



2024 HALF YEAR EARNINGS



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HALF YEAR MANAGEMENT REPORT

“Our great teams continue to deliver strong performance and we ended the period with a record backlog of US\$33.7 billion. As a result, we are increasing our Directional EBITDA guidance to around US\$1.3 billion from around US\$1.2 billion and will launch today an additional EUR65 million share repurchase.

We saw very good progress in the construction portfolio, bringing our three most mature projects to a very high level of completion. The first of these, *FPSO Almirante Tamandaré*, left the quayside as per schedule on August 1, and will benefit from our Fast4Ward® program learnings as it transitions from construction to operations. The next generation of projects like *FPSO Jaguar* are already seeing the benefits from inception of a full cycle of learnings.

The market outlook for cost and carbon efficient FPSOs remains positive. Our eighth Fast4Ward® hull has been reserved by TotalEnergies for the Block 58 development in Suriname. In line with our strategy to have one hull built in anticipation, we have proceeded to order the ninth hull to support our market positioning. Together with further hull options, this will allow us to de-risk future project schedules in a tight supply chain market.

With our unique value proposition, we expect to see more awards based on the “sale & operate” model like *FPSO Jaguar*, with an accelerated cash flow profile versus the historical “lease & operate” model.

Further, we are pleased to announce today the signing of a 20-year lease & operate contract with Woodside for an FSO to support the Trion field development in Mexico, marking an entry into a promising new region.

Excellence in performance is created through standardization and focus. Combined with the success in standardized FPSOs, we have taken steps to rationalize our business to focus on Lease and Operate in Angola: in June we completed the acquisition of our partners’ shares in the lease and operating entities of a number FPSOs (*N’Goma*, *Saxi Batuque* and *Mondo*) and sold our shares in the Paenal shipyard.

Finally, we are applying our expertise in floating solutions to position the Company for the long term in a number of alternative energy markets: in July, our pure-play Floating Offshore Wind (“FOW”) joint venture with Technip Energies, Ekwil, was established. Later in the month, we signed a Memorandum of Understanding (“MoU”) with Ocean-Power to jointly develop a low-emission offshore floating power generation concept using carbon capture, injection and storage.”

HIGHLIGHTS AND HALF YEAR EARNINGS

Highlights

- 2024 Directional¹ EBITDA guidance increased from around US\$1.2 billion to around US\$1.3 billion
- 2024 Directional revenue guidance increased from around US\$3.5 billion to above US\$3.8 billion
- US\$3.4 billion net increase of pro-forma Directional backlog to record-level US\$33.7 billion
- EUR65 million (US\$71 million equiv.²) additional share repurchase
- Existing share repurchase program of EUR65 million on track, c. 58% completed³
- Award of 20-year lease & operate contract for an FSO to support the Trion field development in Mexico
- Rationalization of business in Angola to focus on Lease and Operate
- Ninth Fast4Ward® Multi-Purpose Floater ("MPF") hull ordered

Overview

in US\$ million	YTD (Unaudited)		
	1H 2024	1H 2023	% Change
Revenue	2,220	2,450	-9%
Lease and Operate revenue	971	760	28%
Turnkey revenue	1,249	1,689	-26%
EBITDA	533	595	-10%
Lease and Operate EBITDA	454	355	28%
Turnkey EBITDA	127	292	-57%
Other	(47)	(52)	-9%
Profit attributable to shareholders	116	179	-35%
Earnings per share	0.64	0.99	-35%

in US\$ million	YTD (Unaudited)		
	1H 2024	1H 2023	% Change
Directional Revenue	1,840	1,491	23%
Directional Lease and Operate revenue	1,178	933	26%
Directional Turnkey revenue	662	558	19%
Directional EBITDA	620	457	36%
Directional Lease and Operate EBITDA	679	546	24%
Directional Turnkey EBITDA	(12)	(37)	-69%
Other	(47)	(52)	-8%
Directional Profit/(loss) attributable to shareholders	128	36	258%
Directional Earnings per share	0.71	0.20	257%

in US\$ billion	YTD (Unaudited)		
	1H 2024 (Unaudited)	FY 2023	% Change
IFRS			
Net debt	9.3	8.7	6%
Directional			
Pro-forma Directional backlog	33.7	30.3	11%
Directional net debt	7.1	6.7	6%

¹ Refer to section Operating Segments and Directional Reporting.

² Based on the foreign exchange rate on August 5, 2024.

³ Based on cumulative repurchased amount of EUR38 million on August 7, 2024.

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Directional revenue for the first half of 2024 stood at US\$1,840 million, a 23% increase compared with the same period in 2023. The Directional Turnkey revenue rose to US\$662 million compared with US\$558 million in the year-ago period. This 19% increase reflects mainly (i) the FPSO *Jaguar* contract award, and (ii) the increased support to the fleet through brownfield activities, partially offset by (iii) the completion of FPSOs *Prosperity* and *Sepetiba* in Q4 2023 and Q1 2024 respectively, and (iv) the lower amount of revenue booked in the construction portfolio as projects approach completion.

The year-to-date Directional Lease and Operate revenue stood at US\$1,178 million, up 26% compared with the same period in the prior year. This increase is the result of (i) FPSOs *Prosperity* and *Sepetiba* joining the fleet upon successful delivery in Q4 2023 and Q1 2024 respectively, and (ii) an increase in reimbursable scope of the fleet, partially offset by (iii) reduced revenue on FPSO *Liza Unity* following purchase option exercised by the client in Q4 2023, moving to an operating contract.

Directional EBITDA for the first half of 2024 came in at US\$620 million, up 36% compared to US\$457 million in the year-ago period.

Directional Turnkey EBITDA contribution improved to US\$(12) million in the first half of 2024 compared with US\$(37) million in the same period last year. This result is driven by (i) the increased support to the fleet through brownfield projects, (ii) the lower number of projects in the construction portfolio affected by the historical consequences of the pandemic and the global supply chain pressures, and (iii) the reduced investment on FOW projects following the implementation of the Ekwil Joint Venture in partnership with Technip Energies. This was partially offset by (i) the completion of FPSOs *Prosperity* and *Sepetiba* in Q4 2023 and Q1 2024 respectively, and (ii) lower construction activity on FPSOs as projects approach completion.

Directional Lease and Operate EBITDA stood at US\$679 million in the first half of 2024, a 24% increase compared with US\$546 million in the year-ago period. This growth stems from the same drivers as Directional Lease and Operate revenue as well as the net gain arising from the acquisition of interests held by Sonangol in FPSOs *N'Goma*, *Saxi Batuque* and *Mondo* and the divestment in the parent company of the Paenal shipyard in Angola.

The Other non-allocated costs charged to Directional EBITDA amounted to US\$(47) million in the first half of 2024, a US\$5 million improvement compared with the year-ago period mainly due to the comparative impact of the US\$11 million one-off restructuring costs in 2023 related to optimization of the Company's support functions' activities.

Directional net profit stood at US\$128 million for the first half of 2024, up from US\$36 million in the year-ago period. The increase is consistent with the Directional EBITDA improvement.

Funding and Directional Net Debt

Directional net debt stood at US\$7.1 billion in the first half of 2024 versus US\$6.7 billion as at December 31, 2023. While the Lease and Operate segment continues to generate strong operating cash flow, the Company drew on (i) the project finance facilities of FPSOs *Almirante Tamandaré*, *Alexandre de Gusmão* and *ONE GUYANA*, and (ii) the new US\$250 million short-term corporate facility to fund continued investments in growth on FPSOs under construction.

More than half of the Company's debt as of June 30, 2024, consisted of non-recourse project financing (US\$4 billion) in special purpose investees. The remainder (US\$3.5 billion) mainly comprised (i) borrowings supporting the ongoing construction of three FPSOs which will become non-recourse following project execution finalization, (ii) the US\$250 million short-term corporate FPSO construction facility, (iii) the Company's US\$1.0 billion revolving credit facility, which was drawn for US\$550 million at the end of the first half of 2024, and (iv) the fully drawn US\$210 million debt facility for MPF hull financing.

As of June 30, 2024, the net cash balance stood at US\$495 million.

Pro-forma Directional Backlog

Change in ownership scenarios and lease contract durations have the potential to significantly impact the Company's future cash flows, net debt balance as well as the profit and loss statement. The Company therefore provides a pro-forma Directional backlog based on the best available information regarding ownership scenarios and lease contract durations for the various projects.

The pro-forma Directional backlog increased by US\$3.4 billion compared with the position at December 31, 2023 to a total of US\$33.7 billion. The increase was mainly attributable to the award of FPSO *Jaguar* in April 2024, partially offset by turnover

for the period which consumed approximately US\$1.8 billion of the backlog. The Company's backlog provides cash flow visibility up to 2050.

in US\$ billion	Turnkey	Lease & Operate	Total
2H 2024	0.8	1.3	2.1
2025	2.9	2.6	5.5
2026	1.2	2.7	3.9
Beyond 2026	2.3	19.9	22.2
Total pro-forma Directional backlog	7.2	26.5	33.7

The pro-forma Directional backlog at June 30, 2024 reflects the following key assumptions:

- The FPSO *Liza Destiny* contract covers the basic contractual term of 10 years of lease.
- The FPSOs *Prosperity* and *ONE GUYANA* contracts cover a maximum lease period of 2 years, within which the ownership of the FPSOs will transfer to the client.
- The FPSO *Jaguar* contract awarded to the Company in April 2024 covers the construction period within which the FPSO ownership will transfer to the client and is reported in the Turnkey backlog.
- 10 years of operations and maintenance are considered for FPSOs *Liza Destiny*, *Liza Unity*, *Prosperity* and *ONE GUYANA* following signature of the Operations & Maintenance Enabling Agreement in 2023. Regarding FPSO *Jaguar*, the pro-forma Directional backlog includes the operating and maintenance scope for 10 years as it has been agreed in principle, pending a final work order. This is consistent with prior years.
- The impact of the subsequent sale of FPSOs *Prosperity* and *ONE GUYANA* is reflected in the Turnkey backlog at the end of the maximum two-year lease period.
- ExxonMobil Guyana has indicated that it is contemplating the exercise of its contractual purchase option to acquire FPSOs *Prosperity* and *Liza Destiny* in the second half of 2024, ahead of the end of the maximum lease terms in November 2025 and December 2029 respectively.
- With respect to the FPSO for the Block 58 development project, for which the full construction, installation and operations contracts award is subject to the final investment decision of the client, the amount included corresponds to the initial limited release of scope to the Company.
- The 13.5% equity divestment in FPSO *Sepetiba* to CMFL has not yet been reflected in the backlog as the transaction remains subject to various approvals, which include the consent from co-owners, lenders and export credit agencies.

Project Review

Project	Client/Country	Contract	SBM Share	Capacity, Size	Percentage of Completion	Expected First Oil
<i>Almirante Tamandaré</i>	Petrobras Brazil	26.25-year L&O	55%	225,000 bpd	>75%	2025
<i>Alexandre de Gusmão</i>	Petrobras Brazil	22.5-year L&O	55%	180,000 bpd	>75%	2025
<i>ONE GUYANA</i>	ExxonMobil Guyana	2-year BOT	100%	250,000 bpd	>75%	2025
<i>Jaguar</i>	ExxonMobil Guyana	Sale & Operate	100%	250,000 bpd	<25%	2027

Projects remain on track with three vessels expected to commence operations next year. An update on individual projects under construction is provided below considering latest known circumstances.

FPSO Almirante Tamandaré

On August 1, 2024, the vessel safely departed from the yard in China after successful completion of the topsides' integration phase and the onshore commissioning campaign. The FPSO delivery continues to be on track for 2024 and the client is expecting first oil from the field in early 2025.

FPSO Alexandre de Gusmão

The topside modules lifting campaign has been successfully completed. Integration and commissioning activities continue to progress in line with plan. First oil is expected in 2025.

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FPSO ONE GUYANA

The topside modules lifting campaign has been successfully completed. Integration and commissioning activities are progressing in line with plan. First oil is expected in the second half of 2025.

FPSO Jaguar

As planned, the Fast4Ward® MPF hull was launched out of drydock in the second quarter of 2024. First oil is expected in 2027.

Fast4Ward® MPF hulls

The total number of MPF hulls ordered to date under the Company's Fast4Ward® program stands at nine, with the ninth hull ordered early July 2024. Three of these hulls are in operation, four are allocated to projects under construction, one hull has been reserved by TotalEnergies for the Block 58 development and the last hull has been ordered to support tendering activities.

Fleet Uptime

Year-to-date, the fleet's uptime was 96.4% reflecting the shutdown of two units in the second quarter of 2024.

Share Purchase Agreements completed with Sonangol EP ("Sonangol")

In June, the Company completed the acquisition of the shares in the lease and operating entities related to FPSOs *N'Goma*, *Saxi Batuque* and *Mondo* from Sonangol. Simultaneously, SBM Offshore completed the sale of all its shares in the parent company of the Paenal shipyard in Angola to a subsidiary of Sonangol. In addition, SBM Offshore has signed a share purchase agreement with its minority partner (Angola Offshore Services Limited, "AOSL") in the *FPSO N'Goma* concerning the purchase by AOSL of 20% of SBM Offshore's shareholding (80%) in the entity owning the FPSO. The share purchase agreement is conditional upon several conditions precedent, including consent from clients, lenders, and approval by the various competent authorities. Through this transaction, SBM Offshore is reorganizing its business in Angola, focusing on core Lease and Operate activities and divesting a non-core construction yard.

Contract extension

The Company has received a notification letter for a 1-year contract extension related to the lease and operations of FPSO *Mondo* to December 2025.

Handover of operations

In June, the Company handed over the operations of the *FPSO Serpentina* to the national oil company of Equatorial Guinea, GEPetrol. The *FPSO Serpentina* was owned by the client and operated by Gepsing, a subsidiary between SBM Offshore (60%) and GEPetrol (40%).

Safety and Sustainability

Safety

The Company's Total Recordable Injury Frequency Rate ("TRIFR") year-to-date was 0.09, in line with the full year 2024 target of below 0.12⁴.

Emissions

In the first half of the year, the Company is on track to meet the target set on gas flared with a maximum average fleet target of 1.57 mmscf/d of flaring for scope 3 downstream leased assets.

Responsible recycling

FPSO Capixaba safely arrived in Frederikshavn, Denmark on May 5, 2024 and the ownership was transferred to the ship recycling yard on the same day. The safe and environmentally sound recycling is currently under execution in accordance with SBM Offshore's responsible recycling policy.

Transition

The Company continues to seek to leverage its expertise in ocean infrastructure solutions to position itself for the long term through the energy transition and beyond.

⁴ Measured per 200,000 manhours.

In July 2024, SBM Offshore and Technip Energies launched Ekwil, a 50/50 joint venture designed to enhance the product offering in FOW by promoting the innovative solutions developed by both companies: SBM Offshore's Tension Leg Platform Float4Wind™ and Technip Energies' Semi-submersible INO15 by T.EN™.

Outside of the Ekwil joint venture, the Company continues to apply its unique FOW expertise to its portfolio of high-value development projects in the key FOW geographies of the UK and Canada; all projects remain on track, in line with their respective plans.

Further, in July 2024, SBM Offshore and Ocean-Power signed an MoU to collaborate on a floating power generation hub concept with CO2 capture and storage in the areas of the Norwegian and United Kingdom Continental Shelves. The objective is to generate electricity offshore using gas turbines in association with carbon capture and storage, resulting in significantly lower CO2 emissions. The hub can be used to power offshore assets via submarine cables and electrify the continental shelf with minimal impact on the national grid, as well as balancing wind power capacity in a bi-directional transmission structure.

Cash Return

The EUR65 million (c. US\$70 million equivalent⁵) share repurchase program effective from March 1, 2024 (the "Structural Buyback") is progressing and was c. 58% complete on August 7, 2024 after market close. The objective of the Structural Buyback is to reduce the Company's share capital; all shares purchased will therefore be cancelled.

The share repurchase program will be increased by an additional amount of EUR65 million (c. US\$71 million equivalent²) effective from August 8, 2024 (the "Incremental Buyback"). The objective of the Incremental Buyback is to reduce share capital and in addition to provide shares for regular management and employee share programs. The share repurchase program is expected to be completed by end of April 2025.

Guidance

The Company's 2024 Directional revenue guidance is increased to above US\$3.8 billion of which around US\$2.4 billion is expected from the Lease and Operate segment and above US\$1.4 billion from the Turnkey segment.

2024 Directional EBITDA guidance is increased to around US\$1.3 billion for the Company.

Should the purchase of FPSOs *Prosperity* and *Liza Destiny* occur in 2024, the guidance will be revised accordingly once the final details of the purchase are confirmed.

⁵ Based on the foreign exchange rate on February 22, 2024.

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FINANCIAL REVIEW

FINANCIAL OVERVIEW

in US\$ million	YTD (Unaudited)		
	1H 2024	1H 2023	% Change
Revenue	2,220	2,450	-9%
Lease and Operate revenue	971	760	28%
Turnkey revenue	1,249	1,689	-26%
EBITDA	533	595	-10%
Lease and Operate EBITDA	454	355	28%
Turnkey EBITDA	127	292	-57%
Other	(47)	(52)	-9%
Profit attributable to shareholders	116	179	-35%
Earnings per share	0.64	0.99	-35%

in US\$ million	YTD (Unaudited)		
	1H 2024	1H 2023	% Change
Directional Revenue	1,840	1,491	23%
Directional Lease and Operate revenue	1,178	933	26%
Directional Turnkey revenue	662	558	19%
Directional EBITDA	620	457	36%
Directional Lease and Operate EBITDA	679	546	24%
Directional Turnkey EBITDA	(12)	(37)	-69%
Other	(47)	(52)	-8%
Directional Profit/(loss) attributable to shareholders	128	36	258%
Directional Earnings per share	0.71	0.20	257%

in US\$ billion	1H 2024	FY 2023	% Change
	(Unaudited)		
IFRS			
Net debt	9.3	8.7	6%
Directional			
Pro-forma Directional backlog	33.7	30.3	11%
Directional net debt	7.1	6.7	6%

General

The Company's primary business segments are 'Lease and Operate' and 'Turnkey'. Additionally, the Company discloses separately non-allocated corporate income and expense items presented in the category 'Other'. Revenue and EBITDA are analyzed by segment, but it should be recognized that business activities are closely related.

During recent years, the Company's awarded lease contracts were systematically classified under IFRS as finance leases for accounting purposes, whereby the fair value of the leased asset is recorded as a Turnkey 'sale' during construction. For the Turnkey segment, this accounting treatment results in the acceleration of recognition of lease revenues and profits into the construction phase of the asset, whereas the asset generates the cash mainly only after construction and commissioning activities have been completed, as that is the moment the Company is entitled to start receiving the lease payments. In the case of an operating lease, lease revenues and profits are recognized during the lease period, in effect more closely tracking cash receipts. Following the implementation of accounting standards IFRS 10 and 11 starting January 1, 2014, it has also become challenging to extract the Company's proportionate share of results. To address these accounting issues, the Company discloses Directional reporting in addition to its IFRS reporting. Directional reporting treats all lease contracts as operating leases and consolidates all co-owned investees related to lease contracts on a percentage of ownership basis. Under Directional, the accounting results more closely track cash-flow generation and this is the basis used by the Management Board of the Company to monitor performance as well as for business planning. Reference is made to note

4.3.2 Operating Segments and Directional Reporting of the Company's 2023 Annual Report for further detail on the main principles of Directional reporting.

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FINANCIAL REVIEW IFRS

PROFITABILITY

in US\$ million	YTD (Unaudited)		
	1H 2024	1H 2023	% Change
Revenue	2,220	2,450	-9%
Lease and Operate revenue	971	760	28%
Turnkey revenue	1,249	1,689	-26%
EBITDA	533	595	-10%
Lease and Operate EBITDA	454	355	28%
Turnkey EBITDA	127	292	-57%
Other	(47)	(52)	-9%
Profit attributable to shareholders	116	179	-35%

Revenue

Revenue for the first half-year of 2024 decreased by 9% to US\$2,220 million versus US\$2,450 million in the first half-year of 2023. The decrease was mainly driven by the Turnkey segment.

Turnkey revenue decreased from US\$1,689 million to US\$1,249 million, mainly explained by (i) the completion of FPSO *Prosperity* during last quarter of 2023 and of *FPSO Sepetiba* in early January 2024 and (ii) a reduced relative level of progress during the first half of 2024 compared with the first half of 2023 on *FPSO Almirante Tamandaré*, *FPSO Alexandre de Gusmão* and *FPSO ONE GUYANA* as those projects approach completion. This was partially offset by (iii) the awarded contract for the *FPSO Jaguar* project and the Front End Engineering and Design (FEED) studies for the FPSO for the Block 58 development project and (iv) the increased support to the fleet through brownfield projects.

Lease and Operate revenue for the first half-year of 2024 increased by 28% to US\$971 million versus US\$760 million in the same period prior year. This reflects mainly the following events: (i) FPSO *Prosperity* and *FPSO Sepetiba* joining the fleet upon successful delivery respectively during last quarter of 2023 and early January 2024, (ii) full consolidation of the lease and operating entities related to FPSOs *N'Goma*, *Saxi Batuque* and *Mondo* following the acquisition of additional shares partially offset by (iii) reduced revenue on FPSO *Liza Unity* which moved to an operating contract following the purchase of the Unit by the client end of 2023 (no contribution to lease revenue in 2024) and (iv) regular declining profile of interest revenue from finance leases.

EBITDA

The EBITDA based on IFRS accounting policies amounted to US\$533 million, a decrease of 10% when compared with the same period in prior year. This variance is further detailed as follows by segment:

- Turnkey EBITDA decreased from US\$292 million in the year-ago period to US\$127 million mostly coming from (i) the completion of FPSO *Prosperity* during last quarter of 2023 and of *FPSO Sepetiba* early January 2024 and (ii) a reduced level of progress during the first half of 2024 compared with the first half of 2023 on *FPSO Almirante Tamandaré*, *FPSO Alexandre de Gusmão* and *FPSO ONE GUYANA* as those projects approach completion. This was partially offset by (iii) the increased support to the fleet through brownfield projects and (iv) a reduction in the number of vessels in the portfolio affected by the historical consequences of the pandemic and subsequent pressure on the global supply chain.

Finally, it should be noted that with respect to the awarded contract for the *FPSO Jaguar* project which contributed to the revenue during the period, no contribution to EBITDA was recognized as the project had not reached the requisite "stage of completion" to allow margin to be recognized at the end of the current period.

The Turnkey EBITDA margin stood at 10% of Turnkey revenue mainly due to the fact that the newly awarded contracts, in particular *FPSO Jaguar*, did not yet contribute to EBITDA.

- Lease and Operate EBITDA for the first half-year of 2024 increased by 28% to US\$454 million versus US\$355 million in the same period prior year. This resulted from (i) the same drivers as the increase in IFRS Lease and Operate Revenue, (ii) the net gain in a total of US\$32 million arising from the acquisition of interests held by Sonangol related to FPSOs *N'Goma*, *Saxi Batuque* and *Mondo*, and the divestment in the parent company of the Paenal shipyard in Angola recognised in

Other operating income (both impacting the Lease and Operate segment due their strategic and commercial link) partially offset by (iii) additional non-recurring maintenance costs for the fleet under operation.

- The other non-allocated costs charged to EBITDA amounted to US\$(47) million in the first half-year of 2024, a decrease compared with the US\$(52) million in the year-ago period which is mainly explained by the prior period impact of US\$11 million of restructuring costs following the implementation of an optimization plan related to the Company's support functions' activities in the year-ago period partially offset by a slight increase in general and administrative costs.

It should be noted that the construction of FPSO *ONE GUYANA* contributed to both IFRS Turnkey revenue and gross margin over the period (in contrast to Directional). This contract is classified as finance lease as per IFRS 16 and is therefore accounted for as a direct sale under IFRS.

The same treatment applied to the construction of FPSO *Almirante Tamandaré* and FPSO *Alexandre de Gusmão* which fully contributed to both IFRS Turnkey revenue and gross margin over the period given these contracts are classified as finance leases. Under Directional, the contribution to Turnkey revenue and gross margin for these projects is limited to the portion of the sale to partners in the special purpose entity owning the units i.e. 45%.

With regards to the awarded contract for the FPSO *Jaguar* project, the full revenue and margin will be recognized during the construction period. Contrary to other FPSOs in Guyana, this contract is not classified as an operating lease as per Directional accounting principles as the FPSO's ownership is expected to be transferred to the client at the end of the construction period and before start of operations in Guyana. It is therefore recognized as a construction contract falling in the scope of IFRS 15 with no difference between IFRS and Directional reporting.

Net income

Depreciation, amortization and impairment remains almost stable compared with prior year.

Net financing costs came in at US\$(319) million for the first half of 2024, an increase of 21% compared with the prior year period, mostly explained by (i) increased project financing to fund continued investment in growth on FPSO *Almirante Tamandaré*, FPSO *Alexandre de Gusmão* and FPSO *ONE GUYANA*, (ii) additional interest expense on the Company's RCF and (iii) additional interest expense generated by the new US\$250 million short-term corporate facility for FPSO construction partially offset by (iv) lower interest expense on FPSO *Liza Unity* following purchase of the unit by the client and the full repayment of the project loan end of 2023 and (v) the scheduled amortization of project loans.

The effective tax rate over the first half-year of 2024 increased to 24%, compared with 15% for the first six months of 2023. The increase is mainly explained by additional tax on the Guyana projects including a new unit in operation in 2024 and a relative decrease of profits recognized during construction with limited tax effects compared with 2023.

As a result, profit attributable to shareholders for the first half-year of 2024 came in at US\$116 million compared with US\$179 million for the year-ago period.

STATEMENT OF FINANCIAL POSITION

in US\$ million	2024 (Unaudited)	2023
Total Equity	5,741	5,531
Net debt	9,271	8,748
Cash and cash equivalents	643	543
Total Assets	18,202	17,176

Total equity increased from US\$5,531 million at year end 2023 to US\$5,741 million at June 30, 2024, notwithstanding the dividends distributed to the shareholders of US\$150 million and the Company's cumulative share repurchase amount of US\$33 million in relation to the share repurchase program effective from March 1st, 2024 which is expected to be completed within 2024 for a total amount of c. US\$70 million (the objective of the program is to reduce the Company's share capital, all shares purchased will therefore be cancelled). This mainly resulted from (i) the positive result over the first half-year of 2024, (ii) the positive impact of the Sonangol transaction on foreign currency translation reserves and non-controlling interests, (iii)

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capital contribution from non-controlling interest in special purpose entities and (iv) the increase of the hedging reserves partially offset by dividends to non-controlling interests.

The movement in hedging reserve was mainly caused by (i) the positive impact of the mark-to-market value of interest rate swaps due to increasing US\$ market interest rates partially offset by (ii) the decrease in mark-to-market value of forward currency contracts, driven by the appreciation of the US\$ exchange rate versus the hedged currencies (especially EUR and BRL).

Net debt increased by US\$523 million to US\$9,271 million at June 30, 2024. While the Lease and Operate segment continues to generate strong operating cash flows, the Company drew (i) on project finance facilities for *FPSO Almirante Tamandaré*, *FPSO Alexandre de Gusmão* and *FPSO ONE GUYANA*, and (ii) on the new US\$250 million short-term corporate facility for FPSO construction in order to fund continued investment growth.

The Company completed the acquisition of the shares in the lease and operating entities related to FPSOs *N'Goma*, *Saxi Batuque* and *Mondo* from its partner Sonangol EP and simultaneously completed the sale of all its shares in the parent company of the Paenal shipyard in Angola to a subsidiary of Sonangol EP for a total net consideration paid of approximately US\$40 million. As part of this transaction, the Company took the full control over the lease and operating entities in Angola which were previously equity-accounted, increasing its net debt as of June 2024 by US\$35 million.

More than half of the Company's debt as of June 30, 2024 consisted of non-recourse project financing (US\$5.3 billion). The remainder (US\$4.5 billion) comprised of (i) borrowings to support the on-going construction of *FPSO ONE GUYANA*, *FPSO Almirante Tamandaré*, *FPSO Alexandre de Gusmão*, which will become non-recourse following project execution finalization and release of the related parent company guarantee, (ii) the new US\$250 million short-term corporate FPSO construction facility, (iii) the Company's RCF, which was drawn for US\$550 million as at June 30, 2024 and (iv) the US\$210 million Revolving Credit Facility for MPF hull financing. The net cash balance stood at US\$643 million and lease liabilities totaled US\$83 million.

Total assets increased to US\$18.2 billion as of June 30, 2024, compared with US\$17.2 billion at year end 2023. This primarily resulted from (i) an increase in contract assets on the FPSOs under construction at the end of the period, (ii) the increase of finance lease receivables following first oil of *FPSO Sepetiba* during the period compared with its contract asset value at the end of 2023 and (iii) the recognition of all assets from the lease and operating entities in Angola following the acquisition of shares of Sonangol EP where the Company took full control over those entities, partially offset by (iv) a reduction of the gross amount of the finance lease receivables in line with the repayment schedules.

RELATED PARTY TRANSACTIONS

During the first half-year 2024, no major related party transactions requiring additional disclosure in the condensed consolidated half-year financial statements took place.

The Company has transactions with joint ventures and associates recognized as follows in the Company's condensed consolidated half-year financial statements:

	Note	2024	2023
Revenue		85	9
Cost of sales		(13)	(7)
Loans to joint ventures and associates	18	9	41
Trade receivables		6	125
Trade payables		2	16

For the avoidance of doubt, revenue and cost of sales are presented for the six months ended June 30 whereas financial positions are presented as of June 30, 2024 and December 31, 2023.

The Company provided loans to joint ventures and associates such as shareholder loans and funding loans at rates comparable to the applicable commercial rates of interest.

During the period, the Company entered into trading transactions with joint ventures and associates on terms equivalent to those that prevail in arm's-length transactions.

The increase in 'Revenue with related parties' is mostly due to support to the fleet through brownfield projects recognised with joint ventures and associates, while the decrease in 'Trade receivables' and 'Loans to joint ventures and associates' is mainly due to the change in consolidation method triggered by the completion of the acquisition of shares from Sonangol EP.

HALF YEAR MANAGEMENT REPORT

FINANCIAL REVIEW DIRECTIONAL

DIRECTIONAL REPORTING

Since 2014 the Company has disclosed Directional reporting in addition to its IFRS reporting. In summary, Directional reporting differs from IFRS reporting in three ways: i) all lease contracts are treated as operating leases; ii) all co-owned investees related to lease contracts are consolidated on a percentage of ownership basis; (iii) all deferred tax generated by intragroup eliminations are not recognized. Under Directional, the accounting results more closely track cash flow generation and Directional reporting is the method used by the Management Board of the Company to monitor performance and for business planning.

The Management Board, as chief operating decision maker, monitors the operating results of the Company primarily based on Directional reporting. The financial review is presented both under Directional and IFRS. As far as the half-year financial statements are concerned, the financial information provided in note 8 Operating Segments and Directional Reporting is presented under Directional with a reconciliation to IFRS, while the remainder of the numbers in the half-year financial statements are presented solely under IFRS.

PROFITABILITY

in US\$ million	YTD (Unaudited)		
	1H 2024	1H 2023	% Change
Directional Revenue	1,840	1,491	23%
Directional Lease and Operate revenue	1,178	933	26%
Directional Turnkey revenue	662	558	19%
Directional EBITDA	620	457	36%
Directional Lease and Operate EBITDA	679	546	24%
Directional Turnkey EBITDA	(12)	(37)	-69%
Other	(47)	(52)	-8%
Directional Profit/(loss) attributable to shareholders	128	36	258%

Pro-forma Directional backlog

Change in ownership scenarios and lease contract duration have the potential to significantly impact the Company's future cash flows, net debt balance as well as the profit and loss statement. The Company therefore provides a pro-forma Directional backlog based on the best available information regarding ownership scenarios and lease contract duration for the various projects.

The pro-forma Directional backlog at June 30, 2024 reflects the following key assumptions:

- The FPSO *Liza Destiny* contract covers the basic contractual term of 10 years of lease.
- The FPSOs *Prosperity* and *ONE GUYANA* contracts cover a maximum lease period of 2 years, within which the ownership of the FPSOs will transfer to the client.
- The FPSO *Jaguar* contract awarded to the Company in April 2024 covers the construction period within which the FPSO ownership will transfer to the client and is reported in the Turnkey backlog.
- 10 years of operations and maintenance are considered for FPSOs *Liza Destiny*, *Liza Unity*, *Prosperity* and *ONE GUYANA* following signature of the Operations & Maintenance Enabling Agreement in 2023. Regarding FPSO *Jaguar*, the pro-forma Directional backlog includes the operating and maintenance scope for 10 years as it has been agreed in principle, pending a final work order. This is consistent with prior years.
- The impact of the subsequent sale of FPSOs *Prosperity* and *ONE GUYANA* is reflected in the Turnkey backlog at the end of the maximum two-year lease period.
- With respect to the FPSO for the Block 58 development project, for which the full construction, installation and operations contracts award is subject to the final investment decision of the client, the amount included corresponds to the initial limited release of scope to the Company.
- The 13.5% equity divestment in FPSO *Sepetiba* to CMFL has not yet been reflected in the backlog as the transaction remains subject to various approvals, which include the consent from co-owners, lenders and export credit agencies.

The pro-forma Directional backlog increased by US\$3.4 billion compared with the position at December 31, 2023 to a total of US\$33.7 billion. The increase was mainly the result of the FPSO *Jaguar* contract awarded to the Company in April 2024

partially offset by turnover for the period which consumed approximately US\$1.8 billion of backlog. The Company's backlog provides cash flow visibility up to 2050.

in US\$ billion	Turnkey	Lease & Operate	Total
2H 2024	0.8	1.3	2.1
2025	2.9	2.6	5.5
2026	1.2	2.7	3.9
Beyond 2026	2.3	19.9	22.2
Total pro-forma Directional backlog	7.2	26.5	33.7

Revenue

Directional revenue for the first half-year of 2024 came in at US\$1,840 million, an increase of 23% when compared with the same period in 2023. This increase is further detailed by segment as follows:

- Directional Turnkey revenue increased to US\$662 million, representing 36% of total first half 2024 Directional revenue. This compares with US\$558 million, or 37% of total Directional revenue, in the year-ago period. This resulted mainly from (i) the awarded contract for the *FPSO Jaguar* project and the Front End Engineering and Design (FEED) studies for the FPSO for the Block 58 development project and (ii) the increased support to the fleet through brownfield projects partially offset by (iii) the completion of FPSO *Prosperity* during last quarter of 2023 and of *FPSO Sepetiba* early January 2024 and (iv) a reduced level of progress during the first half of 2024 compared with the first half of 2023 on *FPSO Almirante Tamandaré*, *FPSO Alexandre de Gusmão* and *FPSO ONE GUYANA* as those projects approach completion.

It should be noted that, under Directional reporting, *FPSO ONE GUYANA* where lessor-related entities are 100% owned by the Company, is qualified as an operating lease. Therefore, its contribution to the Directional Turnkey revenue is limited to those upfront payments and variation orders directly paid by the clients before or at the commencement of the lease. Its contribution to the Directional profit and loss will largely materialize in the coming years, in line with the operating cash flows of *FPSO Prosperity*, which started contributing to Directional net income over the period following its start of production in 2023.

With regards to the awarded contract for the *FPSO Jaguar* project the full revenue and margin will be recognized during the construction period. Contrary to other FPSOs in Guyana, this contract is not classified as an operating lease under Directional accounting principles as the FPSO's ownership is expected to be transferred to the client at the end of the construction period and before start of operations in Guyana. It is therefore recognized as a construction contract falling in the scope of IFRS 15.

- Directional Lease and Operate revenue for the first half-year of 2024 came in at US\$1,178 million, an increase of 26% compared with the same period in prior year. This reflects mainly the following events: (i) *FPSO Prosperity* and *FPSO Sepetiba* joining the fleet upon successful delivery respectively during last quarter of 2023 and early January 2024 and (ii) an increase in reimbursable scope on the fleet partially offset by (iii) reduced revenue on *FPSO Liza Unity* which moved to an operating contract following the purchase of the unit by the client end of 2023 (no contribution to lease revenue in 2024).

EBITDA

Directional EBITDA for the first half-year of 2024 came in at US\$620 million, an increase of 36% compared with the same period in 2023. This variance is further detailed as follows by segment:

- Directional Turnkey EBITDA increased from US\$(37) million in the year-ago period to US\$(12) million for the first half of 2024. The key factors impacting Directional Turnkey EBITDA are:
 - (i) the increased support to the fleet through brownfield projects;
 - (ii) a reduction in the number of vessels in the portfolio affected by the historical consequences of the pandemic and pressure on the global supply chain; and
 - (iii) reduced investment on Floating Offshore Wind projects following the implementation of Ekwil Joint Venture in partnership with Technip Energies.
- partially offset by
- (iv) the completion of *FPSO Prosperity* during last quarter of 2023 and of *FPSO Sepetiba* early January 2024; and

HALF YEAR MANAGEMENT REPORT

- (v) a reduced level of progress during the first half of 2024 compared with the first half of 2023 on *FPSO Almirante Tamandaré*, *FPSO Alexandre de Gusmão* and *FPSO ONE GUYANA* as those projects approach completion.

Finally, it should be noted that with respect to the awarded contract for the *FPSO Jaguar* project which contributed to the revenue during the period, no contribution to EBITDA was recognized as the project had not reached the requisite "stage of completion" to allow margin to be recognized at the end of the current period.

- Directional Lease and Operate EBITDA stood at US\$679 million in the first half-year of 2024, an increase compared with US\$546 million in the prior year period. This trend resulted from (i) the same drivers as for the Directional Lease and Operate revenue and (ii) the net gain arising from the acquisition of interests held by Sonangol related to FPSOs *N'Goma*, *Saxi Batuque* and *Mondo*, and the divestment in the parent company of the Paenal shipyard in Angola recognised in Other Operating Income (both impacting the Lease and Operate segment due their strategic and commercial link) for a total amount of US\$30 million and (iii) from the *N'Goma* dividends partially offset by (iii) additional non-recurring maintenance costs for the fleet under operation.

The other non-allocated costs charged to EBITDA amounted to US\$(47) million in the first half-year of 2024, a decrease compared with the US\$(52) million in the year-ago period which is mainly explained by the prior period impact of US\$11 million of restructuring costs following the implementation of an optimization plan related to the Company's support functions' activities in the year-ago period partially offset by a slight increase in general and administrative costs.

Net income

Directional depreciation, amortization and impairment increased by US\$(16) million year-on-year, primarily due to FPSO *Prosperity* and *FPSO Sepetiba* contributing to depreciation for the first half-year of 2024 upon successful delivery during last quarter of 2023 and early January 2024 respectively, partially offset by FPSO *Liza Unity* no longer contributing to depreciation following purchase of the Unit by the client end of 2023.

Directional net financing costs came in at US\$(160) million for the first half of 2024, an increase of 28% compared with the prior year period mainly reflecting (i) additional interest expense on FPSO *Prosperity* and *FPSO Sepetiba* joining the fleet during last quarter of 2023 and early January 2024 respectively and (ii) additional interest expense generated by the new US\$250 million short-term corporate FPSO construction facility partially offset by (iii) lower interest expense on FPSO *Liza Unity* following purchase of the unit by the client and the full repayment of the project loan end of 2023.

The Directional effective tax rate over the first half-year of 2024 decreased to 33% compared with 54% for the first six months of 2023, primarily driven by non-recurring material profits recognised in the first half year 2024 without tax effect partially offset by additional tax on the Guyana projects including a new unit in operation in 2024 and a relative decrease of profits recognized during construction.

As a result the Company recorded a Directional net profit of US\$128 million, or US\$0.71 per share, for the first half-year of 2024, up from US\$36 million, or US\$0.20 per share, in the year-ago period.

STATEMENT OF FINANCIAL POSITION

in US\$ million	2024 (Unaudited)	2023
Directional Total Equity	1,427	1,448
Directional net debt	7,109	6,654
Directional Cash and cash equivalents	495	563
Directional Total Assets	11,620	11,214

Directional Shareholder's equity decreased from US\$1,448 million at year end 2023 to US\$1,427 million at June 30, 2024 as a result of (i) the dividends distributed to the shareholders of US\$150 million, (ii) the cumulative share repurchase amount of US\$33 million in relation to the share repurchase program effective from March 1st, 2024 which is expected to be completed within 2024 for a total amount of c. US\$70 million (the objective of the program is to reduce the Company's share capital, all shares purchased will therefore be cancelled) and (iii) the decrease of the hedging reserves, partially offset by (iv) the positive

result over the first half-year of 2024 and (v) the positive impact of the Sonangol transaction on foreign currency translation reserves.

The movement in the hedging reserve was mainly caused by (i) the decrease in mark-to-market value of forward currency contracts, driven by the appreciation of the US\$ exchange rate versus the hedged currencies (especially EUR and BRL) partially offset by (ii) the positive impact of the mark-to-market value of interest rate swaps due to increasing US\$ market interest rates.

It should be noted that under Directional policy, the contribution to profit and equity of the FPSOs program under construction will largely materialize in the coming years at Company's share of ownership in lessor-related SPV's, subject to project execution performance, in line with the generation of associated operating cash flows. With regards to *FPSO Jaguar*, that contrary to the other FPSOs under construction is classified as a construction contract falling in the scope of IFRS 15, its contribution to profit and equity will start as soon as the project reaches the requisite "stage of completion" to allow margin to be recognized during the construction period.

Directional net debt increased from US\$6,654 million at year end 2023 to US\$7,109 million as of June 30, 2024. While the Lease and Operate segment continues to generate strong operating cash flows, the Company drew (i) on project finance facilities for *FPSO Almirante Tamandaré*, *FPSO Alexandre de Gusmão* and *FPSO ONE GUYANA*, and (ii) on the new US\$250 million short-term corporate FPSO construction facility in order to fund continued investment growth.

More than half of the Company's Directional debt as of June 30, 2024 consisted of non-recourse project financing (US\$4 billion). The remainder (US\$3.5 billion) comprised of (i) borrowings to support the on-going construction of *FPSO ONE GUYANA*, *FPSO Almirante Tamandaré*, *FPSO Alexandre de Gusmão*, which will become non-recourse following project execution finalization and release of the related parent company guarantee, (ii) the new US\$250 million short-term corporate FPSO construction facility, (iii) the Company's RCF, which was drawn for US\$550 million as at June 30, 2024, and (iv) the US\$210 million Revolving Credit Facility for MPF hull financing. The Directional net cash balance stood at US\$495 million and lease liabilities totaled c. US\$83 million as of 30 June 2024.

Total Directional assets increased to US\$11.6 billion as of June 30, 2024, compared with US\$11.2 billion at year end 2023 following the investments in property, plant and equipment for FPSO's under construction and the recognition of additional shares in assets from the lease and operating entities in Angola following the acquisition of shares of Sonangol EP.

Directional Cash from operating activities for the period was positive at US\$455 million. This reflected strong cash flows generated by the Lease and Operate segment and the positive turnkey cash flows benefiting from client's milestone payments on FPSO projects.

The Company completed the acquisition of the shares in the lease and operating entities related to FPSOs *N'Goma*, *Saxi Batuque* and *Mondo* from its partner Sonangol EP and simultaneously completed the sale of all its shares in the parent company of the Paenal shipyard in Angola to a subsidiary of Sonangol EP for a total consideration paid net of cash acquired of approximately US\$4 million, which is reported as investing activity within the Directional cash flow statement.

HALF YEAR MANAGEMENT REPORT

ALTERNATIVE PERFORMANCE MEASURES

ESMA defines an alternative performance measure (APM) as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework (IFRS).

In addition to measures defined in IFRS, the Company continuously analyses the performance of its activities based on APMs applicable to IFRS and to Directional reporting.

The Company provides a full reconciliation of Directional reporting and IFRS figures for items relating to the consolidated income statement, the consolidated statement of financial position and the consolidated cash flow statement in note 8 Operating segments and directional reporting.

APMs may be viewed under the following two categories:

APMs applicable to IFRS and Directional reporting: The Company uses these APMs in order to enhance investor's understanding of its financial reporting, and to facilitate meaningful comparison of the results between periods. The Company provides these APMs based on IFRS and Directional reporting.

APM	Definition	Purpose
<i>Operating profit/(loss) (EBIT)</i>	Earnings before interest and tax. EBIT is calculated based on Profit/(loss) excluding net financing costs, income tax expense, as well as share of profit/(loss) of equity-accounted investees and is presented in the consolidated income statement.	Used to monitor earning trend.
<i>EBITDA</i>	Earnings before interest, tax, depreciation and amortization of the period. EBITDA is calculated based on EBIT excluding depreciation, amortization and impairment and is derived from the consolidated income statement.	Indicator of the Company's overall profitability.
<i>Net debt</i>	Net debt is calculated as total borrowings (including lease liabilities) less cash and cash equivalents. Reconciliation on an annual basis is provided in note 4.3.27 Capital risk management of the annual consolidated financial statements.	Indicator of the Company's level of debt.
<i>Directional EBIT</i>	EBIT calculation based on Directional reporting instead of IFRS. Refer to 8 Operating Segments and Directional Reporting for further detail.	Used to monitor earning trend based on Directional reporting, as monitored by the Management Board.
<i>Directional EBITDA</i>	EBITDA calculation based on Directional reporting instead of IFRS. Refer to 8 Operating Segments and Directional Reporting for further detail.	Indicator of the Company's overall profitability based on Directional reporting, as monitored by the Management Board.
<i>Directional net debt</i>	Net debt calculation based on Directional reporting instead of IFRS. Refer to 8 Operating Segments and Directional Reporting for further detail.	Indicator of the Company's level of debt based on Directional reporting, as monitored by the Management Board.

EBITDA (IFRS) is reconciled to the consolidated income statement as follows:

in US\$ million	Notes	1H 2024	1H 2023
Profit/(loss)		145	234
Add: Income tax expense	13	48	70
Profit/(loss) before tax		194	304
Less: Share of profit/(loss) of equity accounted investees		(18)	(12)
Add: Net financing costs	12	319	264
Operating profit/(loss) (EBIT)		494	556
Add: Depreciation, amortization and impairment		39	40
EBITDA		533	595

Directional EBIT and Directional EBITDA are reconciled in this report in note 8 Operating segments and Directional reporting.

Directional net debt and net debt are reconciled as follows:

	Notes	1H 2024	2023
Total Borrowings and lease liabilities	21	9,914	9,291
Less: Cash and cash equivalents		(643)	(543)
Net debt		9,271	8,748
Impact of lease accounting treatment	8	(0)	-
Impact of consolidation methods	8	(2,161)	(2,092)
Directional net debt		7,109	6,655

APMs specific to Directional reporting: In addition to the APMs applicable for IFRS and Directional reporting, the Company uses forecast measures specific to Directional reporting.

APM	Definition	Purpose
<i>Pro-forma Directional backlog</i>	<p>Represents a pro-forma view of the outstanding performance obligations to its clients on awarded contracts under Directional reporting.</p> <p>As such, this measure includes unsatisfied performance obligations on ongoing construction contracts, lease contracts treated as operating leases which according to IFRS are finance leases, and ongoing multiple-year operating contracts consolidated on a percentage of ownership basis.</p> <p>As a forecast measure, it is not reconcilable to the consolidated financial statements.</p>	A key performance indicator used to monitor the Company's future earnings trend according to Directional reporting measures.
<i>Pro-forma Directional net cash backlog</i>	<p>Reflects a pro-forma management view of the foreseeable net cash flows related to the pro-forma Directional backlog, after contingency, overheads, tax and debt service.</p> <p>As a forecast measure, it is not reconcilable to the consolidated financial statements.</p>	A key performance indicator used to monitor the Company's future cash flow and liquidity risk according to Directional reporting measures.

DECLARATION MANAGEMENT BOARD

The Management Board of the Company declares, to the best of its knowledge that:

- The condensed consolidated half-year financial statements as of and for the six months ended June 30, 2024 as presented under IAS 34, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company, and the undertakings included in the consolidation taken as a whole;
- The half-year Management Report gives a fair view of the information required pursuant to section 5.25d, subsection 8 and, as far as applicable, subsection 9 of the Dutch Financial Markets Supervision Act (Wet op het Financieel Toezicht).

The information in the condensed consolidated half-year financial statements is unaudited.

Management Board

Øivind Tangen, Chief Executive Officer

Douglas Wood, Chief Financial Officer

SBM OFFSHORE N.V. - CONDENSED CONSOLIDATED HALF YEAR IFRS FINANCIAL STATEMENTS (UNAUDITED)

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CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

For the six months ended June 30, figures are expressed in millions of US\$	<i>Notes</i>	2024	2023
Revenue from contracts with customers		1,887	2,194
Interest revenue from finance leases calculated using the effective interest method		333	256
Total revenue	<i>9</i>	2,220	2,450
Cost of sales		(1,635)	(1,773)
Gross margin		585	677
Other operating income/(expense)	<i>10</i>	34	(10)
Selling and marketing expenses		(12)	(12)
General and administrative expenses		(88)	(82)
Research and development expenses		(19)	(17)
Net impairment gains/(losses) on financial and contract assets	<i>11</i>	(5)	(1)
Operating profit/(loss) (EBIT)		494	556
Financial income		12	14
Financial expenses		(330)	(277)
Net financing costs	<i>12</i>	(319)	(264)
Share of profit/(loss) of equity-accounted investees		18	12
Profit/(loss) before tax		194	304
Income tax expense	<i>13</i>	(48)	(70)
Profit/(loss)		145	234
Attributable to shareholders of the parent company		116	179
Attributable to non-controlling interests		29	55
Profit/(loss)		145	234
Earnings/(loss) per share			
	<i>Notes</i>	2024	2023
Weighted average number of shares outstanding	<i>14</i>	179,646,882	179,159,653
Basic earnings/(loss) per share	<i>14</i>	0.64	0.99
Fully diluted earnings/(loss) per share	<i>14</i>	0.64	0.98

SBM OFFSHORE N.V. - CONDENSED CONSOLIDATED HALF YEAR IFRS FINANCIAL STATEMENTS (UNAUDITED)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the six months ended June 30, figures are expressed in millions of US\$

	2024	2023
Profit/(loss) for the period	145	234
Cash flow hedges	39	110
Deferred tax on cash flow hedges	(6)	-
Foreign currency variations	35	(2)
Items that are or may be reclassified to profit or loss	68	108
Remeasurements of defined benefit liabilities	2	(1)
Items that will never be reclassified to profit or loss	2	(1)
Other comprehensive income/(expense) for the period, net of tax	69	106
Total comprehensive income/(expense) for the period, net of tax	214	340
Of which		
- on controlled entities	165	329
- on equity-accounted entities	49	12
Attributable to shareholders of the parent company	132	273
Attributable to non-controlling interests	83	67
Total comprehensive income/(expense) for the period, net of tax	214	340

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

in millions of US\$	<i>Notes</i>	30 June 2024	31 December 2023
ASSETS			
Property, plant and equipment	15	387	384
Intangible assets		169	153
Investment in associates and joint ventures	24.1	75	288
Finance lease receivables	16	8,024	6,276
Other financial assets	18	131	151
Deferred tax assets	13	256	247
Derivative financial instruments	22	335	258
Total non-current assets		9,376	7,757
Inventories	19	233	149
Finance lease receivables	16	728	526
Trade and other receivables	17	1,116	901
Income tax receivables		10	7
Contract assets	9	5,992	7,134
Derivative financial instruments	22	105	158
Cash and cash equivalents		643	543
Total current assets		8,826	9,419
TOTAL ASSETS		18,202	17,176
EQUITY AND LIABILITIES			
Issued share capital		48	50
Share premium reserve		1,007	1,007
Treasury shares		(34)	(26)
Retained earnings		2,466	2,478
Other reserves		238	224
Equity attributable to shareholders of the parent company		3,726	3,733
Non-controlling interests		2,015	1,797
Total Equity	20	5,741	5,531
Borrowings and lease liabilities	21	8,237	8,186
Provisions	23	380	383
Deferred tax liabilities	13	195	173
Derivative financial instruments	22	28	8
Other non-current liabilities		99	95
Total non-current liabilities		8,939	8,845
Borrowings and lease liabilities	21	1,677	1,105
Provisions	23	173	203
Trade and other payables	17	1,532	1,347
Income tax payables		68	57
Derivative financial instruments	22	73	89
Total current liabilities		3,521	2,800
TOTAL EQUITY AND LIABILITIES		18,202	17,176

SBM OFFSHORE N.V. - CONDENSED CONSOLIDATED HALF YEAR IFRS FINANCIAL STATEMENTS (UNAUDITED)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

in millions of US\$	Notes	Issued share capital	Share premium reserve	Treasury shares	Retained earnings	Other reserves	Attributable to shareholders	Non-controlling interests	Total Equity
At 1 January 2024		50	1,007	(26)	2,478	224	3,733	1,797	5,531
Profit/(loss) for the period		-	.	-	116	-	116	29	145
Foreign currency translation		(2)	-	1	-	35	34	0	35
Remeasurements of defined benefit provisions		-	-	-	-	2	2	-	2
Cash flow hedges		-	-	-	-	(23)	(23)	62	39
Deferred tax on cash flow hedges		-	-	-	-	3	3	(9)	(6)
Comprehensive income for the period		(2)	-	1	116	16	132	83	214
IFRS 2 Vesting cost of share based payments		-	-	-	-	13	13	-	13
Re-issuance treasury shares on the share based scheme		-	-	24	(3)	(16)	5	-	5
Purchase of treasury shares		-	-	(33)	-	-	(33)	-	(33)
Cash dividend	20	-	-	-	(150)	-	(150)	(67)	(217)
Equity repayment		-	-	-	0	-	0	0	0
Equity funding		-	-	-	(0)	-	(0)	50	50
Acquisition of subsidiaries	24.4	-	-	-	-	-	-	178	178
Transaction with non-controlling interests	20	-	-	-	25	-	25	(25)	0
At 30 June 2024		48	1,007	(34)	2,466	238	3,726	2,015	5,741

in millions of US\$	Notes	Issued share capital	Share premium reserve	Treasury shares	Retained earnings	Other reserves	Attributable to shareholders	Non-controlling interests	Total Equity
At 1 January 2023		48	1,007	(42)	2,179	204	3,397	1,517	4,914
Profit/(loss) for the period		-	.	-	179	-	179	55	234
Foreign currency translation		1	-	(1)	-	(2)	(2)	(0)	(2)
Remeasurements of defined benefit provisions		-	-	-	-	(1)	(1)	-	(1)
Cash flow hedges		-	-	-	-	98	98	12	110
Deferred tax on cash flow hedges		-	-	-	-	-	-	-	-
Comprehensive income for the period		1	-	(1)	179	94	273	67	340
IFRS 2 Vesting cost of share based payments		-	-	-	-	15	15	-	15
Re-issuance treasury shares on the share based scheme		0	-	21	(2)	(16)	4	-	4
Cash dividend		-	-	-	(197)	-	(197)	(34)	(231)
Equity funding		-	-	-	0	-	0	(57)	(56)
Equity repayment		-	-	-	2	-	2	249	251
Transaction with non-controlling interests		-	-	-	4	-	4	(4)	0
At 30 June 2023		49	1,007	(21)	2,165	297	3,497	1,739	5,237

CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

For the six months ended June 30, figures are expressed in millions of US\$

Notes

		2024	2023
Cash flow from operating activities			
Profit/(loss) before income tax		194	304
Adjustments to reconcile profit before taxation to net cash flows:			
Depreciation and amortization		34	33
Impairment/(impairment reversal)	11	4	8
Net financing costs	12	310	258
Share net income of associates and joint ventures		(18)	(12)
Share based compensation		13	15
Other adjustments for non-cash items		(53)	-
Gain on disposal of subsidiary		22	-
Net gain on sale of Property, Plant and Equipment		(0)	(0)
(Increase)/Decrease in working capital:			
- (Increase)/Decrease Trade and other receivables		(62)	86
- (Increase)/Decrease Contract assets		(572)	(1,536)
- (Increase)/Decrease Inventories	19	(84)	(63)
- Increase/(Decrease) Trade and other payables		35	(267)
Increase/(Decrease) Other provisions	23	(8)	76
Reimbursement finance lease assets		282	234
Income taxes paid		(78)	(54)
Net cash flows from (used in) operating activities		18	(918)
Cash flow from investing activities			
Acquisition of subsidiaries, net of cash acquired	24.4	180	-
Investment in property, plant and equipment	15	(43)	(84)
Investment in intangible assets		(21)	(20)
Proceeds from disposal of assets		0	(1)
Dividends received from equity-accounted investees		-	4
Purchase of interests in equity-accounted investees		-	-
Disposal of interests in equity-accounted investees	24.4	12	-
Other investing activities		7	6
Net cash flows from (used in) investing activities		135	(94)
Cash flow from financing activities			
Equity funding from / (repayment to) partners		49	192
Additions to borrowings and loans	21	859	1,719
Repayments of borrowings and lease liabilities	21	(559)	(934)
Dividends paid to shareholders and non-controlling interests		(213)	(232)
Payments to non-controlling interests for change in ownership		-	(21)
Share repurchase program		(33)	-
Proceeds from settlement of interest rate swaps		-	154
Interest paid		(155)	(155)
Net cash flows from (used in) financing activities		(52)	724
Net increase/(decrease) in cash and cash equivalents		101	(288)
Net cash and cash equivalents as at 1 January		543	683
Net increase/(decrease) in net cash and cash equivalents		102	(288)
Foreign currency variations		(2)	1
Net cash and cash equivalents end of period		643	396

SBM OFFSHORE N.V. - CONDENSED CONSOLIDATED HALF YEAR IFRS FINANCIAL STATEMENTS (UNAUDITED)

NOTES

1 GENERAL INFORMATION

SBM Offshore N.V. has its registered office in Amsterdam, the Netherlands and is located at Evert van de Beekstraat 1-77, 1118 CL in Schiphol, the Netherlands. SBM Offshore N.V. is the holding company of a group of international marine technology-oriented companies. The Company globally provides services in the field of the offshore oil and gas industry and alternative energy sources.

The Company is registered at the Dutch Chamber of Commerce under number 24233482 and is listed on the Euronext Amsterdam stock exchange.

The condensed consolidated half-year financial statements as of and for the six months ended June 30, 2024 comprise the half-year financial statements of SBM Offshore N.V., its subsidiaries and interests in associates and joint ventures (together referred to as 'the Company'). They are presented in millions of US dollars, except when otherwise indicated. Figures may not add up due to rounding.

The condensed consolidated half-year financial statements were authorized for issue by the Supervisory Board on August 7, 2024, and have not been audited.

2 BASIS FOR PREPARATION

The condensed consolidated half-year financial statements as at and for the six months ended June 30, 2024 have been prepared in accordance with IAS 34 'Interim financial reporting'. The half-year financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2023, as the same policies apply except for the new IFRS standards and interpretations adopted by the European Union as at June 30, 2024, where effective, for the financial year beginning January 1, 2024.

The consolidated financial statements of the Company for the year ended December 31, 2023 are available upon request or can be downloaded on the Company's website.

The condensed consolidated half-year financial statements are not materially impacted by seasonality.

3 NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLICABLE AS OF JANUARY 1, 2024

The Company has adopted the following new standards with a date of initial application of January 1, 2024:

- Amendments to IAS 7 and IFRS 7 – 'Supplier Finance Arrangements';
- Amendments to IFRS 16 – 'Lease Liability in a Sale and Leaseback'; and
- Amendments to IAS 1 – 'Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants'.

Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements

These amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures* clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The Company entered into contracts that have the characteristics of supplier finance arrangements, however as of June 30, 2024 no balances resulting from this type of facility exist. Furthermore, the transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no impact on the Company's condensed consolidated half-year financial statements.

Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback

These amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Company's condensed consolidated half-year financial statements.

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

The amendments made to IAS 1 *Presentation of Financial Statements* clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.

The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants with which the entity must comply within 12 months of the reporting date. The disclosures include:

- The carrying amount of the liability;
- Information about the covenants; and
- Facts and circumstances, if any, that indicate that the entity might have difficulty complying with the covenants.

The amendments must be applied retrospectively in accordance with the normal requirements in IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.

The amendments had no impact on the Company's condensed consolidated half-year financial statements.

STANDARDS AND INTERPRETATIONS NOT MANDATORILY APPLICABLE TO THE COMPANY AS OF JANUARY 1, 2024

Other new standards and amendments have been published by the IASB but have not been endorsed yet by the European Commission. Early adoption is not possible until European Commission endorsement. Those which may be relevant to the Company are set out below:

- Amendments to IAS 21 – 'Lack of Exchangeability';
- Amendments to IFRS 9 and IFRS 7 – 'Classification and Measurement of financial instruments';
- IFRS 18 - *Presentation and Disclosure in Financial Statements*;
- IFRS 19 - *Subsidiaries without Public Accountability: Disclosures*; and
- *Annual Improvements to IFRS Accounting Standards - Volume 11*.

The Company does not expect a material impact on the financial statements due to adoption of these amendments and new IFRS accounting standards, except for the application of the new presentation requirements arising from the adoption of IFRS 18, which the Company is currently assessing.

4 USE OF ESTIMATES AND JUDGMENT

When preparing the condensed consolidated half-year financial statements, it is necessary for the Management Board of the Company to make estimates and certain assumptions that can influence the valuation of the assets and liabilities and the outcome in the income statement. The actual outcome may differ from these estimates and assumptions, due to changes in facts and circumstances. Estimates and judgments are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable.

The significant areas of estimation and judgment made by the management in applying the Company's accounting policies, and the key sources of estimation and assumptions were the same as those that applied to the consolidated financial statements as of and for the year ended December 31, 2023 and disclosed in section 4.2.7 Accounting Principles of the Company's 2023 Annual Report.

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5 FAIR VALUE MEASUREMENT

The Company measures some financial instruments, such as derivatives, at fair value at each balance sheet date. Also fair values of financial instruments measured at amortized cost are disclosed in note 22 Accounting Classifications and Fair Values of Financial Instruments.

The valuation methods and inputs used in the valuation of financial instruments are disclosed in note 4.3.27 Financial Instruments - Fair Values and Risk Management in the 2023 Annual Report.

6 FINANCIAL RISK MANAGEMENT

The Company's overall financial risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. As per the information disclosed in the Company's 2023 Annual Report, the following financial risks are identified and monitored by the Company: market (including foreign exchange rates, interest rates and commodity), credit, liquidity, capital management and climate-related risks. For the description, exposure and policies related to these risks, please refer to note 4.3.27 Financial instruments - fair values and risk management of the Company's 2023 Annual Report.

7 FINANCIAL HIGHLIGHTS

Impact of current economic and geopolitical environment

During the first half-year 2024, uncertainty and volatility in geopolitics and markets continued as a result of unresolved conflicts, such as the Russia-Ukraine and Israel-Gaza conflicts, as well as tensions between China and various jurisdictions. The existing conflicts and tensions continued to put pressure on global supply chain, price inflation and energy prices affecting the global economy.

While the Company does not have any significant business activity in Ukraine, Russia and Middle East Region, it has significant activities in China related to construction projects.

The Company continues to closely monitor and assess those macroeconomic and geopolitical risks on a regular basis, especially regarding potential exposure with its Chinese suppliers.

So far, the Company assessment is that the current risk is considered as moderate and project teams continue to work closely, with both client teams and suppliers, to mitigate any impact of the above events on project execution.

The Company, given its involvement in Guyana, maintains a regular oversight of the evolving geopolitical landscape in the region in collaboration with its partners, clients and local authorities. The Company's operations were not impacted in the first half-year 2024 and no disruptions to the ongoing operations are expected. However, based on the current situation, the Company is continuously evaluating risk factors and potential evolution of the geopolitical situation which could impact its current or future operations in the region.

FPSO Sepetiba producing and on hire

On Jan 5, 2024, the Company announced that *FPSO Sepetiba* is formally on hire as of January 2, 2024 after achieving first oil and the completion of a 72-hour continuous production test leading to Final Acceptance.

FPSO Sepetiba is owned and operated by special purpose companies owned by affiliated companies of SBM Offshore (64.5%) and its partners (35.5%). The FPSO will operate under 22.5-year charter and operation services contracts with Petróleo Brasileiro S.A. (Petrobras).

Announcement of share-repurchase

On Feb 29, 2024, the Company announced a EUR65 million (US\$70 million equivalent) share repurchase program, effective from March 1, 2024.

The objective of the program is to reduce the Company's share capital. All shares purchased will therefore be cancelled. The repurchase program is expected to be completed within 2024, and is being performed under the authorization granted by the Annual General Meeting of the Company on April 13, 2023 and the authorization granted on April 12, 2024.

Partnership Agreement to form Ekwil, a Floating Offshore Wind Joint Venture

On Mar 14, 2024, the Company announced the signing of a Memorandum of Understanding for the creation of a joint venture entity, Ekwil, with Technip Energies. The new company will be a Floating Offshore Wind (FOW) pure player, capable of proposing a wide range of solutions to clients.

Ekwil will combine the people expertise, engineering and delivery capabilities, and complementary technologies of Technip Energies and SBM Offshore, creating integrated floating solutions and leading delivery offerings for the Floating Offshore Wind market. This unique positioning will enhance execution certainty and cost competitiveness to these innovative projects.

The 50/50 JV will operate as a fully integrated team, bringing together knowledge, innovation and capacities to develop the two leading-edge technologies (Semi-submersible INO15 by T.EN™ and Tension Leg Platform Float4Wind®) covering a large spectrum of the Floating Offshore Wind market, and bring them to commercial deployment.

As announced on 5th July, all the conditions precedent to the establishment of the JV have been fulfilled and the new company has now been established and is operational.

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Awarded Contracts for ExxonMobil Guyana's FPSO Jaguar

On Apr 12, 2024, the Company announced that ExxonMobil Guyana Limited ("EMGL") has confirmed the award of contracts for the Whiptail development project located in the Stabroek Block in Guyana. Under these contracts, the Company will construct and install *FPSO Jaguar*. Ownership will transfer to EMGL prior to the FPSO's installation in Guyana, and the Company expects to operate the FPSO for 10 years under the Operations and Maintenance Enabling Agreement signed in 2023. The award follows completion of front-end engineering and design studies, receipt of requisite government approvals and the final investment decision on the project by ExxonMobil and block co-venturers.

The Whiptail development is the sixth development within the Stabroek block, circa 200 kilometers offshore Guyana. EMGL is the operator and holds a 45 percent interest in the Stabroek block, Hess Guyana Exploration Ltd. holds a 30 percent interest and CNOOC Petroleum Guyana Limited, holds a 25 percent interest.

The *FPSO Jaguar's* design is based on SBM Offshore's industry leading Fast4Ward® program that incorporates the Company's 7th new build, multi-purpose floater hull combined with several standardized topsides modules. The FPSO will be designed to produce 250,000 barrels of oil per day, will have associated gas treatment capacity of 540 million cubic feet per day and water injection capacity of 300,000 barrels per day. The FPSO will be spread moored in water depth of about 1,630 meters and will be able to store around 2 million barrels of crude oil.

The company remains committed to working with Guyanese companies and will continue to expand these activities. More Guyanese engineers will be recruited and employed as part of the *FPSO Jaguar* project team.

SBM Offshore signs a US\$250 million short-term corporate facility

On Apr 17, 2024, the Company announced that it has secured a US\$250 million term loan facility.

The facility will be fully drawn to finance Floating Production, Storage and Offloading vessel (FPSO) construction activities. The tenor of the bridge loan is twelve months with an extension option for another six months. Repayment is expected from first drawdown of the construction financing of *FPSO Jaguar*.

SBM Offshore reserves Fast4Ward® hull for the Block 58 development

On Jun 6, 2024, the Company announced in partnership with Technip Energies, and in line with the Front End Engineering and Design (FEED) studies for a Floating Production, Storage and Offloading vessel (FPSO) for the development project located in the Block 58 in Suriname with TotalEnergies EP Suriname B.V., an affiliate of TotalEnergies, a Fast4Ward® hull for the Block 58 development project has been reserved by TotalEnergies.

The B58 development is the first development within Block 58, circa 150 kilometers offshore Suriname. TotalEnergies is the operator and holds a 50 percent interest in Block 58 with APA Corporation holding the other 50 percent. The final investment decision is expected in the fourth quarter of 2024, for a production start-up in 2028.

The Company's partnership with Technip Energies in relation to Block 58 is classified as a joint operation according to IFRS 11.

SBM Offshore announces the completion of the Share Purchase Agreements with Sonangol

On June 11, 2024, the Company announced that it has completed the acquisition of the shares in the lease and operating entities related to FPSOs *N'Goma*, *Saxi Batuque* and *Mondo* from its partner Sonangol EP. Simultaneously, SBM Offshore completed the sale of all its shares in the parent company of the Paenal shipyard in Angola to a subsidiary of Sonangol EP.

The acquisition of the shares from Sonangol EP brings SBM Offshore's ownership in the entities owning the FPSOs *Saxi Batuque* and *Mondo* to 100% and in the entity owning the *FPSO N'Goma* to 80%. The operating companies in Angola will be wholly owned by SBM Offshore after the acquisition. The total net consideration paid for the equity ownership of the acquired entities by SBM Offshore and including the sale of the parent company of the Paenal shipyard is approximately US\$40 million.

On June 26, 2024 SBM Offshore and its minority partner (Angola Offshore Services Limited, "AOSL") in the *FPSO N'Goma* signed a share purchase agreement concerning the purchase by AOSL of 20% of SBM Offshore's shareholding (80%) in the entity owning the FPSO, following the MOU previously signed by SBM Offshore and AOSL for this purpose. This share

purchase agreement is conditional upon several conditions precedent, including consent from clients and lenders, and approval by the various competent authorities.

Through this transaction, SBM Offshore is reorganizing its business in Angola, focusing on core lease and operate activities and divesting a non-core construction yard.

The acquisition of the shares from Sonangol EP qualifies as a business combination as defined in IFRS 3. Refer to note 24.4 Business Combination for Angolan FPSOs and Paenal Divestment for further information on the business combination and the Paenal divestment.

8 OPERATING SEGMENTS AND DIRECTIONAL REPORTING

The Company's reportable operating segments as defined by IFRS 8 'Operating segments' are:

- Lease and Operate;
- Turnkey; and
- Other

For the purposes of this note, the operating segments are measured under Directional reporting accounting principles, as described under the section 4.3.2 Operating Segments and Directional Reporting of the Company's 2023 Annual Report. A reconciliation of the Directional operating segments to IFRS is then provided for each applicable reporting period.

The Management Board of the Company, as chief operating decision maker, uses the Directional Earnings Before Interest, Taxes, Depreciation and Amortization, 'EBITDA' (prepared in accordance with Directional reporting principles), as a measure to assess the performance of the segments.

Net financing costs and income tax expenses are not allocated to segments as these are corporate level expenses which are managed by the central treasury and tax functions.

SEGMENT HIGHLIGHTS

As a result of the activities in the first half-year 2024, Directional Turnkey revenue increased from US\$558 million to US\$662 million. This resulted mainly from (i) the awarded contract for the *FPSO Jaguar* project and the Front End Engineering and Design (FEED) studies for the FPSO for the Block 58 development project, (ii) the increased support to the fleet through brownfield projects partially offset by (iii) the completion of *FPSO Prosperity* during last quarter of 2023 and of *FPSO Sepetiba* early January 2024 and (iv) a reduced level of progress during the first half of 2024 compared with the first half of 2023 on *FPSO Almirante Tamandaré*, *FPSO Alexandre de Gusmão* and *FPSO ONE GUYANA* as those projects approach completion.

It should be noted that with respect to the awarded contract for the *FPSO Jaguar* project which contributed to the revenue during the period, no contribution to EBITDA was recognized as the project had not reached the requisite "stage of completion" to allow margin to be recognized at the end of the current period. Other items impacting the Directional revenue have impacted Directional EBITDA which was also positively impacted by a reduction in the number of vessels in the portfolio affected by the historical consequences of the pandemic and pressure on the global supply chain and reduced investment on Floating Offshore Wind projects following the creation of Ekwil Joint Venture in partnership with Technip Energies.

It should be noted that, under Directional reporting, the *FPSO ONE GUYANA* where lessor related entities are 100% owned by the Company, is qualified as an operating lease. Therefore, its contribution to the Directional Turnkey revenue is limited to those upfront payments and variation orders directly paid by the client before or at the commencement of the lease. Its contribution to the Directional profit and loss will largely materialize in the coming years, in line with the operating cash flows as per *FPSO Prosperity*, which started contributing to Directional net income over the period following its start of production in 2023.

With regards to the awarded contract for the *FPSO Jaguar* project, the full revenue and margin will be recognized during the construction period. Contrary to other FPSOs in Guyana, this contract is not classified as an operating lease as per Directional accounting principles as the FPSO's ownership is expected to be transferred to the client at the end of the

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construction period and before start of operations in Guyana. It is therefore recognized as a construction contract falling in the scope of IFRS 15.

The Directional Lease and Operate revenue for the first half-year of 2024 increased to US\$1,178 million from US\$933 million in the year-ago period. This reflects mainly the following events: (i) FPSO *Prosperity* and of *FPSO Sepetiba* joining the fleet upon successful delivery respectively during last quarter of 2023 and early January 2024, (ii) an increase in reimbursable scope on the fleet partially offset by (iii) reduced revenue on FPSO *Liza Unity* which moved to an operating contract following the purchase of the Unit by the client end of 2023 (no contribution to lease revenue in 2024).

The increase of the Directional Lease and Operate EBITDA compared with the prior period is largely driven by (i) the same drivers as for the Directional Lease and Operate revenue, (ii) the net gain arising from the acquisition of interests held by Sonangol related to FPSOs *N'Goma*, *Saxi Batuque* and *Mondo*, and from the divestment in the parent company of the Paenal shipyard in Angola recognised in Other Operating Income (both impacting the Lease and Operate segment due their strategic and commercial link) for a total amount of US\$30 million and (iii) from the *N'Goma* dividends partially offset by (iv) additional non-recurring maintenance costs for the fleet under operation.

The other non-allocated costs charged to EBITDA amounted to US\$(47) million in the first half-year of 2024, a decrease comparing with the US\$(52) million in the year-ago period which is mainly explained by the prior period impact of US\$11 million of restructuring costs following the implementation of an optimization plan related to the Company's support functions' activities in 2023 partially offset by a slight increase in general and administrative costs.

2024 operating segments

For the six months ended June 30	Lease and Operate	Turnkey	Reported segments	Other	Total Directional reporting
Directional revenue	1,178	662	1,840	-	1,840
Directional Cost of sales	(795)	(632)	(1,426)	0	(1,426)
Directional Gross margin	384	30	414	0	414
Directional Other operating income/expense	55	1	56	0	56
Directional Selling and marketing expenses	(4)	(9)	(12)	(0)	(12)
Directional General and administrative expenses	(16)	(24)	(40)	(48)	(88)
Directional Research and development expenses	(3)	(16)	(19)	(0)	(19)
Directional Net impairment gains/(losses) on financial and contract assets	0	(5)	(5)	(1)	(6)
Directional Operating profit/(loss) (EBIT)	417	(23)	394	(49)	345
Directional Net financing costs					(160)
Directional Share of profit of equity-accounted investees					5
Directional Income tax expense					(62)
Directional Profit/(Loss)					128
Directional Operating profit/(loss) (EBIT)	417	(23)	394	(49)	345
Directional Depreciation, amortization and impairment	262	11	273	1	275
Directional EBITDA	679	(12)	667	(47)	620
Other segment information :					
Directional Impairment charge/(reversal)	-	-	-	-	-

Reconciliation of 2024 operating segments (Directional to IFRS)

For the six months ended June 30	Reported segments under Directional reporting	Impact of lease accounting treatment	Impact of consolidation methods	Total Consolidated IFRS
Revenue				
Lease and Operate	1,178	(276)	69	971
Turnkey	662	526	61	1,249
Total revenue	1,840	250	130	2,220
Gross margin				
Lease and Operate	384	(37)	67	414
Turnkey	30	128	13	171
Total gross margin	414	91	80	585
EBITDA				
Lease and Operate	679	(282)	57	454
Turnkey	(12)	123	15	127
Other	(47)	-	-	(47)
Total EBITDA	620	(159)	72	533
EBIT				
Lease and Operate	417	(47)	57	427
Turnkey	(23)	123	16	117
Other	(49)	-	(1)	(50)
Total EBIT	345	76	73	494
Net financing costs	(160)	(86)	(73)	(319)
Share of profit of equity-accounted investees	5	-	13	18
Income tax expense	(62)	2	12	(48)
Profit/(loss)	128	(7)	24	145

The reconciliation from Directional reporting to IFRS comprises two main steps:

- In the first step, those lease contracts that are classified and accounted for as finance lease contracts under IFRS are restated from an operating lease accounting treatment to a finance lease accounting treatment.
- In the second step, the consolidation method is changed (i) from percentage of ownership consolidation to full consolidation for those Lease and Operate related subsidiaries over which the Company has control and (ii) from percentage of ownership consolidation to the equity method for those Lease and Operate related investees that are classified as joint ventures in accordance with IFRS 11.

Impact of lease accounting treatment

For the Lease and Operate segment, the restatement from an operating to a finance lease accounting treatment has the following main impacts for the period:

- Revenue is reduced by US\$(276) million. During the lease period, under IFRS, the revenue from finance leases is limited to that portion of charter rates that is recognized as interest using the effective interest method. Under Directional reporting, in accordance with the operating lease treatment, the full charter rate is recognized as revenue, on a straight-line basis. Lease and Operate EBITDA is similarly impacted (reduction of US\$(282) million) for the same reasons.
- Gross margin is reduced by US\$(37) million. Under IFRS, gross margin and EBIT from finance leases equal the recognized revenue, following the declining profile of the interest recognized using the effective interest method. On the other side, under the operating lease treatment applied under Directional, the gross margin and the EBIT correspond to the revenue less depreciation of the recognized property, plant and equipment, both accounted for on a straight-line basis over the lease period.

For the Turnkey segment, the restatement from an operating to a finance lease accounting treatment had the following impacts over the period:

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- Revenue and gross margin increased by US\$526 million and US\$128 million respectively, mainly due to the accounting treatment of the Company's FPSOs which are currently under construction (*FPSO Almirante Tamandaré*, *FPSO Alexandre de Gusmão* and *FPSO ONE GUYANA*) and accounted for as finance leases under IFRS. Under IFRS, a finance lease is considered as if it was a sale of the asset leading to recognition of revenue during the construction of the asset corresponding to the present value of the future lease payments. This (mostly not-yet-cash) revenue is recognized within the Turnkey segment.
- The impact on Turnkey EBIT and EBITDA is largely in line with the impact on gross margin.

As a result, the restatement from operating to finance lease accounting treatment results in a decrease of net profit of US\$(7) million under IFRS when compared with Directional reporting.

Net financing costs increased by US\$(86) million. During construction, interest on project loans are expensed under IFRS while they are capitalized in the vessel under construction under Directional. As a result of the above elements, restatement from operating to finance lease accounting treatment results in an aggregate decrease of net profit of US\$(7) million under IFRS when compared with Directional reporting.

Impact of consolidation methods

The impact of the consolidation methods, as shown in the above table, describes the net impact from:

- Percentage of ownership consolidation to full consolidation for those Lease and Operate related subsidiaries over which the Company has control, resulting in an increase of revenue, gross margin, EBIT and EBITDA;
- Percentage of ownership consolidation to the equity accounting method for those Lease and Operate related investees that are classified as joint ventures in accordance with IFRS 11, resulting in a decrease of revenue, gross margin, EBIT and EBITDA.

For the Lease and Operate segment, the impact of the changes in consolidation methods results in a net increase of revenue, gross margin, EBIT, EBITDA and net profit under IFRS when compared with Directional reporting. This reflects the fact that the majority of the Company's FPSOs, that are leased under finance lease contracts, are owned by subsidiaries over which the Company has control and which are consolidated using the full consolidation method under IFRS. Additionally, it is noted that following the completion of the Sonangol transaction (refer to note 24.4 Business Combination for Angolan FPSOs and Paenal Divestment), the entity owning *FPSO N'Goma* has distributed dividends, which led to the recognition of a gain of US\$25 million under Directional reporting included in 'Directional Other operating income/(expense)' in the first half-year of 2024, while under IFRS this effect was recognized within equity (refer to note 20 Equity Attributable to Shareholders).

For the Turnkey segment, the impact of the changes in consolidation methods results in a net increase of revenue, gross margin, EBIT and EBITDA. This reflects the fact that under IFRS reporting the Company recognizes the full revenue, gross margin, EBIT and EBITDA in the subsidiaries which are not totally owned by the Company but over which the Company has control.

As a result of the above elements, the restatement of the impact of consolidation methods results in an aggregate increase of net profit of US\$24 million under IFRS when compared with Directional reporting.

2023 operating segments

For the six months ended June 30	Lease and Operate	Turnkey	Reported segments	Other	Total Directional reporting
Directional revenue	933	558	1,491	-	1,491
Directional Cost of sales	(619)	(554)	(1,173)	0	(1,173)
Directional Gross margin	315	4	318	0	318
Directional Other operating income/expense	0	1	1	(11)	(10)
Directional Selling and marketing expenses	-	(12)	(12)	(0)	(12)
Directional General and administrative expenses	(15)	(25)	(41)	(41)	(82)
Directional Research and development expenses	(3)	(14)	(17)	(0)	(17)
Directional Net impairment gains/(losses) on financial and contract assets	1	(0)	0	1	1
Directional Operating profit/(loss) (EBIT)	297	(46)	250	(52)	199
Directional Net financing costs					(125)
Directional Share of profit of equity-accounted investees					2
Directional Income tax expense					(40)
Directional Profit/(Loss)					36
Directional Operating profit/(loss) (EBIT)	297	(46)	250	(52)	199
Directional Depreciation, amortization and impairment	249	9	258	(0)	258
Directional EBITDA	546	(37)	508	(52)	457
Other segment information :					
Directional Impairment charge/(reversal)	(6)	-	(6)	-	(6)

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Reconciliation of 2023 operating segments (Directional to IFRS)

For the six months ended June 30	Reported segments under Directional reporting	Impact of lease accounting treatment	Impact of consolidation methods	Total Consolidated IFRS
Revenue				
Lease and Operate	933	(251)	78	760
Turnkey	558	1,075	56	1,689
Total revenue	1,491	825	134	2,450
Gross margin				
Lease and Operate	315	(31)	58	341
Turnkey	4	300	33	336
Total gross margin	318	269	90	677
EBITDA				
Lease and Operate	546	(248)	57	355
Turnkey	(37)	296	33	292
Other	(52)	-	-	(52)
Total EBITDA	457	48	90	595
EBIT				
Lease and Operate	297	(27)	56	325
Turnkey	(46)	296	33	283
Other	(52)	0	(1)	(53)
Total EBIT	199	269	88	556
Net financing costs	(125)	(85)	(53)	(264)
Share of profit of equity-accounted investees	2	(0)	10	12
Income tax expense	(40)	5	(36)	(70)
Profit/(loss)	36	189	9	234

Reconciliation of statement of financial position as at June 30, 2024 (Directional to IFRS)

	Reported under Directional reporting	Impact of lease accounting treatment	Impact of consolidation methods	Total Consolidated IFRS
ASSETS				
Property, plant and equipment and intangible assets ¹	8,808 ²	(8,253)	0	555
Investment in associates and joint ventures	15	-	60	75
Finance lease receivables	0	6,343	2,408	8,752
Other financial assets	237 ³	(172)	(0)	64
Contract assets	129	4,083	1,780	5,992
Trade receivables and other assets	1,641	40	(0)	1,681
Derivative financial instruments	295	-	144	439
Cash and cash equivalents	495	-	149	643
Total Assets	11,620	2,041	4,541	18,202
EQUITY AND LIABILITIES				
Equity attributable to parent company	1,432	2,285	8	3,726
Non-controlling interests	(5)	15	2,006	2,015
Equity	1,427	2,300	2,014	5,741
Borrowings and lease liabilities	7,604 ⁴	0	2,309	9,913
Provisions	648	(193)	97	553
Trade payable and other liabilities	1,654	93	113	1,860
Deferred income	185	(159)	8	34
Derivative financial instruments	101	-	0	101
Total Equity and Liabilities	11,619	2,041	4,541	18,202

1 Under Directional, the cost related to the Brazilian local content penalty is capitalized in line with construction progress of related assets and presented in the Directional statement of financial position under 'Property, plant and equipment and Intangible assets'. Under IFRS the same cost is directly recognized as cost of sales in the IFRS consolidated income statement.

2 Includes US\$3,556 million related to units under construction (i.e. FPSOs Almirante Tamandaré, Alexandre de Gusmão and One Guyana).

3 Includes US\$227 million related to demobilization receivable.

4 Includes US\$4,015 million non-recourse debt and US\$83 million lease liability.

Consistent with the reconciliation of the key income statement line items, the above table details:

- The restatement from the operating lease accounting treatment to the finance lease accounting treatment for those lease contracts that are classified and accounted for as finance lease contracts under IFRS; and
- The change from percentage of ownership consolidation to either full consolidation or equity accounting for investees related to Lease and Operate contracts.

Impact of lease accounting treatment

For the statement of financial position, the main adjustments from Directional reporting to IFRS as of June 30, 2024 are:

- For those lease contracts that are classified and accounted for as finance lease contracts under IFRS, derecognition of property, plant and equipment recognized under Directional reporting (US\$(8,253) million) and subsequent recognition of (i) finance lease receivables (US\$6,343 million) and (ii) contract assets (US\$4,083 million) for those assets still under construction.
- For operating lease contracts with non-linear bareboat day rates, deferred income is recognized to show linear revenues under Directional reporting. This balance (US\$(159) million) is derecognized for the contracts that are classified and accounted for as finance lease contracts under IFRS.
- Restatement of the provisions for demobilization and associated non-current receivable assets, mainly impacting other financial assets (US\$(172) million) and provisions (US\$(193) million).

As a result, the restatement from operating to finance lease accounting treatment gives rise to an increase of equity of US\$2,300 million under IFRS compared with Directional reporting. This primarily reflects the earlier margin recognition on finance lease contracts under IFRS compared with Directional reporting.

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Impact of consolidation methods

The reconciliation table of statement of financial position also describes the net impact of moving from percentage of ownership consolidation to either full consolidation, for those lease related investees in which the Company has control, or equity accounting, for those investees that are classified as joint ventures under IFRS 11. The two main impacts are:

- Full consolidation of asset-specific entities that mainly comprise finance lease receivables (representing the net present value of the future lease payments to be received) and non-recourse project debts.
- Derecognition of the individual line items from the statement of financial positions for those entities that are equity accounted under IFRS, rolling them up into the line item 'Investment in associates and joint ventures'.

As a result, the restatement of the impact of consolidation methods gives rise to an aggregate increase of equity of US\$2,014 million under IFRS when compared with Directional reporting.

Reconciliation of 2024 cash flow statement (Directional to IFRS)

For the six months ended June 30	Reported under Directional reporting	Impact of lease accounting treatment	Impact of consolidation methods	Total Consolidated IFRS
EBITDA	620	(159)	72	533
Adjustments for non-cash and investing items	(70)	18	14	(38)
Changes in operating assets and liabilities	(21)	(537)	(124)	(682)
Reimbursement finance lease assets	(0)	254	28	282
Income taxes paid	(74)	(0)	(4)	(78)
Net cash flows from (used in) operating activities	455	(424)	(14)	18
Capital expenditures	(472)	407	(0)	(65)
Other investing activities	30	0	170	200
Net cash flows from (used in) investing activities	(442)	407	170	135
Equity funding from / (repayment to) partners	-	-	50	50
Addition and repayments of borrowings and lease liabilities	251	0	48	300
Dividends paid to shareholders and non-controlling interests	(150)	-	(63)	(213)
Payments to non-controlling interests for change in ownership	-	-	-	-
Share repurchase program	(33)	-	-	(33)
Interest paid	(147)	16	(24)	(155)
Net cash flows from (used in) financing activities	(80)	16	12	(52)
Net cash and cash equivalents as at 1 January	563	-	(20)	543
Net increase/(decrease) in net cash and cash equivalents	(67)	-	169	102
Foreign currency variations	(2)	-	(0)	(2)
Net cash and cash equivalents as at 30 June	495	-	149	643

Impact of lease accounting treatment

At net cash level, the difference in lease accounting treatment is neutral. The impact of the different lease accounting treatment under Directional reporting versus IFRS is limited to reclassifications between cash flow activities.

A large part of the capital expenditures (US\$407 million) is reclassified from investing activities under Directional to net cash flows from operating activity under IFRS, where finance lease contracts are accounted for as construction contracts.

Furthermore, the financing costs incurred during the construction of the FPSOs, which are capitalized under Directional as part of assets under construction (and therefore presented in investing activities) are reclassified to financing activities under IFRS.

The impact of the change of lease accounting treatment at EBITDA level is described in further detail in the earlier reconciliation of the Company's income statement.

Impact of consolidation methods

The impact of the consolidation method on the cash flow statement is in line with the impact described for the statement of financial position. The full consolidation of asset-specific entities, mainly comprising finance lease receivables and the related project debts, results in increased additions and repayments of borrowings under IFRS versus Directional.

The impact in net cash flows from operating activities (US\$(14) million) mainly includes the effect of changing consolidation method from percentage of ownership consolidation under Directional to full consolidation or equity method under IFRS. This effect is partially compensated (US\$12 million) in the cash flows from financing activities, mostly driven by the recognition (under IFRS) of cash flows from/to equity partners arising from the recognition of partners' percentage of ownership which are recognized as non-controlling interests where the full consolidation method is applied.

The impact in net cash flows from investing activities (US\$170 million) mainly includes the effect of full consolidation of the acquired cash and cash equivalents of Angolan subsidiaries upon completion of the Sonangol transaction (refer to note 24.4 Business Combination for Angolan FPSOs and Paenal Divestment) under IFRS, compared with the incremental change in percentage of ownership under Directional reporting for the same entities, partially offset by the recognition under Directional reporting of a cash inflow of US\$25 million arising from dividends received from the *FPSO N'Goma* according to the percentage of legal ownership at distribution date (refer to note 20 Equity Attributable to Shareholders).

Reconciliation of statement of financial position as at December 31, 2023 (Directional to IFRS)

	Reported under Directional reporting	Impact of lease accounting treatment	Impact of consolidation methods	Total Consolidated IFRS
ASSETS				
Property, plant and equipment; Intangible assets and Other assets ¹	8,515 ²	(7,977)	(0)	538
Investment in associates and joint ventures	10	-	278	288
Finance lease receivables	0	5,373	1,428	6,801
Other financial assets	244 ³	(167)	18	95
Contract assets	282	4,706	2,146	7,134
Trade receivables and other assets	1,275	40	46	1,361
Derivative financial instruments	326	-	90	416
Cash and cash equivalents	563	-	(20)	543
Assets held for sale	0	-	-	0
Total Assets	11,214	1,975	3,986	17,176
EQUITY AND LIABILITIES				
Equity attributable to parent company	1,450	2,280	3	3,733
Non-controlling interests	(2)	13	1,786	1,797
Equity	1,448	2,293	1,790	5,530
Borrowings and lease liabilities	7,218 ⁴	-	2,072	9,290
Provisions	682	(188)	92	586
Trade payable and other liabilities	1,570	56	19	1,646
Deferred income	211	(187)	2	27
Derivative financial instruments	86	-	11	97
Total Equity and Liabilities	11,214	1,975	3,986	17,176

1 Under Directional, the cost related to the Brazilian local content penalty is capitalized in line with construction progress of related assets and presented in the Directional statement of financial position under 'Property, plant and equipment and Intangible assets'. Under IFRS the same cost is directly recognized as cost of sales in the IFRS consolidated income statement.

2 Includes US\$4,346 million related to units under construction (i.e. FPSOs Sepetiba, Almirante Tamandaré, ONE GUYANA and Alexandre de Gusmão).

3 Includes US\$220 million related to demobilization receivable

4 Includes US\$3.3 billion non-recourse debt and US\$85 million lease liability.

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Reconciliation of 2023 cash flow statement (Directional to IFRS)

For the six months ended June 30	Reported under Directional reporting	Impact of lease accounting treatment	Impact of consolidation methods	Total Consolidated IFRS
EBITDA	457	48	90	595
Adjustments for non-cash and investing items	44	29	22	95
Changes in operating assets and liabilities	(361)	(1,075)	(352)	(1,788)
Reimbursement finance lease assets	0	223	11	234
Income taxes paid	(55)	(0)	1	(54)
Net cash flows from (used in) operating activities	85	(775)	(228)	(918)
Capital expenditures	(881)	777	(0)	(104)
Other investing activities	11	1	(1)	10
Net cash flows from (used in) investing activities	(871)	778	(1)	(94)
Equity funding from / (repayment to) partners	-	-	192	192
Addition and repayments of borrowings and lease liabilities	740	-	45	785
Dividends paid to shareholders and non-controlling interests	(197)	-	(35)	(232)
Payments to non-controlling interests for change in ownership	(21)	-	(0)	(21)
Proceeds from settlement of pre-hedging instrument on interest paid	154	-	-	154
Interest paid	(125)	(3)	(27)	(155)
Net cash flows from (used in) financing activities	551	(3)	176	724
Net cash and cash equivalents as at 1 January	615	-	68	683
Net increase/(decrease) in net cash and cash equivalents	(234)	-	(53)	(288)
Foreign currency variations	0	-	1	1
Net cash and cash equivalents as at 30 June	381	-	15	396

Deferred income (Directional)

	30 June 2024	31 December 2023
Within one year	61	52
Between 1 and 2 years	44	44
Between 2 and 5 years	97	59
More than 5 years	38	56
Total	241	211

Directional deferred income is mainly related to the revenue of lease contracts that include a decreasing day rate schedule. As revenue from lease contracts with customers is recognized in the income statement on a straight-line basis with reference to IFRS 16 'Leases', the difference between the yearly straight-line revenue and the contractual day rates is recognized as deferred income. The deferral will be released through the income statement over the remaining duration of the relevant lease contracts.

GEOGRAPHICAL INFORMATION

The classification by country is determined by the final destination of the product.

2024 geographical information (revenue by country and segment)

For the six months ended June 30	Directional			IFRS		
	Lease and Operate	Turnkey	Reported segments	Lease and Operate	Turnkey	Reported segments
Brazil	468	131	599	547	336	883
Guyana	413	387	800	305	727	1,032
Angola	196	42	238	44	84	128
Equatorial Guinea	55	1	56	53	0	53
Malaysia	24	1	26	(0)	2	2
The United States of America	14	1	16	14	1	16
Nigeria	-	29	29	-	29	29
Other	8	69	77	8	69	77
Total revenue	1,178	662	1,840	971	1,249	2,220

Under IFRS, the revenue generated in Angola following the acquisition of the shares in the lease and operating entities related to FPSOs *N'Goma*, *Saxi Batuque* and *Mondo* has been reported from the acquisition date on June 11th, 2024 forward.

2023 geographical information (revenue by country and segment)

For the six months ended June 30	Directional			IFRS		
	Lease and Operate	Turnkey	Reported segments	Lease and Operate	Turnkey	Reported segments
Brazil	396	349	744	458	915	1,373
Guyana	334	154	488	235	715	950
Angola	111	2	113	2	4	6
Equatorial Guinea	53	0	53	51	0	51
Malaysia	25	1	26	0	2	2
The United States of America	15	1	15	15	1	15
Other	0	51	52	1	51	52
Total revenue	933	558	1,491	761	1,689	2,450

9 REVENUE INFORMATION

The Company's revenue mainly originates from construction contracts and lease and operate contracts. Revenue originating from construction contracts is presented in the Turnkey segment while revenue from lease and operate contracts is presented in the Lease and Operate segment. In the first half-year of 2024, around 47% of the Company's lease and operate revenue (half-year 2023: 46%) is made of charter rates related to lease contracts while the remaining amount originates from operating contracts.

For the disaggregation of total revenue by country and by segment, please refer to Geographical Information under note 8 Operating Segments and Directional Reporting.

Contract balances

	30 June 2024	31 December 2023
Current contract liability	199	74
Non-current contract liability	27	22
Total contract liabilities	226	97
Current contract assets	5,992	7,134
Total contract assets	5,992	7,134

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Contract assets

On January 5, 2024, SBM Offshore announced that *FPSO Sepetiba* was formally on hire as of January 2, 2024, after achieving first oil and the completion of a 72-hour continuous production test, leading to Final Acceptance by the customer (Petrobras). Accordingly, as from that date, the lease of *FPSO Sepetiba* commenced and the contract asset related to this unit was reclassified to finance lease receivables (refer to note 16 Finance Lease Receivables).

The contract asset balance decreased to US\$5,992 million compared with US\$7,134 million at December 31, 2023. This is related to progress made during the period on the construction of *FPSO Almirante Tamandaré*, *FPSO Alexandre de Gusmão*, *FPSO ONE GUYANA* and *FPSO Jaguar* more than offset by the finalization of the *FPSO Sepetiba* construction.

Contract liability

The contract liabilities balance has increased to US\$226 million compared with US\$97 million at December 31, 2023, related to contracts for which the total installments invoiced exceed the revenue recognized over time mostly driven by *FPSO Jaguar* and the Front End Engineering and Design (FEED) studies for the FPSO for the Block 58 development project.

10 OTHER OPERATING INCOME/(EXPENSE)

In the first half-year of 2024, 'Other operating income/(expense)' included a net gain in a total of US\$32 million arising from the acquisition of interests held by Sonangol related to FPSOs *N'Goma*, *Saxi Batuque* and *Mondo* and from the divestment in the parent company of the Paenal shipyard in Angola. Refer to note 24.4 Business Combination for Angolan FPSOs and Paenal Divestment for details on these transactions.

11 NET IMPAIRMENT GAINS/(LOSSES) ON FINANCIAL ASSETS AND CONTRACT ASSETS

As part of the regular update of 'Impairment gains/(losses) on financial and contract assets' performed as at June 30, 2024, the Company has recognized a net impairment loss of US\$(5) million (June 30, 2023: loss of US\$(1) million).

The Company has not identified any specific significant increase in credit risks related to its outstanding financial assets and contract assets as at June 30, 2024.

During the period, the following gains/(losses) related to credit risks were recognized:

	2024	2023
Impairment losses		
- Movement in loss allowance for trade receivables	0	(0)
- Movement in loss allowance for contract assets	0	1
- Movement in loss allowance for finance lease receivables	(1)	(1)
(Impairment)/impairment reversal losses on other financial assets	(4)	-
Net impairment gains/(losses) on financial and contract assets	(5)	(1)

12 NET FINANCING COSTS

For the six months ended June 30	2024	2023
Interest income on loans & receivables	1	2
Interest income on investments	10	12
Other financial income	0	0
Financial income	12	14
Interest expenses on financial liabilities at amortized cost	(404)	(331)
Interest income / (expenses) on hedging derivatives	88	59
Interest expenses on lease liabilities	(2)	(2)
Interest addition to provisions	(6)	(1)
Net cash flow hedges ineffectiveness	(2)	-
Net foreign exchange loss	(4)	(5)
Other financial expenses	(0)	2
Financial expenses	(330)	(277)
Net financing costs	(319)	(264)

The increase in net financing costs is mostly explained by (i) increased project financing to fund continued investment in growth on *FPSO Almirante Tamandaré*, *FPSO Alexandre de Gusmão* and *FPSO ONE GUYANA*, (ii) additional interest expense on the Company's RCF and (iii) additional interest expense generated by the new US\$250 million short-term corporate facility for FPSO construction partially offset by (iv) lower interest expense on FPSO *Liza Unity* following purchase of the unit by the client and the full repayment of the project loan end of 2023 and (v) the scheduled amortization of project loans.

13 INCOME TAXES

The effective tax rate, excluding the share of profit, or loss, of equity-accounted investees, is 28% in the first half-year of 2024, compared with (4)% for the full year 2023. The increase in the effective tax rate is mainly explained by (i) the recognition of a deferred tax asset on a tax goodwill in Switzerland in 2023, (ii) additional tax on the Guyana projects including a new unit in operation in 2024 and (iii) a relative decrease of profits recognized during construction.

Deferred tax assets and liabilities increased during the first half-year of 2024 to US\$256 million and US\$195 million respectively, mainly due to deferred tax on hedging instruments booked in 'Other Comprehensive income', and variation on the tax goodwill and other timing differences in Switzerland.

In December 2021, the OECD released the GloBE Pillar Two model rules, also referred to as the 'Global Anti-Base Erosion' or 'GloBE' rules. These rules aim to ensure large multinational enterprises (MNEs) pay a minimum amount of tax on income arising in each jurisdiction in which they operate through introducing a global minimum corporate income tax rate set at 15%. On 15 December 2022, the EU adopted Directive 2022/2523 setting out harmonized implementation of the Pillar Two model rules in the EU comprising the income Inclusion Rule (IIR), the Qualified Domestic Minimum Top-Up Tax (QDMTT) as well as the Under-Taxed Payments Rule (UTPR). The Company is within the scope of the OECD Pillar Two model rules which come into effect from 1 January 2024. The Netherlands, the jurisdiction in which the Company is incorporated, transposed the EU directive in its legislation under the Minimum Tax Act 2024 effective on 31 December 2023. QDMTT allows countries to charge top up tax due in respect of local profits. Timing and implementation of QDMTT by the various jurisdictions is uneven. As of 2024, The Netherlands, Switzerland and the United Kingdom have all implemented DMTTs with an effective date of 1 January 2024.

The company applies the IAS12 exception to recognize and disclose information about deferred tax assets and liabilities arising from Pillar Two model rules.

Under GloBE rules, the Company is liable to pay a top up tax in the jurisdiction for which the GloBE effective tax rate is below the 15% minimum rate.

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The assessment is complex and is based on legislation which is subject to further developments and interpretation. Based on the current rules and the result for 2024, the Company has estimated at the end of June 2024 that the application of Pillar Two would impact the annual effective tax rate by 1% to 2%.

As the situation is still evolving, it leads to uncertainties on the exact impact of the Pillar Two legislation at year-end. Nevertheless, the Company does not foresee a material impact on the effective tax rate.

14 EARNINGS/(LOSS) PER SHARE

The basic earnings per share for the period amounted to US\$0.64 (for the six months ended June 30, 2023: US\$0.99). The fully diluted earnings per share amounted to US\$0.64 (for the six months ended June 30, 2023: US\$0.98).

Basic earnings/(loss) per share amounts are calculated by dividing net profit/(loss) for the period attributable to shareholders of the Company by the weighted average number of shares outstanding (shares issued and fully paid excluding treasury shares) during the period.

Diluted earnings/(loss) per share amounts are calculated by dividing the net profit/(loss) attributable to shareholders of the Company by the weighted average number of shares outstanding during the period plus the weighted average number of shares that would be issued on the conversion of all the potential dilutive shares into ordinary shares.

The following table reflects the share data used in the basic and diluted earnings per share computations:

Earnings per share

	30 June 2024	30 June 2023
Earnings attributable to shareholders (in thousands of US\$)	115,841	178,596
Number of shares outstanding at January 1	179,019,227	178,022,815
Average number of new shares repurchased	-	-
Average number of treasury shares transferred to employee share programs	1,333,432	1,136,838
Average number of shares repurchased / cancelled	(705,777)	-
Weighted average number of shares outstanding	179,646,882	179,159,653
Potential dilutive shares from stock option scheme and other share-based payments	2,043,714	2,361,428
Weighted average number of shares (diluted)	181,690,596	181,521,080
Basic earnings per share	0.64	0.99
Fully diluted earnings per share	0.64	0.98

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of publication of these half-year financial statements.

15 PROPERTY, PLANT AND EQUIPMENT

The line item 'Property, plant and equipment' consists of property, plant and equipment owned by the Company and right-of-use assets:

Property, plant and equipment (summary)

	30 June 2024	31 December 2023
Property, plant and equipment excluding leases	313	308
Right-of-use of assets	73	77
Total	387	384

PROPERTY, PLANT AND EQUIPMENT OWNED BY THE COMPANY

The movement of the property, plant and equipment excluding right-of-use assets is summarized as follows:

Property, plant and equipment (movements)

	30 June 2024	31 December 2023
Cost	2,051	1,967
Accumulated depreciation and impairment	(1,744)	(1,693)
Book value at 1 January	308	274
Additions	27	79
Disposals	-	(0)
Depreciation	(22)	(41)
(Impairment)/impairment reversal	-	(6)
Foreign currency variations	(1)	1
Other movements	1	0
Movements during the period	5	34
Cost	1,615	2,051
Accumulated depreciation and impairment	(1,302)	(1,744)
Book value at end of period	313	308

During the half-year 2024 the following main events occurred regarding owned property, plant and equipment:

- US\$27 million additions mainly related to capitalized major overhaul costs related to repair work performed on *FPSO Cidade de Anchieta*;
- US\$(22) million of depreciation charges, following the normal depreciation schedules.

Outstanding purchase and termination options in operating lease contracts

The operating lease contract of semi-submersible *Thunder Hawk* includes a call option for the client to purchase the underlying asset. The exercise of this call option would have resulted in a gain for the Company as at June 30, 2024.

RIGHT-OF-USE ASSETS

During the half-year 2024, the main movements regarding right-of-use assets related to US\$(8) million of depreciation charges.

16 FINANCE LEASE RECEIVABLES

The reconciliation between the total gross investment in the lease and the net investment in the lease at the statement of financial position date is as follows:

Finance lease receivables (reconciliation gross / net investment)

	30 June 2024	31 December 2023
Gross receivable	13,406	9,576
Less: Unearned finance income	(4,655)	(2,775)
Total	8,751	6,801
Of which		
Current portion	728	526
Non-current portion	8,024	6,276

As of June 30, 2024, finance lease receivables relate to the finance lease of:

- *FPSO Sepetiba*, which started production in January 2024 for a charter of 22.5 years;
- *FPSO Prosperity*, which started production in November 2023 for a charter of up to 2 years;
- *FPSO Liza Destiny*, which started production in December 2019 for a charter of 10 years;
- *FPSO Cidade de Marica*, which started production in February 2016 for a charter of 20 years;
- *FPSO Cidade de Saquarema*, which started production in July 2016 for a charter of 20 years;
- *FPSO Cidade de Ilhabela*, which started production in November 2014 for a charter of 20 years;
- *FPSO Cidade de Paraty*, which started production in June 2013 for a charter of 20 years;
- *FPSO Aseng*, which started production in November 2011 for a charter of 15 years;

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- *FPSO Espirito Santo*, which started production in January 2009 for a charter of 15 years until December 2023, and which was extended in December 2020 until December 2028.

In addition, on June 11, 2024, the Company completed the acquisition of the shares in the lease and operating entities related to FPSOs *N'Goma*, *Saxi Batuque* and *Mondo* from its partner Sonangol EP and recognised the associated fair values of the finance lease receivables of the acquired entities. Therefore, as of June 30, 2024, finance lease receivables include the finance lease of:

- *FPSO N'Goma*, which started production in November 2014 for a charter of 12 years.
- *FPSO Saxi Batuque*, which started production in July 2008 for a charter of 15 years until June 2023, and which was extended until June 2025.
- *FPSO Mondo*, which started production in January 2008 for a charter of 14 years until December 2022, and which was extended until December 2025.

In relation to the addition of the finance leases for FPSOs *N'Goma*, *Saxi Batuque* and *Mondo*, refer to note 24.4 Business Combination for Angolan FPSOs and Paenal Divestment for further details.

The increase in finance lease receivable is driven by (i) *FPSO Sepetiba* which started production in January 2024, and (ii) the recognition of finance lease receivables at fair value of FPSOs *N'Goma*, *Saxi Batuque* and *Mondo* following the change in consolidation method triggered by the completion of the acquisition of shares from Sonangol EP, partially offset by (iii) redemptions as per the payment schedules.

Outstanding purchase and termination options

The finance lease contracts of *FPSO Aseng*, *FPSO N'Goma*, *FPSO Liza Destiny* and *FPSO Prosperity* where the Company is the lessor, include options for the client to purchase the underlying asset or to terminate the contract early.

If the client had exercised the purchase option for *FPSO Aseng* as of June 30, 2024, this would have resulted in a gain for the Company. The exercise of the early termination option, under which the Company would retain the vessel, would have resulted in a near breakeven result.

If the client had exercised the purchase option for *FPSO N'Goma* as of June 30, 2024, this would have resulted in a gain for the Company. The exercise of the early termination option, under which the Company would retain the vessel, would have resulted in a gain for the Company.

If the client had exercised the purchase option for *FPSO Liza Destiny* as of June 30, 2024, this would have resulted in a near breakeven result for the Company while the exercise of the early termination option under which the Company would retain the vessels would have resulted in a gain.

If the client had exercised the purchase option or early termination option for *FPSO Prosperity* as of June 30, 2024, this would have resulted in a gain for the Company.

The finance lease contract of *FPSO Espirito Santo* includes an option for the client to terminate the contract early without obtaining the underlying asset. The exercise of the early termination option would have resulted in a loss for the Company as of June 30, 2024.

The finance lease contract of *FPSO ONE GUYANA* (under construction as per June 30, 2024) contains options for the client to purchase the underlying asset or terminate the contract early. These options are exercisable at any time starting from the delivery date of the vessel.

17 TRADE RECEIVABLES AND PAYABLES

The increase of 'Trade and other receivables' during the period of first half-year 2024 is mainly the result of the acquisition of lease and operating entities related to FPSOs *N'Goma*, *Saxi Batuque* and *Mondo* (refer to note 24.4 Business Combination for Angolan FPSOs and Paenal Divestment for further details) and the inclusion of a financial asset for the consideration to be paid by AOSL in the amount of US\$43 million for 20% of the Company's shareholding in the *FPSO N'Goma*. The latter

payment is dependent on completion of the conditions precedent of the share purchase agreement. Additionally, the growth support to the fleet through brownfield projects resulted in an increase of receivables.

'Trade and other payables' increased mainly as a result of the acquisition of lease and operating entities related to FPSOs *N'Goma*, *Saxi Batuque* and *Mondo*, the increase in contract liability (refer to section 9 Revenue Information) and higher accrued expenses on MPF hulls under construction.

18 OTHER FINANCIAL ASSETS

The breakdown of the non-current portion of other financial assets is as follows:

	30 June 2024	31 December 2023
Non-current portion of other receivables	125	113
Non-current portion of loans to joint ventures and associates	6	38
Total	131	151

The current portion of (i) other receivables, (ii) sublease receivables and (iii) loans to joint ventures and associates is included within 'Trade and other receivables' in the statement of financial position.

The breakdown of loans to joint ventures and associates is presented below.

LOANS TO JOINT VENTURES AND ASSOCIATES

	30 June 2024	31 December 2023
Current portion of loans to joint ventures and associates	3	3
Non-current portion of loans to joint ventures and associates	6	38
Total	9	41

The decrease in 'Non-current portion of loans to joint ventures and associates' is mainly the result of the acquisition of lease and operating entities related to FPSOs *N'Goma*, *Saxi Batuque* and *Mondo* (refer to note 24.4 Business Combination for Angolan FPSOs and Paenal Divestment for further details) and the accompanying change in consolidation method triggered by the completion of the acquisition of shares from Sonangol EP.

The maximum exposure to credit risk at the reporting date is the carrying amount of the loans to joint ventures and associates, taking into account the risk of recoverability. The Company does not hold any collateral as security.

19 INVENTORIES

	30 June 2024	31 December 2023
Materials and consumables	12	13
Goods for resale	0	0
Multi-purpose hulls under construction	221	135
Total	233	149

As of June 30, 2024, the Company maintains mainly its inventory of materials and consumables used in the normal course of business.

Inventories include multi-purpose floaters ('MPFs') under construction relate to the ongoing EPC phase of any Fast4Ward® new-build hulls. Fast4Ward® hulls remain in inventory until they are allocated to a specific FPSO contract.

The increase in inventory balance during the half-year period ended in June 30, 2024 mainly relates to multi-purpose hulls for use in future FPSO projects. As per June 30, 2024, the Company has one MPF under construction (as per December 31, 2023, one MPF under construction) which has been reserved for the Block 58 development project.

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20 EQUITY ATTRIBUTABLE TO SHAREHOLDERS

The authorized share capital of the Company is two hundred million euro (EUR 200,000,000). This share capital is divided into four hundred million (400,000,000) ordinary shares with a nominal value of twenty-five eurocents (EUR 0.25) each and four hundred million (400,000,000) protective preference shares, with a nominal value of twenty-five eurocents (EUR 0.25) each.

The total number of ordinary shares issued and fully paid at June 30, 2024 was 180,671,305 (December 31, 2023: 180,671,305). No protective preference shares have been issued.

DIVIDENDS PAID

The Company paid dividends of US\$150 million on May 10, 2024. It resulted in a pay-out of US\$0.8336 or €0.7651 per ordinary share.

TREASURY SHARES

A total number of 2,257,701¹ treasury shares are reported in the ordinary shares issued and fully paid as at June 30, 2024. During the six months ending June 30, 2024, 1,553,929 shares were transferred to management and employee share programs.

As of June 30th, 2024, the Company's cumulative repurchase amounted to EUR29.7 million (US\$32.9 million) in relation to the share repurchase program effective from March 1st, 2024 for a total amount of EUR65 million (equivalent to US\$70 million based on the exchange rate on February 29, 2024) which is expected to be completed within 2024. The objective of the program is to reduce the Company's share capital. All shares purchased will therefore be cancelled.

In addition, on February 29, 2024, the Company repurchased 50,000 of its own ordinary shares to meet obligations from regular management and employee share programs, representing a total of EUR0.6 million (US\$0.7 million).

CASH FLOW HEDGE RESERVE

The equity attributable to shareholders includes the cash flow hedge reserve for a positive balance of US\$248 million as of June 30, 2024. The cash flow hedge reserve relates to the net position of forward currency contracts, interest rate swaps and commodity swaps for which fair value movement is explained further in note 22 Accounting Classifications and Fair Values of Financial Instruments.

TRANSACTION WITH NON-CONTROLLING INTERESTS

Following the completion of the Sonangol transaction, the Company's subsidiary owning the *FPSO N'Goma* has distributed dividends to its shareholders.

As detailed in note 24.4 Business Combination for Angolan FPSOs and Paenal Divestment, during the first half-year of 2024 the Company acquired control of Sonasing Xikomba Ltd. through the purchase of an additional 30% stake from Sonangol, together with a subsequent disposal of 20% to AOSL. Both transactions were considered linked transactions and were therefore recognized as a single transaction. Thus, the percentage of dividends attributed to non-controlling interests, presented under the caption 'Cash dividend' of the statement of changes in equity, was based on the deemed ownership while a dividend was distributed to its shareholders based on the legal ownership. Accordingly, an amount of US\$25 million was reattributed in equity from non-controlling interests to retained earnings.

21 BORROWINGS AND LEASE LIABILITIES

The breakdown of line item 'Borrowings and lease liabilities' is presented below:

¹ As per the Dutch Act on Conversion of bearer shares, all bearer shares still outstanding at December 31, 2020 have been converted into registered shares held by the Company as per January 1, 2021 and accordingly the aforementioned shares are currently reported as part of the Treasury shares. Until January 1, 2026 and upon request of a holder of a certificate of a bearer share, the Company will provide the holder of such a valid certificate of a bearer share, with a registered share as a replacement of the bearer share.

Borrowings and lease liabilities (summary)

	30 June 2024	31 December 2023
Borrowings	8,165	8,112
Lease liabilities	72	74
Total Non-current portion of Borrowings and lease liabilities	8,237	8,186
Borrowings	1,665	1,093
Lease liabilities	11	11
Total Current portion of Borrowings and lease liabilities	1,677	1,105

BANK INTEREST-BEARING BORROWINGS

The movement in the bank interest bearing borrowings is as follows:

Borrowings (movement)

	30 June 2024	31 December 2023
Non-current portion	8,112	6,839
Add: current portion	1,093	1,678
Remaining principal at the beginning of period	9,206	8,517
Additions	1,158	3,943
Redemptions	(553)	(2,999)
Transaction and amortized costs	21	(255)
Movements during the period	625	688
Remaining principal at end of period	9,831	9,206
Less: Current portion	(1,665)	(1,093)
Non-current portion	8,165	8,112
Transaction and amortized costs	451	472
Remaining principal at end of period (excluding transaction and amortized costs)	10,282	9,677
Less: Current portion	(1,727)	(1,142)
Non-current portion	8,555	8,535

The additions of total borrowings of US\$1,158 million relate mainly to (i) drawdowns on project finance facility for FPSO *ONE GUYANA*, FPSO *Almirante Tamandaré*, and FPSO *Alexandre de Gusmão*, (ii) a US\$250 million drawdown on the new short-term corporate FPSO construction facility and (iii) the Sonangol transaction resulting in the FPSO *N'Goma* project financing of US\$154 million being presented in consolidated borrowings.

The redemptions are mostly related to the non-recourse debt repayment schedules.

The Company has no 'off-balance sheet' financing through special purpose entities. All long-term debt is included in the consolidated statement of financial position.

As announced on April 17, 2024, the Company has secured a short-term corporate facility of US\$250 million for FPSO construction financing. As of June 30, 2024, the Company has fully drawn the facility.

Revolving Credit Facility

The Company has available short-term credit lines and borrowing facilities resulting from the undrawn part of the RCF .

The RCF in place as of June 30, 2024, has a maturity date of February 13, 2026. The US\$1 billion facility was secured with a selected group of 12 core relationship banks and has an uncommitted option to increase the RCF by an additional US\$500 million. The Company does not have any other extension option remaining.

When needed, the RCF allows the Company to finance EPC activities/working capital, bridge any long-term financing needs, and/or finance general corporate purposes. On December 23, 2021, the RCF was amended by means of an amendment and

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restatement agreement to reflect a dedicated green funding tranche. By creating this green tranche, US\$50 million of the RCF may only be used to fund activities that comply with the Green Loan Principles (primarily activities related to renewable energy projects) and the remaining US\$950 million can be used in the following proportions:

- EPC activities/working capital – 100% of the facility;
- General Corporate Purposes – up to 50% of the facility;
- Refinancing project debt – 100% of the facility but limited to a period of 18 months.

The pricing of the RCF is currently based on SOFR. The margin is adjusted in accordance with the applicable leverage ratio, ranging from a minimum level of 0.50% p.a. (0.40% for the green tranche) to a maximum of 1.50% p.a. (1.40% for the green tranche). The margin also includes a Sustainability Adjustment Mechanism whereby the margin may increase or decrease by 0.05% based on the absolute change in the Company performance as measured and reported by Sustainalytics². The Company's Sustainability performance in the first half of 2024 allows the 0.05% margin decrease to remain applicable for the remainder of 2024. As of June 30, 2024, the Company has fully drawn the green tranche of RCF.

Revolving Credit Facility for MPF hull financing

The Company has secured a US\$210 million revolving credit facility for the financing of the construction of Fast4Ward® Multi-Purpose Floater (MPF) hulls, as announced on December 15, 2023. The tenor of the MPF facility is eighteen months, with an uncommitted extension option for another six months. Repayment is expected to take place upon sale of the MPF hulls or upon drawdown of the relevant project loan. The pricing is based on SOFR and a margin, which is 1.90% per annum for the first 12 months and thereafter 2.10% per annum. The Company has fully drawn this facility as of June 30, 2024.

Short-term corporate facility

The Company has secured a short-term corporate facility of US\$250 million for FPSO construction financing, as announced on April 17, 2024. As of June 30, 2024, the Company has fully drawn the facility to finance Floating Production, Storage and Offloading vessel (FPSO) construction activities. The tenor of the bridge loan is twelve months with an extension option for another six months.

Supply Chain Financing

Starting April 2023, the Company secured short-term funds in the form of an uncommitted Supply Chain Financing (SCF) program to optimize working capital. The first SCF facility was signed in April 2023 for a notional amount of EUR50 million (or US\$ equivalent). The interest is based on a reference rate, depending on the tenor and currency (such as term SOFR for US\$) of the individual utilizations. The margin is adjusted in accordance with the currency of the utilization, 0.85% p.a. for payables denominated in EUR and 0.95% p.a. in US\$.

In first half of 2024, the Company has expanded its uncommitted SCF program to a total notional of c. US\$125 million by adding two additional SCF facilities. In February 2024, the Company signed an SCF facility of US\$50 million with interest based on SOFR and a margin of 1.75% per annum. In June 2024, the Company signed an SCF facility of US\$25 million with interest based on Term SOFR and a margin of 1.55% per annum.

The Company has utilized the SCF facilities during the year with no outstanding balance as of June 30, 2024.

Covenants

The following key financial covenants apply to the RCF, as agreed with the respective lenders on February 13, 2019, and to the new Revolving Credit Facility for MPF hull financing, and, unless stated otherwise, relate to the Company's consolidated financial statements:

- **Solvency:** Consolidated IFRS Tangible Net Worth divided by Consolidated IFRS Tangible Assets must be > 25%;
- **Interest Cover Ratio:** Consolidated Directional Underlying EBITDA divided by Consolidated Directional Net Interest Payable must be > 4.0.

The **Lease Backlog Cover Ratio (LBCR)** is used to determine the **maximum funding availability** under the RCF. The maximum funding availability is determined by calculating the net present value of the future contracted net cash after debt service of a defined portfolio of operational offshore units in the directional backlog. The maximum theoretical amount available under the RCF is then determined by dividing this net present value by 1.5. The actual availability under the RCF will be the lower of this amount and the applicable Facility Amount. As at June 30, 2024 additional headroom above the US\$1 billion capacity under the RCF exceeded US\$620 million.

² Sustainalytics is a provider of Environmental, Social and Governance and Corporate Governance research and ratings.

The **Leverage ratio** based on reported Directional figures, is used to determine the pricing only.

The Company monitors its financial and non-financial covenants for borrowings, which are included in the consolidated financial statements continuously throughout the year. None of the borrowings in the statement of financial position were in default as at the reporting date.

22 ACCOUNTING CLASSIFICATIONS AND FAIR VALUES OF FINANCIAL INSTRUMENTS

The following table shows the financial instruments carried at amortized cost with a significant difference between the book value and fair value, stating the classification of the instruments, the fair value, and the applicable level within the fair value hierarchy.

Accounting classification and fair values as at June 30, 2024

	Notes	Fair value level	30 June 2024		31 December 2023	
			Total book value	Total fair value	Total book value	Total fair value
Financial assets measured at amortized cost						
Finance lease receivables	16	3	8,751	9,190	6,801	7,053
Loans to joint ventures and associates	18	3	9	9	41	42
Total			8,760	9,199	6,842	7,095
Financial liabilities measured at amortized cost						
US\$ project finance facilities drawn	21	2	10,159	10,226	9,543	9,604
Lease liabilities			83	83	85	85
Other debt	21	2	122	121	134	133
Total			10,364	10,430	9,762	9,822

Additional information

- In the above table, the Company has disclosed the fair value of each class of financial assets and financial liabilities for which the book value is different than fair value in a way that permits the information to be compared with the carrying amounts. For all other classes of financial assets and financial liabilities the book value approximates the fair value.
- There are financial assets and financial liabilities measured at fair value, namely interest rate swaps and forward currency contracts, which are classified at a Level 2 on the fair value hierarchy. Level 2 is based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). The carrying amount for these financial assets and liabilities approximates the fair value as at June 30, 2024.
- The Company has not disclosed the fair values for financial instruments such as short-term trade receivables and payables, because their carrying amounts are a reasonable approximation of fair values as the impact of discounting is insignificant.
- Classes of financial instruments that are not used are not disclosed.
- No instruments were transferred between Level 1 and Level 2.
- No instruments were transferred between Level 2 and Level 3.
- None of the instruments of the Level 3 hierarchy are carried at fair value in the statement of financial position.
- No financial instruments were subject to offsetting as of June 30, 2024 and December 31, 2023.

Derivative Financial Instruments

The derivative financial instruments relate to forward currency contracts, interest rate swaps and commodity contracts. The increase in the net balance of derivative assets and liabilities of US\$20 million over the period is due to (i) the increased mark-to-market value of interest rate swaps comparing with year-end 2023 which mainly arose from increasing US\$ market interest rates, resulting in the fair value increase of the project financing hedges of *FPSO Almirante Tamandaré*, *FPSO Alexandre de Gusmão* and *FPSO Sepetiba*, offset by (ii) the decreased mark-to-market value of forward currency contracts caused by the appreciation of the US\$ exchange rate versus the hedged currencies (especially for BRL and EUR forward contracts).

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More than half of the Company's debt consists of non-recourse project loans. The hedged interest rate of these project loans has been incorporated in the pricing of the contracts with the clients. Therefore, the hedged interest rates are in line with the targeted profitability of the Company's contracts.

	30 June 2024			31 December 2023		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Interest rate swaps cash flow hedge	403	2	401	279	31	248
Forward currency contracts cash flow hedge	3	57	(54)	86	17	68
Forward currency contracts fair value through profit and loss	33	41	(8)	48	44	4
Commodity contracts cash flow hedge	1	1	0	3	4	(1)
Total	439	101	339	416	97	319
Non-current portion	335	28	307	258	8	250
Current portion	105	73	32	158	89	69

23 PROVISIONS

The current and non-current portion of provisions consist of the following types of provisions:

Provisions (summary)

	30 June 2024	31 December 2023
Demobilization	108	129
Warranty	110	104
Restructuring	2	7
Employee benefits	19	21
Other	313	324
Total	553	586
of which :		
Non-current portion	380	383
Current portion	173	203

Demobilization

The provision for demobilization relates to the costs for demobilization of the vessels and floating equipment at the end of the respective operating lease periods. The obligations are valued at net present value, and a yearly basis interest is added to this provision. The recognized interest is included in the line item 'Financial expenses' of the consolidated income statement (refer to note 12 Net Financing Costs).

The decrease in the provision for demobilization mainly relates to utilization in relation to the progress of the decommissioning activities on *FPSO Capixaba*.

Expected outflow of the demobilization provision amounts to US\$9 million within one year, US\$49 million between one and five years, and US\$50 million after five years.

Warranty

For most Turnkey sales, the Company gives warranties to its clients. Under the terms of the contracts, the Company undertakes to make good, by repair or replacement, defective items that become apparent within an agreed period, starting from the final acceptance by the client.

The increase of the warranty provision consists of new provisions accrued on projects under construction over the period or still under warranty period, which was partially offset by the regular consumption of existing warranty provisions over the applicable warranty period.

Restructuring

During the 2023 financial year, the Company announced the implementation of an optimization plan for its support functions' activities, aiming to improve global performance and cost efficiency, and accordingly recognized a restructuring provision. During the first half-year 2024, the decrease of the provision is explained by payments of settlement agreements to the terminated employees.

Other

The remaining provisions mainly relate to claims, regulatory fines related to operations and planned local content penalties on construction projects.

On June 21, 2022, the district court in Rotterdam delivered its decision in the case between the Company and the AFM (Dutch Authority for the Financial Markets) relating to certain public disclosures made by the Company in the period from 2012-2014. The court has honored the position of the Company in relation to two disclosures and reduced the fine to US\$1 million. On August 1, 2022, the AFM filed an appeal with the Trade and Industry Appeals Tribunal (College van Beroep voor het Bedrijfsleven, CBB) against the Rotterdam District Court's ruling in respect of alleged violations 1 and 2 (the principal appeal). On January 5, 2023, the Company filed its response to the AFM's appeal and additionally, filed an appeal with the Trade and Industry Appeals Tribunal against the Rotterdam District Court's ruling in respect of alleged violations 3 and 4 (the

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incidental appeal). On May 25, 2023, the AFM filed its reply to the Company's appeal. The Company is currently awaiting the listing of the hearing, which the Company's lawyers expect to happen during the 3rd quarter of 2024.

24 OTHER INFORMATION

24.1 FINANCIAL INFORMATION RELATED TO EQUITY-ACCOUNTED INVESTEEES

The total revenue of joint ventures and associates accounted for under the equity method (at 100%) represents US\$269 million for the six months ended June 30, 2024 (US\$190 million for the six months ended June 30, 2023).

In the first half-year of 2024, the Company acquired the interests held by Sonangol related to FPSOs *N'Goma*, *Saxi Batuque* and *Mondo*, and divested in the parent company of the Paenal shipyard in Angola. Refer to note 24.4 Business Combination for Angolan FPSOs and Paenal Divestment for details on these transactions.

24.2 COMMITMENTS AND CONTINGENCIES

Parent Company Guarantees

SBM Offshore N.V., as the parent company, is committed to fulfill various types of obligations arising from customer contracts, such as full performance and warranty obligations.

In the past, the parent company has issued guarantees for contractual obligations in respect of several Group companies, including equity-accounted joint ventures, with respect to long-term lease-and-operate contracts. The few remaining guarantees still active as of June 30, 2024, relate to the *Thunder Hawk* semi-submersible platform, *FPSO Mondo* and *FPSO Saxi Batuque*. These were signed prior to 2010.

Commitments

As at June 30, 2024, the significant remaining contractual commitments contracted but not yet recognized, for the acquisition of good and services from suppliers for FPSO projects under construction, amounted to US\$1,404 million (December 31, 2023: US\$859 million). Significant contractual commitments mainly relate to ongoing activities on the construction of *FPSO Alexandre de Gusmão*, *FPSO Almirante Tamandaré*, *FPSO ONE GUYANA*, and *FPSO Jaguar*.

Contingent Liabilities

As at June 30, 2024 the Company did not identify any contingent liabilities.

24.3 RELATED PARTY TRANSACTIONS

During the first half-year 2024, no major related party transactions requiring additional disclosure in the condensed consolidated half-year financial statements took place.

The Company has transactions with joint ventures and associates recognized as follows in the Company's condensed consolidated half-year financial statements:

	Note	2024	2023
Revenue		85	9
Cost of sales		(13)	(7)
Loans to joint ventures and associates	18	9	41
Trade receivables		6	125
Trade payables		2	16

For the avoidance of doubt, revenue and cost of sales are presented for the six months ended June 30 whereas financial positions are presented as of June 30, 2024 and December 31, 2023.

The Company has provided loans to joint ventures and associates such as shareholder loans and funding loans at rates comparable to the commercial rates of interest.

During the period, the Company entered into trading transactions with joint ventures and associates on terms equivalent to those that prevail in arm's-length transactions.

The increase in Revenue with related parties is mostly due to support to the fleet through brownfield projects recognised with joint ventures and associates while the decrease in Trade receivables and Loans to joint ventures and associates is mainly due to the change in consolidation method triggered by the completion of the acquisition of shares from Sonangol EP.

24.4 BUSINESS COMBINATION FOR ANGOLAN FPSOS AND PAENAL DIVESTMENT

On June 11, 2024, the Company completed the acquisition of the shares in the lease and operating entities related to FPSOs *N'Goma*, *Saxi Batuque* and *Mondo* from its partner Sonangol EP. In addition, the Company has signed a share purchase agreement with its minority partner AOSL in the *FPSO N'Goma* concerning the purchase by AOSL of 20% of the Company's shareholding in the entity owning the FPSO (Sonasing Xikomba Ltd.). The share purchase agreement is conditional upon some conditions precedent, including consent from clients and lenders, and approval by the various competent authorities.

The transaction with Sonangol qualifies as a business combination as defined in IFRS 3. Investments in the acquired entities were previously accounted for using the equity method and following acquisition date are consolidated as subsidiaries controlled by the Company.

The Company has assessed that the ensuing purchase by AOSL of 20% of the Company's shareholding in the *FPSO N'Goma* is linked to the acquisition from Sonangol, as the transactions had dependencies, were negotiated concurrently and as such should be considered in substance as a single arrangement. As such the Company's purchase (30%) and subsequent disposal (20%) of shares in the *FPSO N'Goma* entity are part of a single business combination whereby the Company is effectively purchasing 10% of Sonangol's shareholding in the *FPSO N'Goma* entity with a final shareholding position of 60%.

As such, on June 11, 2024, the Company obtained control over the *FPSO N'Goma* entity while recognizing a 40% non-controlling interest.

Consideration to be paid by AOSL in the amount of US\$43 million upon completion of conditions precedent has been recognized by the Company as a current receivable. When calculating the goodwill arising from the linked transactions treated as a single business combination, the amount receivable from AOSL is deducted from the consideration paid to Sonangol to determine the total purchase consideration transferred. If the purchase by AOSL were treated as a separate transaction, the Company would potentially have had to recognize a gain, and the subsequent purchase by AOSL would have been treated as a transaction with non-controlling interests recognized in equity.

The Company's ownership of these companies before and following the transaction is as follows:

Entity	Project Name	% SBM shares before acquisition	% Shares acquired	% SBM shares after acquisition
Sonasing Saxi Batuque Limited	<i>FPSO Saxi-Batuque</i>	90%	10%	100%
Sonasing Mondo Limited	<i>FPSO Mondo</i>	90%	10%	100%
Sonasing Xikomba Limited	<i>N'Goma FPSO</i>	50%	10% ¹	60% ¹
OPS-Serviços de Produção de Petróleos Limited	Angola Operations	50%	50%	100%
OPS-Serviços de Produção de Petróleos Ltd. Branch	Angola Operations	50%	50%	100%
OPS Production Ltd	Angola operations	50%	50%	100%

¹ Shareholding acquired/held by the Company net of the 20% shares to be transferred to AOSL, upon completion of conditions precedent of the share purchase agreement.

The fair values of the identifiable assets and liabilities of the acquired entities as at the date of acquisition were:

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in millions of US\$	Fair value at 11 June 2024
Property, plant and equipment	1
Other financial assets	68
Finance lease receivables	395
Trade debtors	50
Other receivables	221
Cash and cash equivalents	230
Total assets	966
Borrowings and lease liabilities	183
Trade and other payables	311
Total liabilities	494
Acquired assets and liabilities	472

Consideration transferred for the business combination is detailed as follows:

in millions of US\$	11 June 2024
Purchase consideration transferred	50
Consideration receivable from AOSL	(43) ¹
Purchase consideration transferred (net)	7
Non-controlling interest	178
Fair value of previously held equity interest	242
Less: Fair value of acquired assets and liabilities	(472)
Goodwill/(gain on purchase)	(45)

¹ Payment by AOSL is dependent on completion of the conditions precedent of the share purchase agreement.

The Company has elected to measure the non-controlling interests relating to the *FPSO N'Goma* at their proportionate share of the acquired entity's identifiable net assets.

The carrying amount of the equity interests held immediately before the acquisition totaled US\$235 million, leading to a gain from remeasurement to fair value of US\$7 million included in the consolidated income statement in 'Other operating income/(expense)'. The gain on purchase is also included in 'Other operating income/(expense)'.

Following the collaboration between the Company and Sonangol over more than 20 years, the divestment by Sonangol in these entities was triggered by the privatization program launched by the Angolan government in 2019 - PROPIV. Additionally, Sonangol has made a commitment to redevelop the Paenal shipyard, having purchased the Company's interest in its parent entity SBM Ship Yard Ltd. The outcome of the commercial discussions between Sonangol and SBM Offshore, including the waiver of loans granted in the past by the Company to the acquired entities which were already written down to zero in the consolidated statement of financial position, has from an accounting perspective led to a gain on purchase as defined in IFRS 3.

From acquisition date until June 30, 2024, the acquired entities have contributed to the Company's consolidated total revenue for an amount of approximately US\$40 million and a near break-even result.

If the acquisition had occurred on January 1, 2024, consolidated total revenue and profit/(loss) for the six months ended June 30, 2024 would have been US\$270 million and US\$21 million respectively.

As concurrently negotiated with Sonangol on June 11, 2024, the Company also completed the sale of all its shares in the parent company of the Paenal shipyard (SBM Ship Yard Ltd.) to a subsidiary of Sonangol EP. Up to the date of the divestment, the Company accounted for its interest in SBM Ship Yard Ltd. including its own 100% shareholding interest in PAENAL - Porto Amboim Estaleiros Navais Ltda. as an associate using the equity method.

The Company recognized a gain of US\$12 million from the sale of its interest in SBM Ship Yard Ltd. to Sonangol, more than offset by the reclassification of accumulated other comprehensive income from foreign currency translation reserves to the

consolidated income statement in the amount of US\$(34) million, leading to a total net loss of US\$(22) million included in 'Other operating income/expense'.

The net impact of the transactions above with Sonangol and AOSL in the consolidated income statement for the 6 months ended June 30, 2024, is of US\$32 million, fully included in 'Other operating income/expense'.

In the consolidated cash flow statement for the 6 months ended June 30, 2024, the acquisition from Sonangol generated net cash inflows totaling US\$180 million, including US\$230 million from cash and cash equivalents acquired, while the Paenal divestment generated a cash inflow of US\$12 million, presented as cash flows from investing activities.

25 EVENTS AFTER THE END OF THE REPORTING PERIOD

IMPLEMENTATION OF EKWIL JOINT VENTURE

On July 5, 2024, the Company and Technip Energies announced the formal implementation of Ekwil a 50/50 Floating Offshore Wind (FOW) joint venture, following the partnership agreement announced on March 14, 2024.

The Company's interest in Ekwil meets the definition of a joint venture according to IFRS 11 and is accounted for using the equity method.

FSO CONTRACT AWARD FOR WOODSIDE'S TRION DEVELOPMENT

On August 8, 2024 the Company announced that it has signed a contract with Woodside Petróleo Operaciones de México, S. de R.L. de C.V. ("Woodside"), operator of the Trion deepwater oil field development located in the Perdido Belt of the western Gulf of Mexico. Under this contract, the Company will construct and thereafter lease to Woodside a Floating Storage and Offloading ("FSO") unit for a period of 20 years. This award complements the Transportation & Installation contract for the FSO and the FPU awarded to the Company in 2023.

SHARE REPURCHASE PROGRAM

The Company announced that the EUR65 million (c. US\$70 million equivalent³) share repurchase program effective from March 1, 2024 (the "Structural Buyback") has been increased by an additional amount of EUR65 million (c. US\$71 million equivalent⁴) effective from August 8, 2024 (the "Incremental Buyback").

The objective of the Incremental Buyback is to reduce share capital and in addition to provide shares for regular management and employee share programs. The Incremental Buyback is expected to be completed by end of April 2025 and will be accomplished under the authorization granted by the Annual General Meeting of the Company on April 12, 2024.

³ Based on the foreign exchange rate on February 22, 2024.

⁴ Based on the foreign exchange rate on August 5, 2024.

