultants B.V., Bergen op Zoom, The Netherlands,

The Company has transactions with affiliated companies; the terms and conditions of these transactions are reflected in the company financial statements on a basis determined by the Company and the members of the affiliated group.

The Company is engaged in providing engineering, design, procurement and construction management services.

Summary of significant accounting policies

General

The financial statements have been prepared under the historical cost convention and in conformity with the requirements of the Netherlands Civil Code.

According article 18.1 the Company's financial year is the calendar year.

Judgements and estimates

Management makes various judgements and estimates when applying the accounting policies and rules for preparing the financial statements. The principal judgements and estimates, including underlying assumptions, are explained under engineering and contracts.

Translation of foreign currencies

Assets and liabilities denominated in foreign currencies are translated into local currency at year-end exchange rates. Transactions in foreign currencies are recorded at the exchange rate of the day the transaction is recorded. Exchange gains and losses are included in the statement of operations.

The financial statements of foreign operations are translated into the Euro, the Company's reporting currency. Assets and liabilities are translated using the exchange rates on the respective balance sheet dates. Income and expense items are translated based on the average rates of exchange for the years involved. The resulting translation adjustments are charged or credited to shareholder's equity.

Offsetting

Assets and liabilities are only offset in the financial statements if and to the extent that:

- an enforceable legal right exists to offset the assets and liabilities and settle them simultaneously; and
- the positive intention is to settle the assets and liabilities on a net basis or simultaneously.

Engineering and construction contracts

The Company recognizes engineering and construction contract revenues using the percentage-of-completion method, based primarily on contract cost incurred to date compared to total estimated contract cost. Contracts are generally segmented between types of services, such as engineering and construction, and accordingly, gross margin related to each activity is recognized as those separate services are rendered. Changes to total estimated contract cost or losses, if any, are recognized in the period in which they are determined. Pre-contract costs are expensed as incurred. Revenue recognized in excess of amounts billed is classified as current assets under contract work in progress. Amounts billed to clients in excess of revenue recognized to date are classified as current liabilities under advance billings on contracts. The Company anticipates that substantially all incurred cost associated with contract work in progress as of December 31, 2023 will be billed and collected in 2024. The Company recognizes certain significant claims for recovery of incurred cost when it is probable that the claim will result in additional contract revenue and when the amount of the claim can be reliably estimated. Unapproved change orders are accounted for in revenue and cost when it is probable that the cost will be recovered through a change in the contract price. In circumstances where recovery is considered probable, but the revenue cannot be reliably estimated, cost attributable to change orders is deferred pending determination of contract price.

The Company is engaged in engineering and construction activities for large facilities where design, construction or systems failures can result in substantial injury or damage to third parties. In addition, the nature of the business results in clients, subcontractors and vendors occasionally presenting claims against the Company for recovery of cost they incurred in excess of what they expected to incur, or for which they believe they are not contractually liable. The Company has been and may in the future be named as a defendant in legal proceedings where parties may make a claim for damages or other remedies with respect to projects or other matters. These claims generally arise in the normal course of the business. When it is determined that the Company has liability, it may not be covered by insurance or, if covered, the amount of these liabilities may exceed the policy limits. The Company's professional liability coverage is on a "claims-made" basis covering only claims actually made during the policy period currently in

effect. In addition, even where insurance is maintained for such exposure, the policies have deductibles resulting in assuming exposure for a layer of coverage with respect to any such claims.

Any liability not covered by the insurance, in excess of insurance limits or, if covered by insurance but subject to a high deductible, could result in a significant loss for the Company, and reduce cash available for operations.

Receivables

Provisions for doubtful debts are accounted for under advance billing on contracts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

Other assets and liabilities

All other assets and liabilities are stated at the amount at which they were acquired or incurred.

Leasing

Under operating leases, the lease payments are charged to the statement of operations on a straight-line basis over the term of the lease.

Taxes

A deferred tax liability is recognised for all taxable temporary differences. A deferred tax asset is recognised for all deductible temporary differences and carry-forward losses, to the extent that it is probable that future taxable profit will be available for set-off. Deferred tax liabilities and deferred tax assets are carried on the basis of the tax consequences of the realization or settlement of assets, provisions, liabilities or accruals and deferred income as planned by the Company at the balance sheet date. Deferred tax liabilities and deferred tax assets are carried at non-discounted value.

Deferred and other tax assets and liabilities are netted off if the general conditions for netting off are met.

Taxes are calculated on the result disclosed in the statement of operations, taking account of tax-exempt items and partly or completely non-deductible expenses.

Income

General

Revenues represents the proceeds from the supply of goods and services, net of VAT, discounts, etc.

Services

If the result of a transaction relating to a service can be reliably estimated and the income is probable to be received, the income relating to that service is recognised in proportion to the service delivered.

Under the accounting procedures, the Company measures and recognizes a large portion of profits and revenues under the percentage-of-completion accounting methodology. This methodology allows recognizing revenues and profits ratably over the life of a contract by comparing the amount of the cost incurred to date against the total amount of cost expected to be incurred. The effect of revisions to revenue and estimated cost is recorded when the amounts are known and can be reasonably estimated, and these revisions can occur at any time and could be material. On a historical basis, the Company believes that reasonably reliable estimates have been made of the progress towards completion on long-term contracts. In addition, from time to time, when calculating the total amount of profits and losses, the Company includes unapproved claims as contract value when collection is deemed probable based upon the criteria for recognizing unapproved claims. Including unapproved claims in this calculation increases the operating income (or reduces the operating loss) that would otherwise be recorded without consideration of the probable unapproved claim. Given the uncertainties associated with these types of contracts, it is possible for actual cost to vary from estimates previously made, which may result in reductions or reversals of previously recorded revenues and profits.

Interest

Interest income is recognised pro rata in the statement of operations, taking into account the effective interest rate for the asset concerned, provided the income can be measured and the income is probable to be received.

Dividend

Dividends are recognised upon declaration of the dividend by the subsidiary.

Intercompany transactions

Results on transactions with and between intra group companies are eliminated in full. Results on transactions with and between participating interests carried at net asset value are recognised proportionally. Results on transactions with and between participating interests carried at cost are recognised in full, unless they have not been realised in substance.

Expenses

General

Expenses are determined with due observance of the aforementioned accounting policies and allocated to the financial year to which they relate. Foreseeable and other obligations as well as

potential losses arising before the financial year-end are recognised if they are known before the financial statements are prepared and provided all other conditions for forming provisions are met.

Interest

Interest if any is allocated to successive financial reporting periods in proportion to the outstanding principal. Premiums and discounts, are treated as annual interest charges so that the effective interest rate, together with the interest payable on the loan, is recognised in the statement of operations, with the amortised cost of the liabilities being recognised in the balance sheet. Period interest charges and similar charges are recognised in the year in which they fall due.

Statement of cash flows

The cash flow statement of the Company is included in the consolidated annual report of the ultimate parent, Fluor Corporation and has therefore been omitted in accordance with Dutch Financial Reporting Standard, RJ360.104. The consolidated annual report of Fluor Corporation can be found on www.fluor.com.

NOTES TO FINANCIAL STATEMENTS

1 - Shareholder's equity

The Shareholder's equity amounted to EUR 12,770,878 at the balance sheet date.

	Paid-up Capital	Capital Surplus	Revaluation Reserve	Other Reserves	Result of the year	Total
	€	€	€	€	€	€
01-01-2023	100	1,846,078	(111,924)	3,872,281	3,507,486	9,114,021
Transfer result previous year				3,507,486	(3,507,486)	0
Result of 2023					3,681,294	3,681,294
Other			(24,437)			(97,044)
31-01-2023	100	1,846,078	(136,361)	7,379,767	3,681,294	12,770,878

Financial instruments

General

Financial instruments in the balance sheet include cash and time deposits, trade receivables, due from and due to affiliated companies, loans to affiliated companies, advance billings on contracts and accounts payable. The estimated fair values of these instruments approximate their carrying value.

The principal risks arising from these financial instruments are credit risks, liquidity risks and price risks, which comprise foreign exchange, interest rate and market risks.

The policy to mitigate these risks is set out on the next page.

Foreign exchange risk

The Company is exposed to foreign exchange risks arising from purchase and sales transactions denominated in a currency other than the Company's presentation currency (Euro). The Company generally limits its exposure to foreign currency fluctuations in most of its engineering and construction contracts through provisions that require client payments in Euro or other currencies corresponding to the currency in which costs are incurred. In cases where, the

Company agrees to accept or identifies foreign currency risk, all known obligations will be hedged to the extent possible and economically feasible.

Interest rate risk

As the Company's loans bear fixed rates of interest, the Company runs the risk that receivables and loans will decrease or increase in value respectively due to changing market rates of interest. The Company doesn't maintain interest instruments. Interest where applicable is at market rate.

Credit risks

Accounts receivable and all contract work in progress are from clients in various industries and locations throughout the world. Most contracts require payments as the projects progress or, in certain cases, advance payments. The Company generally does not require collateral, but in most cases can place liens against the property, plant or equipment constructed or terminate the contract if a material default occurs. The Company evaluates the counterparty credit risk of third parties as part of its project risk review process and in determining the appropriate level of reserves. The Company maintains adequate reserves for potential credit losses and generally such losses have been minimal and within management's estimates.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding. The Company manages its liquidity requirements through active management of project financing levels. In addition the group uses financing facilities and liquidity arrangements via intercompany financing facilities with associated Fluor entities whereby the Company's financing needs for working capital and capital expenditure is managed through the Fluor Corporation treasury function.

OTHER INFORMATION

Subsequent events

There are no subsequent events that have an impact on the financial position of the company.

Appropriation of net result

According to Article 19 of the Company's articles of association the net income for the year is at the disposition of the general meeting of the shareholder.