# 2024 ANNUAL REPORT

SBM OFFSHORE

TRUE.
BLUE.
TRANSITION.

## NOTES TO THE READER

### DISCLAIMER

This document is the printed/pdf or 'website version' and is not the official annual financial reporting, including the audited financial statements thereto pursuant to article 2:361 of the Dutch Civil Code. The official annual financial reporting, including the audited financial statements and the independent auditor's report thereto, are included in the single report package ('ESEF package') which can be found in the download center of the 2024 Annual Report website. In case of any discrepancies between this document and the ESEF package, the latter prevails. Note that the independent auditor's opinion included in this document does not relate to this document but only to the ESEF package. No rights can be derived from using this document, including the unofficial copy of the independent auditor's report. Our independent auditor did not determine (nor do they need to) that the printed/pdf or website version is identical to the official version.

### MANAGEMENT REPORT

The management report ('bestuursverslag') within the meaning of section 2:391 of the Dutch Civil Code comprises of the chapters Business Environment, Governance (excluding the Report of the Supervisory Board and the Remuneration Report), and Sustainability Statement and section 4.1 of the chapter Financial Information.

### FORWARD-LOOKING STATEMENTS

Some of the statements contained in this report that are not historical facts are statements of future expectations and other forward-looking statements based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance, or events to differ materially from those in such statements. These statements may be identified by words such as 'expect', 'should', 'could', 'shall' and / or similar expressions. Such forward-looking statements are subject to various risks and uncertainties. The principal risks which could affect the future operations of SBM Offshore N.V. are described in the 'Impacts, Risks & Opportunities' section of this 2024 Annual Report. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results and performance of the Company's business may vary materially and adversely from the forward-looking statements described in this report. SBM Offshore N.V. does not intend and does not assume any obligation to update any industry information or forward-looking statements set forth in this report to reflect new information, subsequent events or otherwise.

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# BUSINESS PERFORMANCE

# 1 BUSINESS ENVIRONMENT

## 1.1 AT A GLANCE

### 1.1.1 MESSAGE FROM THE CEO

"SBM Offshore is on the right path. There is great value to harvest from our growing backlog through strategic stability and strong team collaboration. Our commitment to continuous improvement and excellence ensures we become a better performing company, every day."

**Øivind Tangen**
Chief Executive Officer
& Member of the Management Board

SBM Offshore is the world's ocean-infrastructure expert. We use our expertise to contribute to cleaner, more efficient floating production solutions servicing the offshore energy sector. This starts with advancing our core business and investing in technology to further decarbonize our traditional activities – and we made great progress in our True. Blue. Transition. promise over the course of 2024.

On the back of multiple concurrent and successfully executed projects combined with historic production levels in our fleet, SBM Offshore has delivered record results. Moreover, this sustained, high level of activity across the EPC scope and the Operating fleet was performed while maintaining our absolute priority to protect our colleagues and worksite personnel.

We are proud of our HSSE culture and concluded the year with no significant injuries to personnel. This consistency across our global operations means we have met our targets in both our leading and lagging safety performance indicators. We never take this level of performance for granted and recognize our people for their commitment.

In addition to excellence in our operating activities, we also saw success in our commercial efforts. We secured multiple major contract awards replenishing our order book of committed contracts to US$35.1 billion at year end. This, despite the delivery of a record US$6.1 billion of Revenue and US$1.9 billion EBITDA from the backlog that existed at the beginning of the year.

We began the year with an evolution in leadership. The current executive leadership has reinforced the strategic vision and laid out a journey based on excellence. While advancing towards new possibilities, we fully leverage the lessons learnt.

The Operating fleet saw the start-up of *FPSO Sepetiba* for Petrobras in January 2024, our first new start-up in Brazil since 2016. *FPSO Sepetiba* will be followed by *FPSO Almirante Tamandaré*, currently being commissioned offshore Brazil, and subsequently *FPSO Alexandre de Gusmão* which left China for the Brazilian waters late December in 2024. With FPSO *ONE GUYANA* also due for start-up in 2025, we are on track to deliver a total of six Fast4Ward® projects – a true testament to the strength of our strategy and the capabilities of our teams.

Combined, these six assets represent 655,000 barrels of oil per day production capacity. Not only are we addressing continued reliance and declining oil supply, but our teams are setting the pace of production with the evolution of the Fast4Ward® units. We are growing our share in a growing deepwater market, and we attribute that to our competitive breakeven prices, lower emission intensity, outstanding operations, and continuous improvement across the full product lifecycle.

The standardization philosophy that underpins all our Fast4Ward® FPSOs equally provides great data points across the lifecycle of our FPSO product, optimizing our execution capabilities and asset performance management. We already see great benefits in our recently awarded *FPSO Jaguar* for Guyana and *GranMorgu FPSO* for Suriname. In parallel, we are advancing our digital program to be even better positioned through our growing data bank.

*FPSO Jaguar* is our fifth project for ExxonMobil in Guyana. Our current Guyanese operations are producing well above the initial name-plate capacity, and together with FPSO *ONE GUYANA, FPSO Jaguar* will bring the production capacity of the fleet to 1.08 m bbls/day.

We are grateful for the trust TotalEnergies has placed in the SBM Offshore team and our Fast4Ward® program through the *GranMorgu FPSO* award, and we look forward to working in Joint Venture with Technip Energies on this project.

We are also delighted to once again provide a turret to the market, and welcome Woodside back into our client portfolio with the award of the disconnectable FSO for Trion.

The continued development of our Fast4Ward® program and focus on our FPSO product line is evidence of our firm belief that the demand for oil will remain strong, and deepwater oil will dominate new developments in the years to come.

We observe a healthy prospect pipeline matching our concept, mainly in the South American and West African regions. Through our partnership yards in China, our proven Multi-Purpose Floater (MPF) strategy has taken meaningful strides in 2024 with the ninth and tenth hulls ordered to support our ongoing tendering activities.

Adding Mexico and Suriname to our portfolio of operating countries through the 2024 project awards furthers our positioning in South America and in emerging deepwater markets. As always, we remain selective in the prospects we pursue with our attention on generating the right return levels for each new award and will continue to drive the competitive positioning gained through our Fast4Ward® program in a positive deepwater market.

Believing that the oil market will remain strong is no contradiction to SBM Offshore's commitment to positively contribute to the pace of the energy transition and the broader Blue Economy.

Our technology development focus is centered around our emissionZERO® FPSO concept for our core business. At the same time, we gauge market potential for new ocean infrastructure solutions to pioneer for the future.

Accelerating our strategy means looking for strategic partners where existing technologies enhance our offering and are complementary to our own capabilities and expertise. Our market-ready Carbon Capture module design, developed in partnership with Mitsubishi Heavy Industries, our joint venture with Technip Energies to expand on the Floating Offshore Wind experience of Provence Grand Large, and the partnership with Ocean-Power to offer low-emission power solutions, are clear examples of what we can achieve with this approach.

SBM Offshore is demonstrably on the right path. There is great value to harvest from our growing backlog through strategic stability and strong team collaboration. Our commitment to continuous improvement and excellence ensures we become a better performing company, every day. 2025 will be a year focused on cultivating opportunities and taking our impact even further.

Thank you to all our stakeholders for your support and belief in SBM Offshore.

# COMPANY HIGHLIGHTS

**15**
ASSETS LEASED AND/OR OPERATED

**0**
FATALITY OR PERMANENT IMPAIRMENT INJURY

**96%**
FLEET PRODUCTION UPTIME

**7,892**
PEOPLE

**33**
TRAINING HOURS PER EMPLOYEE

**8**
DECOMMISSIONING PLANS

DIRECTIONAL TOTAL ASSETS
**US$10.8 billion**

MARKET CAPITALIZATION
**US$3.11 billion**

DIRECTIONAL EBITDA
**US$1,896 million**

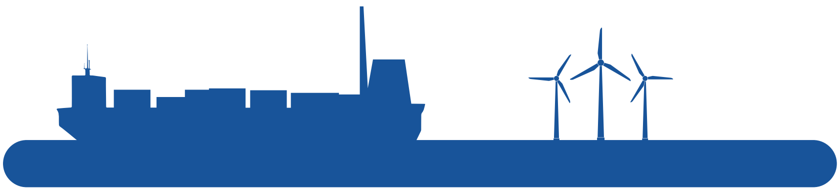
PROPOSED CASH RETURN TO SHAREHOLDERS
**c. US$280 million**

DIRECTIONAL NET PROFIT
**US$907 million**

EBITDA BASED ON IFRS ACCOUNTING POLICY
**US$1,041 million**

PRO-FORMA DIRECTIONAL BACKLOG
**US$35.1 billion**

IFRS NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS
**US$150 million**



# 2024 IN BRIEF

## FIRST QUARTER

- *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.
- Bruno Chabas decided not to seek a fourth mandate as CEO of SBM Offshore and Øivind Tangen, COO became his successor immediately after the 2024 AGM.
- Full Year 2023 Earnings: Directional revenue was US$4.5 billion (+38%), above guidance. Directional EBITDA was US$1.3 billion (+31%), in line with guidance. Backlog was at US$30.3 billion. 12% increase in annual cash return to shareholders of US$220 million.
- Cash return composed of US$150 million proposed dividend and EUR65 million (US$70 million equivalent) share repurchase.
- SBM Offshore and Technip Energies announced the signing of a Memorandum of Understanding for the creation of a Floating Offshore Wind joint venture entity, Ekwil.

## SECOND QUARTER

- *FPSO Jaguar* (Whiptail) contract awarded in April 2024.
- Secured US$250 million term-loan facility to finance 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.*
- First Quarter 2024 Trading Update: Year-to-date Directional revenue of US$871 million, in line with expectations and full year 2024 Directional Revenue and Directional EBITDA guidance maintained.
- Cash dividend of US$150 million (equivalent to EUR0.7651 per ordinary share) approved. Share repurchase program of EUR65 million on track, 20.7% completed. FPSO *Prosperity* at full production capacity.
- A Fast4Ward® hull was reserved by TotalEnergies EP Suriname B.V., an affiliate of TotalEnergies, for an FPSO for the Block 58 in Suriname, under the partnership of SBM Offshore and Technip Energies, in line with contracted FEED studies.
- Completed the acquisition of the shares in the lease and operating entities related to *N'Goma FPSO, FPSO Saxi Batuque* and *FPSO Mondo* from its partner Sonangol EP. Completed the sale of all its shares in the parent company of the Paenal shipyard in Angola to a subsidiary of Sonangol EP.

## THIRD QUARTER

- SBM Offshore and Technip Energies announced the formal implementation of Ekwil, a 50/50 Floating Offshore Wind (FOW) joint-venture.
- Half-Year 2024 Earnings: pro-forma Directional backlog increased to a new record level of US$33.7 billion.
- Directional revenue guidance increased from around US$3.5 billion to above US$3.8 billion.
  Directional EBITDA guidance increased from around US$1.2 billion to around US$1.3 billion.
- Woodside Petróleo Operaciones de México, S. de R.L. de C.V. (Woodside) contract awarded for 20-year lease contract for an FSO to support the Trion field development in Mexico.
- Ninth Fast4Ward® Multi-Purpose Floater ('MPF') hull ordered.
- Two Share Purchase Agreements signed with its partner MISC Berhad for: 1) the total acquisition of MISC Berhad's entire effective equity interest in the lease and operating entities related to the *FPSO Espirito Santo* in Brazil; and 2) the full divestment to MISC Berhad of SBM Offshore's effective equity interest in the lease and operating entities of the *FPSO Kikeh* in Malaysia.

## FOURTH QUARTER

- FPSO *Prosperity* sold to ExxonMobil Guyana Ltd.
- Third Quarter Trading Update: 2024 Directional EBITDA guidance increased from around US$1.3 billion to around US$1.9 billion (+46%). 2024 Directional revenue guidance increased from above US$3.8 billion to above US$6.0 billion (+58%).
- Completed sale of 13.5% interest in *FPSO Sepetiba* to China Merchants Financial Leasing (Hong-Kong) Holding Co., Limited (CMFL).
- TotalEnergies contract awarded for an FPSO as part of the GranMorgu field development project in Suriname.
- SBM Offshore announced the nomination of Lucia de Andrade and Denise Dettingmeijer for appointment to the Supervisory Board.
- Project financing completed for *FPSO Jaguar* for a total of US$1.5 billion. The project financing was fully secured by a consortium of 16 international financial institutions.
- FPSO *Liza Destiny* sold to ExxonMobil Guyana Ltd.

## 1.1.3 PERFORMANCE SUMMARY

Over the years, SBM Offshore has matured the performance management, data control, target setting and reporting – most notably from 2014 – using Global Reporting Initiative (GRI) as the main framework, which integrates business and Environmental, Social and Governance (ESG) topics in one materiality assessment.

The last Materiality Assessment was conducted in 2023 and is renewed every four years. In the intervening years between, updates are conducted to maintain the understanding of the surrounding context, including relevant changes in economic, environmental and social impacts, when necessary.

### REPORTING STRUCTURE

According to European Sustainability Reporting Standards (ESRS), the sustainability information shall disclose the material data, distinguishing between information required by the standard and other information included in the report.

The material topics are embedded and reflected in SBM Offshore's strategy, processes and plans. In order to comply with ESRS requirements and to enable a more clear, comprehensive and meaningful narrative, in this Annual Report 2024 the 12 topics that resulted from the 2023 Double Materiality Assessment (DMA) are separated into two categories: business topics and ESG material topics.

Six topics which are purely business and strategic ones but not material as per ESRS, are: Market Position; Economic Impact; Energy Transition; Operational Excellence and Quality; Innovation and Digitalization. They are named Business Topics and are included in this chapter 1, along with an explanation of SBM Offshore's business context.

The other six topics, deemed material as per ESRS, are named ESG Material Topics and reported in chapter 3.


SBM Offshore is confident that the new reporting structure appropriately fosters a clearer understanding of the business, management approach and performance. The Management Board and Supervisory Board members were consulted on the reporting new structure and provided their validation.

The Connectivity Table, that follows this section, aims to summarize the strategy, value creation and performance per ESG topic.

CONNECTIVITY TABLE ESG MATERIAL TOPICS

| STRATEGY AND VALUE CREATION (Chapter 3) | | PERFORMANCE REVIEW AND IMPACT (Chapter 3) | |
|---|---|---|---|
| **Key Objectives** | **Management Approach** | **Key Performance Indicator** | **SDGs** |
| **Environmental** | | | |
| **Emissions** | | | |
| **Net zero by 2050 and intermediate targets for 2030**<br>• 1.57 MMSCF/D average operational excellence flaring;<br>• Validated Investment for Climate Neutral office Energy | • Operational excellence to reduce flare emissions in scope 3<br>• Implementation of emissionZERO® Program<br>• Prioritize energy savings and increase the use of renewable energy at onshore facilities to reduce scope 1 and 2 emissions | • 1.33 MMSCF/D average flaring<br>• Scope 1, 2, 3 emissions: 7.2 million tonnes<br>• GHG intensity 16.4 kg $CO_2$ e/BOE | 7, 9, 13, 14 |
| **Decommissioning** | | | |
| **Safe and sustainable recycling: recovery of metals and re-use of machinery, and application of EU Ship Recycling Regulation (or equivalent)**<br>• Decommissioning plan in place typically for units to be demobilized before 2028. | • SBM Offshore Recycling policy<br>• SBM Offshore decommissioning processes | • 8 decommissioning plans<br>• Demobilization provision accounted | 8, 13, 14 |
| **Social** | | | |
| **Our People** | | | |
| **Hire, retain and develop a diverse workforce with a wide range of competencies**<br>• People Development Cycle | • HR learning and development process, systems and teams | • 1274 new hires<br>• 12% employee turnover rate<br>• 48 average training hours per employee<br>• 99% of performance appraisals completion (onshore)<br>• 0.97 gender pay gap<br>• 81% engagement score and 82% satisfaction score in pulse survey | 4, 8 |
| **Health, Safety and Security** | | | |
| **No Harm, No Defects, No Leaks**<br>• FPI: 0<br>• Manage oil-in-water discharge to 50% below IOGP average | • HSSE , Process Safety and Quality Management system, Target Excellence Program; adopting industry best practices and leading standards | • TRIFR: 0.1<br>• FPI: 0<br>• Tier 1: 3<br>• Tier 2: 8<br>• Maintained ISO certifications<br>• 0 oil spills<br>• Oil-in-water discharge to 61% below IOGP average | 3, 8 |
| **Human Rights** | | | |
| **Fully embed human rights and social performance within SBM Offshore to achieve no harm**<br>• Suppliers and yards due diligences | • Execution and improvement of due diligence cycle and taking action through human rights program governance | • 100% of new suppliers were screened on human rights<br>• 100% of new suppliers qualified had been signed supply chain charter<br>• 6 yards have completed desktop screening<br>• 10 ESG audits against the IFC Performance Standards<br>• 1 new worker welfare assessment | 8 |
| **Governance** | | | |
| **Ethics and Compliance** | | | |
| **Zero tolerance for bribery, corruption, fraud or any other form of misconduct**<br>• Continuously applying a risk-based approach, including regular engagements, due diligence and other monitoring procedures | • Internal Risk and Control System and Compliance Program, with focus on data-driven compliance | • 4,444 compliance training hours completed<br>• 125 reports received under SBM Offshore's Speak Up Policy<br>• 0 confirmed cases of corruption | 8 |

# 1 BUSINESS ENVIRONMENT

## 1.2 BUSINESS CONTEXT

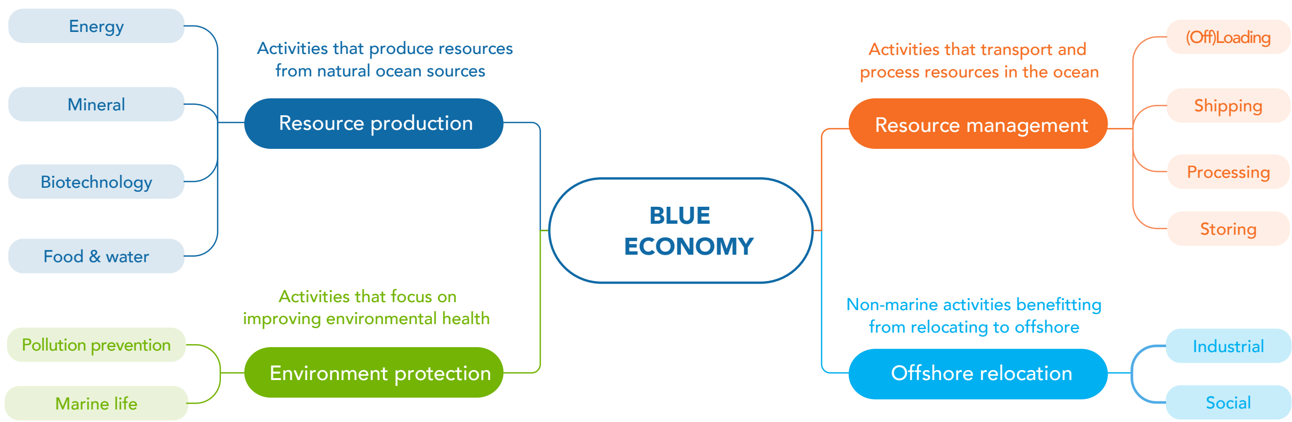
### 1.2.1 BLUE ECONOMY

The Blue Economy looks at the vast potential of the oceans, seas and coasts to bring sustainable economic growth to both developing and developed countries, creating jobs and prosperity for people while maintaining the long-term health of the ocean environment. It brings together various economic sectors and the policies governing them, to ensure the overall impact on ocean resources is sustainable.

Every year, the Blue Economy has an estimated turnover of between US$3 and US$6 trillion. From the shipping industry to fish farming, oil and gas to offshore wind, it encompasses a wide range of economic activities and growing opportunities.

SBM Offshore, with its decades of experience in ocean infrastructure, is a Blue Economy company. The capabilities obtained in delivering over 500 floating structures worldwide already play a role in different value chains, such as the oil and gas sector and offshore wind. Such skills and expertise are also readily transferable to other value chains and SBM Offshore is actively exploring new avenues within the Blue Economy to deliver sustainable economic growth in the world's oceans.

BLUE ECONOMY




### 1.2.2 MARKET SEGMENTATION

#### OIL AND GAS PRODUCTION VALUE CHAIN

**FPSO**

SBM Offshore delivers FPSOs that process well fluids into stabilized crude oil for temporary storage on board, before being offloaded to a shuttle tanker. Oil and gas enhanced recovery systems – such as water injection, gas injection, chemical injection and gas lift systems – are used to improve efficiency and production levels.

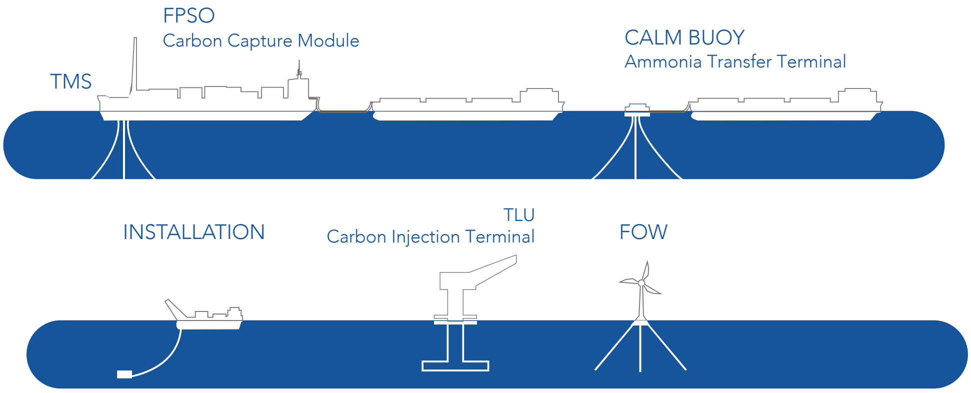
SBM Offshore provides full lifecycle solutions for FPSOs, including design, engineering, procurement, construction, installation, commissioning, operation and decommissioning.

Leveraging its Fast4Ward® program, SBM Offshore accelerates FPSO project delivery, reduces costs and enhances HSSE standards through standardization. The emissionZERO® program is also key to sustainable growth: SBM Offshore's latest FPSO designs include several carbon reduction features, such as $CO_2$ removal from gas streams, combined cycle gas turbines and deepwater intake risers.

**Turret Mooring**

SBM Offshore is the recognized technology provider for Turrets and Mooring Systems (TMS) and fluid swivels. SBM Offshore provides the offshore industry with a complete range and variety of solutions delivered through a full EPCI product lifecycle.

## SBM OFFSHORE ACTIVITIES




**CALM Buoy**
Catenary Anchor Leg Mooring Buoy
**FOW**
Floating Offshore Wind
**FPSO**
Floating Production Storage and Offloading
**TLU**
Tower Loading Unit
**TMS**
Turret Mooring System

### Terminals

Via its Imodco subsidiary, SBM Offshore supplies offshore (off)loading terminals. The Catenary Anchor Leg Mooring (CALM) is a Single Point Mooring (SPM) system composed of a floating buoy that performs the dual function of keeping a tanker moored and transferring fluids while allowing the ship to weathervane. The Tower Loading Unit (TLU) is also an SPM system, suitable for shallow water depths, harsh environments, and multiple transfer applications. SBM Offshore provides full lifecycle solutions for terminals, including design, engineering, construction, installation and aftersales services.

### Installation

When it comes to the installation of its floating facilities, SBM Offshore is able to propose integrated installation services with in-house installation engineering expertise together with its own dedicated installation vessel. The Normand Installer was specifically built for deepwater mooring installation and hook-up and therefore offers SBM Offshore a unique value proposition for its FPSO installation, as the sole FPSO provider keeping full control of its floater installation.

### Asset management

SBM Offshore consistently leverages data to optimize fleet operations and asset lifecycles. Its portfolio of services focuses on reliability, integrity and performance of offshore assets.

## POWER VALUE CHAIN

### Floating Offshore Wind (FOW)

Floating offshore wind turbines enable access to deeper water than conventional fixed-bottom wind turbines. This reduces visibility from shore and expands the viable area for wind energy deployment, potentially to areas with higher and steadier wind characteristics. SBM Offshore has successfully delivered Provence Grand Large in 2023, leveraging its Float4Wind® concept with tension leg mooring and its experience in EPCI for floating solutions.

All activities related to this developing FOW market will be carried out in the future exclusively by Ekwil, a joint venture by SBM Offshore and Technip Energies created in 2024.

### Floating Energy Hub

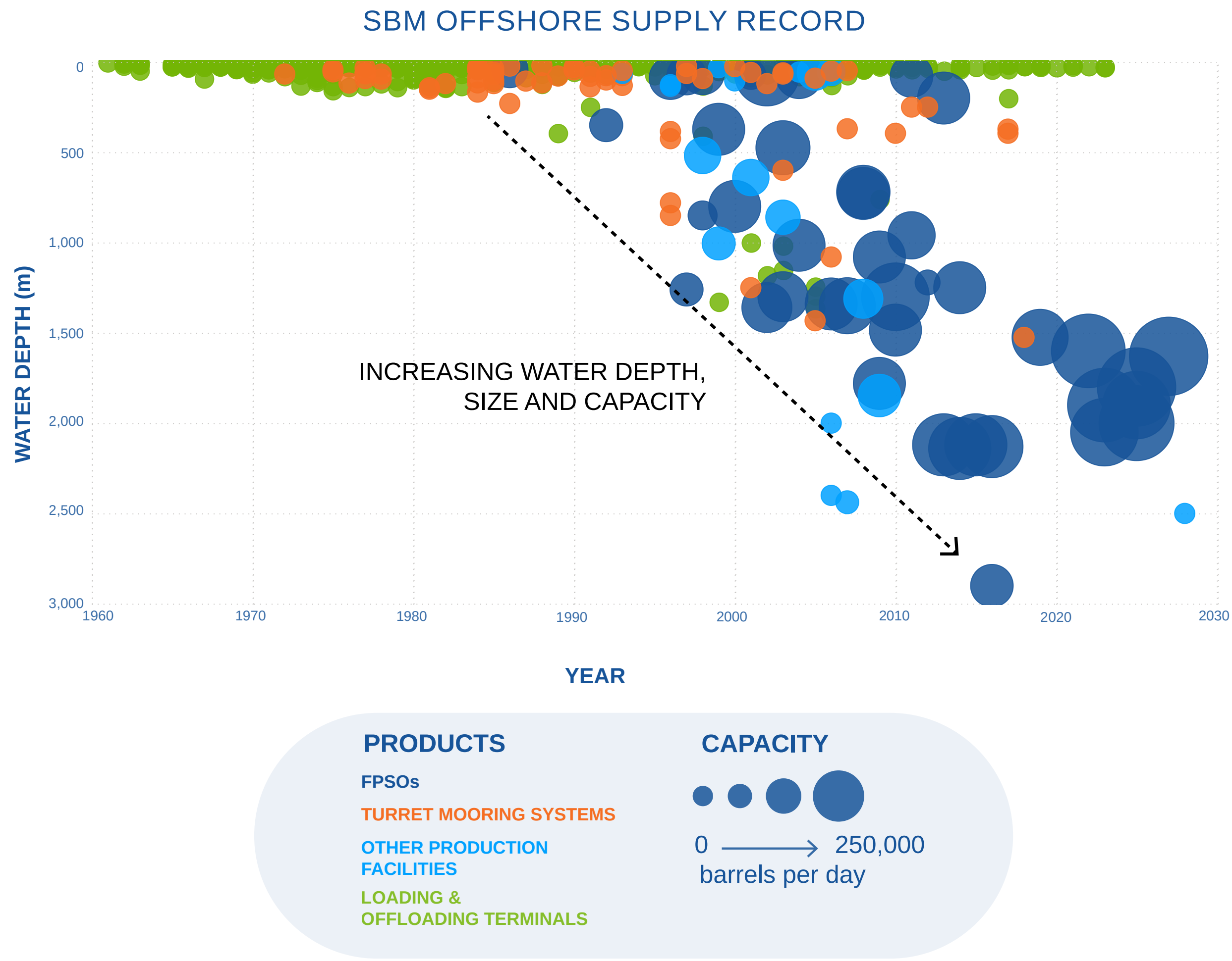
Floating Energy Hubs are floating units delivering electricity to power industrial processes or feeding it into the electricity grid. The demand for low-carbon electric power is steeply increasing and SBM Offshore is exploring and advancing the concept of providing reliable, affordable, low-carbon electricity to decarbonize offshore power generation and contribute to supporting the electricity grid.

SBM Offshore has signed a partnership agreement in this field to further progress the development and commercialization of a floating gas-powered hub with carbon capture.

## CARBON VALUE CHAIN

### Carbon Capture Module

SBM Offshore has developed, with its partners, a qualified carbon capture module to capture carbon emissions from the gas turbines onboard FPSOs. This compact modular solution allows a significant reduction of more than 70% of the overall emissions associated with the production of oil and gas from FPSOs. The solution is being developed as part of SBM Offshore's emissionZERO® program, leveraging SBM Offshore's industry leading Fast4Ward® principles.



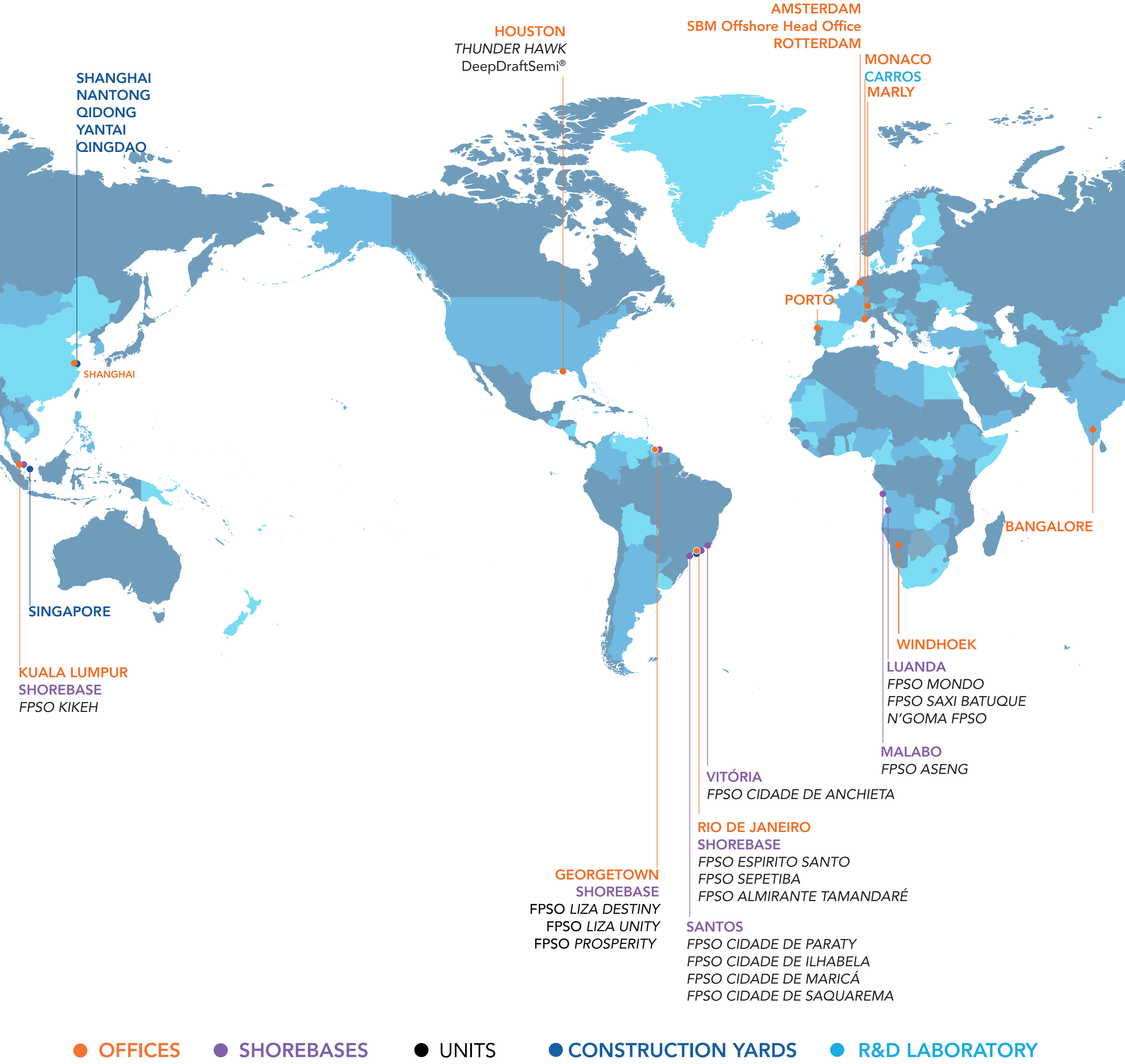

### Carbon Injection Terminal

SBM Offshore's $CO_2$-injection Tower Loading Unit enables a cost-efficient alternative scheme to carbon capture and storage (CCS) pipeline projects, with three functions: carrier berthing, $CO_2$ transfer and hoisting the injection booster pumps to match the offshore $CO_2$ storage reservoir pressure.

## AMMONIA VALUE CHAIN

### Ammonia Transfer Terminal

SBM Offshore's suite of jetty-less concepts for safe and cost-efficient transfer systems is well suited for export or import to ammonia projects, which are characterized by the large and frequent loading or offloading of ammonia carriers.



SHANGHAI
NANTONG
QIDONG
YANTAI
QINGDAO
HOUSTON
THUNDER HAWK
DeepDraftSemi®
AMSTERDAM
SBM Offshore Head Office
ROTTERDAM
MONACO
CARROS
MARLY
PORTO
SHANGHAI
BANGALORE
SINGAPORE
KUALA LUMPUR
SHOREBASE
FPSO KIKEH
WINDHOEK
LUANDA
FPSO MONDO
FPSO SAXI BATUQUE
N'GOMA FPSO
MALABO
FPSO ASENG
VITÓRIA
FPSO CIDADE DE ANCHIETA
RIO DE JANEIRO
SHOREBASE
FPSO ESPIRITO SANTO
FPSO SEPETIBA
FPSO ALMIRANTE TAMANDARÉ
GEORGETOWN
SHOREBASE
FPSO LIZA DESTINY
FPSO LIZA UNITY
FPSO PROSPERITY
SANTOS
FPSO CIDADE DE PARATY
FPSO CIDADE DE ILHABELA
FPSO CIDADE DE MARICÁ
FPSO CIDADE DE SAQUAREMA
OFFICES
SHOREBASES
UNITS
CONSTRUCTION YARDS
R&D LABORATORY

## 1.3 STRATEGY AND VALUE CREATION

### 1.3.1 PURPOSE AND PROMISE

#### PURPOSE

SBM Offshore's purpose is to share its experience for a better blue tomorrow. SBM Offshore believes the oceans play a fundamental role in the sustainable future of the world. As experts with a heritage of pioneering innovation, SBM Offshore has been at the forefront of deepwater ocean infrastructure capabilities for over 60 years and is committed to progress in the responsible harnessing of the oceans' resources.

#### PROMISE

Energy is fundamental to human progress, prosperity and wellbeing. It is also the cornerstone of SBM Offshore's story. SBM Offshore has a long track record of delivering complex projects and market-leading ocean infrastructure serving the offshore energy sector. Through its deepwater expertise, SBM Offshore has been recognized for designing, building and operating innovative solutions that have enabled cleaner, more efficient, oil and gas production while protecting life above and below water.

Progress has always been the driver of SBM Offshore's success. As a pioneer, its strategy is to achieve greater progress, both in core activities and in new markets, by expanding its interests within the energy industry and its horizons into other sectors. The strategy recognizes the opportunity of the blue economy and positions SBM Offshore at the forefront of unlocking and realizing opportunities that support more industries, all in a profitable and responsible way.

**True. Blue. Transition.** is SBM Offshore's promise, illustrating its continuous drive for progress into the future, while simultaneously using its expertise and unique capabilities to enter new sectors. Simply put, it is about advancing the core and pioneering more.

#### Advancing the Core

SBM Offshore remains committed to its core activities, while advancing towards a net zero future and a just transition. To support this, SBM Offshore develops ocean infrastructure solutions promoting the decarbonization and increasing efficiency of traditional oil and gas production through proven and progressive ocean infrastructure expertise.

#### Pioneering More

At the same time, SBM Offshore applies its unique capabilities to unlock new markets. Its innovative ocean infrastructure, pioneering spirit and expertise present enormous potential for other sectors to grow through new business operations and models. To maximize these opportunities, SBM Offshore partners with other progressive organizations – sharing values, risk and reward – to amplify the impact of its work.

# Why we call it our **True. Blue. Transition.** Promise

**TRUE**

**Because we deliver value responsibly.**

We stay TRUE to our core values – Integrity, Care, Collaboration, and Ownership – even in the face of challenges. We welcome honest conversations about what it takes to drive progress forward. Making 'TRUE' not just a principle we uphold, but part of who we are.

**BLUE**

**Because ocean infrastructure is our discipline & expertise.**

We are a responsible participant in the blue economy. While harnessing resources from the oceans, we drive sustainable practices that preserve marine ecosystems and support the needs of society. We are committed to the protection of our blue planet and life above and below water.

**TRANSITION**

**Because we are ocean experts with the capabilities & innovation to realize progress.**

We play a key role in the energy value chain and advance and promote solutions in next-generation markets. We are committed to transitioning our offshore capabilities beyond our core.

## 1.3.2 VALUES AND CAPABILITIES

### VALUES

SBM Offshore's core values guide every aspect of its work and are the foundations of its identity – shaping behavior, directing actions and decisions, and driving commitment in pursuit of its goals. The values recognize that achieving success in this sector is enormously complex. They also reflect the responsibility SBM Offshore has as a company, with its individual actions having a significant effect on people, the planet and the future.

#### Integrity

We uphold our principles with honesty to build lasting trust.

#### Care

We put the protection of people and the environment first.

#### Collaboration

We unite around a shared purpose to deliver innovative solutions and excellence together.

#### Ownership

We demonstrate discipline and accountability in both individual responsibilities and collective success.

### CAPABILITIES

SBM Offshore is composed of deepwater ocean experts with a pioneering streak and business visionaries. Over the years they have transformed the offshore energy sector. Their market-leading capabilities are the power behind SBM Offshore's promise of True. Blue. Transition.

#### Expert versatility

SBMers possess a rare range of skills, competencies and depth of expertise. Its teams maintain exceptional levels of efficiency while adapting to different customers, markets and scenarios. This unparalleled set of transferable skills, coupled with the flexibility to meet the needs of existing and emerging markets, are how it will power its core and more.

#### Purposeful innovation

SBM Offshore is a business with innovation deeply rooted in its DNA. SBM Offshore has a history of achieving progress in an economically, environmentally and socially profitable way. Its ongoing delivery of 'industry firsts' is a testament to this, recognizable throughout the offshore world.

#### Delivery excellence

SBM Offshore offers the greatest collective of experts spanning the entire lifecycle of the asset, from engineering to construction to operations and decommissioning. This means it can provide the greatest level of certainty to the market. SBM Offshore consistently provides customers with solutions that create value, meet specified performance targets and offer a high delivery assurance.

#### Integrated partnerships

SBM Offshore has built a mature, fully integrated and adaptive model of global partnerships, joint ventures and supplier relationships. Its ability to collaborate within the business and beyond enables the offer of a seamless delivery model in which risk and reward are appropriately shared throughout the value chain, promoting best-value outcomes for customers. It is a model that supports regional nuances and is adaptable to local economies and communities, enabling SBM Offshore to deliver anywhere in the world.

#### Business enablement

SBM Offshore's innovative financial solutions and contracting models provide customers with economically viable and sustainable ways to embark on projects. Enabling functions create the optimal model for the successful delivery of highly complex projects, and their subsequent successful long-term operations. Combined, these capabilities deliver sustainable business growth and create long-term value for its people and partners.

#### Health, Safety and Wellbeing

Thanks to the Target Excellence program and its objectives: 'No Harm, No Defects, No Leaks',
SBM Offshore is able to safeguard people and assets, while managing its impact on the environment and climate change. SBM Offshore strengthens this commitment through its annual HSSE Day, which celebrates and promotes protecting life across all areas of SBM Offshore.

## 1.3.3 STRATEGIC PRIORITIES

SBM Offshore's strategy and capabilities come together to define the strategic priorities that guide its actions every day across all areas.

### DRIVE EXCELLENCE

SBM Offshore understands its customers' needs and consistently delivers on its promise to provide competitive and high-performance solutions, with unwavering commitment to health, safety and protection of the environment.

| | |
|---|---|
| **Target Excellence** | SBM Offshore's commitment to preservation of life and protection of the environment by delivering on No Harm, No Defects, No Leaks. |
| **Execution Excellence** | Consistently delivering high-quality, high-performance products and services, on time and on budget. |
| **Enterprise Excellence** | Providing efficient and effective people, processes, tools, governance and controls to enable the business. |

### DECARBONIZE AND DIVERSIFY

SBM Offshore is part of the energy transition: this means advancing the decarbonization journey and diversifying to unlock new markets. SBM Offshore aims to achieve net zero by 2050, with intermediary targets to reach carbon neutrality in direct and indirect emissions, and significantly reduce the carbon intensity of downstream leased assets.

At the same time, SBM Offshore explores new ocean infrastructure solutions and develops strategic partnerships to expand into attractive growth sectors.

### GROW ECONOMIC VALUE

SBM Offshore focuses on maximizing value from its existing backlog, while expanding it through both traditional and new business opportunities and ensuring responsible development and sustainable growth. By accurately estimating costs and maintaining robust gross margins, SBM Offshore balances risk and profitability through the business lifecycle, all while fostering a culture of financial discipline, cash focus and cost awareness. Through these efforts, SBM Offshore consistently delivers competitive, attractive returns for its shareholders.

## 1.3.4 VALUE CREATION

Sharing experience for a better blue tomorrow is the basis for long-term stakeholder value. Value is defined by the associated benefits for SBM Offshore's stakeholders and ESG contributions. Sustained value capture is enabled by SBM Offshore's organization model and business model, and supported by six business material topics and six ESG material topics.

### ORGANIZATION MODEL

SBM Offshore's organization model represents the internal mechanisms through which SBM Offshore creates value. Business activities are organized to maximize financial and societal value, benefiting SBM Offshore's stakeholders.

#### Ocean Infrastructure

A cash-generating platform that delivers the contractual backlog, comprising SBM Offshore's operating fleet and turnkey projects. Ocean Infrastructure SBMers:

- Have unique capabilities that they are proud to say have transformed the offshore energy sector;
- Drive excellence by providing competitive, high-quality and high-performing products and services;
- Grow economic value by being technically and commercially responsible.

#### Win and Grow

An opportunity-generating platform, dedicated to maintaining a competitive influx of new prospects and businesses, developing innovative execution models and further enabling the energy transition. Win and Grow SBMers:

- Provide their unique capabilities that can unlock new markets for SBM Offshore;
- Progress decarbonization and aim to achieve net-zero by 2050;
- Diversify by exploring new partnerships and ocean infrastructure solutions.

#### Global Resources and Services (GR&S)

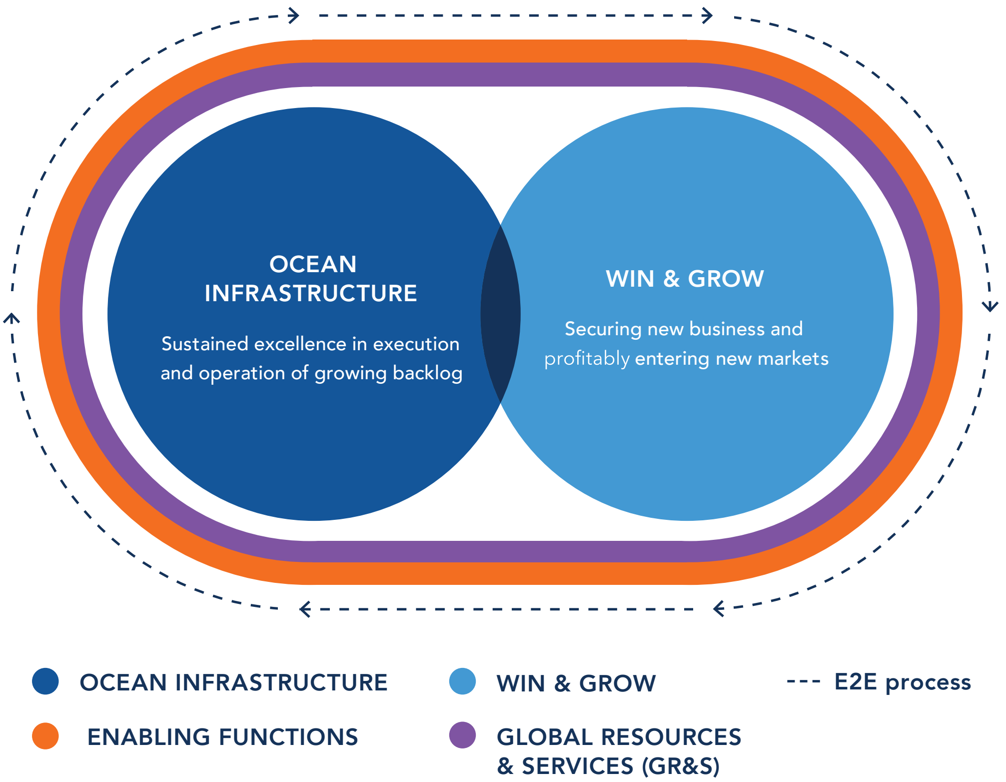
GR&S power value creation through top-tier resources, services and processes, working transversely across multiple projects and over the full product lifecycle. GR&S SBMers:

- Offer the greatest collective of experts spanning the entire product lifecycle;
- Drive excellence by ensuring competitive and high-quality services on time and on budget;
- Ensure clients are offered solutions and services that create value.

# 1 BUSINESS ENVIRONMENT

**Enabling Functions**
The Enabling Functions ensure business delivery through the provision of expertise, solutions, infrastructure and systems. Enabling Functions SBMers:
- Are the engine behind all major groups of people and services;
- Drive excellence by leveraging the expertise of a diverse workforce and digital technologies;
- Unite and finely tune SBM Offshore's expertise and services to ensure seamlessly excellent end-to-end service.

ORGANIZATION MODEL




## BUSINESS MODEL
SBM Offshore delivers value along the full lifecycle of clients' ocean infrastructure projects, from technology and business development, to execution, operations and recycling.

**Product development**
SBM Offshore engages in innovation, research and development (R&D) and product development activities with the objective of:
- Developing new technologies and products to capture opportunities in the blue economy;
- Lowering the carbon footprint of SBM Offshore's products and fleet operations;
- Improving SBM Offshore's competitiveness by identifying, developing and offering new technologies and products.

**Business development**
SBM Offshore prioritizes early engagement with clients. Its business development activities focus on driving sustainable business growth and ensuring a profitable backlog for current and new products and services.
SBM Offshore ensures optimum results for clients by offering various financing models:
- Under a lease and operate contract, the facility is sold to asset-specific companies to charter the asset for the client throughout its lifecycle. The project debt-financing is arranged at the asset-specific company level and SBM Offshore's Revolving Credit Facility is generally used to cover working capital requirements during construction.
- Under a build-operate-transfer (BOT) model, SBM Offshore builds and commissions the unit and leases and operates it for a defined period (the start-up phase) before sale to the client.
- Under a sale and operate contract, the transfer of ownership to the client occurs at the end of the construction period.
- Under a direct sale, the construction is financed by the client, and a margin is generated from the turnkey sale.

### Project execution

After SBM Offshore is awarded a contract, the project execution phase begins during which SBM Offshore executes Engineering, Procurement, Construction and Installation (EPCI). SBM Offshore delivers conceptual studies, basic design and detailed design through in-house engineering resources. Procurement of equipment and services represents a substantial part of the total cost of constructing a floating production system. SBM Offshore has an integrated supply chain, in line with its Fast4Ward® principles, partnering with suppliers to execute projects.

While maintaining responsibility for delivery and project management, SBM Offshore outsources most construction activities and has agreements in place with yards that allow delivery of floating production systems through different execution models and local content requirements. The installation of floating facilities is carried out using specialized installation vessels and requires specific engineering expertise and project management skills.

SBM Offshore also provides services ranging from inspection and maintenance of terminals to digital asset management services.

### Service delivery

SBM Offshore provides asset operation and maintenance services for its clients. Since uptime performance of the facility directly impacts the amount of energy produced, SBM Offshore commits to operational excellence, delivering value to clients. For FPSOs, these services can be based on fixed-lump-sum or reimbursable contracts.

### Recycling

At the end of their lifecycle, facilities are decommissioned and recycled. For FPSOs, SBM Offshore manages the asset decommissioning, such as disconnection from subsea production and mooring, and works with recycling facilities that have suitable infrastructure, an adequate management system and trained staff, to ensure that internationally-recognized regulations are followed.

## VALUE CREATION MODEL

### KEY INPUT

NATURAL
Iron, energy, water

HUMAN
SBMers

SOCIAL
Partners, suppliers, clients, local communities

INTELLECTUAL
Knowledge experience & expertise, patent families, end-to-end processes, standards, systems

FINANCIAL
Directional pro-forma backlog

### BUSINESS MODEL

Research & development
Innovation management
Product / Service Readiness
Co-developments

PRODUCT DEVELOPMENT → New products & services

Business Development
Business Acquisition
Strategic Partnering
Financing

BUSINESS DEVELOPMENT → New partnerships & contracts

Engineering & Design
Procurement
Construction & commissioning
Operation Readiness

PROJECT EXECUTION → Ocean infrastructure projects

Installation
Asset Management
Decommissioning

SERVICE DELIVERY → Safe sustainable & reliable operations

### BUSINESS OUPUT

ENERGY TRANSITION
R&D expenditure on decarbonization

INNOVATION
New market-ready innovative products & services

MARKET POSITIONING
FEED and project contracts awards

OPERATIONAL EXCELLENCE & QUALITY
Safe high quality products & services

ECONOMIC IMPACT
Directional Group EBITDA
Net cash backlog

### ESG IMPACT

EMISSIONS
Scope 1, 2, 3 emissions

OUR PEOPLE
Employee
Net promoter score

HEALTH, SAFETY & SECURITY
TRIFR & FPI
Welfare & wellbeing

HUMAN RIGHTS
Social impact assessment
Local communities
Social & economic benefit

DECOMMISSIONING
Decommissioning plan developed

ETHICS & COMPLIANCE
Business compliance
no corruption cases

## 1.4 IMPACTS, RISKS AND OPPORTUNITIES

SBM Offshore seeks business opportunities, whilst managing risks and adverse impacts. Section 1.4.1 describes the risk appetite and section 1.4.2 provides the details on business activities and associated opportunities. The climate change impact, risk and opportunity is located in section 3.4.1 .

### 1.4.1 RISK APPETITE

The Risk Appetite Statement 2024 sets the guidance and boundaries for the activities conducted by SBM Offshore in pursuit of its strategic objectives, aligned with both Business Topics and ESG Material Topics. It provides guidelines in terms of the amount of risk that SBM Offshore is willing to accept in protection or pursuit of value. In line with the Dutch Corporate Governance Code, the Management Board reviews the Risk Appetite Statement annually to ensure that SBM Offshore maintains the balance between risk and opportunity while creating value for its stakeholders. Each Risk Appetite Statement has underlying metrics which are measured on a quarterly basis and results are presented to the Audit Committee.

The significant parts of SBM Offshore's Risk Appetite Statement, and their mapping are displayed below.

| Business and ESG Topics | Guidance | Activities guided by Risk Appetite, i.e. activities ... |
|---|---|---|
| Energy Transition | Limited appetite | exposing SBM Offshore to unproven commercial models |
| Operational Excellence and Quality | No appetite | extending the life of a unit beyond its design life if it does not align with SBM Offshore's Life Cycle gates, sustainability and strategic ambitions with regard to customers and JV partners |
| | Limited appetite | with suppliers that do not align with SBM Offshore's strategic commercial and execution performance and standards |
| | No appetite | compromising barriers to Major Accident Events |
| Economic Impact | No appetite | resulting in balance sheet or liquidity risk as a result of commercial opportunities for which the bankability cannot be reasonably confirmed |
| | Limited appetite | severely impacting profitability of SBM Offshore |
| Digitalization | No appetite | exposing SBM Offshore to cybersecurity risks |
| Innovation | Limited appetite | exposing SBM Offshore to damage due to application of unproven technologies |
| Ethics and Compliance | Zero tolerance | activities that are non-compliant with the Code of Conduct and related laws and regulations |
| | No appetite | in sanctioned jurisdictions and/or with sanctioned persons/entities or companies whose decision-makers do not share the same compliance principles |
| Health, Safety, Security | No appetite | causing harm to people, damage to assets or the environment |
| Human Rights | No appetite | activities that are non-compliant with SBM Offshore's human rights standards |
| Our people | No appetite | activities contrary to HR policy and/or impacting the health of SBM Offshore's employees |
| Emissions | No appetite | deviating from SBM Offshore's 2030 intensity targets on its path to achieve net zero by 2050 |
| Decommissioning | No appetite | deviating from SBM Offshore's Responsible Recycling Policy |

| Explanation of Guidance | | |
|---|---|---|
| Activities for which there is zero tolerance | Activities with risks for which SBM Offshore has no appetite | Activities with risks with a limited appetite |
| Refusal to purposely conduct any activity breaching this risk appetite | Risks within activities to be avoided with appropriate actions | Risks within activities to be mitigated and monitored |

## 1.4.2 SIGNIFICANT IMPACTS, RISKS AND OPPORTUNITIES TO THE BUSINESS

As SBM Offshore delivers on its opportunities and manages its risk appetite, it faces business risks with potential financial consequences, described in the table below. These risks are linked with SBM Offshore's Business Topics and ESG Material Topics, as per its risk breakdown structure and the risk appetite mentioned above. The outcomes of risk management processes and tooling are used in the double materiality assessment explained in section 3.3.

For further details on the approach to impacts, risks and opportunities, please refer to sections 2.5 and 2.5.1.

Key opportunities for the business are related to the energy transition and flow from the reduction of emissions, the growth of alternative energies, innovation and decommissioning of aging assets. These opportunities are incorporated in SBM Offshore's strategy and explained under sections 1.5.1.2 and 1.5.2. The financial performance resulting from this strategy is detailed in chapter 4.

The key processes to manage impacts, risks and opportunities are:

- Risk Management and Internal Control System (see section 2.5)
- HSSE risk management.
- Human Rights Due Diligence, as part of supplier and yard qualifications.
- Environmental and Social Due Diligence, as part of project financing.
- Alignment with clients' Environmental Impact Assessments.
- Client Relationship and Opportunity Management Process.

### SIGNIFICANT RISKS TO THE BUSINESS

Assessed and mapped based on risk management processes and reports

**RISK OVERVIEW 2024**

| STRATEGIC | |
|---|---|
| Climate change | ↑ |
| Geopolitical events | ↑ |
| Technological developments | = |
| Portfolio | = |
| Competitiveness | = |
| Third parties | = |
| **OPERATIONAL** | |
| Process safety events | = |
| Project execution | = |
| Transformation | = |
| Cybersecurity and data protection | ↑ |
| Human capital | = |
| Supply Chain constraints | ↑ |
| Decommissioning | = |

| FINANCIAL | |
|---|---|
| Funding | = |
| **COMPLIANCE RISKS** | |
| Changes in laws and regulations | ↑ |
| Governance, transparency and integrity | = |

**RISK EXPOSURE ***

↑ RISK IS INCREASING

↓ RISK IS DIMINISHING

= RISK IS STABLE

** Management assessment of how the inherent risk exposure (i.e. excluding SBM Offshore's mitigating measures) is expected to develop in the coming 3 years.*

# 1 BUSINESS ENVIRONMENT

| RISK | DEFINITION | POTENTIAL IMPACT | MANAGEMENT OF IMPACT |
|---|---|---|---|
| **Strategic Risks** | | | |
| Climate change | Impact of an accelerated energy transition driven by climate change. | Miss opportunities if not succeeding (i) to market competitive technologies and/or (ii) enhance the energy efficiency of existing offerings. | SBM Offshore strive for playing a key role in the energy transition by developing competitive technology aiming to reduce emissions. This strategic ambition is supported by new technology development such as emissionZERO® program, carbon capture for FPSOs and floating offshore wind projects. SBM Offshore leverages R&D development, partnerships, and the EU Taxonomy framework to actively participate and propose long term solutions to the energy transition. See sections 1.5.2 and 3.4.2. |
| Geopolitical events | Direct or indirect impact of geopolitical events on activities of SBM Offshore globally. | Events impacting the successful completion of SBM Offshore's projects and/or impact the safe, affordable and sustainable operations of SBM Offshore's fleet. | SBM Offshore actively monitors worldwide situations and acts to avoid or reduce potential negative consequences. This includes pursuing diversification strategies, monitoring sanctions and incorporating suitable contract clauses for risk mitigation. |
| Technological developments | Deployment of immature new technologies or implementing proven technologies incorrectly. | Impact on safety, quality and/or schedule, business reputation or financial results. | SBM Offshore employs Technology Readiness Level (TRL) assessments of new technologies, which are verified at several stages during the development phase before being adopted on projects. A technical assurance function ensures compliance with internal and external technical standards, regulations and guidelines. See section 1.5.2. |
| Portfolio | Concentration of fossil-fuel related business activities in Brazil and Guyana. | Impact from changes in local legislative and business environment, affecting business results. | SBM Offshore continues to achieve a more balanced portfolio by developing low emission products and diversifying into new markets, with different products, such as alternative energies. SBM Offshore conducts risk assessments before any new country entry and actively engages with its clients to monitor and mitigate the respective country-related regulatory, commercial and technical risks. See section 1.5.2. |
| Competitiveness | SBM Offshore Business Units are in – or could be facing – harsh market conditions. | Impact to deliver projects in an affordable manner, leading to deterioration of financial results. | To drive better performance, delivered faster, SBM Offshore has taken various initiatives in relation to digitalization and standardization, which are the basis for SBM Offshore's Fast4Ward® approach. See section 1.5.2. |
| Third parties | Activities of financial, strategic and/or operational partners impact SBM Offshore's ability to build new business and execute projects. | Impact on safety, environment, people, quality and/or schedule, business reputation or financial results. | Through robust processes, executed by subject-matter experts within the relevant functions, SBM Offshore aims to select appropriate parties to work with. Examples of functions involved are Supply Chain, Construction, Compliance and Human Rights. See sections 2.5.2 and 3.5.3. |
| **Operational Risks** | | | |
| Process safety events | Potential acute or chronic exposure to hazards during SBM Offshore's product life cycle. | Impact on people, the environment or assets. This can have further impact on other risks (such as human capital and funding). | SBM Offshore aims to reduce major accident hazard exposure through the application of a Process Safety Management (PSM) framework to manage the risk under the pillars of People, Process and Plant. These are underpinned by a culture built on SBM Offshore's values of Care and Ownership, and supported by assurance and continuous improvement practices through the product lifecycle. See section 3.5.2. |

| RISK | DEFINITION | POTENTIAL IMPACT | MANAGEMENT OF IMPACT |
|---|---|---|---|
| Project execution | Inherent project risks exist, owing to a combination of potential effects of geo-political, regulatory, technical and third-party risks. | Impact on people, the environment, reputation, cost and schedule. | Proper business-case analysis, suitable project management capabilities and capacities, combined with SBM Offshore's ways of working, processes and procedures, mitigate project execution risk. Additional risk-mitigating measures are in place related to the knowledge and understanding of the countries in which project execution and delivery take place. See section 1.5. |
| Transformation | Benefits of SBM Offshore's Fast4Ward®, Float4Wind®, emissionZERO® and Digitalization programs are not realized. | Impact on SBM Offshore's competitiveness. | Change management is a key success factor of the main programs. Change management ambassadors have been appointed and are working closely with the business in the journey towards the new ways of working. |
| Cybersecurity and data protection | Intrusion into SBM Offshore's data systems affecting onshore and offshore activities as well as secondary risks such as theft of cash and/or confidential info. | Business interruption, loss of data and financial impact, such as recovery costs and/or fines. | The evolving nature of cybersecurity threats requires ongoing attention. There is continuous improvement to reduce risks through investment in hardware, software, monitoring and awareness training. The ability of the IT architecture and controls to withstand cyber-attacks and follow recognized standards is subject to 24/7 monitoring, independent testing and audits. |
| Human capital | Inability to attract and retain the correct capacity and capabilities of human resources to support projects, as well as to maintain the fleet. | Impact on SBM Offshore's operations and quality of execution of projects. | SBM Offshore remains focused on the health and wellbeing of employees. To maintain capacity and capabilities, SBM Offshore has streamlined its operating model and engages in partnerships. A talent development program is in place to engage and retain key personnel, thereby ensuring a sustainable future. See section 3.5.1. |
| Supply Chain constraints | Fluctuating energy prices and market constraints can put increased pressure on SBM Offshore's supply chain. | Increased prices and a shortage of critical equipment from SBM Offshore's suppliers and vendors, along with an inability to manage these costs and schedules. | To mitigate supply chain risks, SBM Offshore is taking measures to address those risks through leveraging Frame Agreements with key suppliers, anticipation of MPF and critical equipment ordering, and proactive supplier engagement across the whole supply value chain. SBM Offshore is also working across functions to build a strong foundation through an efficient organizational structure, innovative ways of working and strong technical and technological platforms. See section 1.5 |
| Decommissioning | Impacts arising from complex dismantling operations of ageing assets. | Decommissioning aging offshore oil and gas structures has complex impacts. Underestimating dismantling costs can lead to financial liabilities and overruns. Environmentally, improper disposal of materials can cause significant damage. Compliance with laws and regulations and addressing safety risks are crucial, while engaging stakeholders is vital to manage differing perspectives and social impacts. | SBM Offshore has gained significant experience in decommissioning assets after their useful life and it will continue to mature processes and competencies, including knowledge of applicable laws and regulations and selection of suitable partners for dismantling operations. |

| RISK | DEFINITION | POTENTIAL IMPACT | MANAGEMENT OF IMPACT |
|---|---|---|---|
| **Financial Risks** | | | |
| Funding | Increasing constraints from financial institutions being exposed to fossil fuel-related projects. | Impact on SBM Offshore's growth and ability to take on new Lease and Operate projects.<br><br>Impact to SBM Offshore's ability to finance its ongoing activities. | SBM Offshore actively monitors its short and long-term liquidity position, including the Revolving Credit Facility RCF and cash in hand. SBM Offshore aims to have sufficient headroom within the financial ratios agreed with RCF lenders. Adequate access to funding is secured through using existing liquidity, entering into bridge loans and long-term project financing, and by selling equity to third parties. Debt funding is sourced from international banks, capital markets and Export Credit Agencies. Opportunities are monitored to recycle capital through refinancing in the bond markets and executed if favorable. New long-term financing tools are under development. |
| **Compliance Risks** | | | |
| Changes in laws and regulations | Adverse changes in tax and regulatory frameworks, for example the implementation of the Global Anti-Base Erosion Proposal (GloBE) – Pillar Two, or laws that require certain levels of local content. | Fines, sanctions or penalties. | SBM Offshore takes great care to carry out its activities in compliance with laws and regulations, including international protocols and conventions. SBM Offshore values public perception and good relationships with authorities and is committed to acting as a good corporate citizen. The close monitoring of laws and regulations is carried out continuously and substantive changes are escalated. Contractual protection mechanisms are sought where appropriate<br>The final assessment on Pillar Two legislation will be known only when final legislation, including all administrative guidance, is enacted in the domestic law of the relevant jurisdictions.<br>The OECD has finalized its additional guidance but further discussions and consultations are taking place and will continue in 2025, which means that SBM Offshore has to continue with the efforts to assess and understand requirements accordingly. The financial risk of change in laws and regulations is mitigated as much as possible in contracts. Refer to section 2.6. |
| Governance, transparency and integrity | Fraud, bribery or corruption harming SBM Offshore's reputation and business results. | Financial penalties, reputational damage and other negative consequences. | SBM Offshore's Compliance Program provides policy, training, guidance and risk-based oversight and control of compliance, to ensure ethical decision-making. The use of digital tools supports the continuous development of SBM Offshore's Compliance Program. SBM Offshore's Core Values, Code of Conduct and Anti-Bribery and Corruption Policy provide guidance to employees and business partners on responsible business conduct in line with SBM Offshore's principles, which are further reinforced by contractual obligations where applicable. See section 2.5.2 and 3.6.1. |

## 1.5 BUSINESS PERFORMANCE

### ECONOMIC IMPACT

The main financial highlights of the year and their associated financial impact are reported in section 4.1.4 Financial Review Directional.

### OPERATIONAL EXCELLENCE AND QUALITY

SBM Offshore recognizes that in order to be a high-performance company, it must strive for excellence. Operational Excellence and Quality includes themes such as 'Operational Governance' section 2.7 and 'Target Excellence' focusing on 'No Harm, No Defects, No Leaks'. This creates an environment to share experiences by leveraging collective knowledge, improving organizational learning and fostering collaboration.

SBM Offshore remains committed to full compliance with all applicable laws and regulations, delivering products and services meeting regulatory requirements and applicable specifications and requirements imposed by relevant stakeholders by:

- Promoting a quality and compliance culture.
- Maintaining SBM Offshore's certification to the ISO 9001:2015 Standard.
- Providing systematic identification of applicable regulatory requirements and ensuring their implementation.
- Achievement and maintenance of conformity, compliance and acceptance of SBM Offshore's products and services.
- Supporting continuous improvement of business processes and ways of working.

A key aim of the Operational Excellence function is to create a culture of continuous improvement. The function works in close collaboration with the Turnkey, Operations and Global Resources and Services organizations – for instance on the analysis of past performance and definition of lessons learned. These feed improvement of business processes and tools within the organization.

Through the above, SBM Offshore mitigates risks related to project execution, process safety, human capital, changes in laws and regulations and operational risks such as loss of integrity of aging assets, loss of certificate of class and disruption to the supply chain.

During 2024, all SBM Offshore's offshore facilities were accepted by all relevant authorities and regulators, with all related permits, licenses, authorizations, notifications and certificates duly granted and maintained – with the exception of the temporary suspension of two facilities by local regulators which were subsequently lifted. Offshore facilities have also remained in Class at all times, as required from both statutory and insurance perspectives. SBM Offshore incurred no operational fine that exceeded the threshold for the category of fines considered 'significant' (see section 3.9).

Furthermore, SBM Offshore actively promoted 'Target Excellence' through – amongst others – work front engagements, stand downs at yards, vessels and offices. SBM Offshore is proud of:

- Maintenance of SBM Offshore's ISO 9001:2015 certification.
- Effective use of independent third parties for inspection, verification and assurance services related to execution and operations activities.
- Implementation of the 'Quality Journey' program.
- Organization of a global 'World Quality Week'.
- The extension of the learning from experience process to quality incidents.
- The further improvement of the Learning from Performance process within Projects, and Fleet Operations.
- Implementation of applicable lessons learned in the tendering and the set-up for future FPSO projects.
- Further digitalization of project and function performance dashboards.

## 1.5.1 OCEAN INFRASTRUCTURE

### 1.5.1.1 PROJECTS

SBM Offshore continues to focus on the development of its portfolio of ocean infrastructure solutions to deliver high performance and 'best in industry' products and services aligned with customer needs, building on SBM Offshore's technology expertise and track record. The success of projects is determined by performance against a budgeted schedule, cost and quality within the HSSE and Target Excellence objectives. KPIs are set accordingly and managed through SBM Offshore's Project Directorate and Project Dashboards.

The management approach remains based on (i) early engagement with customers; (ii) standardization in product design and execution to improve competitiveness, quality and time-to-market and to reduce emissions; and (iii) an increasing focus on the energy transition, using SBM Offshore's core competencies to develop affordable, low-carbon solutions in the FPSO market, as well as in the alternative energy and other blue economy markets.

### 2024 PERFORMANCE

Our project portfolio progressed as per plan. All the project teams maintained their focus on project delivery and safe operations, while working together, across time zones, with customers, yards and suppliers, to deliver the project portfolio on time and on budget, whilst ensuring the health and safety of everyone involved and the environment. SBM Offshore is grateful to all the project stakeholders for making this happen.

### FPSO and FSO

- *FPSO Almirante Tamandaré* – The FPSO was completed, commissioned successfully and then sailed-away from China in August 2024, with the FPSO installation and first oil from the field achieved on February 15, 2025.
- *FPSO Alexandre de Gusmão* – The FPSO was completed, commissioned successfully and sailed away from China in December 2024. The voyage and installation are planned for early 2025 with first oil expected in the second quarter of 2025.
- FPSO *ONE GUYANA* – The FPSO is under completion and commissioning. First oil is expected in the third quarter of 2025.
- *FPSO Jaguar* – Detailed engineering and supply chain activities are progressing as per plan. The FPSO sail-away is planned for early 2027, with first oil expected by the end of that year.
- *GranMorgu FPSO* – The detailed engineering and supply chain activities are progressing as per plan. The MPF C will be delivered in the first quarter of 2025 for dry dock and outfitting of riser balconies and mooring porches.
- FSO Trion – Execution activities have started for the FSO hull and the disconnectable Turret Mooring System. Detailed engineering and procurement activities are progressing as per plan.

### Fast4Ward® MPF hull

- In 2024, one Fast4Ward® MPF hull was delivered: MPF 5 in SWS for *FPSO Jaguar*.
- Two MPF hulls are under fabrication: MPF C for *GranMorgu FPSO* project and MPF D in CMHI for a future potential FPSO project.

### Turret Mooring

Engineering and procurement activities have started, concentrated in Europe and China, for the above mentioned FSO Trion disconnectable Turret Mooring System (TMS), which will operate in Mexico.

Additionally, SBM Offshore has been supporting the commissioning of the TMS developed and delivered for the Johan Castberg FPSO, in preparation for its sail-away. After the FPSO reached its final destination in the Barents Sea, SBM Offshore supported the installation campaign, mooring hook-up and risers pull-in.

Further to the awards of the FSO Trion bare-boat charter, which will operate in Mexico, SBM Offshore has started the execution activities of the hull and the disconnectable TMS, where most of the activities are concentrated in Europe and China. Detailed engineering and procurement activities are currently progressing as per plan.

### Terminals

Imodco has been working on projects in Qatar and Nigeria (a total of five CALM terminals) where Fast4Ward® principles are being used to deliver a better time frame for the end client. As a first mover on the concept of ammonia terminals, Imodco tested the technology this year with classification society and validated it at TRL4, ready to be offered to the market.

Imodco has also provided worldwide support for SBM Offshore's own fleet and clients' units, ranging from studies to executing life-extension scopes, performing critical interventions offshore and supplying full EPC services for capital spares. Further, Imodco is developing and implementing new sealing technologies and repair methodologies as well as early engineering for field electrification services.

### Installation

In 2024, SBM Offshore successfully concluded the pre-installation of the mooring system for FPSO *ONE GUYANA* in Guyana, using its dedicated installation vessel the Normand Installer, and also supported the offshore installation of the mooring lines and hook-up for *FPSO Almirante Tamandaré* in Brazil.

In addition to supporting SBM Offshore's own FPSO installation, SBM Offshore Installation services also supported the replacement of the top chains of Bonga FPSO mooring lines in Nigeria, and various other offshore operations for its fleet, such as riser pull-in on *FPSO Sepetiba* and the Gas-to-Energy project in Guyana.

SBM Offshore also secured the full transport and installation contract for deepwater mooring installation for the Raia Project in Brazil.

### Floating Offshore Wind

The three floating offshore wind turbines that were installed by SBM Offshore at the end 2023 for the Provence Grand Large project, jointly owned by EDF Renewables and Maple Power, were fully commissioned and started production in 2024. This is the first floating offshore wind project installed in France and the first project worldwide using tension leg mooring technology. While this pilot project represents approximately 10% of the globally installed floating wind capacity in 2024, approximately 60GW is forecast to be installed by 2040. All activities related to this nascent floating offshore wind market will be carried out in the future exclusively by Ekwil, a 50/50 joint venture created by SBM Offshore and Technip Energies in July 2024.

The joint venture brings together the industry-leading expertise and experience of two energy transition leaders to create Ekwil, a player solely in floating offshore wind. Its approach includes the development of two primary technology families: the Float4Wind® Tension Leg Platforms and the INO15 semi-submersible platforms.

Ekwil aims to set a new standard for reliable, cost-effective renewable energy solutions, making floating offshore wind energy a key resource in the quest for net zero emissions by 2040.

### FUTURE

SBM Offshore remain committed to its core operations while advancing towards a net zero future and a just transition. SBM Offshore will continue to advance the decarbonization of its core ocean infrastructure solutions and increase their standardization through its emissionZERO® and Fast4Ward® programs. At the same time, SBM Offshore applies its unique capabilities in ocean infrastructure to help enable the energy transition and deliver innovative solutions as a responsible partner within the blue economy for a sustainable future.

## 1.5.1.2 OPERATIONS

The SBM Offshore fleet encompasses 15 FPSOs and 1 semi-submersible unit, geographically distributed across the globe. To support the energy transition, the fleet aims to provide traditional hydrocarbon energy with the lowest possible carbon emissions during the production phase. The fleet adheres to, and applies, the management approach of the wider SBM Offshore organization. Key to this are policies, commitments and mechanisms described in sections 3.5.2 and 1.5. There is a sharp focus on continuous improvement. This is achieved by identifying learning opportunities and embedding the resultant lessons into SBM Offshore's corporate memory; the Group Enterprise Management System (GEMS) and Group Technical Standards (GTS).

An experienced workforce comprising more than 3,900 personnel ensures the safe, reliable and efficient operation of SBM Offshore's offshore assets, generating predictable and sustainable revenue and operating cash-flows for the business.

The SBM Offshore fleet had the following historic performance:

- Over 7.6 billion barrels of production cumulatively to date.
- 11,510 oil offloads cumulatively to date.
- 403.8 cumulative contract years of operational experience[1].

SBM Offshore employs a proactive, risk-based approach to asset management, leveraging digital reliability and integrity solutions to automate surveillance, enabling a more optimized deployment of resources and increased efficiency and availability of safety, production and marine systems. To ensure that SBM Offshore's activities have a positive and sustainable impact on the local communities in which SBM Offshore is present, the fleet has several programs, aligned with the ESG Material Topics, focused on well-being and personnel development, emissions reduction and protecting the environment.

### 2024 PERFORMANCE

#### HSSE and Process Safety Performance

Despite a high volume of activity in 2024, similar to 2023, due to numerous integrity campaigns across the fleet, the incident rates have decreased this year. The majority of incidents were relatively minor in nature and the number of events with potential for significant injury has reduced, as a result of an ongoing focus on leading activities targeting areas of most risk.

Initiatives and developments to enhance operational safety, process safety, quality and efficiency were progressed throughout the year:

- Ongoing deployment of the health and well-being program.
- Maintained focus on process safety management, barrier management and enhanced marine safety, including piloting a live bow-tie barrier model.
- Deployment of an enhanced Operational Assurance Program.
- Deployment of a revised online Competence Assurance System.

#### Development of Operations

**Brazil**

- *FPSO Almirante Tamandaré* achieved first oil on February 15, 2025.
- *FPSO Sepetiba* reached its full nameplate production in Q3 2024, with 180,000 barrels of oil per day.
- The decommissioning of *FPSO Capixaba* continued, the unit safely arrived in Frederikshaven, Denmark on May 5, 2024, with handover to the M.A.R.S. ship recycling facility accomplished upon arrival.

**Guyana**

- *Prosperity* is in its first full year of operations, with production at full nameplate capacity achieved in Q1 2024, and debottlenecking allowed for optimized production levels in Q2 2024, less than nine months after start-up.

[1] The cumulative contract years of operational experience is calculated based on the number of days in operations from first oil for each unit until the last day that SBM Offshore has operated and continue to operate, divided by 365.

# 1 BUSINESS ENVIRONMENT

- All three FPSOs, *Liza Destiny*, *Liza Unity* and *Prosperity,* safely achieved optimized production levels, following thorough and controlled change management whilst maintaining exceptional uptime performance.
- The 4Ward Transformation program, launched in 2023, was continued and closed at the end of 2024, after having put in place a groundbreaking integrated operation model, which is now established and in sustainment mode for the years to come. This integrated approach enables long-term strategic alignment between ExxonMobil Guyana and SBM Offshore for an optimum asset management over the full field lifecycle.

**Rest of the world**

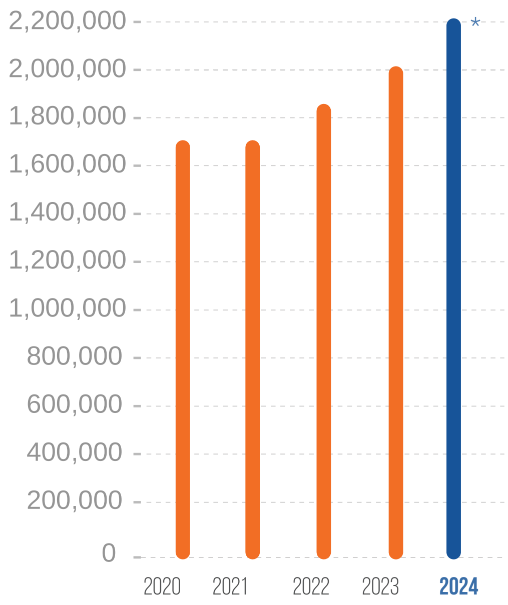
- In Angola, SBM Offshore finalized the acquisition of Sonangol EP's equity shares in the lease and operating entities related to *N'Goma FPSO*, *FPSO Saxi Batuque* and *FPSO Mondo*.
- The *FPSO Serpentina*, which has operated in Equatorial Guinea since 2003 under Gepsing, a joint venture between SBM Offshore (60%) and national oil company GEPetrol (40%), for the vessel owner Mobil Equatorial Guinea Inc. (MEGI), has just officially departed from the SBM Offshore fleet, and begun a new phase of its operational life.
- SBM Offshore and ExxonMobil Guyana Ltd. completed, in November 2024, the transaction related to the purchase of the FPSO *Prosperity*. ExxonMobil Guyana assumed the ownership of the unit while SBM Offshore has a contract in place to continue to operate and maintain the FPSO up to 2033.
- SBM Offshore and ExxonMobil Guyana Ltd completed, in December 2024, the transaction related to the purchase of the FPSO *Liza Destiny*. ExxonMobil Guyana Ltd. assumed the ownership of the unit while SBM Offshore has a contract in place to continue to operate and maintain the FPSO up to 2033.
- SBM Offshore signed two Share Purchase Agreements with its partner MISC Berhad for:
  - The total acquisition of MISC Berhad's entire effective equity interest in the lease and operating entities related to the *FPSO Espirito Santo* in Brazil; and
  - The full divestment to MISC Berhad of SBM Offshore's effective equity interest in the lease and operating entities of the *FPSO Kikeh* in Malaysia.
- This transaction furthers SBM Offshore's efforts to maintain focus and excellence in its operating portfolio. The Share Purchase Agreements were completed on January 31, 2025.

**Brownfield Project Services**

The Brownfield Project Services (BPS) product line is now well-established and is providing services in support of SBM Offshore's and its clients' fleets. The main achievements for 2024 were:

- The debottlenecking of Guyanese FPSOs, safely brought all three units, *Liza Destiny*, *Liza Unity* and *Prosperity,* to oil production levels beyond their original investment basis.
- The ongoing tank repair and the capacity increase of Personnel on Board (POB) on *FPSO Cidade de Anchieta*.

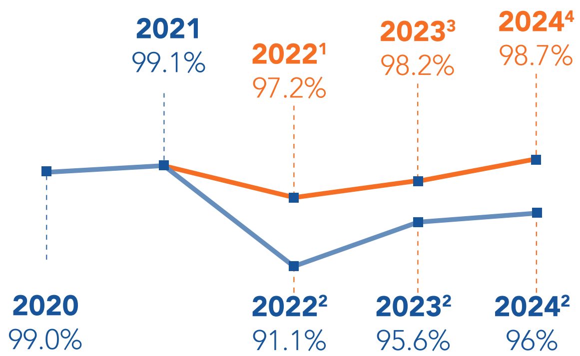
## FLEET OIL PRODUCTION CAPACITY (bopd)




The fleet capacity of oil production per day in 2024 was **2,229,000 barrels** of oil per day .

* includes *FPSO Serpentina*'s capacity – 110kbd that left the fleet in May 2024

## FLEET UPTIME DATA
FOR PERIOD 2020 – 2024




1. Fleet uptime without *FPSO Cidade de Anchieta*
2. Actual combined fleet uptime
3. Fleet uptime without *FPSO Mondo*
4. excluding the ANP interdiction days for CDP and CDA

**Asset management**

As offshore installations age, the original coating systems become less effective, leading to an increase in the integrity scope over time. Capacity to accommodate resources onboard is limited and maintaining the integrity of aging assets is a major challenge for the industry.

In 2024, SBM Offshore continued to prioritize major integrity inspection and repair scopes, and these efforts have led to a significant reduction in backlog and more control over fabric maintenance, Class and piping inspections. In addition, SBM Offshore has been successful in improving its inspection execution by using new technologies and having more accurate planning. A maintenance optimization project was completed for the Brazilian fleet and, in 2024, SBM Offshore began the same exercise for its growing fleet in Guyana, where, in 2024, a 10% reduction of maintenance work orders was achieved.

SBM Offshore's endeavors to improve the balance between offshore scope and capacity have evolved and consolidated into a new program named MIR: 'Maintain the long-term Integrity and Reliability of the fleet'. The driving principle behind it is to better define and manage all integrity and reliability scopes, ways of working and the design of assets to ensure long-term integrity and reliability. The program consists of selected initiatives that will improve the definition of scope in SBM Offshore's new ERP, increase capacity offshore, increase execution efficiency and to design and work smarter.

#### Responsible recycling

SBM Offshore is committed to the safe and environmentally sound recycling of assets at the end of their lifecycle, performed in full compliance with SBM Offshore's Responsible Recycling Policy, applying – amongst others – the principles of the EU Ship Recycling Regulation 1257/2013 or equivalent.

During 2024, there were two decommissioning projects; the decommissioning and preparing for recycling of *FPSO Capixaba* and the completion of recycling of the Deep Panuke MOPU PFC.

### FUTURE

New Fast4Ward® assets will join the fleets in Brazil and Guyana, leading to growth offshore and onshore:

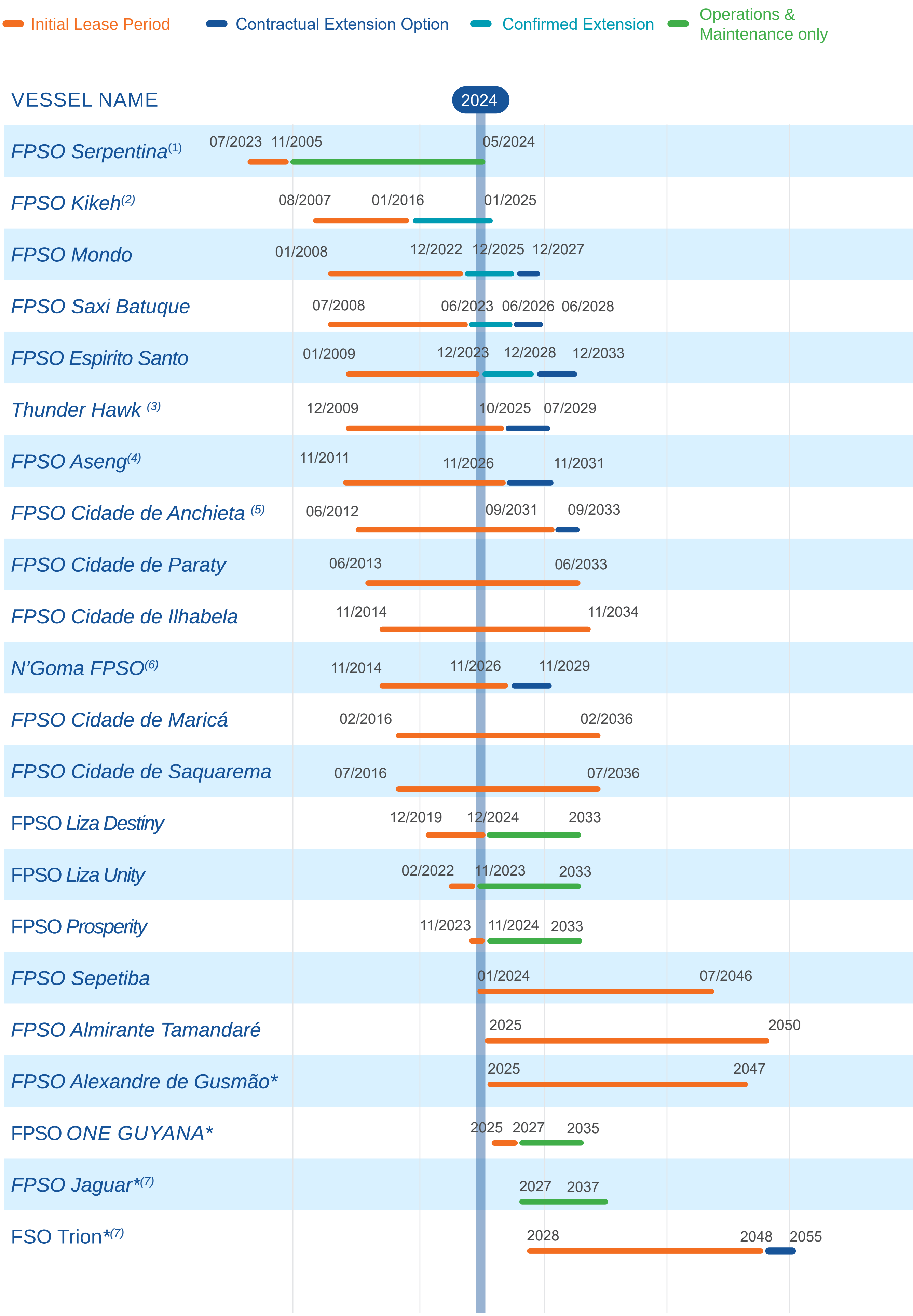
- In Guyana, *ONE GUYANA* will start in 2025. SBM Offshore continues to expand and embed its presence in-country, working with the local community on several social and environmental projects.
- In Brazil, *FPSO Almirante Tamandaré* achieved first oil on February 15, 2025 and *FPSO Alexandre de Gusmão* is expected to start in the second quarter of 2025, both units will be supported from the Rio de Janeiro office.

SBM Offshore will continue to develop digital solutions to enhance its surveillance and predictive capabilities. These digital solutions are being utilized to reduce the scope required to maintain the reliability of SBM Offshore's assets. This will enable more resources to be deployed on integrity inspection, fabric maintenance and repair scopes. In parallel, proactive actions are being taken to reduce corrosion on SBM Offshore's assets and consequently reduce the overall fabric maintenance and repair scopes.

SBM Offshore has set long-term targets for emissions reduction in downstream leased assets that will support SBM Offshore's contributions to climate change mitigation and path to net zero, as explained in sections 3.4 and 3.4.2. One of the commitments is to engage with clients and joint-venture partners to ensure the fleet is aligned with a path towards net zero.

# OPERATIONS FLEET

| VESSEL NAME | CLIENT | COUNTRY | 1ST OIL/GAS DATE |
|---|---|---|---|
| *FPSO Serpentina*[(1)] | MEGI | E.GUINEA | 2003 |
| *FPSO Kikeh*[(2)] | PTTEP | MALAYSIA | 2007 |
| *FPSO Mondo* | EXXONMOBIL | ANGOLA | 2008 |
| *FPSO Saxi Batuque* | EXXONMOBIL | ANGOLA | 2008 |
| *FPSO Espirito Santo* | SHELL | BRAZIL | 2009 |
| *Thunder Hawk* [(3)] | QUARTERNORTH/DAA | USA | 2009 |
| *FPSO Aseng*[(4)] | NOBLE ENERGY | E.GUINEA | 2011 |
| *FPSO Cidade de Anchieta* [(5)] | PETROBRAS | BRAZIL | 2012 |
| *FPSO Cidade de Paraty* | PETROBRAS | BRAZIL | 2013 |
| *FPSO Cidade de Ilhabela* | PETROBRAS | BRAZIL | 2014 |
| *N'Goma FPSO*[(6)] | ENI | ANGOLA | 2014 |
| *FPSO Cidade de Maricá* | PETROBRAS | BRAZIL | 2016 |
| *FPSO Cidade de Saquarema* | PETROBRAS | BRAZIL | 2016 |
| FPSO *Liza Destiny* | EXXONMOBIL | GUYANA | 2019 |
| FPSO *Liza Unity* | EXXONMOBIL | GUYANA | 2022 |
| FPSO *Prosperity* | EXXONMOBIL | GUYANA | 2023 |
| *FPSO Sepetiba* | PETROBRAS | BRAZIL | 2024 |
| *FPSO Almirante Tamandaré* | PETROBRAS | BRAZIL | 2025 |
| *FPSO Alexandre de Gusmão** | PETROBRAS | BRAZIL | 2025 |
| FPSO *ONE GUYANA** | EXXONMOBIL | GUYANA | 2025 |
| *FPSO Jaguar**[(7)] | EXXONMOBIL | GUYANA | 2027 |
| FSO Trion*[(7)] | WOODSIDE | MEXICO | 2028 |




1 SBM Offshore 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%).

2 The full divestment to MISC Berhad of SBM Offshore's effective equity interest in the lease and operating entities of the *FPSO Kikeh* in Malaysia was agreed during 2024, with the transaction completed on 31st January 2025.

3 Lease only

4 Noble Energy EG Limited is now a wholly-owned indirect subsidiary of Chevron Corporation

5 Extension of the contract corresponding to the period of shutdown beyond the initial lease end date

6 ENI Angola SpA merged with BP to form a new incorporated Joint Venture in Angola ('Azule Energy')

7 Operating and Maintenance scope agreed in principle

* Under construction

## 1.5.2 WIN AND GROW

### MARKET POSITIONING

Market positioning is about having a global presence, adapting to market developments and engaging in emerging markets. New business development is seen as strong indicator of a successful management approach, with a key metric being the number of projects awarded. Through market positioning, SBM Offshore addresses the competitiveness risks mentioned in section 1.4.2.

The following achievements were made in 2024:

- EPCI contract award for ExxonMobil's Whiptail development offshore Guyana (*FPSO Jaguar*), with SBM Offshore expected to operate the FPSO for 10 years under the O&M Enabling Agreement signed in 2023 with ExxonMobil Guyana Ltd.
- EPCI and 20-year lease contract award for Woodside's Trion FSO offshore Mexico. The new build FSO will be equipped with a disconnectable Turret Mooring System designed by SBM Offshore.
- EPCI contract award for TotalEnergies' *GranMorgu FPSO* development offshore Suriname, in partnership with Technip Energies.
- Installation contract award by TechnipFMC for the mooring's pre-installation of the Raia FPSO for Equinor offshore Brazil. This is the deepest installation project ever executed by SBM Offshore, in water depths of 2,600 and 2,900 meters.

In 2025, SBM Offshore will continue to engage early with clients and vendors to further improve project development concepts, time-to-market and cost-efficiency.

### ENERGY TRANSITION

Product development for new products to support the energy transition is addressed through SBM Offshore's Technology and Product Development function, in collaboration with the business. An important step in this process is the development of concepts, prototypes and pilot projects, which can also be undertaken as co-development projects with partners and/or customers. SBM Offshore closely monitors its commercial pipeline.

With this management approach to energy transition, SBM Offshore is addressing the significant risks of oil price dependency, portfolio risks and climate change, described in section 1.4.2. SBM Offshore reports in line with the EU Taxonomy regulation and leverages the framework to set targets for, and report on, the energy transition. Disclosures are found in chapter 3.

In early 2020, SBM Offshore announced the emissionZERO® program targeting near zero emissions. The development of a near zero FPSO is the first milestone and a key pillar of the emissionZERO® road map. Proposing a near zero FPSO to the market requires a suite of systems at a high technology-readiness level, aiming for improved energy efficiency and emissions reduction.

Key elements that enable SBM Offshore's success in the energy transition area are:

- The emissionZERO® program.
- Product development for alternative energies.
- Technology development supporting these product developments.

SBM Offshore recorded the following achievements in 2024:

**Power**

- Creation of Ekwil, a 50/50 fully dedicated Floating Offshore Wind joint venture between SBM Offshore and Technip Energies.
- SBM Offshore has formed partnerships to pursue FOW development opportunities globally. The portfolio of projects under development by SBM Offshore includes in particular the 1,400MW North Channel Wind and 1,400MW Nova East Wind projects.
- The High-Voltage swivel[2] has been qualified to TRL3. This significant milestone highlights SBM Offshore's dedication to advancing innovative technologies that support the energy transition.
- SBM Offshore signed a partnership agreement with Ocean Power AS to further the development and the commercialization of offshore power generation units with $CO_2$ capture and storage, with the aim of decarbonizing the offshore power generation sector.
- In addition, SBM Offshore has concluded a minority equity investment in Ocean-Power AS, and has appointed one director who has joined the company board.

**emissionZERO®**

- SBM Offshore is advancing carbon capture solutions for FPSOs in partnership with Mitsubishi Heavy Industries Ltd. (MHI). Following a successful feasibility study in 2023, the primary focus is on integrating carbon capture modules in onboard systems on the FPSO. The carbon capture modules are key components of the near zero FPSO, set to launch in 2025. The technology can reduce $CO_2$ emissions by an estimated 70%, by capturing $CO_2$ from onboard gas turbines.
- The seawater intake riser program, which supplies cold water from deep in the ocean to the FPSO for cooling

[2] A swivel is a mechanical device integral to offshore turret mooring systems, enabling a floating production unit to rotate freely around its mooring point. This rotation allows the vessel to align with prevailing environmental forces like wind, waves, and currents, ensuring continuous and efficient production operations. The swivel facilitates the transfer of fluids, electricity, and control signals between the stationary subsea infrastructure and the rotating vessel, maintaining uninterrupted flow and operational integrity.

systems, reducing energy use, has achieved TRL3 qualification.
- SBM Offshore continues to work on projects that address emissions reduction along the lifecycle of its business, as part of its emissionZERO® portfolio.

**Carbon management**
- Imodco, SBM Offshore's Terminals business unit, received 'Approval in Principle' (AiP) from ABS Group for its jetty-less solutions for $CO_2$ Tower Loading Unit (TLU).

**Ammonia**
- The ammonia swivel achieved TRL4 qualification. Imodco received 'Approval in Principle' (AiP) from ABS Group for its jetty-less solutions for ammonia, including the Catenary Anchor Leg Mooring (CALM) Soft Yoke systems, and the CALM system.

The revenues, CAPEX and OPEX associated with these projects and initiatives add to EU-Taxonomy-eligible business, as reported in the following Innovation section. SBM Offshore's commitments should lead to higher revenues from eligible business in the future, with 2024 R&D investment already reflected in the EU Taxonomy-eligible OPEX KPI stated above. These activities support the mitigation of and/or adaptation to climate change impacts.

SBM Offshore will continue to build upon these achievements and is looking to develop low carbon solutions into commercial infrastructure solutions. SBM Offshore also aims to increase its role across the value chain, unlocking new opportunities and driving growth. To make further progress on the energy transition landscape, SBM Offshore will leverage on its more than 60 years of accumulated experience and capabilities, generating value from the Blue Economy to make progress in the emissionZERO® program and create value beyond FPSOs.

## INNOVATION

SBM Offshore aims to drive innovation by bringing valuable new solutions to the market, in line with its Blue Economy strategy. Every part of the organization is encouraged to contribute to innovations within their areas of expertise, from initial ideas to final implementation. All innovation initiatives are aligned with the long-term strategies and key programs such as emissionZERO® and Fast4Ward®.

SBM Offshore follows a structured stage-gate process to bring new technology to market, ensuring thorough validation before deployment. The Technology Readiness Level (TRL) process, rooted in American Petroleum Institute standards, includes prototype testing and a thorough FEED-level outline as part of the risk-based qualification requirements.

SBM Offshore manages its intellectual property (IP) by registering patents and trademarks, and protecting trade secrets and know-how. To maintain the integrity of its IP, SBM Offshore handles document classification and sets up non-disclosure agreements with partners to restrict access to sensitive technology. Thorough freedom-to-operate checks are performed to ensure third-party rights are respected. This strategic approach promotes innovation while reducing risks associated with new technology deployment (see section 1.4.2).

In 2024, SBM Offshore advanced its development efforts towards emerging technologies related to decarbonization and alternative energies. SBM Offshore allocated 30% of its Group Technology R&D budget to activities eligible under the EU Taxonomy, based on eligibility KPI definitions explained in section 3.8.1.2

SBM Offshore filed 45 new patent applications to strengthen its existing portfolio of 120 patent families: in particular in the areas of renewable technologies and FPSO components. Over the course of 2024, the TRL of 29 technology development projects has been increased**,** 14 of which reached TRL4. This level indicates that the technology meets the required reliability, function, and performance criteria under the intended operating conditions, making it ready for deployment.

Key development projects undertaken in 2024 feature:
- Progression of the SBM Offshore robotics initiatives to reduce high-risk human activities and to improve the efficiency of inspection and maintenance activities on the fleet. In 2024, SBM Offshore successfully qualified two robotics initiatives, reaching a TRL level that enables robotic deployments in 2025. Additional projects are in progress, with several missions planned for 2025.
- Continued qualification of components and technologies under SBM Offshore's emissionZERO® program, demonstrating the potential for further carbon-intensity reduction based on near-market-ready technologies.
- Progressing the development and standardization of the qualified carbon capture module to capture the carbon emissions from the gas turbines onboard FPSOs. This compact modular solution allows a drastic reduction of more than 70% of the overall emissions.
- Validation of a one-year offshore deployment for its Provence Grand Large wind farm (TRL5), gathering valuable lessons for future developments.
- Progressing the development of a blue ammonia FPSO with carbon capture, to support the growing demand for clean ammonia and accelerate the transition to ammonia as a fuel.
- TRL4 achievement of swivel technology for ammonia transfer systems.

- Completion of market studies and early-stage developments in offshore ammonia transfer and production, lithium extraction, and deepwater mooring solutions for offshore photovoltaic concepts.

SBM Offshore is committed to directing a minimum of 70% of its development budgets towards decarbonization and sustainable transition initiatives, as part of its focus on technology development for the energy transition.

This allocation aims to advance technologies that significantly decrease the carbon intensity of offshore oil and gas production, supporting the emissionZERO® program. Included in these efforts are investments in the early stages of offshore hydrogen, ammonia, and lithium production studies and $CO_2$ value chain. Moreover, ongoing investments in robotics will enhance safety and efficiency within SBM Offshore's operational fleet.

SBM Offshore is dedicated to evaluating how its research and development projects comply with EU Taxonomy regulations. SBM Offshore will continue to explore alternative offshore technologies and focus on co-development of new technologies, in collaboration with clients and other value chain partners.

## DIGITALIZATION

To grow economic value, SBM Offshore invests in data management and digital innovation, diversifying its services. Through collaboration with key external digital partners, SBM Offshore aims to expand its expertise while providing consistent foundations.

The establishment of a Microsoft Centre of Excellence, to connect SBM Offshore personnel with Microsoft, underlines its commitment to successful partnerships. Furthermore, it enables SBM Offshore to leverage artificial intelligence (AI) powered solutions and cognitive services to improve productivity with tools such as Copilot, Azure AI Translator, Azure AI Search and Azure Open AI. Deploying and providing early access to the data cataloging module of Microsoft Purview is a step forward in establishing robust global data foundations.

SBM Offshore continues its ERP deployment journey through the Integra program. After a first roll-out in Brazil in 2022, the ERP System (IFS) has been successfully deployed in Guyana and Angola offices and the offshore fleet. As a result, SBM Offshore's main operating regions and processes are integrated in the IFS Solution.

After the launch in 2023 of SBM Offshore's own digital solution platform (SBM+) designed for offshore asset management, SBM Offshore continues structuring digital products and services to enhance operational excellence.

Deployment achievements in 2024 have been:
- Microsoft 365 Copilot, Copilot Studio and Sales Copilot with a limited number of early adopters to assess business usage and value.
- Quality Observation Cards, the first digital development made globally available for the organization, built on the Microsoft Power Platform.
- Digital Fieldworker proof of concept for offshore workforce, as part of SBM Offshore's mobility program.
- Digital Twin for FPSO *Prosperity,* as part of the Guyana Enterprise program.

To keep on the trajectory to achieve Excellence, SBM Offshore will continue to invest in:
- A transparent data-driven culture, unlocking advanced analytics for value–driven decisions through end-to-end integration and automation.
- Improving the Digital Employee Experience, increasing SBMers' digital literacy and autonomy.
- Capitalizing on solid Information Technology and Services, leveraging robust Enterprise Architecture and ensuring secure infrastructure uptime.
- Modern solutions deployment, maintaining business performance and compliance with regulations.

Management of any impacts associated with cyber security is described in section 1.4.2.

CHAPTER 2
# GOVERNANCE


JAGUAR

# 2 GOVERNANCE

## 2.1 CORPORATE GOVERNANCE STATEMENT

This section gives a broad outline of SBM Offshore's corporate governance structure by describing the roles of the corporate bodies, the external auditor, the internal auditor, the General Meeting and of the foundation Stichting Continuïteit SBM Offshore. This section also indicates to what extent SBM Offshore applies the principles and best practice provisions of the Dutch Corporate Governance Code of 20 December, 2022.

The Corporate Governance Code defines *sustainable* long-term value creation as one of the guiding principles. Amongst others, sections 1.3 and 3.3 describe SBM Offshore's strategy to achieve sustainable long-term value creation, including the social, environmental and economic aspects thereof. Furthermore, it explains what effects the Company has had on people and the environment and how the interests of stakeholders have been considered (section 3.3 - 3.8). Sections 1.3.2 – 1.4.2 describe SBM Offshore's values, strategic priorities and the significant impacts, risks and opportunities linked with SBM Offshore's business as well as the key processes and business models to manage the same. In accordance with Management Board rules, the Management Board is responsible for the incorporation and maintenance of the values, while paying attention to:

- the strategy and business model;
- the environment in which the enterprise operates;
- the existing culture within the enterprise, and whether it is desirable to implement any changes in this; and
- the social safety within the enterprise and the ability to discuss and report actual or suspected misconduct or irregularities.

The Company has aligned its Management Board and Supervisory Board rules, Diversity & Equity Policies for the Management Board, Senior Management and Supervisory Board, its Shareholder Contacts and Dialogue Policy (best practice 4.2.2) as well as its Stakeholder Engagement Policy (best practice 1.1.5) in accordance with the Corporate Governance Code. Reporting on Diversity targets can be found in section 2.1.9.

This section includes information on the extent to which SBM Offshore applies the principles and best practice provisions of the Corporate Governance Code. The details of compliance with the Corporate Governance Code and the documents referred to above can (also) be found on SBM Offshore's website (who-we-are/corporate-governance). The full text of the Corporate Governance Code can be found on www.mccg.nl.

## 2.1.1 CORPORATE GOVERNANCE STRUCTURE

SBM Offshore N.V. is a public company with limited liability (*Naamloze Vennootschap*) incorporated under the laws of the Netherlands, with its corporate seat in Amsterdam. Its shares are listed on Euronext Amsterdam. The Company has a two-tier board consisting of a Supervisory Board and a Management Board. Each board has its specific roles and tasks regulated by laws, the articles of association of the Company, the Corporate Governance Code, the Management Board rules and the Supervisory Board rules. The Management Board rules and the Supervisory Board rules contain details on the ways of working of the Management Board and the Supervisory Board. Following the changes in the Management Board after the 2024 AGM, minor updates to the Management Board rules and the Supervisory Board rules were made.

## 2.1.2 MANAGEMENT BOARD

### RESPONSIBILITIES AND COMPOSITION OF THE MANAGEMENT BOARD

Prior to the 2024 Annual General Meeting, the Management Board consisted of three statutory managing directors: the Chief Executive Officer, the Chief Financial Officer and the Chief Operating Officer. After the 2024 Annual General Meeting, Bruno Chabas stepped down as managing director and CEO. Following a decision of the Supervisory Board, the Management Board continued as a two-person board, consisting of Øivind Tangen (CEO) and Douglas Wood (CFO). For a description of the expertise and experience of the Management Board, please refer to the end of this section.

The Management Board manages the Company and is responsible for the continuity of the Company and its business. In fulfilling its responsibilities, the Management Board focuses on sustainable long-term value creation and takes into account the relevant stakeholders' interests. Attention is paid to the effects on people and the environment, as well as the impact of new technologies and changing business models. This includes commitment to SBM Offshore's sustainability/ESG priorities and performance. The Management Board divides duties among its members, charging individual members with specific primary responsibilities. However, the Management Board remains collectively responsible for the management, business and general affairs of SBM Offshore. The Management Board is accountable to the Supervisory Board and the General Meeting for the performance of its management tasks.

Each year, the Management Board presents the long-term strategy of the Company and the operational plan for the following financial year to the Supervisory Board. The strategy of the Company is built around the ESG and business themes that have priority for the Company (sections 3.3 and 1.3). For each of these themes, material topics have been identified, following stakeholder engagement. The related objectives that allow quantification and progress measurement of the strategy implementation are regularly reviewed. Both the long-term strategy and the operational plan are adopted after the Supervisory Board's approval.

The Management Board is responsible for determining the Company's risk profile and policy, which are designed to achieve the Company's objectives, to assess and manage the Company's risks and to ensure that sound internal risk management and control systems are in place. The Management Board monitors the design and operation of the internal risk management and control systems and carries out a systematic assessment of their design and operation at least once a year and reports on this to the Audit Committee and the Supervisory Board. This monitoring covers all material control measures relating to strategic, operational, financial, compliance and reporting risks, including observed weaknesses, instances of misconduct and irregularities and indications from whistle blowers. In addition, the Management Board discusses the Company's annual risk appetite with the Audit Committee and Supervisory Board. A quarterly risk report is provided to the Audit Committee.

The Management Board has adopted corporate core values that contribute to a culture focused on sustainable long-term value-creation for the Company. These values are Integrity, Care, Collaboration and Ownership and are regularly discussed with the Supervisory Board. The Management Board encourages behavior that is in keeping with the values and promotes these values through leading by example. The Management Board is responsible for the incorporation and maintenance of the values. The Management Board has drawn up a Code of Conduct and monitors its effectiveness as well as compliance with this Code. Findings and observations are shared with the Supervisory Board. More information about the ways of working of the Management Board can be found in the Management Board rules, available on the Company's website.

Management Board members are appointed, and can be suspended or dismissed, by the General Meeting. Further information about the appointment and dismissal of Management Board members can be found in SBM Offshore's articles of association.

Management Board members must inform the Supervisory Board before accepting positions outside the Company and shall not accept such positions prior to the approval of the Supervisory Board. Mandates are discussed annually in the Supervisory Board meeting. The positions cannot be in conflict with the Company's interests. Members of the Management Board may also be appointed to the statutory board of the Company's operational entities. The Company is compliant with best practice 2.4.2 of the Corporate Governance Code.

## EXECUTIVE LEADERSHIP TEAM

The Management Board is supported on operational activities by Alexander Glenn (Chief Operating Officer or COO) and Olivier Icyk (Chief Business Officer or CBO), both being non-statutory directors. The CEO, CFO, COO and CBO together form the Executive Leadership Team. The Executive Leadership Team provides advice and support to the Management Board decision-making on operational and business matters and the implementation of the Company's strategy. It further provides input to Management Board decisions that impact the sustainable longer-term success and strategy of SBM Offshore and is responsible for the implementation of the Management Board decisions throughout the organization.

## EXECUTIVE COMMITTEE

Since the end of 2012, an Executive Committee has been in place. The Executive Committee facilitates decision-making without detracting from the exercise of statutory responsibilities by the members of the Management Board. At year-end 2024, the Executive Committee is comprised of the Executive Leadership Team, the Managing Directors of Turnkey, Global Resources and Services, Operations, and Enterprise Optimization, as well as the Group Communications Director, the Sales and Marketing Director, the Technology, Innovation and Product Development Director, the Group HR Director, the Group HSSEQS and Operational Excellence Director and the Group General Counsel. As such, the Executive Committee consists of a variety of members with different, relevant backgrounds and education, predominantly gained in the energy sector.

The Group HSSEQS and Operational Excellence Director has a permanent focus on health, safety, security, environment, quality and sustainability across the Company and leverages his knowledge and experience to keep the expertise of the Management Board and the Executive Committee on ESG topics up-to-date and pertinent. In addition, regular deep dives on ESG topics are organized, guided by internal SBM Offshore experts or external advisers. Accordingly, senior management either possesses or can leverage the appropriate skills and expertise relevant to oversee sustainability matters.

In principle, the Executive Committee meets every three months, with ongoing interaction in the interim. In the meetings, besides ESG topics, strategic, operational, financial and organizational topics are discussed. The Executive Committee informs the Management Board quarterly, or more often as they occur, on material impacts, risks and opportunities, implementation of due diligence and results and effectiveness of policies, actions, metrics and targets. Each member of the Executive Committee has a direct reporting line to a member of the Executive Leadership Team.

## WORKS COUNCIL

The Company has no Works Council or Central Works Council. The relationship with works councils or employee representation organizations is maintained at the level of the entities which employ the staff in the different jurisdictions where they operate.

## ØIVIND TANGEN

**Chief Executive Officer and member of the Management Board, Norwegian nationality, 1973, male**

Initial appointment in 2022

Øivind Tangen was appointed as member of the Management Board and Chief Operating Officer at the 2022 Annual General Meeting and became Chief Executive Officer in April 2024. He joined SBM Offshore in 2002, as operations readiness engineer. He subsequently acquired a rich experience in international projects and operational management, from Nigeria to Angola and Nova Scotia, Canada. Returning to Monaco in 2014, he held the position of Group Strategy Director and subsequently Director of Group Execution Functions. In December 2016, he was appointed as Managing Director Operations. Øivind Tangen began his career in offshore engineering with ABB Offshore Systems in Oslo.

He holds an MSc in naval architecture from Trondheim University in Norway and a master's degree in MEDEA (Energy, Environmental Management and Economics) from ENI Corporate University in Milan.

Øivind Tangen is member of the Supervisory Board of Ekwil S.A.S., a 50% subsidiary of SBM Offshore for Floating Offshore Wind projects.

## DOUGLAS WOOD

**Chief Financial Officer and member of the Management Board, British nationality, 1971, male**

Initial appointment in 2016

Douglas Wood joined SBM Offshore as Group Financial Director in October 2016. During the Company's Extraordinary General Meeting of November 30, 2016, he was appointed as a member of the Management Board and took over the role of CFO. Prior to joining SBM Offshore, Douglas Wood worked for Shell for 23 years in various financial management positions, most recently as CFO and Director of Showa Shell Sekiyu K.K. in Japan. His other roles included Vice President Finance and Planning Exploration (Shell Upstream International) and Head of Business Performance Reporting and Financial Planning (for Shell Exploration and Production).

Douglas Wood is a Fellow of the Chartered Institute of Management Accountants since 2006 and in 1993 obtained a degree in Classics at Oxford University.

## ALEXANDER GLENN

**Chief Operating Officer and member of the Executive Leadership Team, British nationality, 1972, male**

Initial appointment in 2024

Alexander Glenn was appointed as member of the Executive Leadership Team and Chief Operating Officer on April 12, 2024. He joined SBM Offshore in 2007 as an Operability Engineer and then proceeded to gain a wide experience in international projects and operational management from Asia, to Europe, West Africa, North America and Brazil. In 2017, Alex Glenn was appointed Operations Director for the global fleet, and subsequently Program Director for the development and deployment of an integrated business management system, before being appointed Managing Director of Operations in April 2022. Alex Glenn began his career in offshore operations with Maersk Contractors in the UK sector of the North Sea.

Alexander Glenn holds a degree in marine technology from the University of Newcastle Upon Tyne.

## OLIVIER ICYK

**Chief Business Officer and member of the Executive Leadership Team, French nationality, 1972, male**

Initial appointment in 2024

Olivier Icyk was appointed as member of the Executive Leadership Team and Chief Business Officer on April 12, 2024. He joined SBM Offshore in 1996 as Project Engineer for installation projects, then taking the role of Project Manager on many SBM Offshore products (CALM buoys, Turrets, FPSOs) for 15 years. He later became Fleet Operation Readiness Manager, before moving to FPSO Business Acquisition Director, later leading the FPSO Product Line and, since 2021, as Managing Director Floating Production Solutions, responsible for all product development, business acquisition and project execution for the FPSO, Turret and Installation Product Lines. Olivier Icyk has around 30 years of experience in the oil and gas industry, having started his career working with other contractors in South-East Asia.

Olivier Icyk holds a degree in offshore engineering from École Centrale de Marseille.

## 2.1.3 SUPERVISORY BOARD AND COMMITTEES

At year-end, the Supervisory Board consists of six members and, as per the date of this report, of seven members. The Supervisory Board supervises the Company policies, the management of the Company and its businesses, the effectiveness and integrity of the internal risk management and control systems and procedures implemented by the Management Board, as well as the general conduct of affairs of the Company and its businesses. The Supervisory Board also supervises how the Management Board determines its position on the sustainable long-term value-creation strategy and how the Management Board implements that strategy, taking into account the effect on people and the environment. The Supervisory Board advises the Management Board and regularly discusses Company strategy, the implementation of the strategy and the risks associated with it. In the performance of its duties, the Supervisory Board is guided by the interests of the Company and its business as well as the Company's relevant stakeholders. In addition, certain (material) decisions of the Management Board, as stipulated in the Dutch Civil Code, articles of association or the Management Board and Supervisory Board rules, require the Supervisory Board's prior approval.

The Supervisory Board has three subcommittees: the Audit Committee, the Appointment and Remuneration Committee and the Technical and Commercial Committee. The Appointment and Remuneration Committee is a joint committee with two separate chairs and tasks: i) the selection and appointment preparation of Management Board and Supervisory Board members and ii) the preparation of decision-making regarding remuneration matters. The task of each subcommittee is to assist and advise the Supervisory Board in fulfilling its responsibilities. More information about the ways of working of the Supervisory Board and its committees can be found in the Supervisory Board and Committee rules, available on the Company's website (who-we-are/corporate-governance).

### COMPOSITION OF THE SUPERVISORY BOARD

Members of the Supervisory Board are appointed by the General Meeting, following nomination by the Supervisory Board. A Supervisory Board member is appointed for a period of four years and may then be re-appointed once for another four-year period. A Supervisory Board member may subsequently be re-appointed again for a third period of two years, which may be extended by at most two years. In case of nominations, the competencies and background of members already in function, as well as the Supervisory Board Diversity and Inclusion policy and Supervisory Board Profile will be taken into account. The guiding principle is that the Supervisory Board is composed in such a way as to ensure an appropriate degree of diversity with regard to, among others, gender, expertise, experience, competencies and (cultural) background, in line with best practice provision 2.1.4 and 2.1.5 of the Corporate Governance Code. The Supervisory Board appoints one of its members as Chair and one as Vice-Chair. Further information about the appointment and dismissal of Supervisory Board members can be found in SBM Offshore's articles of association. The Supervisory Board has drawn up a retirement schedule for its members, which is available on the Company's website (who-we-are/corporate-governance).

Supervisory Board members shall inform the Supervisory Board before accepting positions outside the Company. Positions may not be accepted without the Supervisory Board's prior approval. The positions cannot be in conflict with the Company's interests. Positions outside the Company are reviewed and discussed annually at the Supervisory Board meeting. The Company is compliant with best practice 2.4.2 of the Corporate Governance Code.

# 2 GOVERNANCE

### ROELAND BAAN

**Dutch nationality, 1957, male**

Chair of the Supervisory Board, Chair of the Appointment and Remuneration Committee dealing with appointment and selection matters.

First appointment in 2018, expiry current term in 2026.

**Profession:** CEO of Haldor Topsoe A/S.

**Background:** Roeland Baan started his career at Shell, where he fulfilled various (senior) management roles. As of 1996, he worked consecutively at Thyssen Sonnenberg Recycling, SHV Gas, Mittal Steel and Arcelor Mittal. Roeland Baan was Executive Vice President and CEO at Aleris until 2015. From April 2016 until June 2020 he was President and CEO at Outokumpu Oyj.

**Education:** Roeland Baan has a Master in Economics from the VU University in Amsterdam.

**Expertise:** Significant management and CEO experience at multinational companies in the energy industry.

**Other mandates[3]:** independent board member at Syensqo SA.

### BERNARD BAJOLET

**French nationality, 1949, male**

Vice-Chair of the Supervisory Board, member of the Technical and Commercial Committee and the Appointment and Remuneration Committee.

First appointment in 2018, expiry current term in 2026.

**Background:** During his career, Bernard Bajolet held various roles as a French diplomat and civil servant.

**Education:** He studied political sciences at Sciences Po in Paris and obtained his degree at the Ecole Nationale d'Administration in Paris. He was also a fellow at the Center for International Affairs of the Harvard University, Cambridge, Massachusetts.

**Expertise:** Vast international experience in complex environments as well as specific expertise in security.

**Other mandates[3]:** Consultant of Amarante International/member of the Strategic Orientation Board.

### LUCIA DE ANDRADE

**Brazilian nationality, 1957, female**

Member of the Supervisory Board, member of the Technical and Commercial Committee.

First appointment in 2025, expiry current term in 2029.

**Background:** Lucia de Andrade held executive management positions as a senior executive with companies such as ABB Lummus Global, Technip, Subsea7 and Shell.

**Education:** Chemical Degree from the Federal University of Rio de Janeiro.

**Expertise:** Vast international experience in various parts of the the oil and gas industry.

**Other mandates: –**

### INGELISE ARNTSEN

**Danish nationality, 1966, female**

Member of the Supervisory Board, Chair of the Audit Committee, member of the Technical and Commercial Committee.

First appointed in 2021, expiry current term in 2025.

**Profession:** Non-Executive Director.

**Background:** Ingelise Arntsen has held executive top management positions within companies such as Statkraft AS, REC ASA and Aibel AS. She has also spent seven years within the shipbuilding industry, working for Kværner Fjellstrand in Singapore and Norway.

**Education:** She holds a bachelor's degree in economics from the University of Southern Denmark.

**Expertise:** Extensive international experience from the shipbuilding industry and from various parts of the renewable energy industry.

**Other mandates[3]:** Vice-Chair of the Supervisory Board of Statkraft AS, member of the Supervisory Board of Exportfinans Norge, member of the Supervisory Board of Corvus Energy AS, member of the Supervisory Board of Fred. Olsen Windcarier ASA, member of the Supervisory Board of Synera Renewable Energy.

[3] This section includes other mandates that may be relevant for the performance of the duties of the Supervisory Board.

## ALLARD CASTELEIN

**Dutch nationality, 1958, male**

Member of the Supervisory Board, Chair of the Appointment and Remuneration Committee dealing with remuneration matters, Chair of the Technical and Commercial Committee.

First appointment in 2023, expiry current term in 2027.

**Profession:** Non-Executive Director.

**Background:** Allard Castelein started his career as a medical doctor, before pursuing an international career in the energy sector. He joined Shell in 1987, where he fulfilled several (senior) management positions. His last position was President Environment for Shell (2009-2013). From 2014 till 2023, Allard Castelein was President and CEO of the Port of Rotterdam.

**Education:** Allard Castelein obtained a masters degree in medicine from the Erasmus University of Rotterdam.

**Expertise:** Significant CEO and management experience in the energy industry, with skills, amongst others, in sustainable development and the environment.

**Other mandates[3]:** non-executive director at Renewi plc, non-executive director at Heijmans N.V., non-executive director at Associated British Ports, member of the Supervisory Board of the International Architecture Biennale Rotterdam, Special Envoy for Critical Raw Materials for the Dutch Government.

## DENISE DETTINGMEIJER

**American nationality, 1965, female**

Member of the Supervisory Board, member of the Audit Committee.

First appointment in 2025, expiry current term in 2029.

**Profession:** CFO of Medical Solutions (USA).

**Background:** Denise Dettingmeijer held executive management positions at ADAC Laboratories Europe, Alcoa, Aleris International and Randstad North America.

**Education:** Master of Business Administration degree with a major in Finance and a Bachelor of Science with a major in management & human development, both from the University of Connecticut.

**Expertise:** Experienced finance executive with more than twenty years of experience as CFO.

**Other mandates:** –

## PATRICK JAGER

**Dutch nationality, 1980, male**

Member of the Supervisory Board, member of the Audit Committee.

First appointment in 2024, expiry current term in 2028.

**Profession:** Director HAL Investments B.V.

**Education:** Patrick Jager holds a masters degree in financial economics from the University of Groningen.

**Expertise:** Ample financial knowledge and management expertise.

**Other mandates[3]:** member of the Supervisory Board of Prodrive Technologies B.V., member of the Supervisory Board of Van Wijnen Holding B.V.

## 2.1.4 SHARE CAPITAL

The authorized share capital of the Company amounts to EUR200 million and is divided into 400,000,000 ordinary shares with a nominal value of EUR0.25 and 400,000,000 protective preference shares, also with a nominal value of EUR0.25. The preference shares can be issued as a protective measure, as explained in the section on the Stichting Continuïteit SBM Offshore. As per December 31, 2024 176,361,365 (2023: 180,671,305) ordinary shares are issued. No protective preference shares have been issued.

### Bearer shares

As per the Dutch Act on Conversion of bearer shares (*Wet omzetting aandelen aan toonder*), all bearer shares still outstanding at December 31, 2020, have been converted into registered shares (31,840) held in the name of the Company, as per January 1, 2021. A shareholder who hands in a bearer share certificate to the Company before January 2, 2026, is entitled to receive a replacement registered share from the Company. A shareholder may not exercise the rights vested in a share until the shareholder has handed in the corresponding bearer share certificate(s) to the Company.

## 2.1.5 GENERAL MEETING OF SHAREHOLDERS

Within six months of the end of the financial year, the Annual General Meeting (AGM) is held. The agenda for this meeting generally includes the following standard items:

- The report of the Management Board concerning the Company's affairs and management, as conducted during the previous financial year.
- The report of the Supervisory Board and its committees.
- The remuneration report(s) for an advisory vote.
- The adoption of the Company's financial statements, the allocation of profits and the approval of the dividend.
- The discharge of the Management Board and of the Supervisory Board.
- Corporate Governance.
- The delegation of authority to issue shares and to restrict or exclude pre-emptive rights.
- The delegation of authority to purchase own shares.
- The composition of the Supervisory Board and of the Management Board.
- Any other topics proposed by the Supervisory Board or shareholders in accordance with Dutch law and the articles of association.

Proposals to the agenda of General Meetings can be made by persons who are entitled to attend General Meetings, solely or jointly representing shares amounting to at least 1% of the issued share capital, or with a market value of at least EUR50 million. Proposals of persons who are entitled to attend shareholders meetings will only be included in the agenda if such proposals are made in writing to the Management Board not later than sixty days before that meeting.

With reference to the articles of association, all shareholders are entitled, either personally or by proxy authorized in writing, to attend the General Meeting, to address the General Meeting and to vote. The articles of association do not provide for any limitation of the transferability of the ordinary shares and the voting rights of shareholders are not subject to any limitation.

At the General Meeting, each ordinary share with a nominal value of EUR0.25 each shall confer the right to cast one (1) vote. Each protective preference share with a nominal value of EUR0.25 each shall confer the right to cast one (1) vote, when issued. None of the protective preference shares have been issued to date. Unless otherwise required by law or the articles of association of the Company, all resolutions shall be adopted by an absolute majority of votes. The General Meeting may adopt a resolution to amend the articles of association of the Company by an absolute majority of votes cast, but solely upon the proposal of the Management Board, subject to the approval of the Supervisory Board. The articles of association are reviewed on a regular basis and were last amended on April 7, 2022.

The 2024 AGM was held physically and shareholders could cast their votes prior to, and during, the meeting. 116,139,074 ordinary shares participated in the voting, equal to 64.28% (2023: 72.45%) of the then total outstanding share capital of 180,671,305 ordinary shares. All proposed resolutions were adopted. The outcome of the voting of the meeting was posted on the Company's website on the same day and draft minutes were made available to the shareholders via the Company's website within three months of the meeting.

Finally, SBM Offshore's Policy on Shareholder Contacts and Dialogue can be found on the Company website (who-we-are/corporate-governance) as per best practice 4.2.2 of the Corporate Governance Code.

## 2.1.6 ISSUE, REPURCHASE AND CANCELLATION OF SHARES

The General Meeting or the Management Board, if authorized by the General Meeting and with the approval of the Supervisory Board, may resolve to issue shares.

The General Meeting or the Management Board, subject to the approval of the Supervisory Board, shall set the price and further conditions of issue, with due observance of the provisions contained in the articles of association. Shares shall never be issued below par, except in the case as referred to in article 2:80 (2) Dutch Civil Code. At the 2024 AGM, the shareholders delegated, to the Management Board, for a period of eighteen months and, subject to the approval of the Supervisory Board, the authority to issue ordinary shares up to 10% of the issued share capital at that time. In addition, authorization was granted to restrict or to exclude pre-emption rights for a period of eighteen months and subject to the approval of the Supervisory Board.

The Management Board may, with the authorization of the General Meeting and the Supervisory Board and without prejudice to the provisions of article 2:98 Dutch Civil Code and the articles of association, cause the Company to acquire fully paid-up shares in its own capital for valuable consideration. The Management Board may resolve, subject to the approval of the Supervisory Board, to dispose of shares acquired by the Company in its own capital. No pre-emption right shall exist in respect of such disposal. At the 2024 AGM, the shareholders delegated the authority, to the Management Board, for a period of eighteen months, as from April 12, 2024 and subject to approval of the Supervisory Board, to repurchase up to 10% of the issued share capital at that time.

## 2.1.7 EXTERNAL AND INTERNAL AUDITOR

### EXTERNAL AUDITOR

The external auditor of SBM Offshore is appointed by the General Meeting, following proposal by the Supervisory Board after a selection process and recommendation from the Audit Committee with advice of the Management Board. During the 2023 AGM, Deloitte Accountants B.V. ('DTT') was appointed as external auditor of the Company for a period of four years for the audit of the financial years 2024 up to and including 2027. In 2024, the Supervisory Board appointed DTT as external auditor for the assurance review on the sustainability report of the financial year 2024. Pursuant to the EU Regulation on specific requirements regarding statutory audit of public-interest entities and the audit firms supervision act ('Wet toezicht accountantsorganisaties' or 'Wta'), the external auditor performs his tasks independently from the audit client.

The external auditor attends all meetings of the Audit Committee, as well as the Supervisory Board meeting at which the financial statements are approved. The external auditor receives the financial information and underlying reports of the quarterly results and is given the opportunity to comment and respond to this information. The Audit Committee advises the Supervisory Board, which communicates the results of this assessment to the General Meeting. The Audit Committee and the Management Board report their dealings with the external auditor to the Supervisory Board annually, discussing the auditor's independence and assessing audit quality.

Pursuant to the Auditors Profession Act, the auditors are prohibited from providing the Company with services in the Netherlands other than 'audit services aimed to provide reliability concerning the information supplied by the audited client for the benefit of external users of this information and also for the benefit of the Supervisory Board, as referred to in the reports mentioned'. During 2024, a minor number of limited-scope non-audit services were provided by foreign member firms of the DTT global network, taking into account the external auditor's independence rules and SBM Offshore's policy in this regard.

### INTERNAL AUDITOR

The task of the Group Internal Audit Director and the Group Internal Audit Department (or 'Internal Audit') is to assess the design and operation of the internal risk management and control systems. It assists the Company in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the organization's governance, risk management and internal controls. The Management Board is responsible for the Internal Audit function. The Supervisory Board oversees the Internal Audit function and, through the Audit Committee, maintains regular contact with the Group Internal Audit Director. Administratively, the Group Internal Audit Director reports to the CFO. An Internal Audit Plan, based on a risk-based prioritization of the audit universe, is submitted at least annually to the Management Board, then to the Audit Committee for recommendation and, subsequently, to the Supervisory Board for approval. The Internal Audit department reports the results of internal audit activities, and progress compared to plan, to the Management Board, Audit Committee and the external auditor.

The Group Internal Audit Director is responsible for ensuring the independence of the Internal Audit function and its activities. Safeguards to mitigate any risk of lack of independence of the Group Internal Audit Director include direct access to both members of the Management Board, the Audit Committee Chair and the external auditor. The Internal Audit department is governed by adherence to the Corporate Governance Code and the International Professional Practices Framework (IPPF) of the Institute of Internal Auditors (IIA). In 2024, the Internal Audit department was subject to an external quality assurance review performed by the IIA Netherlands. This review found that the Group Internal Audit Department of SBM Offshore complies with generally accepted standards of professional practice of internal auditors and the standards set out in the IPPF. An external quality assurance review is required to be performed every five years.

## 2.1.8 STICHTING CONTINUÏTEIT SBM OFFSHORE

In this section, SBM Offshore's takeover protection measures are described, as well as the circumstances under which it is expected that these measures may be used.

A foundation 'Stichting Continuïteit SBM Offshore' (the Foundation), was established on March 15, 1988. In summary, the objectives of the Foundation are to represent the interests of SBM Offshore in such a way that the interests of the Company, and of all parties involved in this, are safeguarded, and that influences which could affect the independence, continuity and/or the identity of the Company in breach of those interests are deterred. The Foundation will perform its role, and take all actions required, at its sole discretion. In the exercise of its functions it will, however, be guided by the interests of the Company and the business enterprises connected with it, and all other stakeholders, including shareholders and employees.

The Foundation is managed by a Board, the composition of which is intended to ensure that an independent judgment may be made as to the interests of the Company. In 2024 Mr A.W. Veenman retired, as a consequence of which the Board now consists of: Mr. B. Vree, Chair, Mr. R.H. Berkvens, Ms. H.F.M. Defesche and Mr. J.O. van Klinken. In order to inform the Board about the business and interests of the Company, the Chair of the Supervisory Board, the CEO and the CFO are invited to attend the Foundation Board meetings.

The Management Board, with the approval of the Supervisory Board, has granted a call option to the Foundation to acquire a number of protective preference shares in the Company's share capital, carrying voting rights, equal to one half of the voting rights carried by the ordinary shares outstanding immediately prior to the exercise of the option, enabling it effectively to perform its functions, at its sole discretion and responsibility, as it deems useful or desirable.

The option agreement between SBM Offshore and the Foundation was last amended and restated in 2011, to reflect a waiver by the Company of its put option and the alignment of the nominal value of the protective preference shares with the nominal value of ordinary shares, by reducing the nominal value of EUR1 to EUR0.25, and the related increase in the number of protective preference shares, as per the amended articles of association of the Company. The Foundation is independent, as stipulated in article 5:71 (1) (c) Financial Markets Supervision Act.

## 2.1.9 OTHER REGULATORY MATTERS

### CONFLICTS OF INTEREST

The members of the Management Board have a services contract with SBM Offshore N.V. These contracts stipulate that members of the Management Board may not compete with the Company. Conflict of interest procedures are included in the Management Board and Supervisory Board rules and the Company's Code of Conduct, and reflect Dutch law and the principle and best practices of the Corporate Governance Code. In 2024, there were no conflicts of interest in relation to the members of the Management Board and Supervisory Board reported that were of material significance to the Company. For an overview of remuneration granted to the Management and Supervisory Board, reference is made to the remuneration report. The Company is compliant with best practice 2.7.3 to 2.7.4 of the Corporate Governance Code.

In 2024, SBM Offshore did not enter into transactions with legal or natural persons who held at least 10% of the shares in the Company. The Company is compliant with best practice 2.7.5 of the Corporate Governance Code.

For information about the shares (or other financial instruments) held in SBM Offshore N.V. by members of the Management Board, reference is made to section 4.3.6 of the notes to the consolidated financial statements.

### CHANGE OF CONTROL

The Company is not a party to any material agreement that takes effect, alters or terminates upon a change of control of the Company following a public takeover bid, as referred to in section 5:70 of the Dutch Financial Markets Supervision Act, other than as mentioned in this paragraph. SBM Offshore N.V. has a revolving credit facility agreement under which the approval of the participating lenders must be obtained in the event of a change of control of the Company owing to a public takeover bid. Certain shareholder agreements, vessel charter, EPC and O&M contracts that subsidiaries of the Company have entered into contain clauses that are triggered in case of a change of control of the Company following a public takeover bid, providing contracting parties with certain rights, such as the right to terminate the relevant agreement. In addition, local bidding rules and regulations (e.g. in Brazil for Petrobras) may require client approval for changes of control. A change-of-control clause is included in the services contract between the Company and each of the members of the Management Board.

## DIVERSITY

In 2024, SBM Offshore updated its Inclusion, Diversity and Equity Policy, which can be found on the Company website. The diversity and inclusion policies for the Supervisory Board and for the Management Board, including Senior Management, can also be found on the Company website (who-we-are/corporate-governance). Diversity and inclusion targets found to be relevant for the Supervisory Board and Management Board including Senior Management are i) nationality/cultural background, with a due and fair representation of the geographic regions in which the Company operates, and ii) gender.

At year-end 2024, the members of the Management Board represented two and the members of the Supervisory Board represented four nationalities, of which three are different from those of the Management Board. Four additional nationalities were represented in Senior Management, which consists of the non-statutory Executive Leadership Team members and Executive Committee. A broad range of experience in the geographic regions where the Company operates is seen, or in case of new regions, experience is being built up, supported by employee development plans.

Based on Dutch law, for 2024, the Company maintained the following gender diversity targets: i) Supervisory Board: males and females each hold at least one third of the seats; ii) Management Board: to have at least one female; and iii) Senior Management: to have at least one third each of males and females.

As at December 31, 2024, 33.33% of the Supervisory Board members were female (at target). Senior Management missed the target, with 25% of its members female, and the Management Board, consisting of 100% males, also did not meet the target. In 2024 there were no vacancies in the Management Board.

In general, more than for re-appointments, whereby experience and good performance weigh heavily on the decision, new appointments offer the opportunity to improve the gender balance when needed. The targets set for (gender) diversity will be taken into consideration when there are vacancies in the Supervisory Board, Management Board and Senior Management positions. For example, SBM Offshore's leadership program (RISE) is designed to ensure that both men and women of different nationalities can advance into senior management and executive positions. Collaboration with technical schools is an additional, longer-term, measure aimed at achieving an improved gender balance.

The same targets for the Supervisory Board, Management Board and Senior Management will be applied for 2025.

Additionally, in terms of the broader organization, the target is for 25% of the broader group of senior management to be females.

## CODE OF CONDUCT AND SPEAK UP LINE

The Company has a Code of Conduct which is built on the Company's four core values: Integrity, Care, Collaboration and Ownership. Reporting channels and a Speak Up Line are in place and enable SBM Offshore to carefully listen to its employees and partners in the value chain about concerns related to potential violations against the Code of Conduct, core values or the law. The Speak Up Line, managed by an independent third party, is available 24 hours a day, 365 days a year, supports multiple languages and allows for anonymous and confidential reporting. For more details on SBM Offshore's compliance program, reference is made to section 2.5.2. The Code of Conduct can be found on the Company website.

## COMPLIANCE WITH THE CODE

SBM Offshore complies with the principles and best practices of the Corporate Governance Code.

## 2.2 REPORT OF THE SUPERVISORY BOARD

**Letter from the Chair of the Supervisory Board**

Dear shareholder,

After over 12 years in service, Bruno Chabas stepped down from the Management Board and handed over to Øivind Tangen on April 12, 2024. We thank Bruno Chabas for his significant contribution to the Company.

Øivind Tangen chairs the Executive Leadership Team, which, besides himself and Douglas Wood (CFO) as statutory directors, consists of two non-statutory members: Alexander Glenn (COO) and Olivier Icyk (CBO). The Supervisory Board believes that this set-up enables building on the strategic priorities and having a good focus on operational and business matters.

In 2024, the Company developed its approach to deliver its strategy: SBM Offshore is the world's deepwater ocean-infrastructure expert. Its promise is True. Blue. Transition. – enabling decarbonization and the energy transition while diversifying to support more industries in the blue economy. The key strategic priorities for this purpose are i) Drive Excellence, ii) Decarbonize and Diversify and iii) Grow Economic Value. In achieving these priorities, SBM Offshore is guided by its core values: Integrity, Care, Collaboration and Ownership.

The Supervisory Board is pleased with the commercial successes seen in 2024. Key events include *FPSO Sepetiba* producing and on hire, the award of contracts by ExxonMobil Guyana Ltd for *FPSO Jaguar* in the Stabroek Block in Guyana, the FSO contract award by Woodside for the Trion development and the award of contracts by TotalEnergies for the GranMorgu field development. Furthermore, the Company completed a USD1.5 billion financing of *FPSO Jaguar*, and ExxonMobil Guyana Limited purchased FPSO *Liza Destiny* and FPSO *Prosperity*. SBM Offshore divested a13.5% minority interest in *FPSO Sepetiba* remaining the majority shareholder with 51% ownership interest.

For further details about the activities of the Supervisory Board and its committees, I refer to the next sections of this chapter.

On behalf of the Supervisory Board,

Roeland Baan, Chair

### SUPERVISORY BOARD COMPOSITION AND INDEPENDENCE

In 2024, Jaap van Wiechen stepped down after the 2024 AGM after four years of service and Hilary Mercer, who has been a Supervisory Board member since the 2022 AGM and effectively since November 2021, stepped down as per January 1, 2025. The Supervisory Board is grateful for their insights, knowledge and contributions. The Supervisory Board welcomed Patrick Jager who was appointed at the 2024 AGM for a period of four years, until the 2028 AGM, as well as Lucia de Andrade and Denise Dettingmeijer following their appointment at the Extraordinary General Meeting of January 17, 2025 effective as of that date and ending at the 2029 AGM, which is the fourth year after appointment. In accordance with best practice 2.2.2 of the Corporate Governance Code, the competencies and background of the Supervisory Board members already in function, as well as the Diversity and Inclusion Policy and the Profile for the Supervisory Board, were closely observed for nominations made. Reference is made to section 2.1.3 for the biographies of the Supervisory Board members.

**Nationality at year-end**

| | |
|---|---|
| Dutch | 50% |
| French | 16.67% |
| Danish | 16.67% |
| British | 16.67% |

**Gender at year-end**

| | |
|---|---|
| Male | 66.67% |
| Female | 33.33% |

**Tenure (in years to 2025 AGM date)**

| | |
|---|---|
| 0-2 years | 57.14% |
| 3-5 years | 14.29% |
| +6 years | 28.57% |

#### Independence

At year-end, five out of six Supervisory Board members are independent from the Company within the meaning of best practice provisions 2.1.7 to 2.1.9 inclusive of the Corporate Governance Code. The exception is Patrick Jager in view of his position as director of HAL Investments B.V.

**Independence at year-end**

| | |
|---|---|
| Independent | 83.33% |
| Non-Independent | 16.67% |

### SUPERVISORY BOARD MEETINGS AND ATTENDANCE

In 2024, the Supervisory Board met eight times for its scheduled meetings, had two additional meetings and some ad hoc calls. The Supervisory Board assessed that its members have adequate time available to give sufficient attention to the Company. The attendance percentage of the Supervisory Board meetings was c. 93%. The table below shows the overview of the attendance in 2024 at meetings for the individual members out of the number eligible to attend.

| 2024 Supervisory Board meeting attendance overview | | | | |
|---|---|---|---|---|
| Members[1] | Supervisory Board | Audit Committee | Technical and Commercial Committee | Appointment and Remuneration Committee |
| Roeland Baan (Chair) | 10/10 | - | - | 5/6 |
| Bernard Bajolet (Vice-Chair) | 9/10 | - | 5/5 | 6/6 |
| Ingelise Arntsen | 8/10 | 3/5 | 3.5/5 | - |
| Allard Castelein | 10/10 | - | 4/4 | 6/6 |
| Patrick Jager | 6/6 | 4/4 | - | - |
| Hilary Mercer | 8.5/10 | 4/5 | 0/1 | - |
| Jaap van Wiechen | 4/4 | 1/1 | - | - |

1 Where a Supervisory Board member retired from or was appointed to the Supervisory Board, stepped down from a Committee or was appointed throughout the year, only meetings during his/her tenure were taken into account

The Management Board attended all regular meetings of the Supervisory Board. Prior to regular meetings, the Supervisory Board met outside the presence of the Management Board to reflect on agenda items and discuss items requiring attention during the meeting. The Supervisory Board received regular updates outside meetings on relevant developments within the Company. Whenever possible, informal pre-board meetings were held, where there was also the possibility for the Supervisory Board to meet senior management members. Between meetings, the Chair of the Supervisory Board regularly spoke with the Management Board.

The Supervisory Board discussed a wide range of topics during the year. In its deliberations, the Supervisory Board considered the interests of the Company and its business as well as the relevant stakeholders from the Company. During the year, the Management Board, the COO and CBO as well as several representatives of senior management gave presentations to the Supervisory Board on specific topics within their area of responsibility.

## Regular updates

At the start of each regular meeting, the Supervisory Board receives an update from the Management Board on the general state of affairs on relevant topics. In addition, the Supervisory Board (regularly) discussed the following topics:

- Strategy, including ESG impact and risks associated, culture and values
- Sales, marketing and tendering activities as well as market developments
- Operational strategy and performance
- Project execution and performance
- Financial performance including liquidity position
- Financial plan including annual budget
- Shareholder return policy, dividend proposal, share buyback program
- Tax matters
- Financing
- Treasury
- Investor relations: shareholders engagement, investor relations roadmap
- AGM preparation, evaluation and follow-up
- Compliance
- Risk appetite, risk management and internal controls
- Internal audit plan
- Technology and innovation
- AI, IT and cyber security risks management

## Executive Leadership

The Supervisory Board spent time on the CEO change and the updated governance structure, resulting in a two-person Management Board (CEO and CFO) supported on operational and business matters by the COO and CBO. Furthermore, a discussion took place on Supervisory Board composition and succession planning, the remuneration (policy) of the Management Board, Supervisory Board and Senior Management, as well as talent management and leadership developments within SBM Offshore.

## Strategy, culture and brand positioning

The Supervisory Board saw that good progress was made throughout the year on the evolution of the strategic road map that focuses on the strategic priorities: i) Drive Excellence, ii) Decarbonize and Diversify and iii) Grow Economic value. The strategy and priorities set were discussed with the Supervisory Board on various occasions and included progress of the implementation. Monitoring whether targets are reached happens in various manners, including the Group Balanced Scorecard that is applicable to the Management Board as well as the organization.

Following the outcome of the 2024 double materiality assessment, ESG material topics and business topics were defined and each of them was linked to a strategic priority. The Supervisory Board annually reviews and discusses the

Company's risk appetite. In December 2024, the Supervisory Board reviewed and approved the long-term strategic plan.

The evolved strategic road map also led to an revised brand positioning, with more focus on the Company identity, purpose and commitment. The Company values Integrity, Care, Ownership and the newly added value Collaboration contribute to a culture focused on sustainable long-term value creation for the Company.

## SUPERVISORY BOARD COMMITTEES

The Supervisory Board has appointed three committees which are formed from among its members. These committees have advisory powers, share the main considerations and conclusions of their meetings in the Supervisory Board meeting and provide recommendations for decision by the Supervisory Board. The committee composition changed in 2024 due to changes in the Supervisory Board.

**Committee composition at year-end**

| | | | Appointment and Remuneration Committee | |
|---|---|---|---|---|
| Members | Audit Committee | Technical and Commercial Committee | Appointment matters | Remuneration matters |
| Roeland Baan (Chair) | | | Chair | √ |
| Bernard Bajolet (Vice-Chair) | | √ | | √ |
| Ingelise Arntsen | Chair | √ | | |
| Allard Castelein | | Chair | √ | Chair |
| Patrick Jager | √ | | | |
| Hilary Mercer | √ | | | |

### Audit Committee

The Audit Committee has seen changes in 2024: following the departure of Jaap van Wiechen at the 2024 AGM, Ingelise Arntsen became Chair and Patrick Jager joined as member. The Audit Committee convened five times in 2024. The attendance percentage of the Audit Committee meetings was 80%. The Audit Committee Chair reported to the Supervisory Board on the principal issues discussed, on actions arising and the follow-up of such actions and made recommendations on those matters requiring a decision by the Supervisory Board. The Management Board, the Group Internal Audit Director, the Group Controller and the external auditor attended the meetings. After each meeting, the Audit Committee met with the external auditor outside the presence of the Management Board. The Chair of the Audit Committee regularly held meetings with the CFO, and separately with SBM Offshore's Group Internal Audit Director and again separately with the external auditor.

**Responsibility:**

The Audit Committee supports the Supervisory Board in its responsibility by reviewing in detail the financial and sustainability reporting and the integrity and quality thereof, and to oversee the design and operation of the internal risk management and control systems.

**Recurring agenda topics:**

- Financial and sustainability reporting.
- IT report (including cyber security).
- Internal Audit report.
- Risk report.
- Legal claims, Compliance, Speak-up and Insurance report.

**Main other items discussed:**

- Financial plan including annual budget.
- (Interim) financial statements.
- Shareholder return policy, dividend proposal, share buyback program.
- AGM preparation.
- Risk appetite, risk management and internal controls.
- 2025 Internal Audit plan.
- 2024 Audit plan external auditor.
- Independence and evaluation of external auditor.
- Tax matters.
- Financings.
- Review status CSRD implementation, double materiality assessment, roadmap and progress net zero targets

The external auditor participated in all meetings of the Audit Committee. Discussions were held with the external auditor about the audit plan, interim audit findings report, board report, audit report and financial statements including managerial judgments and key accounting estimates. Additionally, the Audit Committee formally evaluated the external auditor.

### Appointment and Remuneration Committee

There were no changes in the Appointment and Remuneration Committee composition in 2024. The Appointment and Remuneration Committee had five scheduled meetings in 2024 and one ad hoc meeting. The attendance rate of the Appointment and Remuneration Committee meetings was c. 94%. The Appointment and Remuneration Committee consists of two parts: a part for selection and appointment matters and a part for remuneration matters. During the Supervisory Board meetings, the respective Chair reported on the selection and appointment matters and on the remuneration matters reviewed by the Committee, on actions arising and the follow-up of such actions. They made recommendations on those matters that require a decision from the Supervisory Board.

**Responsibility:**

The Appointment Committee supports the Supervisory Board's decision-making regarding composition and functioning of the Management Board and Supervisory Board. The Remuneration Committee prepares the Supervisory Board's decision-making regarding the determination of the remuneration of individual Managing Directors and of the Supervisory Board.

**Main items discussed:**

**Appointment matters**

- Management Board and Supervisory Board composition, functioning and succession planning.
- Talent management.
- SBM Offshore organizational structure.
- Employee engagement survey results and actions.

**Remuneration matters**

- Management Board remuneration including target realization and setting, and award Value Creation Stake.
- Preparation Management Board remuneration policy submission to 2025 AGM.
- Remuneration report including presentation (enhancing clarity and transparency).
- Remuneration Senior Management.
- AGM preparation.

More detailed information can be found in the Remuneration Report (section 2.3).

The meetings were attended by the Management Board and the Group HR Director, except where the Appointment and Remuneration Committee chose to discuss matters in private.

### Technical and Commercial Committee

In 2024, Hilary Mercer stepped down from the Technical and Commercial Committee and Allard Castelein became member and Chair. The Technical and Commercial Committee convened five times in 2024. The attendance rate of the Technical and Commercial Committee for these meetings was c. 83%. The Chair of the Technical and Commercial Committee reported to the Supervisory Board on the principal issues discussed, on actions arising and the follow-up of such actions and made recommendations on those matters requiring a decision.

**Responsibility:**

The Technical and Commercial Committee supports the Supervisory Board's decision-making regarding among others HSSEQS matters and related improvement plans, operational performance, project execution, sales, marketing and tendering activities, risks associated with the foregoing.

**Recurring agenda topics:**

- HSSEQS report.
- Operational strategy and performance.
- Project prospects.
- Project execution.
- Project performance.

**Main other items discussed:**

- Quality control.
- Project planning and control.
- Technology and innovation developments.

Further discussions on sales, marketing and tendering activities and technological developments took place during the Supervisory Board meetings.

The meetings were attended by the Management Board, COO, CBO and relevant senior management representatives to discuss topics within the remit of the Technical and Commercial Committee.

### INDUCTION, TRAINING AND PERFORMANCE ASSESSMENT

New members of the Supervisory Board receive a comprehensive induction tailored to their needs. Furthermore, during the first year of appointment, new members often are present at the meetings of committees of which they are not a member. In 2024, SBM Offshore welcomed Patrick Jager as new member to the Supervisory Board. The induction program took place in the form of sessions with the Management Board, COO, CBO and Senior Management where operational, commercial, financial, social, legal and sustainability matters regarding SBM Offshore were discussed.

Both the Management Board and the Supervisory Board spent time on deep dives on various relevant subjects, for example on CSRD obligations, double materiality assessment and related process and disclosures. The Boards expanded their knowledge on what is expected from each of them in terms of governance therein. Both Boards participated in a workshop on climate change. Some Supervisory Board members and the Management Board paid a visit to FPSO *ONE GUYANA* whilst under construction in Singapore. Finally, in December, the Supervisory Board went to Porto, Portugal and visited the Corporate Business Solutions Center and received presentations on its functions as well as the Operations tactical center.

In August 2024, the Supervisory Board assessed the profiles and the competencies of the individual Supervisory Board members. Annually, an assessment on the functioning of the Supervisory Board, its committees and its members is performed. As the 2023 the evaluation was done with an external adviser, the 2024 evaluation was carried out by the Management Board and Supervisory Board members completing an online survey. The outcome was discussed with the Supervisory Board in November 2024. The assessment shows that the Supervisory Board and its members function properly and effectively. The composition of the Supervisory Board represents the relevant skill sets and the required areas of expertise. The Supervisory Board meetings take place in an open, constructive, and transparent atmosphere with each of the members actively participating. In order to keep connected to the business and its people, the Supervisory Board suggested having at least annual off-site visits and spend more time on informal interactions between the Supervisory Board members itself, as well as with (senior) management. These suggestions will be incorporated in the 2025 planning.

The Supervisory Board also evaluated the functioning of the Management Board, which was concluded to function properly and effectively. With the transition to the new CEO, the reduction of the Management Board to two members, and the support of the COO and CBO, the Supervisory Board is pleased to see a continued good cooperation and team spirit.

The Management Board reviewed its own functioning as a whole and that of the individual Management Board members on various occasions throughout the year. During these sessions, its role and responsibilities, meeting efficiency and the relationship with the Supervisory Board and senior management was also discussed. In addition there has been continuous attention to diversity and inclusion within the organization.

### CONCLUSION

The Financial Statements have been audited by the external auditor, Deloitte Accountants B.V. Their findings have been discussed with the Audit Committee and the Supervisory Board in the presence of the Management Board. The external auditor has expressed an unqualified opinion on the Financial Statements.

The members of the Supervisory Board have signed the 2024 Financial Statements pursuant to their statutory obligations under article 2:101 (2) of the Dutch Civil Code. The members of the Management Board have signed the 2024 Financial Statements pursuant to their statutory obligations under article 2:101(2) of the Dutch Civil Code and article 5:25c (2) (c) of the Financial Markets Supervision Act. The Supervisory Board of SBM Offshore N.V. recommends that the General Meeting adopts the Financial Statements for the year 2024.

**Supervisory Board**
Roeland Baan, Chair
Bernard Bajolet, Vice-Chair
Lucia de Andrade
Ingelise Arntsen
Allard Castelein
Denise Dettingmeijer
Patrick Jager
Schiphol, the Netherlands
February 19, 2025

## 2.3 REMUNERATION REPORT

**Letter from the Chair of the Appointment and Remuneration Committee for remuneration matters**

Dear shareholder,

The Company has over the past year delivered a good business performance in terms of Profitability, Growth and Sustainability. As a consequence, the Management Board variable compensation (STI) has been awarded accordingly.

In 2024, leadership of the Company has evolved with the establishment of a two-person Management Board effective from April 12, 2024, featuring Øivind Tangen (CEO) and Douglas Wood (CFO).

In the accounting of our implementation of the Management Board Remuneration Policy, transparency around information and presentation of this report remains an area of focus. We have given further insights in our presentation on STI targets and performance realized. At the end of this report, you find our outlook for 2025 in terms of remuneration.

Pursuant to Dutch law, remuneration policies are submitted to the general meeting for adoption every four years. Therefore, we have submitted the Supervisory Board Remuneration Policy to the AGM in 2024. As a Committee we are pleased that it was adopted with over 97% of the votes.

The Management Board Remuneration Policy was last adopted at the 2021 AGM, where it received 91% of the votes. As required, the policy is subject to renewal. The preparation hereof has been one of our focus areas in 2024. After thorough preparation and stakeholder engagement, the policy (RP 2026) will be presented for adoption at the 2025 AGM.

In the review of RP 2022, we concluded that it works satisfactory towards the policy principles set. We have proposed to the Supervisory Board to maintain the current remuneration structure based on RP 2022 and make only minor updates to the policy. We appreciated the valuable exchange with various stakeholders as part of the process of reviewing RP 2022 and preparing RP 2026. During these meetings, we experienced a continued support for RP 2022 and the proposed minor updates.

Below you find a full account of our remuneration policies and how we implemented them in 2024. We look forward to engage with you on this report and thank you for your support.

On behalf of the Appointment and Remuneration Committee,

Allard Castelein, Chair for remuneration matters

### 2.3.1 MANAGEMENT BOARD REMUNERATION POLICY

#### Introduction

The Remuneration Policy 2022 (RP 2022) became effective January 1, 2022 after being adopted by shareholders with 91% of the votes on April 7, 2021. Full details and the principles and rationale for the RP 2022 are available on SBM Offshore's website (who-we-are/Corporate Governance). Pursuant to Dutch law, the Management Board Remuneration Policy will be submitted for adoption at the 2025 AGM. Reporting in this remuneration report takes place on the basis of RP 2022 as it was effective in 2024.

The Company remunerates members of the Management Board for long-term value creation. RP 2022 is based on competitive remuneration aligned with the long-term performance of SBM Offshore. It is built on six reward principles: simplicity, flexibility, predictability, competitiveness, alignment and, most importantly, driving the right results.

This remuneration report has been written based on the EU Shareholder Rights' Directive (SRD II) as implemented in the Netherlands.

#### Explanation of RP 2022

SBM Offshore is the world's deepwater ocean-infrastructure expert and delivering a True. Blue. Transition. – advancing decarbonization and the energy transition while diversifying to support more industries with its marine capabilities. In executing the strategy, SBM Offshore is guided by its Core Values: Integrity, Care, Collaboration and Ownership.

The underlying principles of the remuneration policy of the Management Board of SBM Offshore N.V. support the vision and ambition and aim for sustainable long-term value creation for SBM Offshore through the Value Creation Stake balanced with pay for performance through the short-term incentive (STI).

The Company's strategy revolves around excellence in the execution of ocean infrastructure while reducing costs and emissions of oil and gas production and, in parallel, developing new sustainable technologies to enter and expand as part of the energy transition and with unwavering commitment to health, safety, and protection of the environment. In RP 2022, pay is linked to the strategic goals through the STI performance areas of Profitability, Growth and Sustainability performance through annual financial, non-financial and sustainability targets for the respective performance year. As such, Management Board remuneration is directly linked to the success of the Company and the value delivered to shareholders. Sustainability is an integral part of the strategy, and is explicitly expressed through the Sustainability performance area and also through the underpin test for the Value Creation Stake.

### REMUNERATION POLICY STRUCTURE MANAGEMENT BOARD

| REMUNERATION POLICY | | DETAILS |
|---|---|---|
| **Base Salary** | Fixed component | Level set based on both internal and external benchmarks |
| **STI** | Percentage of Base Salary as short-term cash incentive (100% at target for CEO and 75% for other Management Board members) | Identical targets for all Management Board members (based on profitability, growth and sustainability performance) |
| **Value Creation Stake** | Award of locked-in shares: 175% of Base Salary | This award is conditional upon Supervisory Board approval – Immediate vesting plus 5-year holding requirement |
| **Pension** | Pension allowance equal to 25% of Base Salary | Management Board members are responsible for their own pension arrangements |
| **Benefits** | Benefits include car allowance and health/life insurance | Other benefits depend on individual circumstances and may include a housing allowance |

Employment conditions and pay of employees within SBM Offshore are taken into account when formulating the remuneration policy, for instance through the internal pay-ratio analysis. Employment conditions for Management Board members may differ from those applicable to employees because their responsibilities are on a different level. The principles of the remuneration policy are used as a guideline for remuneration at SBM Offshore as a whole.

The four components of the remuneration package of Management Board members under RP 2022 are: (1) base salary, (2) STI, (3) Value Creation Stake and (4) Pension and Benefits.

## BASE SALARY

The base salary is set by the Supervisory Board and is a fixed component paid in cash. Depending on internal and external developments such as market movements, the Supervisory Board may adjust base salary levels.

## SHORT-TERM INCENTIVE

The objective of the STI is to provide a direct alignment of pay with short-term operational performance. Under RP 2022, the STI key performance indicators focus on three performance areas: (i) Profitability, (ii) Growth and (iii) Sustainability performance. The Supervisory Board, upon the recommendation of the Appointment and Remuneration Committee, determines, for each of the performance measures, the specific performance targets and their relative weighting at the beginning of the financial year within the following margins for each area:

### STI

| PERFORMANCE MEASURES | WEIGHTING |
|---|---|
| PROFITABILITY | 40 - 60% |
| GROWTH | 20 - 40% |
| SUSTAINABILITY PERFORMANCE | 15 - 25% |
| TOTAL | 100% |
| DISCRETIONARY JUDGEMENT SUPERVISORY BOARD | - 10% |

The Supervisory Board will inform the shareholders in the remuneration report of the performance indicators it applies in each financial year. Performance measures will not be adjusted retrospectively.

Performance ranges – threshold, target and maximum – are set for each of the key performance indicators. The STI is set at a target level of 100% of the base salary for the CEO and 75% of the base salary for any other member of the Management Board. The threshold pay-out is at 0.5 times target and maximum pay-out will not exceed 1.5 times target. A linear pay-out line applies between threshold and maximum. Below threshold, the pay-out is zero. The Supervisory Board may adjust the outcome of the STI down by a maximum of 10%, which adjustment, if applied, will be reported on in the remuneration report.

At the end of the performance year, the performance is reviewed by the Supervisory Board and the pay-out level is determined. Target setting and realization are published ex post in this remuneration report. For order intake and project performance that are very sensitive commercially, a qualitative appraisal will be presented. The STI is payable in cash after the publication of the Annual Report for the performance year.

## VALUE CREATION STAKE

The Value Creation Stake is an award of restricted shares to create direct alignment with long-term shareholder value. The awarded shares must be held for at least five years. After retirement or termination, the holding period will not be longer than two years. The gross annual grant value for each of the Management Board members is 175% of base salary. The number of shares is determined by a four-year average share price (volume-weighted). The Value Creation Stake has a variable element to the extent that the share price develops during the holding period. A performance underpin is applicable, which serves as a mechanism to ensure an acceptable threshold level of performance. Prior to the grant of the Value Creation Stake, the Supervisory Board can consider that it is withheld in whole or in part when events within the control of the incumbent Management Board have occurred that threaten the long-term continuity of the Company in case of:

- Safety event resulting in the loss of multiple lives and/or significant oil damage to the environment and/or loss of an FPSO;and/or
- Compliance issue resulting in the Company being unable to operate in one or more of its primary markets; and/or
- Significant project impairment due to insufficient oversight or gross negligence or deliberate omissions. This relates to large projects with a value exceeding US$1 billion.

All members of the Management Board are required to build up Company stock of at least 350% of base salary. The value of the share ownership is determined at the date of grant.

## PENSION AND BENEFITS

In principle, the Management Board members are responsible for their own pension arrangements and receive a pension allowance equal to 25% of their base salary for this purpose.

The Management Board members are entitled to additional benefits, such as a company car allowance, medical and life insurance and (dependent on the personal situation of the Management Board member) a housing allowance and school fees.

## KEY ELEMENTS EMPLOYMENT AGREEMENTS

Each of the Management Board members has entered into a four-year service contract with the Company, the terms of which have been disclosed in the explanatory notice of the General Meeting at which the Management Board member was (re-)appointed. Next to his service contract, Bruno Chabas had an employment contract with Offshore Energy Development Corporation S.A.M., in relation to a split pay-out of his remuneration.

### Adjustment of remuneration and claw-back

The service contracts with the Management Board members contain an adjustment clause giving discretionary authority to the Supervisory Board to adjust the payment of the STI, if a lack of adjustment would produce an unfair or unintended result as a consequence of extraordinary circumstances during the period in which the performance criteria have been, or should have been, achieved. However, based on earlier shareholder feedback, the Supervisory Board determined that upward adjustments will not be considered.

A claw-back provision is included in the service contracts, enabling the Company to recover the Value Creation Stake, STI and/or LTI (as granted under RP 2015) on account of incorrect financial data.

### Severance Arrangements

The Supervisory Board will determine the appropriate severance payment for Management Board members in accordance with the relevant service contracts and Corporate Governance Code. The Corporate Governance Code provides that the severance payment will not exceed a sum equivalent to one times annual base salary. This also applies in a situation of a change in control.

### Loans

SBM Offshore does not grant loans, advances or guarantees to its Management Board members.

## 2.3.2 2024 MANAGEMENT BOARD REMUNERATION

The Supervisory Board is responsible for ensuring that the remuneration policy is appropriately applied and aligned with the Company's objectives. The remuneration level is determined by the Supervisory Board using a comparison with Dutch and international peer companies, as well as internal pay ratios across the Company.

### REFERENCE GROUP

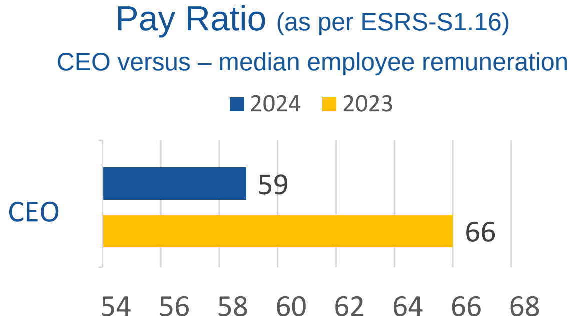
In order to determine a competitive base salary level and to monitor total remuneration levels of the Management Board, a reference group of relevant companies in the industry (the 'Reference Group') has been defined. Pay levels of the Management Board members are bench-marked to the Reference Group. In the event a position cannot be bench-marked within the Reference Group, the Supervisory Board may benchmark a position to similar companies. In 2024, in preparation of the Management Board Remuneration Policy being tabled at the 2025 AGM, a benchmark was done and the Reference Group was updated as follows:

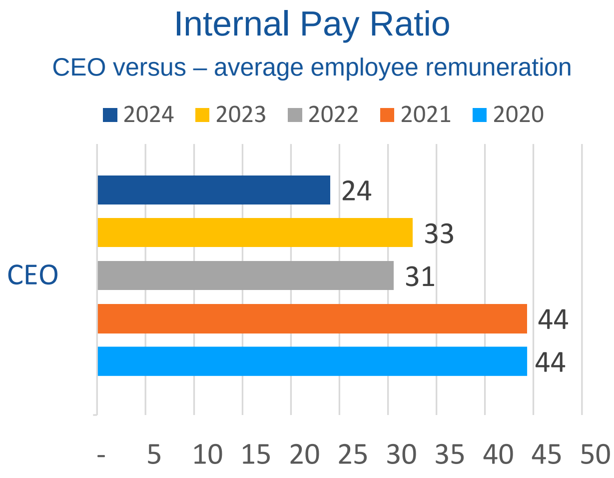
| | | |
|---|---|---|
| Aker Solutions ASA | Maire Tecnimont SpA* | Saipem SpA* |
| Arcadis NV | Noble Corp. Plc | Subsea 7 SA* |
| Fugro NV | Oceaneering International, Inc | Tecnicas Reunidas SA |
| Helmerich & Payne, Inc | Petrofac Ltd. | Technip Energies NV* |
| IMI Plc | RPC Inc. | Transocean Ltd. |
| John Wood Group Plc | Royal Vopak NV | Vallourec SA |

** Added to the reference group in 2024*

### PAY RATIO

The pay ratio shows the developments in the annual total remuneration of the CEO compared to employees over the period. The graph below shows the pay ratio of the CEO versus the median of all other employees. This pay ratio is calculated by dividing the total actual CEO remuneration as disclosed in the remuneration report to the median annual compensation of all other employees, whereby for all other employees the applicable remuneration policy of SBM Offshore is applied. In addition, the pay ratio of the CEO versus the average of all other employees is presented. This pay ratio is calculated as the total annualized accounting costs of remuneration for the CEO expressed as a multiple of the average overall employee benefit and contractor expenses for a given year (excluding employees working for non-consolidated JVs and associates). The average total employee and contractor costs per FTE in 2024 was EUR148 thousand. In both pay ratio calculations, the internal pay ratio decreased compared to 2023 due to the CEO change and the associated remuneration.




On both graphs, the 2024 CEO remuneration has been annualized and is EUR3,533,583.

## TOTAL REMUNERATION OVERVIEW

The table below provides insight into the costs for SBM Offshore for Management Board reward in 2024 (based on RP 2022) and presents an overview of the remuneration of the Management Board members who were in office during 2024.

**Remuneration of the Management Board**

| in thousands of EUR | | Fixed remuneration | | Variable remuneration | | | | |
|---|---|---|---|---|---|---|---|---|
| Name of Director, Position | Year | Base salary | Other benefits | STI[1] | Value Creation Stake | Pension expense | Total remuneration | Proportion of fixed and variable remuneration |
| Øivind Tangen, CEO[2] | 2024 | 703 | 153 | 840 | 1,167 | 176 | 3,039 | 28%/72% |
| | 2023 | 518 | 145 | 466 | 916 | 130 | 2,175 | 36%/64% |
| | 2022 | 558[3] | 346 | 256 | 695 | 121 | 1,975 | 52%/48% |
| Douglas Wood, CFO | 2024 | 584 | 53 | 552 | 938 | 146 | 2,273 | 28%/72% |
| | 2023 | 544 | 36 | 490 | 962 | 136 | 2,167 | 33%/67% |
| | 2022 | 537 | 42 | 342 | 850 | 134 | 1,906 | 37%/63% |
| | 2021 | 518 | 50 | 517 | 968 | 129 | 2,182 | 32%/68% |
| | 2020 | 518 | 44 | 475 | 1,071 | 129 | 3,293[4] | 21%/79% |
| Bruno Chabas[5] | 2024 | 271 | 155 | 339 | 1,522 | 83 | 2,370 | 18%/82% |
| | 2023 | 960 | 241 | 1,152 | 1,697 | 276 | 4,327 | 34%/66% |
| | 2022 | 960 | 231 | 816 | 1,512 | 297 | 3,815 | 39%/61% |
| | 2021 | 960 | 250 | 1,279 | 1,797 | 294 | 4,580 | 33%/67% |
| | 2020 | 960 | 213 | 1,176 | 1,965 | 296 | 6,721[6] | 22%/78% |

1 STI based on accrual accounting, taking into consideration that this reflects the STI to be paid over the performance of that year.
2 COO and Management Board member until April 12, 2024. CEO and Management Board member from that date.
3 Including unwinding of rights as employee prior to the Management Board nomination.
4 Vesting of former LTI cycle of EUR1.1 mln (former RP 2015).
5 CEO and Management Board member until April 12, 2024.
6 Vesting of former LTI cycle of EUR2.1 mln (former RP 2015).

## BASE SALARY

The 2024 and 2023 base salary levels of the Management Board members are shown in the table above: Remuneration of the Management Board.

As per April 12, 2024, and in view of his appointment as CEO, the base salary of Øivind Tangen was increased to EUR775,000. Also following a benchmark, the Supervisory Board decided to increase the base salary of Douglas Wood to EUR600,000 as per the same date.

## SHORT-TERM INCENTIVE

RP 2022 indicates that the STI performance areas are Profitability, Growth and Sustainability.

The Supervisory Board set the financial, non-financial and sustainability metrics and the detailed targets (reflected as threshold, target and max) for each of these performance areas at the beginning of the financial year. For each of these targets, a scenario analysis takes place to ensure that the targets are suitable, supportive to the strategy and challenging. When conducting scenario analyses and establishing the metrics and detailed targets, the Supervisory Board identifies critical variables and factors that could impact the Company's performance in the relevant performance areas and could influence pay outcomes. Additionally, regular updates are given on the forecasted target realization throughout the year. These updates are also taken into consideration in the scenario analyses when establishing the targets and detailed metrics at the beginning of the following year.

The following two tables show an overview of the 2024 target realization and the related 2024 STI for the individual Management Board members.

| Performance area | Performance indicator | Relative weight | Threshold | Target | Max | Actual performance | Actual in % of target |
|---|---|---|---|---|---|---|---|
| Profitability | Underlying directional EBITDA (US$ mln)[1] | 50% | 1,100 | 1,200 | 1,270 | 1,294 (=Max) | 65.0% |
| | Project Execution performance[2] | | Commercially sensitive | | | Target | |
| Growth | FPS Order intake | 25% | Commercially sensitive | | | Between Max and Target | 28.5% |
| | Energy transition[3] | | | | | | |
| Sustainability | Safety – Process Safety | 25% | T1 Process Safety Incidents with > 3 in severity score | | | 1 (=Max) | 32.5% |
| | Safety: SIF + TRIFR | | Serious Injury and Fatality (SIF) + TRIFR | | | TRIFR=0.10; SIF=0 (=Target) | |
| | Operational Excellence on $CO_2$ produced | | Average $CO_2$ per barrel produced (kg) (fleet average) | | | Max | |
| | Safe and Sustainable Recycling | | Development decommissioning plans | | | 8 (=Max) | |
| | Employee Engagement[4] | | Min | Target | Max | Target | |
| Weighted performance on all indicators | | 100% | | | | | 126.0% |

1 Underlying EBITDA reflects the following adjustments: i) impact of the sale of FPSOs Liza Destiny and Prosperity in 2024.

2 The Project Execution performance was assessed qualitatively in terms of backlog delivery and analysis of past project performance and definition of lessons learned which were implemented, if applicable, for the set-up of future projects.

3 Energy Transition: progress on near zero FPSO development.

4 Employee Engagement has been evaluated in terms of percentage of engagement and satisfaction in engagement survey.

### 2024 STI Performance

| Name of Director | Position | Base salary in EUR | Actual Performance in % | Actual Performance in EUR |
|---|---|---|---|---|
| Øivind Tangen[1] | CEO | 702,897[2] | 119.5%[3] | 839,872 |
| Douglas Wood | CFO | 584,289 | 94.5% | 552,153 |
| Bruno Chabas | | 269,333[4] | 126.0% | 339,360 |

1 CEO since April 12, 2024.

2 Weighted full year base salary.

3 Weighted with 94.5% COO and 126.0% CEO.

4 Weighted base salary until April 12, 2024.

### VALUE CREATION STAKE

The Supervisory Board decided to grant the Value Creation Stake for 2024 to the Management Board members in accordance with RP 2022. The underpin test as explained in section 2.3.1 was applied to this grant. As per RP 2022, the granted Value Creation Stake vests immediately. The gross annual value for each of the Management Board members is 175% of base salary. The number of shares was based on the four-year average share price (volume weighted) at the date of the respective grant. The cost of the granted Value Creation Stake is included in the table at the beginning of this section 2.3.2. The number of shares vested under the Value Creation Stake can be found in section 2.3.3 of this remuneration report under Conditions of and information regarding share plans.

## SHAREHOLDING REQUIREMENT MANAGEMENT BOARD

The following table contains an overview of shares held in SBM Offshore N.V. by members of the Management Board at December 31, 2024.

**Shares held by members of the Management Board**

| | Shares subject to conditional holding requirement | Other shares | Total shares at 31 December 2024 | Total shares at 31 December 2023 |
|---|---|---|---|---|
| Øivind Tangen[1] | 139,087 | 96,167 | 235,254 | 173,104 |
| Douglas Wood | 182,624 | 158,550 | 341,174 | 300,186 |
| Bruno Chabas[2] | n/a | n/a | n/a | 1,318,705 |
| **Total** | **321,711** | **254,717** | **576,428** | **1,791,995** |

1 COO until April 12, 2024, CEO from that date.
2 CEO until April 12, 2024.

All Management Board members met the share ownership requirement, which is set at an equivalent of 350% of their base salary. Section 2.3.3 contains more information about the (historical) share plans for the Management Board.

## PENSIONS AND BENEFITS

Management Board members received a pension allowance equal to 25% of their base salary. In case these payments are not made to a qualifying pension fund, Management Board members are individually responsible for the contribution received and SBM Offshore withholds wage tax on these amounts. For Bruno Chabas, two pension arrangements (defined contribution) were in place and its costs are included in the table at the beginning of this section 2.3.2.

The Management Board members are entitled to additional benefits, such as a company car allowance, medical and life insurance and (dependent on the personal situation of the Management Board member) a housing allowance and school fees. The value of these elements is included in the table in section 2.3.2 under item Other Benefits.

## 2.3.3 OTHER REMUNERATION INFORMATION

This section provides further information to increase transparency and accountability for the execution of RP 2022 and aim to allow shareholders, potential investors and other stakeholders to better assess Management Board remuneration.

The following table includes further details regarding the various (historical) share plans, including the changes throughout 2024.

**Conditions of and information regarding share plans**

| The main conditions of share award plans | | | Information regarding the reported financial year | | | |
|---|---|---|---|---|---|---|
| | | | Opening balance[1] | During the year | | Closing balance[2] |
| Specification of plan | Grant and vesting dates | End of retention period | Shares held at the beginning of the year | Shares granted (# / EUR x 1,000)[3] | Shares vested (# / EUR x 1,000)[4] | Shares subject to a retention period |
| Øivind Tangen, CEO | | | | | | |
| Ownership Shares 2021 | 01-01-2021 | 01-01-2024 | 1,293 | 0 / 0 | 0 / 0 | |
| Ownership Shares 2022 | 01-01-2022 | 01-01-2025 | 1,572 | 0 / 0 | 0 / 0 | 1,572 |
| Value Creation Stake 2022[5] | 06-04-2022 | 06-04-2027 | 32,073 | 0 / 0 | 0 / 0 | 32,073 |
| Value Creation Stake 2023[5] | 01-01-2023 | 01-01-2028 | 43,312 | 0 / 0 | 0 / 0 | 43,312 |
| Value Creation Stake 2024 | 01-01-2024 | 01-01-2029 | | 65,442 / 821 | 65,442 / 821 | 45,628 |
| Additional Value Creation Stake 2024[6] | 12-04-2024 | 12-04-2029 | | 23,658 / 345 | 23,658 / 345 | 16,502 |
| Douglas Wood, CFO | | | | | | |
| Value Creation Stake 2019 | 01-01-2019 | 01-01-2024 | 32,511 | 0 / 0 | 0 / 0 | - |
| Additional Value Creation Stake 2019 | 01-07-2019 | 01-07-2024 | 2,323 | 0 / 0 | 0 / 0 | - |
| Value Creation Stake 2020 | 01-01-2020 | 01-01-2025 | 35,554 | 0 / 0 | 0 / 0 | 35,554 |
| Value Creation Stake 2021 | 01-01-2021 | 01-01-2026 | 34,212 | 0 / 0 | 0 / 0 | 34,212 |
| Value Creation Stake 2022 | 01-01-2022 | 01-01-2027 | 34,389 | 0 / 0 | 0 / 0 | 34,389 |
| Additional Value Creation Stake 2022[6] | 06-04-2022 | 06-04-2027 | 1,304 | 0 / 0 | 0 / 0 | 1,304 |
| Value Creation Stake 2023 | 01-01-2023 | 01-01-2028 | 36,177 | 0 / 0 | 0 / 0 | 36,177 |
| Value Creation Stake 2024 | 01-01-2024 | 01-01-2029 | | 68,727 / 863 | 68,727 / 863 | 38,129 |
| Additional Value Creation Stake 2024[6] | 12-04-2024 | 12-04-2029 | - | 5,155 / 75 | 5,155 / 75 | 2,859 |

1 Opening balance consists of both shares held and unvested grants for conditional plans at assumed maximum target.
2 Closing balance consists of the full grant and vesting of the relevant plan, including any sell-to-cover performed to compensate a wage tax impact.
3 Converted at the share price at the date of grant.
4 Converted at the share price at the date of vesting.
5 Pro-rata VCS following appointment to Management Board per April 6, 2022.
6 Additional Value Creation Stake granted due to salary increase.

| The main conditions of share award plans | | | Information regarding the reported financial year | | | |
|---|---|---|---|---|---|---|
| | | | Opening balance[1] | During the year | | Closing balance[2] |
| Specification of plan | Grant and vesting dates | End of retention period | Shares held at the beginning of the year | Shares granted (# / EUR x 1,000)[3] | Shares vested (# / EUR x 1,000)[4] | Shares subject to a retention period |
| **Bruno Chabas** | | | | | | |
| Value Creation Stake 2019 | 01-01-2019 | 01-01-2024 | 74,043 | 0 / 0 | 0 / 0 | - |
| Value Creation Stake 2020[5] | 01-01-2020 | 01-01-2025 | 65,821 | 0 / 0 | 0 / 0 | 65,821 |
| Value Creation Stake 2021 | 01-01-2021 | 01-01-2026 | 63,466 | 0 / 0 | 0 / 0 | 63,466 |
| Value Creation Stake 2022 | 01-01-2022 | 01-01-2027 | 63,794 | 0 / 0 | 0 / 0 | 63,794 |
| Value Creation Stake 2023 | 01-01-2023 | 01-01-2028 | 63,841 | 0 / 0 | 0 / 0 | 63,841 |
| Value Creation Stake 2024 | 01-01-2024 | 01-01-2029 | | 121,282 / 1,522 | 121,282 / 1,522 | 67,286 |

1 Opening balance consists of both shares held and unvested grants for conditional plans at assumed maximum target.
2 Closing balance consists of the full grant and vesting of the relevant plan, including any sell-to-cover performed to compensate a wage tax impact.
3 Converted at the share price at the date of grant.
4 Converted at the share price at the date of vesting.
5 Includes additional Value Creation Stake granted due to salary increase.

In the table below, information on the annual change of remuneration of each individual Management Board member is set out over the five most recent financial years. In addition, the performance of the Company (measured in Directional Underlying EBITDA and TRIFR) is displayed as well as the average remuneration on a full-time equivalent basis of employees of the Company (calculated in the same manner as the internal pay ratio in this section).

**Comparative table on the change of remuneration and Company performance over the last five reported financial years**

in thousands of EUR, except Company's performance

| Annual Change[1] | 2019[2] | 2020[2] | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|
| Øivind Tangen, CEO[3] | | | | 1,975 | 10% / 2,175 | 40% / 3,039 |
| Douglas Wood, CFO | 3,422 | (4%) / 3,293 | (51%) / 2,182 | (15%) / 1,906 | 14% / 2,167 | 5% / 2,273 |
| Bruno Chabas[4] | 6,293 | 6% / 6,721 | (47%) / 4,580 | (20%) / 3,815 | 13% / 4,327 | (43%) / 2,370 |
| **Company´s performance** | | | | | | |
| Underlying Directional EBITDA in million US$ | 832 | 19% / 992 | (7%) / 931 | 8% / 1,010 | 6% / 1,075[5] | 20% / 1,294[6] |
| TRIFR[7] | 0.13 | (30%) / 0.10 | (67%) / 0.06 | 50% / 0.12 | (50%) / 0.08 | 25% / 0.10 |
| **Average employee expenses on a full-time equivalent basis** | | | | | | |
| Average employee expenses of the Company[8] | 117 | (3%) / 114 | (11%) / 102 | 8% / 111 | 2% / 113 | 8% / 122 |

1 Annual change in percentage is calculated comparative to the amount of the current year.
2 2018 – 2020 impacted by transition from RP15 (delayed LTI vesting) to RP18 (immediate VCS vesting and a holding period).
3 COO and Management Board member until April 12, 2024. CEO and Management Board member from that date.
4 CEO and Management Board member until April 12, 2024.
5 Underlying EBITDA reflects the following adjustments: i. impact of the sale of Liza Destiny earlier than planned; ii. implementation costs of an optimization plan related to the Company's support functions; and iii. impact of the delay in commencement of a charter by a client notwithstanding the on-target delivery of the vessel by the Company.
6 Underlying EBITDA restated for: DNY/PTY sale in 2024.
7 Total recordable injury frequency rate trends are positive when downwards.
8 The average employee expenses of the company are based on the IFRS expenses including share based payments. The average employee expenses are influenced by both the composition of the population both in function as well as geographical location and the related foreign currency impacts. This calculation has a different basis than the pay-ratio calculation in accordance with the Dutch corporate governance code.

## 2.3.4 SUPERVISORY BOARD REMUNERATION POLICY

As required by Dutch law, the Supervisory Board Remuneration Policy was tabled for adoption at the 2024 AGM and became effective April 12, 2024 after being adopted by shareholders with over 97% of the votes on the same date. The full version of this policy is available on SBM Offshore's website (who-we-are/Corporate Governance).

The Supervisory Board Remuneration Policy encourages a culture of long-term value creation and a focus on the long-term sustainability of the Company. There are no performance targets for the Supervisory Board and the remuneration of the members is not dependent on the results of the Company. This allows an unmitigated focus on long-term value creation for all stakeholders.

The Company's strategy revolves around excellence in the execution of ocean infrastructure while reducing costs and emissions of oil and gas production and, in parallel, developing new sustainable technologies to enter and expand as part of the energy transition and with unwavering commitment to health, safety, and protection of the environment. The Supervisory Board remuneration policy should be competitive and in line with global peer companies that may compete with SBM Offshore for business opportunities and/or talent. The remuneration should enable retaining and recruiting Supervisory Board members with the right balance of experience and competencies while observing the Supervisory Board Profile and Diversity and Inclusion Policy, to oversee the execution of the strategy and the performance of the Company. The remuneration intends to promote an adequate performance of their role.

Considering the nature of the role and responsibility of the Supervisory Board, the pay and employment conditions of employees are not taken into account when formulating the remuneration policy.

### FEE LEVEL AND STRUCTURE

The fee level and structure for the Supervisory Board remuneration is currently as follows:

| Position | Fee in EUR |
|---|---|
| Chair Supervisory Board | 120,000 |
| Vice-Chair Supervisory Board | 80,000 |
| Member Supervisory Board | 75,000 |
| Chair Audit Committee | 10,000 |
| Member of the Audit Committee | 8,000 |
| Chair of the Appointment and Remuneration Committee dealing with appointment matters | 10,000 |
| Chair of the Appointment and Remuneration Committee dealing with remuneration matters | 10,000 |
| Member of the Appointment and Remuneration Committee | 8,000 |
| Chair of the Technical and Commercial Committee | 10,000 |
| Member of the Technical and Commercial Committee | 8,000 |
| Chair of Other Committee (if installed) | 10,000 |
| Member of Other Committee (if installed) | 8,000 |

All fees above are on an annual basis and are not dependent on the number of meetings. Supervisory Board members also receive an annual amount of EUR500 for expenses, and a lump sum of EUR5,000 per meeting when intercontinental travel is involved. No share-based remuneration is granted to the members of the Supervisory Board.

### PENSIONS

Supervisory Board members do not receive a pension allowance.

### ARRANGEMENTS WITH SUPERVISORY BOARD MEMBERS

Members of the Supervisory Board are appointed by the General Meeting for a maximum term of four years. Re-appointment can take place as per the law, articles of association and the Supervisory Board rules of the Company. The term of the Supervisory Board members terminates at the end of their term, in case of resignation or dismissal by the General Meeting.

### LOANS

SBM Offshore does not provide loans, advances or guarantees to the members of the Supervisory Board.

## 2.3.5 2024 SUPERVISORY BOARD REMUNERATION

In accordance with the Supervisory Board Remuneration Policy, the remuneration paid out to the Supervisory Board in 2024 is as per below. Supervisory Board members do not receive variable remuneration.

**Remuneration of the Supervisory Board by member in thousands of EUR**

| Name of Supervisory Board Member, Position | Year | Fees | Committee fees | Other benefits[1] | Total remuneration |
|---|---|---|---|---|---|
| Roeland Baan, Chair | 2024 | 120 | 10 | 1 | 131 |
| | 2023 | 120 | 9 | 1 | 130 |
| Bernard Bajolet, Vice-Chair | 2024 | 80 | 16 | 1 | 97 |
| | 2023 | 80 | 14 | 1 | 95 |
| Ingelise Arntsen, member | 2024 | 75 | 17 | 1 | 93 |
| | 2023 | 75 | 14 | 1 | 90 |
| Allard Castelein, member[2] | 2024 | 75 | 18 | 1 | 94 |
| | 2023 | 54 | 6 | - | 60 |
| Patrick Jager, member[3] | 2024 | 54 | 6 | - | 60 |
| | 2023 | - | - | - | - |
| Hilary Mercer, member | 2024 | 75 | 10 | 1 | 86 |
| | 2023 | 75 | 18 | 31 | 124 |
| Jaap van Wiechen, former member[4] | 2024 | 21 | 3 | - | 24 |
| | 2023 | 75 | 10 | 1 | 86 |
| Sietze Hepkema, former member[5] | 2024 | - | - | - | - |
| | 2023 | 21 | 5 | - | 26 |
| Cheryl Richard, former member[5] | 2024 | - | - | - | - |
| | 2023 | 21 | 3 | 10 | 34 |

1 Other benefits items for the supervisory board consist mainly of the lump sum for intercontinental travel at EUR5,000 each and a yearly expense allowance of EUR500.
2 As per April 13, 2023.
3 As per April 12, 2024.
4 Until April 12, 2024.
5 Until April 13, 2023.

In the table below, information on the annual change of remuneration of each individual Supervisory Board member is set out over the five most recent financial years.

**Comparative table on the change of remuneration over the last five reported financial years in thousands of EUR**

| Annual Change[1] | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|
| Roeland Baan, Chair | 92 | 23% / 119 | 8% / 130 | 0% / 130 | (0%) / 130 | 1% / 131 |
| Bernard Bajolet, Vice-Chair | 84 | 0% / 84 | 0% / 84 | 6% / 89 | 6% / 95 | 2% / 97 |
| Ingelise Arntsen, member | - | - | 61 | 27% / 84 | 7% / 90 | 3% / 93 |
| Allard Castelein, member | - | - | - | - | 60 | 57% / 94 |
| Patrick Jager, member | | | | | - | 0% / 60 |
| Hilary Mercer, member | - | - | - | 69 | 44% / 124 | (31%) / 86 |
| Jaap van Wiechen, former member | - | 61 | 34% / 93 | (6%) / 88 | (2)% / 86 | (72%) / 24 |
| Sietze Hepkema, former member | 84 | 0% / 84 | 7% / 89 | 2% / 92 | (254)% / 26 | - |
| Cheryl Richard, former member | 115 | (28%) / 90 | (6%) / 85 | 0% / 85 | (150%) / 34 | - |
| Francis Gugen, former Vice-Chair | 86 | 0% / 86 | 5% / 90 | (270)% / 24 | (100%) / 0 | - |
| Laurence Mulliez, former member | 92 | 0% / 92 | (275%) / 24 | - | - | - |
| Floris Deckers, former Chair | 138 | (268%) / 37 | - | - | - | - |
| Thomas Ehret, former Vice-Chair | 91 | (300%) / 23 | - | - | - | - |

1 Annual change in percentage is calculated comparative to the amount of the current year.

None of the Supervisory Board members receives remuneration that is dependent on the financial performance of the Company, as per best practice 3.3. of the Corporate Governance Code.

SBM Offshore does not provide loans, advances or guarantees to the members of the Supervisory Board.

## 2.3.6 OUTLOOK FOR 2025

The Supervisory Board is proud of the performance of the Company over 2024. This Remuneration Report gives insight on how the Management Board's performance over 2024 has been rewarded. Based on benchmarks that were recently performed, no changes to the base salary of the Management Board and the Supervisory Board remuneration in 2025 are anticipated.

We are looking forward to engage with shareholders on the 2024 Remuneration Report and RP 2026 at the 2025 AGM.

## 2.4 SHAREHOLDER INFORMATION

### LISTING

SBM Offshore has been listed on Euronext Amsterdam since 1965. The market capitalization as at year-end 2024 was US$3.11 billion. The majority of the Company's shareholders are institutional long-term investors.

### FINANCIAL DISCLOSURES

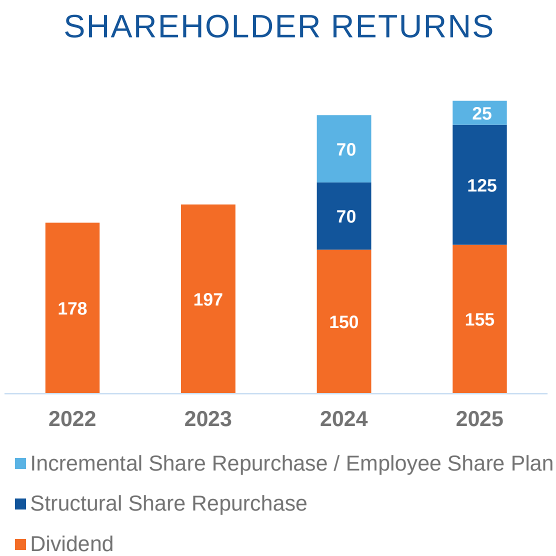
SBM Offshore publishes audited full-year earnings results and unaudited half-year earnings results, which include financials, within sixty days of the close of the reporting period. For the first and third quarters, SBM Offshore publishes a trading update, which includes important company news and financial highlights. The Company conducts a conference call and webcast for all earnings releases and a conference call only for all trading updates during which the Management Board presents the results and answers questions. All earnings-related information, including press releases, presentations and conference call details are available on the SBM Offshore website. Please see the Financial Calendar at the end of this section for the timing of publication of financial disclosures for the remainder of 2025. The Company reports a 'Directional' income statement, balance sheet and cash flow statement. Directional reporting aims to increase transparency in relation to SBM Offshore's cash flow generating capacity and to facilitate investor and analyst review and financial modeling. Furthermore, it also reflects how Management monitors and assesses financial performance of the Company. Directional reporting is included in the audited Consolidated Financial Statements in section 4.3.2.

### DIVIDEND POLICY AND CAPITAL ALLOCATION

The Company's shareholder returns policy is to maintain a stable annual cash return to shareholders which grows over time, with flexibility for the Company to make such cash return in the form of a cash dividend and the repurchase of shares. Determination of the annual cash return is based on the Company's assessment of its underlying cash flow position. The Company prioritizes a stable cash distribution to shareholders and funding of growth projects, with the option to apply surplus capital towards incremental cash returns to shareholders.

As a result, following review of its cash flow position and forecast, the Company intends to pay US$1.59 per share through a proposed US$155 million dividend[4] (EUR150 million equivalent or US$0.88 per share[5]) and US$150 million (EUR141 million equivalent) share repurchase program[6]. This represents an increase of 30% compared with 2024. The objective of the share buyback program would be to reduce share capital and provide shares for regular management and employee share programs (maximum US$25 million). Shares repurchased as part of the cash return will be cancelled.

The share repurchase program will be launched after the current share repurchase program has ended. The dividend will be proposed at the Annual General Meeting on April 9, 2025.




[4] Equivalent of EUR150 million based on the EUR/US$ exchange rate on February 11, 2025. Dividends will be paid in euro provided that the minimum euro dividend shall amount to EUR150 million.

[5] Based on the number of shares outstanding at December 31, 2024. Dividend amount per share depends on number of shares entitled to dividend.

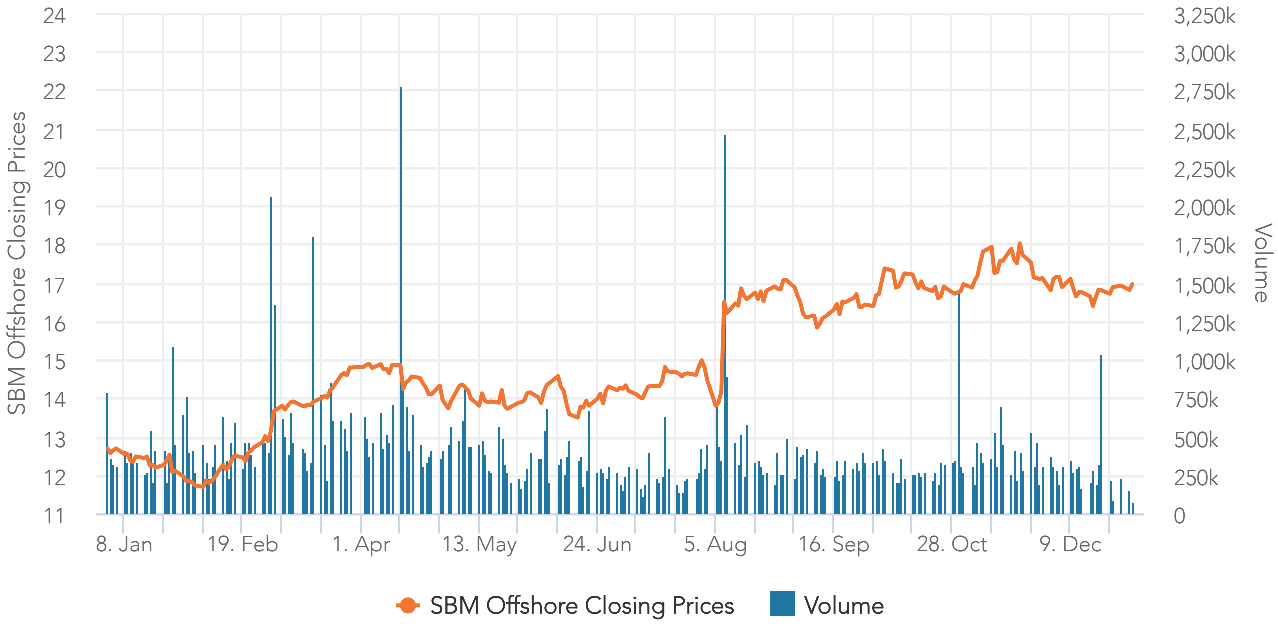
[6] Including maximum US$25 million for management and employee share plans.

# 2 GOVERNANCE

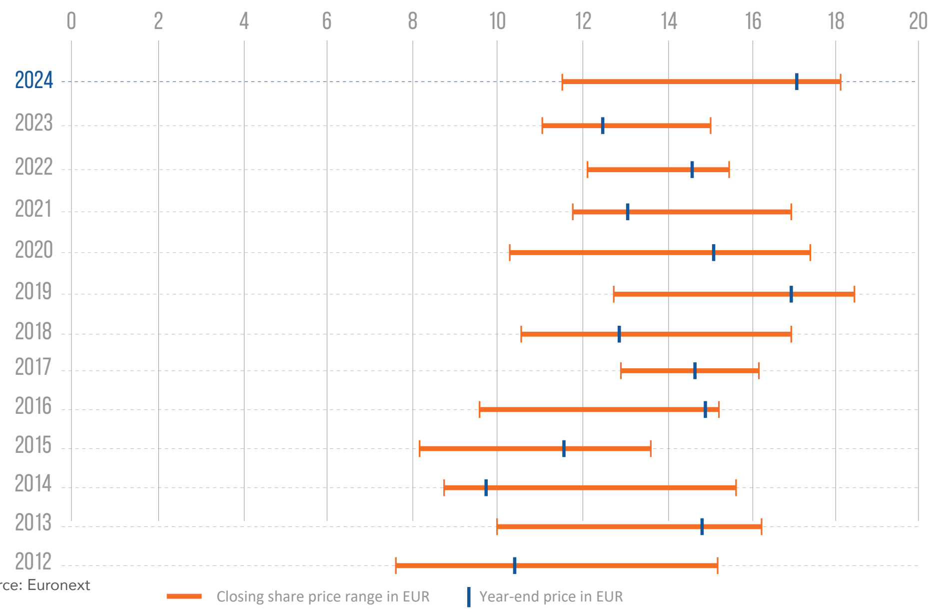
## SHARE PRICE DEVELOPMENT

| | | |
|---|---|---|
| **Year-end price** | EUR16.96 | December 31, 2024 |
| **Highest closing price** | EUR18.02 | November 21, 2024 |
| **Lowest closing price** | EUR11.69 | February 5, 2024 |

Share price development in 2024 (in EUR)




## SHARE PRICE DEVELOPMENT 2012 – 2024 (MAX, MIN, YEAR-END PRICE)




Source: Euronext

For 2024 the press releases covering the key news items are listed below:

| Date | Subject Press Release |
|---|---|
| 05-01-24 | *FPSO Sepetiba* producing and on hire |
| 24-01-24 | SBM Offshore announces CEO departure and succession |
| 24-02-12 | SBM Offshore to nominate Supervisory Board member |
| 29-02-24 | SBM Offshore Full Year 2023 Earnings |
| 29-02-24 | Company share plan related repurchase of 50,000 shares |
| 29-02-24 | SBM Offshore announces share-repurchase |
| 29-02-24 | Completion Company share plan-related repurchase of 50,000 shares |
| 01-03-24 | Annual General Meeting announcement |
| 14-03-24 | SBM Offshore and Technip Energies sign a Partnership Agreement to form EkWiL, a Floating Offshore Wind Joint Venture |
| 12-04-24 | Annual General Meeting 2024 Resolutions |
| 12-04-24 | SBM Offshore Awarded Contracts for ExxonMobil Guyana's *FPSO Jaguar* |
| 15-04-24 | Annual General Meeting 2024 Resolutions (correction of dividend record date) |
| 17-04-24 | SBM Offshore signs a US$250 million short-term corporate facility |
| 08-05-24 | SBM Offshore First Quarter 2024 Trading Update |
| 06-06-24 | SBM Offshore reserves Fast4Ward® hull for the Block 58 development |
| 11-06-24 | SBM Offshore announces the completion of the Share Purchase Agreements with Sonangol |
| 05-07-24 | SBM Offshore and Technip Energies reach implementation of Ekwil, a company dedicated to Floating Offshore Wind |
| 08-08-24 | SBM Offshore Half Year 2024 Earnings |
| 08-08-24 | SBM Offshore awarded FSO contract for Woodside's Trion development |
| 08-08-24 | SBM Offshore doubles its share repurchase program |
| 06-09-24 | SBM Offshore signs Share Purchase Agreements with MISC Berhad |
| 24-10-24 | SBM Offshore divests minority interest in *FPSO Sepetiba* |
| 07-11-24 | FPSO *Prosperity* Purchase by ExxonMobil Guyana Completed |
| 14-11-24 | SBM Offshore Third Quarter 2024 Trading Update |
| 14-11-24 | SBM Offshore awarded contracts for the GranMorgu field development |
| 14-11-24 | SBM Offshore nominates Supervisory Board members |
| 21-11-24 | SBM Offshore completes US$1.5 billion financing of Jaguar |
| 06-12-24 | Extraordinary General Meeting announcement |
| 19-12-24 | FPSO *Liza Destiny* Purchase by ExxonMobil Guyana Completed |

## MAJOR SHAREHOLDERS

As at December 31, 2024, the following investors holding ordinary shares had notified an interest of 3% or more of the Company's issued share capital to the Autoriteit Financiële Markten (AFM) (only notifications after July 1, 2013 are included):

| Date | Investor | % of share capital |
|---|---|---|
| February 28, 2020 | HAL Trust | 20.35% |
| November 18, 2024 | Parvus Asset Management Europe Limited | 10.21% |
| November 21, 2024 | Sprucegrove Investment Management Limited | 5.09% |
| November 9, 2015 | Dimensional Fund Advisors LP | 3.18% |

## INVESTOR RELATIONS

The Company maintains open and active engagement with its shareholders and aims to provide information to the market which is consistent, accurate and timely. Information is provided among other means through press releases, presentations, conference calls, investor conferences, meetings with investors and research analysts and the Company website. The website provides a constantly updated source of information about SBM Offshore's core activities and latest developments. Press releases, presentations and information on shareholder communication can be found there under the Investors section.

## FINANCIAL CALENDAR

| Event | Day | Year |
|---|---|---|
| Full Year 2024 Earnings | February 20 | 2025 |
| Annual General Meeting | April 9 | 2025 |
| First Quarter 2025 Trading Update | May 15 | 2025 |
| Half Year 2025 Earnings | August 7 | 2025 |
| Third Quarter 2025 Trading Update | November 13 | 2025 |

## 2.5 RISK AND COMPLIANCE

### GOVERNANCE

The Management Board is responsible for:

- determining the Company's risk profile and policy, which are designed to achieve the Company's objectives, to assess and manage the Company's risks and to ensure that sound internal risk management and control systems are in place, and
- ensuring that the entire SBM Offshore organization operates within its clearly defined Compliance Program.

The Management Board monitors the operation of the Compliance Program and the internal risk management and control systems and performs an annual systematic assessment of their design and effectiveness. The results are discussed with the Supervisory Board. This monitoring covers all material control measures relating to strategic, operational, financial, compliance and reporting risks. Among other considerations, attention is given to observed weaknesses, instances of misconduct and irregularities and indications from whistle blowers.

### MANAGEMENT APPROACH

The Group General Counsel and Chief Compliance Officer has managerial responsibility for compliance, insurance and legal matters. The Compliance Function, headed by the Group Compliance Manager, has a leadership role in proactively advising the Management Board and Management on acting with integrity and in a compliant manner, both from a strategic and an operational perspective.

The Compliance Function comprises a globally diverse team of experienced compliance professionals located within the Company's most prominent locations worldwide. Business leadership has accountability and responsibility to manage compliance and integrity risks within their fields of management control.

### 2.5.1 DESIGN AND OPERATION OF THE RISK MANAGEMENT AND INTERNAL CONTROL ENVIRONMENT

Group Risk and Control empowers the business to identify and manage risks and opportunities effectively, ensuring alignment with the Company's Risk Appetite (see section 1.4.1) in order for the Company to achieve its strategic goals and objectives. The Risk Assurance Committee (RAC) brings together the heads of assurance functions and reviews the significant risks faced by the Company and its relevant control measures. It also oversees the integrated risk management approach.

## DESIGN AND OPERATION OF THE RISK MANAGEMENT AND INTERNAL CONTROL ENVIRONMENT

The Management Board reviewed and assessed its Internal Risk Management & Control System framework and discussed it with the Supervisory Board. This is performed against five related components which are derived from COSO's framework 'Enterprise Risk Management – Integrating with Strategy and Performance'*. Its relevance to SBM Offshore is explained in Key features, Achievement in 2024, Maturity assessment and the Company's Future ambitions.

| COMPONENT | KEY FEATURES | ACHIEVEMENTS IN 2024 | MATURITY ASSESSMENT according to Management Board | FUTURE AMBITIONS |
|---|---|---|---|---|
| GOVERNANCE & CULTURE | • Management identifies, assesses, and treats risks in line with strategy and the Risk Appetite<br>• The Risk Assurance Committee oversees risk treatment and the Internal Control Framework, ensuring alignment with the Risk Appetite<br>• Internal Audit independently tests the Internal Control environment, ensuring governance | • Aligned Risk management in identifying and treating risks coordinated with the strategy and risk appetite<br>• Enhanced Oversight, through the Risk Assurance Committee in aligning risk mitigation with organizational standards<br>• Strengthened Governance with independent audits to ensure effective 3 lines of defense. | • Management decisions are driven by a risk-aware and control-focused approach | • Reinforce governance and risk policies to promote a risk awareness, control-focused approach<br>• Further integration with strategic goals monitoring and improved risk oversight<br>• Enhance internal controls environment and accountability across the company |
| STRATEGY & OBJECTIVE-SETTING | • The Management Board (MB) sets the Risk Appetite, which is endorsed by the Supervisory Board (SB)<br>• Financial and non-financial risk-bearing processes are identified and incorporated into the Internal Control Framework. | • ESG risks, impacts, and opportunities are assessed and monitored periodically.<br>• Internal controls related to ESG have been embedded within global internal control framework<br>• The risk appetite was revised in the course of 2024 and aligned with the strategic objectives | • Strategy and its Material Topics are well integrated in the Company's Risk Management and Internal Control Framework | • Continue to integrate risk and internal controls at both strategic and operational levels<br>• Enhance risk monitoring through collaboration of strategic oversight and risk & control functions<br>• Strengthen ESG-related non-financial controls<br>• Keep focusing on emerging Risks |
| PERFORMANCE | • Business achieve its objectives through adequate Risk Management and Internal Control support<br>• Activities are performed according to the annual Strategy Cycle and disclosure requirements | • Implemented key risk indicators (KRIs) providing improved insight and control over strategic and operational risks.<br>• Strengthened ESG and Reporting Controls with ESG KPIs and related internal controls | • Risk Management and Internal Control are adequately performed, providing information for discussion and prioritization of assurance | • Develop key risk indicators (KRIs) and financial metrics within the integrated risk and control framework.<br>• Improve the monitoring of ESG KPIs and associated internal controls, incorporating both financial and non-financial reporting controls |
| REVIEW & REVISION | • The Risk Assurance Committee (RAC) meets monthly to ensure an integrated assurance approach<br>• Management Board and Supervisory Board monitors on quarterly basis, the Company's risk profile and internal control associated | • Policies and tooling were regularly reviewed and improved with the RAC<br>• Integrating risk mitigation with business objectives<br>• Applications mapping exercise completed to anticipate changes as result of new ERP | • Risk Management and Internal Control policies and procedures and tooling are annually discussed and reviewed with the Risk Assurance Committee and Supervisory Board | • Improve activities based on internal review and external feedback<br>• Continue to adapt Risk and Internal control framework based on company strategy |
| INFORMATION, COMMUNICATION & REPORTING | • The Company keeps track of their risks, controls, and actions in appropriate digital solutions<br>• Results are disclosed according to relevant regulatory frameworks | • Quarterly Risk Report of Company's Risk Appetite measurement and main risks and related mitigating actions<br>• Improved disclosure of Climate Change related Risks & Opportunities | • Disclosure of information, internal and external, through digital support and solutions operates adequately | • Enhance existing digital solutions (e.g., data analytics tools to improve analysis and KPIs to monitor thresholds)<br>• Consider adoption of digital tool aiming to improve risk and control efficiency |

* *Committee of Sponsoring Organizations of the Treadway Commission (COSO)*
*COSO is dedicated to providing thought leadership through the development of frameworks and guidance on ERM designed to improve organizational performance, oversight and to reduce the extent of fraud.*

## 2.5.2 COMPLIANCE PROGRAM

### STRATEGY

SBM Offshore aims to enable its employees and business partners to make the right decisions, with commitment to integrity at all levels. In recognition of this commitment, the Company has implemented a comprehensive Compliance Program applicable to the SBM Offshore group.

SBM Offshore's Compliance Program aims to promote an ethical culture throughout SBM Offshore and guides the Company's Management, employees and contractors in making value-led decisions, as well as strengthening the management control system to prevent, detect and respond to compliance risks and potential violations of the Code of Conduct, laws and other wrongdoing. The leaders of SBM Offshore are responsible for ensuring that the Company fulfills this commitment. They provide direction to employees and contractors to make decisions in line with SBM Offshore's Core Values and Code of Conduct and foster and encourage a safe space to speak up. To support leaders in this role, the Compliance function provides guidance and offers various training and communication tools such as newsletters and tailored e-Learning.

### 2024 PERFORMANCE

Key elements of the Compliance Program:

- Involvement of the Management Board and the Supervisory Board in compliance matters.
- Oversight and autonomy of the Global Compliance Manager and adequate, qualified resources in the department.
- Code of Conduct, compliance policies and procedures (incl. Anti-Bribery and Corruption Policy that is, among others, consistent with the UN Convention against corruption and Anti-Money Laundering Policy which implements the European Union Directive 2015/849 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing, as well as Foreign Corrupt Practices Act (FCPA) commitments and global anti-money laundering legislation).
- Regular communication, training and continued guidance and advice.
- Regular monitoring of compliance risks, mitigating measures and incident and action reporting.
- A structured third-party management process, including an internal Validation Committee, which reviews the due diligence outcome on high-risk third parties prior to engagement.
- Independent verification (e.g. compliance audits).
- Compliance-related internal financial controls, following ICOFR principles.
- Engagement with third parties who share the same principles of conduct, communicated prior to any contractual engagement.
- Confidential reporting procedures, including a Speak Up Line and internal investigations according to EU Whistleblowing Directive
- Annual compliance statements for designated staff to monitor adherence to the Code of Conduct and Policies.
- Business conduct-related questions part of the annual employee engagement survey.

#### Speak Up

SBM Offshore's reporting channels and Speak Up Line enable leadership to carefully listen to employees and partners in the value chain about their compliance concerns related to Code of Conduct, Workplace Civility (WPC) and internal policies as well as laws and regulations. In particular, all actual or suspected misconduct that may be related to SBM Offshore, whether involving SBM Offshore employees or third parties working for or on behalf of SBM Offshore, can and should be reported. SBM Offshore is committed to investigating these concerns promptly, independently and objectively. SBM Offshore's focus is on the prevention of misconduct and to protect the rights of the reporting person. SBM Offshore does not tolerate any form of retaliation against the reporting person.
SBM Offshore takes claims of retaliation very seriously and deals with them directly

- The Speak Up Line is managed by an independent third party, available 24 hours a day, allowing for anonymous and confidential reporting for both internal and external stakeholders.
- Once a report is made through the Speak Up Line, the steps described in the figure are taken.
- SBM Offshore's Integrity Committee oversees the handling of Speak Up reports.
- The reporting person receives a confirmation of the report within seven days and a feedback within a reasonable time frame, usually not exceeding three months after receiving the report, except in cases where the nature or complexity of the report requires a longer process.
- The latest version of the Speak Up Policy was drafted in 2021, in line with the requirements set in the EU Whistleblowing Directive, and is available on SBM Offshore's website.
- The new Speak Up Policy, along with a new Speak Up Investigation Framework, will be published in 2025.

## 2.6 COMPANY TAX POLICY

SBM Offshore's tax policy is summarized as follows:

- The Company aims to be a good corporate citizen in the countries where it operates, by complying with the law and by contributing to countries' progress and prosperity through employment, training and development, local spending and through payment of the various taxes it is subject to, including wage tax, personal income tax, withholding tax, sales tax and other state and national taxes, as appropriate.
- The Company aims to be tax-efficient in order to be cost-competitive, while fully complying with local and international tax laws.
- The Company operates in a global context, with competitors, clients, suppliers and a workforce based around the world. A typical FPSO Engineering, Procurement and Construction ('EPC') project sees a hull construction or conversion in Asia, topsides construction in Asia or South America, engineering in Europe or Asia and large-scale procurement from dozens of companies in many countries across the globe. Depending on the particulars of the client contract, the EPC phase may be followed by a lease-and-operate phase involving the country of operations but also support centers of the Company located around the world. In each of these countries, the Company complies with local regulations and pays direct and indirect taxes on local value-added, labor and profits and in some cases pays a revenue-based tax. To coordinate the international nature of its operations and its value flows and to consolidate its global maritime and EPC activities, in 1969 the Company created Single Buoy Moorings Inc, followed in 1986 by SBM Production Contractors Inc. S.A., which continue to perform their functions today from their offices in Marly, Switzerland.

The Company:

- Complies with the OECD transfer-pricing guidelines.
- Supports the OECD's commitment to enhance tax transparency and is committed to full compliance with applicable laws in countries where it operates. Consistent with this approach, the Company supports the initiatives on base erosion and profit shifting, including, but not limited to, Anti Tax Avoidance Directive 2 (ATAD 2), as well as the Directive implementing the minimum taxation (OECD Pillar Two) at EU level. The Company is required to file detailed reports and transfer-pricing documentation in accordance with Base Erosion and Profit Shifting's (BEPS) action 13, as is now implemented in Dutch tax law. The disclosures contained in the country-by-country reporting ('CbCR') have been prepared to meet the OECD requirements and have been filed with the Dutch tax authorities for the year 2023.
- Makes use of the availability of international tax treaties to avoid double taxation.
- Does not use intellectual property as a means to shift profits, nor does it use digital sales. Furthermore, the Company does not apply aggressive intra-company financing structures such as hybrids. In 2024, the Company reported a current corporate income tax charge of US$140 million under IFRS (compared to US$130 million in 2023).
- Endorsed the B Team Responsible Tax Principles in August 2021, the VNO-NCW Tax Governance Code in 2023, and published the SBM Offshore Approach to Tax on its website. This explains the key principles applied to tax matters and the associated governance as well as describing the Company's global tax footprint.
- Regarding the OECD initiative to address the Tax Challenges Arising from the Digitalization of the Economy and its two-pillar solution aiming to reform the international tax system, the Company acknowledges that the implementation of Pillar Two may have some impacts on its income tax charge. However the final assessment on Pillar Two legislation will be known only when final legislation, including all administrative guidance, will be enacted in the domestic law of the relevant jurisdictions. The OECD has released additional guidance but further discussions and consultations are taking place and will continue in 2025. SBM Offshore will continue to assess the impact of Pillar Two legislation accordingly.

## 2.7 OPERATIONAL GOVERNANCE

Operational Governance of the Company is managed through:

- GEMS, as introduced in section 2.7.1.
- GTS, as introduced in section 2.7.2.

A detailed certification and classification table is provided in section 3.8.4, mapping compliance of SBM Offshore entities and sites with international certification standards and codes.

### 2.7.1 GLOBAL ENTERPRISE MANAGEMENT SYSTEM

The Management System is one of the key enablers for the Company to perform its business activities in a consistent, reliable and sustainable manner, meeting client expectations, adapting to new challenges and continuously improving ways of working.

### GEMS

**EXECUTIVE PROCESSES**

MANAGE GROUP STRATEGY

MANAGE STRATEGIC ALLIANCES

MANAGE SUPPLIERS & STRATEGIC SOURCING

ENSURE SUSTAINABILITY

MANAGE LEGAL & COMPLIANCE

MANAGE ENTERPRISE RISK

MANAGE HSSE, QRM & OPERATIONAL EXCELLENCE

MANAGE TECHNOLOGY & INNOVATION

MANAGE CLIENT & OPPORTUNITY

MANAGE GROUP PRODUCT STANDARD

**CORE PROCESSES**

TENDER TO EXECUTE

TENDER TO OPERATE

PROCURE TO PAY

FORECAST TO CONTROL

RECORD TO REPORT

INVOICE TO CASH

CONCEPT TO NEW PRODUCT AND SERVICES

HIRE TO RELEASE

**SUPPORT PROCESSES & SERVICES**

MANAGE DATA & INFORMATION SYSTEM

MANAGE INFORMATION TECHNOLOGY

MANAGE COMMUNICATION

MANAGE DOCUMENTATION

The Management System of SBM Offshore is called the Global Enterprise Management System (GEMS) and is based on several international standards and other good practices. GEMS is the core of a broader ecosystem, including software solutions (e.g. LUCY, SBM Offshore's Human Capital Management System) and other elements such as SharePoint microsites and Group Technical Standards (GTS) as introduced in section 2.7.2. The Group's Vision, Values (section 1.3.2) and Policies are embedded in GEMS to support the correct governance of SBM Offshore's organization and business activities. These form the foundation processes that are consistently applied throughout all offices and fleet operations (in-country offices and vessels).

GEMS is structured around three main process domains: executive processes, core processes and support processes. The core processes have been modelled to show where the company generates value from its activities. GEMS is represented as shown in the illustration. GEMS gives clear and formal ownership of end-to-end processes and clear identification of key controls. It provides a cohesive framework for quality and regulatory compliance, health and safety, security of personnel and assets, protection of the environment, as well as risk and opportunity management throughout the product lifecycle, ensuring the Company's sustainability. GEMS can be accessed in its entirety via the Company's intranet, which ensures easy access to all employees.

### 2.7.2 GROUP TECHNICAL STANDARDS

A key driver for the cost of new projects is the technical standards to be applied in addition to the local regulatory requirements. Typically, these standards fall into three categories – customer standards, contractor standards or a hybrid set of customized standards. In the current climate of severe cost-pressure, there is a logical push in the industry towards wider acceptance of contractor standards. By leveraging its expertise – notably through its Fast4Ward® program – SBM Offshore can minimize project customization and efficiently deliver more standard products, with significant cost and schedule savings.

To support this approach, the Company has, over the years, established its own Group Technical Standards (GTS) by integrating key elements of its accumulated project execution and fleet operational experience. The GTS consist of a set of minimum technical requirements applicable to Company products provided to customers on a Lease and Operate or Sale and Operate basis. They ensure a consistent design approach, optimized from a lifecycle-cost perspective and integrating the Company's policies and standards with respect to personnel safety, environmental protection and asset integrity. Additionally, all GTS documents are formally reviewed and approved by Classification Societies acting as independent third parties.

To date, the Company has executed over 26 major projects using its GTS as the basis of design since they were established in 2003. GTS are now digital and available through a Requirement Management Software since Q1 2022, providing new features for GTS users and the team in charge of GTS development. The main benefits are time-saving, enhanced search and filtering functionalities, data re-use capacity, improved overall quality and multi-support availability.

The GTS are maintained by a team of internal technical authorities and experts covering all key technical aspects of Company products, providing assurance over GTS application during project execution and integrating operational feedback as part of GTS continuous improvement.

In 2024 SBM Offshore started improving the quality of the GTS' requirements using Artificial Intelligence and will continue in 2025, benefits being clearer requirements that are easier to implement for project teams and vendors.

## 2.8 IN CONTROL STATEMENT

The Management Board is responsible for establishing and maintaining adequate internal risk management and control systems. The implementation of the internal risk management and control framework at SBM Offshore focuses on managing strategic, financial, compliance and operational risks, as described in section 2.5.1 of the Management Report. As a key part of its scope, the Risk Management function is responsible for the design and monitoring of, and reporting on, the internal control framework.

During 2024, various aspects of risk management were discussed by the Management Board, including the consolidated quarterly Risk Report, Risk Appetite Statement review and the result of the yearly testing Internal Control Over Financial Reporting (ICOFR) campaign. The responsibilities concerning risk management, as well as the lines of defense, were also discussed with the senior management of the Company. There were no major failings in the internal risk management and control systems observed over the period. In addition, the result of the yearly ICOFR testing campaign was reviewed by the Audit Committee and Supervisory Board. This testing campaign did not highlight any major control deficiency and concluded with a consistent level of conformity rate around the organization.

SBM Offshore prepared the In Control Statement 2024 in accordance with the best practice provision 1.4.3 of the Dutch Corporate Governance Code. With due consideration to the above, the Company believes that:
- The Management Report provides sufficient insights into the Company's internal risk management and control systems.
- Its internal risk management and control systems provide reasonable assurance that the financial reporting over 2024 does not contain any errors of material importance.
- Based on the current state of affairs, the Management Board states that it is justified that the financial reporting over 2024 is prepared on a going concern basis; and
- The material risks and uncertainties that are relevant to the expectation of the Company's continuity for the period of 12 months after the preparation of the report have been included in the Management Report.

However, the Company cannot provide certainty that its business and financial strategic objectives will be realized or that its approach to internal control over financial reporting can prevent or detect all misstatements, errors, fraud or violation of law or regulations. Financial reporting over 2024 was based upon the best operational information available throughout the year and the Company makes a conscious effort at all times to weigh the potential impact of risk and the cost of control in a balanced manner.

With reference to section 5.25c paragraph 2, sub c of the Financial Markets Supervision Act *(Wet op het financieel toezicht)*, the Management Board states that, to the best of its knowledge:
- The financial statements for 2024 give a true and fair view of the assets, liabilities, financial position and profit or loss of SBM Offshore and its consolidated companies.
- The Management Report gives a true and fair view of the position as per December 31, 2024 and that of SBM Offshore's and its affiliated companies development during 2024. Furthermore, the Management Report includes a description of the principal risks facing SBM Offshore.

Schiphol, the Netherlands
February 19, 2025

**Management Board**
Øivind Tangen, CEO
Douglas Wood, CFO

CHAPTER 3
# SUSTAINABILITY STATEMENT

# 3 SUSTAINABILITY STATEMENT

In line with the EU Corporate Sustainability Reporting Directive (CSRD), SBM Offshore is committed to comply with European Sustainability Reporting Standards (ESRS) requirements.

This section explains how SBM Offshore has managed potential and actual impacts, along with risks and opportunities related to environmental, social and governance matters, focusing on the ESG Material Topics defined through a Double Materiality Assessment (DMA).

In 2023, SBM Offshore conducted the DMA in accordance with CSRD and ESRS requirements. This assessment focused on identifying and evaluating material impacts, risks and opportunities, laying the foundation for an enhanced sustainability statement.

Since then, SBM Offshore has reviewed and realigned the structure and narrative of the annual report to facilitate compliance with CSRD and ESRS requirements and give a clearer description of business activities and how strategic priorities are aligned with the defined ambitions and targets.

With a better defined reporting framework, SBM Offshore is focusing on refining data disclosures, which involves optimizing processes to collect, manage and validate the information, to ensure data accuracy and compliance. This included carrying out gap assessments to guide CSRD and ESRS implementation, and concentrating on areas such as governance, strategy alignment and the integration of SBM Offshore's business model with identified material impacts, risks and opportunities. As a result, SBM Offshore is also reviewing and enhancing policies, actions, metrics and targets.

SBM Offshore will focus on continuously improving ESG data management and internal controls to enhance data quality, performance management and reporting. Concurrently, SBM Offshore will monitor the upcoming sector-specific standards and prepare for XBRL tagging requirements to ensure readiness and compliance.

## 3.1 GENERAL INFORMATION

### GENERAL BASIS FOR PREPARATION

This sustainability statement was prepared on a consolidated basis for SBM Offshore N.V. and its subsidiaries and aligns with the consolidated financial statements scope, covering information from January 1 to December 31, 2024.

The report aims to provide relevant information based on the outcomes of due diligence processes and the Double Materiality Assessment. To enable understanding of SBM Offshore's material impacts, risks and opportunities and produce a set of data that meets the qualitative characteristics[7] required by ESRS, this sustainability statement is divided per material topic in different topical sections, 3.4 to 3.8, and a final section, 3.9, along with the methodologies and boundaries adopted. Where relevant, the sections include material information related to upstream and downstream value chain actors (e.g. clients and suppliers in the emissions section, and suppliers and yards in the human rights section), disclosing at which level within SBM Offshore's value chain and own operations the material topic arises, as well as the related policies, actions and targets.

Voluntarily, SBM Offshore started the CSRD/ESRS implementation at the beginning of 2023. The implementation and compliance process continued in 2024, but now with a more mature approach. SBM Offshore's sustainability statement focuses on the affected stakeholders[8] and the users of sustainability statements[9] and was prepared in accordance with ESRS' cross-cutting standards and topical standards (according to material topics). At the time of publishing this Annual Report, there is no approved ESRS sector standard. Where relevant, other international reporting sector standards or frameworks have been used (e.g. IPIECA, IOGP, SASB, GRI), alongside a reference to clarify the guidance applied.

### DISCLOSURES IN RELATION TO SPECIFIC CIRCUMSTANCES

#### TIME HORIZONS

Instead of the five-year period mentioned generically by ESRS, as permitted, SBM Offshore has adopted intervals of 1 year, 1 to 6 years and more than 6 years, for short-, medium- and long-term respectively, in order to align with the existing processes of identification and management of material impacts, risks and opportunities.

7 ESRS requires fundamental and enhancing qualitative characteristics of information: relevance and faithful representation; and, comparability, verifiability and understandability, respectively.
8 Individuals or groups whose interests are affected or could be affected, positively or negatively, by SBM Offshore's activities and direct and indirect business relationships across value chain.
9 Primary users of general-purpose financial reporting and other users of sustainability statements.

## EMISSIONS ACROSS THE VALUE CHAIN

This sustainability statement includes the disclosure of emissions across the value chain in section 3.4.2 – scope 3 GHG emissions. Among the fifteen different categories of scope 3 GHG emissions defined by GHG Protocol, three are the most relevant and significant to SBM Offshore: Category 13 – Downstream Leased Assets, which covers more than 95% of the total; Category 1 – Purchased Goods and Services and Category 6 – Business Travel.

The Downstream Leased Assets category involves GHG emissions from assets under lease contracts. As a service provider, SBM Offshore collects primary data and reports emissions on behalf of the clients, ensuring accuracy and transparency in the most significant part of the emissions data from the value chain.

SBM Offshore has been reviewing the scope 3 GHG emission categories and aims to keep improving the value chain emissions accounting and reporting in the coming years, in order to explore significant opportunities for improvement and to support strategies to partner with suppliers and clients to address climate impacts throughout the value chain.

To support transparency and enable comparability, SBM Offshore employs well-recognized emission factors and industry-average data sets. Further details on the GHG emissions boundaries and methodology is included in the Boundaries section 3.9.

## INCORPORATION BY REFERENCE

In addition to references made throughout the Annual Report to different topics and chapters, the complete 'incorporation by reference' table, specifying ESRS data points disclosed outside the sustainability statement, can be found in in the ESG content index, section 3.10.

## GOVERNANCE

The overall ESRS governance information is incorporated into chapter 2 with the below reference.

| Role of the Management Board and Supervisory Board (ESRS 2 – GOV-1) | Reference |
|---|---|
| The composition and diversity of the Management Board and Supervisory Board | Sections 2.1.2; 2.1.3; 2.2 |
| The roles and responsibilities of the Management Board and Supervisory Board in exercising oversight of the process to manage material impacts, risks and opportunities | Sections 2.1.2; 2.1.3; 2.2 |
| The expertise and skills of the management and supervisory bodies regarding sustainability matters, or their access to such expertise and skills | Sections 2.1.2; 2.1.3; 2.2 |
| **Sustainability matters addressed by the Management Board and Supervisory Board (ESRS 2 – GOV-2)** | |
| The description of how the Management Board and Supervisory Board are informed about sustainability matters | Sections 2.1.2; 2.1.3; 2.2; 2.5 |
| **Integration of sustainability-related performance in incentive schemes (ESRS 2 – GOV-3)** | |
| The incentive schemes and remuneration policies linked to sustainability matters for members of administrative, management and supervisory bodies | Sections 2.3 |
| **Statement on Due Diligence (ESRS 2 – GOV-4)** | |
| Embedding due diligence in the governance, strategy and business model | Sections 1.4; 2.1.2; 2.1.3; 2.2; 2.5 |
| Engaging with affected stakeholders in all key steps of the due diligence | Sections 3.2; 2.5.2; 3.5.3; 3.6.1 |
| Identifying and assessing adverse impacts | Sections 1.4; 2.5; 3.2; 3.4; 3.5; 3.6 |
| Taking action to address those adverse impacts | Sections 1.4; 2.5; 3.2; 3.4; 3.5; 3.6 |
| Tracking the effectiveness of these efforts and communicating | Sections 1.4; 2.5; 3.2; 3.4; 3.5; 3.6 |
| **Risk Management and internal controls over sustainability reporting (ESRS 2 – GOV-5)** | |
| How sustainability is embedded and integrated in SBM Offshore's overall risk management and internal control processes and systems | Sections 1.4; 2.1; 2.5; 3.3 |

### Integration of sustainability-related performance in incentive schemes (ESRS 2 – GOV-3)

The Management Board remuneration policy includes a short-term incentive based on key performance indicators. One of the performance areas is sustainability performance. For each of the performance measures, the Supervisory Board, upon the recommendation of the Appointment and Remuneration Committee, determines the target achievement. There are no performance targets for the Supervisory Board, which allows for an unmitigated focus on long-term value creation. For a further description of the key elements of the Management Board remuneration policy, the integration of sustainability-related performance therein and the proportion of variable remuneration dependent on sustainability related targets, see sections 2.3.1, 2.3.2 and 2.3.4.

## 3.2 STAKEHOLDER ENGAGEMENT

Following its stakeholder engagement policy, SBM Offshore actively engages with stakeholders in dialogues on daily activities to enhance its performance and business management. One of SBM Offshore's core values is collaboration (see section 1.3.2) within the business and externally, enabling value-sharing across the value chain. SBM Offshore is motivated to increase the opportunities to develop an inclusive approach, with open interactions to gather the stakeholders' insights in different ways. Employees, clients, suppliers, shareholders, lenders (banks), regulators, class society organizations, yards, partners, local communities, civil society organization and non-governmental organizations (NGOs) are recognized as the main stakeholders.

These engagements help SBM Offshore to identify, evaluate and manage value-chain impacts, risks and opportunities, guiding integrated and collaborative plans and effective actions, including those created based on the outcomes of due diligence and assessments, including environmental and social assessments conducted directly by SBM Offshore or third parties. Continuous communication and stakeholder engagement create robust knowledge about SBM Offshore's business and value chain, which is the backbone of the Double Materiality Assessment (DMA). The outcome of the stakeholder requirement is further disclosed in section 3.3.

**Example of engagements and regular communications**

| | How engagement is organized | Purpose of engagements | Examples of outcomes from the engagements | Included in the DMA process |
|---|---|---|---|---|
| Clients | • Key account meetings.<br>• Engagement meetings.<br>• Project sustainability workshops. | Build trust; propose solid and sustainable solutions to support clients to reach their goals; identify IRO inputs for DMA. | • Service improvements.<br>• Improve business development strategies.<br>• Increase collaboration.<br>• Align and contribute to sustainability targets. | Yes |
| Suppliers | • Strategic sourcing meetings.<br>• Vendor days.<br>• Engagement meetings.<br>• Surveys.<br>• Supplier due diligence.<br>• Human rights assessment.<br>• Encouraging suppliers to fill in the Climate Disclosure Project (CDP) to enhance transparency. | Ensure compliance with conduct codes, protect environment, human and labor rights, and promote sustainable sourcing; identify IRO inputs for DMA. | • Understanding of supplier expectations and behaviors.<br>• Create improvement plans.<br>• Selection of suppliers.<br>• Set expectations and collaborate on sustainability targets.<br>• Integration of human rights into business. | Yes |
| Employees | • Management calls.<br>• Surveys.<br>• Townhalls; Life Day, human rights day, technology conference.<br>• New employee onboarding experience session. | Understand and incorporate employee perspectives, promote diversity and inclusion, and contribute to a sustainable workplace; identify IRO inputs for DMA. | • Internal policy and actions updates.<br>• Communications from management.<br>• Global HR projects (Job and competency referential and Strategic Workforce Planning).<br>• Embed sustainability into the organization through learning. | Yes |
| Shareholders | • Annual General Meeting; analyst and investor roadshows/meetings.<br>• Analyst webcast presentations.<br>• ESG ratings.<br>• Engagement with representative groups – e.g. VBDO (Dutch Association of Investors for Sustainable Development), VEB (Dutch investor association), Eumedion and ISS (Institutional Shareholders Services). | Understand sustainability expectations, enhance transparency; identify IRO inputs for DMA. | • ESG rating improvement.<br>• Improve communication on business management.<br>• Enhance corporate reputation and trust. | Yes |

| | How engagement is organized | Purpose of engagements | Examples of outcomes from the engagements | Included in the DMA process |
|---|---|---|---|---|
| Lenders | • Project environmental and social due diligence during project financing and the definition of actions for further improvement.<br>• Engagement meetings.<br>• Field trips.<br>• ESG ratings. | Meet sustainability expectations, attract responsible financing, increase transparency, reduce risk; identify IRO inputs for DMA. | • ESG rating improvement.<br>• Answer lenders questions.<br>• Improve communication on business management.<br>• Enhance corporate reputation and trust.<br>• Improvement of environmental and social practice. | Yes |
| NGOs<br><br>Civil Society Organization | • Engagement with representatives regarding business transparency and social impact projects. | Address site-specific issues (environment, community development), business transparency, and social impact; identify IRO inputs for DMA. | • Alignment of business with best practice.<br>• Initiatives to avoid corruption, human rights violation, environmental damage and others.<br>• Enhance corporate reputation and trust. | Yes |
| Peers | • Discussion sessions about new European regulations and best practices. | Enhance regulatory understanding and share best practices; identify IRO inputs for DMA. | • Increase collaboration.<br>• Enhance regulatory understanding and share best practices. | Yes |
| Class Society | • Engagement on further development of sustainability notations for FPSOs. | Align sustainability practices and standards; identify IRO inputs for DMA. | • Improve the sustainability practices and processes. | Yes |
| Yards | • Human rights day.<br>• Engagement meetings.<br>• Emissions management monitoring and human rights action tracking.<br>• Surveys.<br>• Desktop research.<br>• Listening tours to directly engage with workers in the value chain. | Compliance with SBM Offshore's code of conduct and ensure responsible sourcing; identify IRO inputs for DMA. | • Understanding of yards' expectations and behaviors.<br>• Create improvement plans.<br>• Set expectations and collaborate on sustainability targets.<br>• Integration of human rights into business. | Yes |

## 3.3 DOUBLE MATERIALITY ASSESSMENT

Over the years, SBM Offshore has matured the performance management, data control, target setting and reporting – most notably from 2014 – using Global Reporting Initiative (GRI) as the main framework, which integrates business and ESG topics in one materiality assessment.

A materiality assessment defines the topics that can reasonably be considered important for reflecting SBM Offshore's economic, environmental, governance, social impacts, risks and opportunities and influencing the decisions of stakeholders. For SBM Offshore, it is critical to understand the business context and its stakeholders' interests.

Every four years, SBM Offshore renews the materiality assessment. In the intervening years, updates are conducted to maintain the understanding of the surrounding context, including relevant changes in economic, environmental and social impacts.

The Management Board members are consulted and validate the materiality assessment outcomes, using them as an input for SBM Offshore's strategy and performance management.

### PROCESS

In 2023, in anticipation of the CSRD and ESRS enforceability, SBM Offshore voluntarily conducted the materiality assessment process in accordance with the requirement of double materiality principle, identifying and assessing material impacts, risks and opportunities related to SBM Offshore's own operation and upstream and downstream value chain. The double materiality process was validated by external experts in 2023 (for more details on the DMA process, see box below or SBM Offshore's Annual Report 2023 section 5.1).

As a result, impact and financial materiality assessments were performed, including impacts, risks and opportunities related to SBM Offshore's upstream and downstream value chain and own operations.

According to ESRS, the sustainability information shall be presented: in a way that allows a distinction between information required by the standard and other information included in the report; and under a structure that facilitates access to and understanding of the sustainability statement, in a format that is human and machine-readable.

### ESG MATERIAL TOPICS

| Topic | |
|---|---|
| EMISSIONS | E |
| DECOMMISSIONING | E |
| OUR PEOPLE | S |
| HEALTH, SAFETY & SECURITY | S |
| HUMAN RIGHTS | S |
| ETHICS & COMPLIANCE | G |

The 6 topics and related impacts, risks and opportunities, policies, actions and targets are disclosed in accordance with ESRS cross-cutting and topical standards, as follows:

- Environmental:
  - Emissions (ESRS E1 – Climate Change)
  - Decommissioning (ESRS 2 – Minimum Disclosure Requirements)
- Social:
  - Our People[10] (ESRS S1 – Own workforce)
  - Health, Safety and Security (ESRS 2 – Minimum Disclosure Requirements and ESRS S1-14 – Health and safety)
  - Human Rights (ESRS S2 – Workers in the value chain)
- Governance:
  - Ethics and Compliance (ESRS G1 – Business conduct)

As part of environmental topics considered in the DMA, SBM Offshore has assessed pollution (ESRS E2), water and marine resources (ESRS E3), biodiversity and ecosystems (ESRS E4) and resource use and circular economy (ESRS E5) related impacts, risks, and opportunities across its operations and value chain. SBM Offshore engages with key stakeholders, including clients, regulators, and local communities, primarily through project-specific Environmental Impact Assessments (EIAs). These engagements, including due diligence, climate risk assessment (transition and physical risks) and systemic risk (chronic) and other assessments outcomes, help SBM Offshore to identify, evaluate and manage the value-chain impacts, risks and opportunities. SBM Offshore's activities are not located in or near protected or ecologically sensitive areas, such as the Natura 2000

[10] The former material topic *Employee Wellbeing* was renamed *Our People* in order to provide more clarity and alignment with the ESRS topical standard S1 - Own Workforce, but maintains the same definition and scope.

network of protected areas, UNESCO World Heritage sites, Key Biodiversity Areas ('KBAs'), as well as other protected areas (IUCN sites, wetlands listed under the RAMSAR Convention, Alliance for Zero Extinction sites).

Following the DMA, pollution; water and marine resources; biodiversity and ecosystems; and resource use and circular economy have been defined not to be standalone ESG material topics for SBM Offshore. As such, SBM Offshore does not provide separate disclosures on these topics under the ESRS framework.

SBM Offshore is confident that the reporting structure appropriately fosters a clearer understanding of the business, management approach and performance. The Management Board and Supervisory Board members were consulted on the new reporting structure and gave their validation.

**A brief description of 2023 Double Materiality Assessment**

The following steps were conducted to assess both materiality perspectives, in order to ensure a broad and accurate picture of SBM Offshore's most relevant impacts, risks and opportunities.

**Step 1 – Stakeholder map and long-listing of topics**

This step is an analysis of SBM Offshore's context, as per the strategic planning process, leveraging external sources and existing guidance on potential environmental, social and governance impacts inherent in the industry. Peer and client benchmarks, best practices, general and sector standards and international guidelines (such as the GRI, SASB, IPIECA and the existing ESRS draft version) were used to define the topics, and respective subtopics, to be assessed. The basis for identifying and selecting stakeholders for engagement during each step of this DMA process resides in their relevance, expertise, impact and interest in SBM Offshore activities.

**Step 2 – Define impact materiality with internal and external stakeholders**

Through an extensive questionnaire, internal experts identified and ranked actual, potential, positive and adverse impacts related to a list of 23 topics, evaluating the scope, scale, irremediability and likelihood of the impacts. The ranking methodology was designed, based on the risk matrix used in SBM Offshore's Enterprise Risk Management (ERM) process. This impact materiality, as prescribed by ESRS, is considered aligned with other well recognized international reporting standards (as GRI and others) to perform a materiality assessment.

**Step 3 – Define financial materiality with strategy, risk, finance and sustainability professionals**

Financial Materiality aims to evaluate material financial effects via an evaluation of how the long list of topics, and their related risks and opportunities, generate potential financial effects for SBM Offshore. The financial materiality methodology was aligned with the current processes and thresholds used in SBM Offshore's regular risk and financial analyses, as well as the input from analyses per capital (financial, manufactured, intellectual, human, social and relationship, natural).

**Step 4 – Threshold application**

Once the topics were ranked on both – an impact and a financial – lens by relevant stakeholders, the scores were cross-referenced. SBM Offshore then applied a materiality threshold to the scores in order to determine which of the assessed topics should be considered double material for the organization[1].

**Step 5 – Validation**

Key internal and external stakeholders (see details in section 3.2) and senior management were engaged to validate areas of impact through the steps above. For internal and external stakeholders, the engagement was done through unrecorded video calls, allowing them to freely express their views on impact materiality. In 2023, the Management Board approved the DMA outcome (based on the GRI and ESRS draft version) with the 12 material topics to be used as the basis for strategy, target setting, performance management and reporting. The outcome was also presented to the Supervisory Board.

**Step 6 – Update**

In 2024, to comply with ESRS requirements and enable a clearer differentiation and a comprehensive and meaningful narrative, the Management Board has updated the DMA outcome resulting in considering out of the twelve:

- six topics purely business and strategic ones but not material as per ESRS, namely: Market position; Economic impact; Energy Transition; Operational Excellence and Quality; Innovation and Digitalization which are included in chapter 1 and
- six final material topics as per ESRS namely: Emissions, Decommissioning, Our People, Health, Safety and Security, Human Rights, Ethics and Compliance which are included in this sustainability statement (chapter 3).

1 To ensure a focused and relevant disclosure, a threshold was set based on quantitative criteria considering the ranking of the impact and financial materiality assessment. Topics that do not meet this threshold were not considered material and are therefore not subject to detailed reporting under the ESRS framework.

## MATERIAL IMPACTS, RISKS, AND OPPORTUNITIES

The material impacts, risks, and opportunities resulting from the above DMA are listed below.

| IRO | IRO description | Value chain position | Time horizon |
|---|---|---|---|
| **Emissions** | | | |
| Positive impact | Increased emissions reduction in SBM Offshore's activities and raise awareness in supply chain | own activities | short- and medium-term |
| Opportunity | Development of new energies products and services and low emission products | own activities | short- and medium-term |
| Negative impact | Inherent emissions from fossil-fuel related business activities, including emissions from SBM Offshore's activities and value chain. | own activities and downstream and upstream value chain | short- and medium-term |
| Risk | Potential lower demand for oil and gas services and increased ESG requirements resulting in a change of the business model. | own activities | short- and medium-term |
| | Potential hazards of asset damage or halted operations from increasing physical risks as a result of climate change. | own activities and downstream value chain | short- and medium-term |
| **Decommissioning** | | | |
| Positive impact | Developing a safer removal of hazardous materials plan that helps to increase responsible decommissioning practices in SBM Offshore's value chain and reduce potential environmental impacts. | own activities | short- and medium-term |
| Opportunity | Applying the circularity principles in the decommissioning plan in order, for example, to maximize the circularity and possible mitigation of operational and financial exposure. | own activities | short- and medium-term |
| Negative impact | Potential occurrence of negative environmental and social impacts during the decommissioning process, including those related to hazardous materials removal and waste generation. | own activities | short- and medium-term |
| Risk | High cost of a responsible decommissioning process, including potential delays due to compliance with Legal and Regulatory Framework | own activities | short- and medium-term |
| **Our People** | | | |
| Positive impact | Increased employee satisfaction | own activities | short-term |
| Opportunity | Higher attraction of talents and new workforce to work in new era of renewables and more digital energy industry. | own activities | short-term |
| | Higher employee engagement from standardized and improved ways of working and strengthened collaboration | own activities | short-term |
| Risk | Potential inability to retain SBM Offshore's employees based on working conditions, including stress issues. | own activities | short-term |
| | Potential hazard of harassment or discrimination due to nationality, gender, ethnicity, social and legal status, race, religion, or other protected status, in SBM Offshore's own workforce. | own activities | short-term |
| **Human Rights** | | | |
| Positive impact | Embedding respect for human rights and labor rights in SBM Offshore's supply chain. | own activities | short-term |
| Risk | Potential chronic exposure to salient human right issues identified in SBM Offshore's supply chain, related to forced labor; overtime, pay and fines; accommodation; mental health and wellbeing, which may pose reputational and financial risks. | upstream value chain | short-term |
| | Potential chronic exposure to hazards related to inadequate work conditions or labor rights violations in SBM Offshore's supply chain, influenced by different labor regulations maturity, local contexts and cultures, which may pose financial risks. | upstream value chain | short-term |

| IRO | IRO description | Value chain position | Time horizon |
|---|---|---|---|
| **Health, Safety and Security** | | | |
| Positive impact | Embedding safe working conditions. | own activities | short-term |
| Risk | Potential work-related fatalities, injuries, and illnesses due to acute or chronic exposure to activity-related hazards, which may pose human capital, reputational and financial risks. | own activities and downstream and upstream value chain | short-term |
| | Potential oil spills due to acute or chronic exposure to activity-related hazards, which may pose environmental, reputational and financial risks. | own activities | short-term |
| **Ethics and Compliance** | | | |
| Positive impact | Embedding responsible business conduct across value chain | own activities | short-term |
| Risk | Potential exposure to hazards of fraud, bribery or corruption, causing financial penalties, reputational damage and other negative consequences. | own activities and downstream and upstream value chain | short-term |

## POLICIES, TARGETS AND METRICS ADOPTED TO MANAGE ESG MATERIAL TOPICS

A summary of the SBM Offshore ESG material topics and the related main policies, targets and metrics to monitor the effectiveness of the actions and achievement of the goals is provided below.

| Key policies | Targets | Key Performance Indicators |
|---|---|---|
| **Emissions** | | |
| • Sustainability policy | Net zero by 2050 and intermediate targets for 2030 | • Direct GHG emissions (scope 1)<br>• Energy indirect GHG emissions (scope 2)<br>• Other indirect GHG emissions (scope 3)<br>• Other indirect GHG emissions (scope 3 – Business travel)<br>• Other indirect GHG emissions (scope 3 – Purchased goods and services)<br>• Average flaring GHG emissions intensity<br>• Other significant air emissions (non-GHG emissions)<br>• Energy use – GJ and MWh (scope 1 and 2)<br>• Energy use – GJ and MWh (scope 3 – Downstream leased assets)<br>• Percentage of EU Taxonomy-eligible R&D<br>• Sustainability ratings<br>• Assets at acute material physical risk before considering climate change adaptation actions |
| **Decommissioning** | | |
| • Recycling policy | Safe and sustainable recycling | • Number of decommissioning plans<br>• Demobilization provision accounted (reported in FS) |
| **Our People** | | |
| • Sustainability policy<br>• Diversity and Inclusion policy | Hire, retain and develop a diverse workforce with a wide range of competencies | • Percentage of engagement and satisfaction in engagement survey<br>• Number of new hires<br>• Number of training hours per employee<br>• Employee turnover rate<br>• Number of performance appraisals completed<br>• Gender Pay Gap |
| **Human Rights** | | |
| • Sustainability policy<br>• Human rights standards<br>• Modern Slavery Statement | Fully embed human rights and social performance within SBM Offshore to achieve no harm | • Percentage of human rights e-Learning completion<br>• Percentage of new suppliers that have been screened using human rights questionnaire<br>• Percentage of new suppliers that have signed the supply-chain charter<br>• Number of yards that have completed desktop screening<br>• Number of worker welfare audits |
| **Health, Safety and Security** | | |
| • Sustainability policy | No Harm, No Defects, No Leaks | • Total Recordable Injuries Frequency Rate (TRIFR)<br>• Fatalities and Permanent Impairments (FPI)<br>• Total Lost Time Injuries Frequency Rate (LTIFR)<br>• Number of Process Safety Event Tier 1 incidents<br>• Number of Process Safety Event Tier 2 incidents<br>• Number of oil spills above 1 bbl (IOGP definition)<br>• Oil-in-water discharge to 50% below IOGP average<br>• Certifications (Completion of certifications for assets and operations) |
| **Ethics and Compliance** | | |
| • Code of conduct<br>• Speak Up Policy<br>• Anti-bribery and corruption policy | Zero tolerance for bribery, corruption, fraud or any other form of misconduct | • Percentage of completion of Compulsory Compliance Tasks<br>• Number of compliance training sessions<br>• Number of confirmed cases of corruption<br>• Number of reports received under SBM Offshore's Speak Up Policy |

### Business Collaboration

SBM Offshore is conscious of its responsibility to contribute to the transition and development of industry. While respecting roles, responsibilities and power of decision, SBM Offshore is highly committed to engaging with, and contributing to the energy transition, using its leverage – where appropriate and when possible – to influence and increase best practices.

For this reason, beyond the DMA process and its stakeholder engagement and outcomes, among others, the following engagements took place during the year[11]:

1. The International Association of Oil and Gas Producers (IOGP)
   a. Co-chairing the Decommissioning Expert Group on Responsible Recycling (see more details in section 3.4.3).

[11] To avoid redundancy this information will not be repeated in each ESG material topic.

b. Participating in the Health Committee, which aims to develop evidence-based guidance and recommendations on a range of strategic health issues, including occupational, environmental and public health. It works towards a responsible and caring culture that enables people to perform to the best of their potential (see more details in section 3.5.2).
c. Participating in the Process Safety Subcommittee, providing input on implementing Process Safety Fundamentals and Process Safety Indicators Guidelines, and chairing the Process Safety Barrier Definition Guideline (see more details in section 3.5.2).
d. Participating in the Human Performance Subcommittee – Development of a report to guide the members on the implementation of Human Performance principles across the oil and gas industry (see more details in section 3.5.2).
e. Participating in Fatalities and Permanent Impairment Injuries Subcommittee – Development of a database of events and lessons learned to be shared in the oil and gas companies' community and adopted the standard (see more details in section 3.5.2).
f. Providing input to IOGP guidelines for design and operation to minimize/avoid flaring sources and guidelines for venting minimization and vent recovery systems (see more details in section 3.4.2).
g. Participating in the Joint Industry Program – Standardizing Procurement Specifications and Capital Facilities Information Handover Specification (see more details in section 3.4.2).

2. International Marine Contractors Association (IMCA)
   a. Member of the Environmental Sustainability Committee and chaired the Life Below Water Workgroup (see more details in section 3.7).
   b. Member of the HSS Committee, actively participating in meetings and HSSE standards development (see more details in section 3.5.2).
   c. Member of the Security Committee, developing guidance and booklets for the maritime industry. This committee works closely with the IMO (international Maritime Organization) and the OCIMF (Oil Companies International Maritime Forum) (see more details in section 3.5.2).
3. European Sustainability Reporting Standards
   a. Participation in the consultation process for the ESRS to drive the harmonization of various standards and regulations.
4. Ethics and Integrity
   a. Membership of Transparency International Netherlands (TI-NL), participated in study assessing whistleblowing frameworks in the private sector. This study aims to assess the impact of the new Dutch Act for Whistleblower Protection on private sector companies (see more details in section 3.6.1).
   b. Membership of the International Chamber of Commerce (ICC) Netherlands (see more details in section 3.6.1).
5. Technology Development
   a. Participating in the Floating Energy Research Forum and the Joint Industry Projects (JIP) for collaboration and technology development. The complete life cycle from concept development to operation, new research topics and challenges are discussed in an open setting (see more details in section 3.4.2).

In accordance with SBM Offshore's Anti-Bribery and Corruption Policy, political contributions are not allowed. SBM Offshore does not participate in party political activity nor will it make contributions to political organizations or affiliated individuals of anything other than *de minimis* value.

For extra and complementary information about the main actions implemented and results, see the topical sections of these Sustainability Statements and the SBM Offshore website .

## 3.4 ENVIRONMENT

### 3.4.1 CLIMATE CHANGE IMPACT, RISK AND OPPORTUNITY

#### OUR APPROACH

Climate change risks and opportunities are identified and assessed against SBM Offshore's strategy in the risk breakdown structure. When relevant, these risks are included in the detailed review and analysis carried out for all tenders, projects and FPSO (asset) fleet operations that are part of SBM Offshore's portfolio. The Risk and Control Manager facilitates the process and report to the Risk Assurance Committee (RAC) for consolidation purposes.

The outcome of the review by the RAC results in heat-maps of risks, which are presented in a quarterly risk report. This covers proposals, projects and fleets risks, as well as Group Functions and Execution Centers, and includes actions and managing measures in place to mitigate the risks. The report provides an overview to the Management Board and Supervisory Board alongside the measurement of SBM Offshore's Risk Appetite Statements and the latest risk profile.

Between 2019 and 2021, SBM Offshore ran workshops with business, risk management and sustainability experts to identify climate risks for its business, segmenting between operations, offices and yards, following the TCFD frameworks. In the years following, SBM Offshore expanded its financial impact analysis and disclosures, which have been updated during 2023. During 2024, SBM Offshore continued to use the TCFD framework and adopted further physical climate-related hazards from ESRS 2 (IRO-1).

The outcome of this assessment is used to future-proof the current strategy against physical and transitional climate change-related risks and opportunities. Identified risks and opportunities are embedded in SBM Offshore's risk-management approach. Based on the 2024 assessment, SBM Offshore has identified no significant financial impact, despite that cannot yet quantify the exact financial amount related to physical risks, transition risks, and potential benefits. According to the scenario analysis, SBM Offshore's current business model and strategy remain strongly resilient and there are no significant financial impacts on the consolidated financial statements resulting from climate risks anticipated under the different climate scenarios. See more information on the financial climate-related impact analysis in the financial statements, section 4.3.27.

#### SCENARIO PLANNING

SBM Offshore assesses potential material, physical and transitional climate change risks and opportunities as part of the risk management approach explained above. Integrated into this assessment is a resilience analysis for SBM Offshore's activities in yards (upstream value chain), offices (own operations), and offshore assets (own operations). A full list of these assets and their locations can be found in section 1.2.1.

The used time-horizons of short-term, mid-term and long-term (current year, up to 2030, and beyond 2030), were selected to best reflect the lifetime of SBM Offshore's assets and sites of operation.

SBM Offshore additionally looks at multiple climate-change scenarios to assess its risk and transition path. The scenarios are based on the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC) data. In order to consider material physical and transitional risks, the below scenarios were deemed relevant:

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

These two scenarios were selected to understand and plan for the highest level of possible risk from material transitional and physical risks. RCP 8.5 captures the worst possible future climate conditions and thus the best look at upcoming physical risks. RCP 2.6, on the other hand, captures the best possible future climate conditions but the highest transition requirements. This scenario will lead to the highest possible transitional risks for SBM Offshore.

#### PHYSICAL CLIMATE RISKS

SBM Offshore recognizes that the physical climate risk assessment performed has limitations and assumptions attached. The assessment currently accounts for 28 climate hazards in accordance with ESRS E1. There are some additional hazards such as wind directionality, wave height and currents, all of which could pose future risks, especially to offshore assets. These hazards were left out of scope due to a lack of sufficient data, but it is planned to include them in future assessments. The assessment also has a limited inclusion of SBM Offshore's supply chain, only assessing key upstream suppliers (yards), as disruption of these suppliers would cause the greatest risk.

For the physical climate risk assessment, all 28 of the climate hazards suggested in ESRS E1 were considered. 12 hazards were deemed material for onshore assets and 12 were deemed material for offshore assets, covering 19 of the 28 hazards. 13 of these were assessed using each asset's geospatial coordinates and the IPCC's CMIP6 database to obtain environmental conditions for all assets, in all three time-horizons, for both climate scenarios.

The remaining six hazards could not be assessed through the CMIP6 database and were instead assessed using available online tools and the results of academic studies. The results for these hazards also relied on the geospatial coordinates of each asset but it could not always achieve separate results for each time-horizon and climate scenario, with some relying on the current risk of hazards. Despite being deemed material, coastal erosion could not be assessed due to a lack of reliable data either in the CMIP6 database or in available online tools.

### Offshore

Of the 12 material hazards, four hazards were determined to pose some level of risk to offshore assets, including ocean acidification, saline intrusion, heat stress and cyclones. It was also determined that changes in wind patterns might pose a risk, but further investigation is necessary before a conclusion is possible regarding this hazard.

Both ocean acidification and saline intrusion (assessed as saline levels in seawater) have the potential to accelerate the corrosion process of submerged metal, such as hull and mooring systems. If accelerated enough, corroded metal would either need to be replaced or could shorten the expected operational lifetime of offshore assets. However, the current study was not able to identify the likelihood of this risk, only the possibility of the risk. Additional investigation into the identified future climate conditions is necessary to determine if this is a realistic or overly cautious risk.

The possibility of cyclones is an ongoing risk for offshore assets in areas where cyclones could happen. Future conditions within SBM Offshore's time-horizons are only expected to marginally affect the intensity of cyclones. As such, offshore assets are not expected to face an increased level of risk, only the ongoing possibility of damage from cyclones.

Heat stress is the hazard identified with the largest levels of change. Heat stress can affect workers on offshore assets, potentially preventing necessary work outside of controlled conditions (where air conditioning is not possible). This is especially true for offshore assets in Angola, Equatorial Guinea, Malaysia and the United States, where the greatest level of change is expected. Work is currently being done on protective equipment that could mitigate the risk from heat stress.

**Physical Risks Hazards Parameters**

**Classification of climate-related hazards** (Source: Commission delegated regulation (EU) 2021/2139)

| | | Temperature-related | Wind-related | Water-related | Solid mass-related |
|---|---|---|---|---|---|
| Onshore Assets (Office, R&D Laboratory, Yards, and shorebases | Chronic | • Heat stress<br>• Changed air temperature | • Changing wind patterns | • Changing precipitation<br>• Water stress | |
| | Acute | • Heat wave<br>• Cold wave/frost<br>• Wildfire | | • Heavy precipitation<br>• Coastal flood<br>• River flood | • Avalanche<br>• Landslide |
| Offshore Assets (FPSOs) | Chronic | • Changed air temperature<br>• Changed marine water temperature<br>• Heat stress<br>• Temperature variability | • Changing wind patterns | • Ocean acidification<br>• Saline intrusion<br>• Sea level rise | Not applicable |
| | Acute | • Heat wave<br>• Cold wave | • Cyclones<br>• Tropical storms | • Heavy precipitation | |

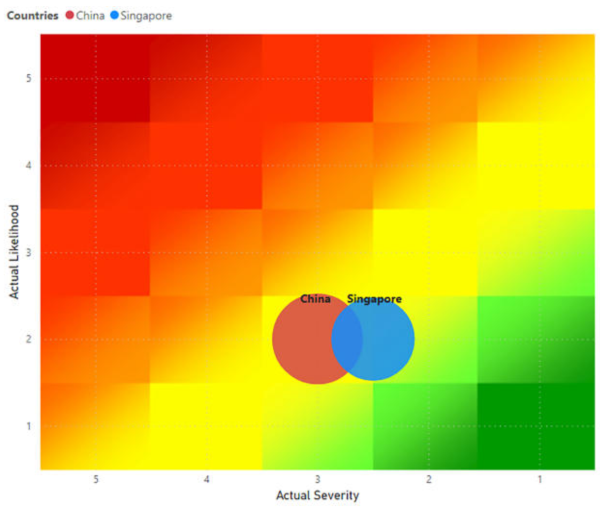
### Onshore

For onshore assets, it was determined that seven hazards would pose a risk. This includes heat stress, water stress, floods (river and coastal), landslides, wildfires and avalanches.

Heat stress is primarily expected to affect construction yards, as work in offices, shorebases and R&D labs occur in environments with ready access to air conditioning. Of the yards utilized by SBM Offshore, the yards in China and Singapore are expected to be affected at some level. If conditions become dangerous, heat stress might result in necessary shutdowns, delaying construction projects.

Water stress was assessed using available online tools, and the degree to which local infrastructure is likely to be affected is unknown. With the results available, water stress affects the majority of onshore assets, with the exception of those in the Netherlands, Brazil, Switzerland, Equatorial Guinea, the United States and Singapore. Typically, onshore assets have ready access to water, but additional water sources or ready access might need to be identified if conditions progress according to the risk levels projected.

### Heat Stress Analysis (Onshore location examples)




Both the effects of river and coastal flooding were assessed for onshore assets, including the influence from sea level rise. As with water stress, it is unsure to what extent the available tools consider local defenses against river and coastal flooding. Half of the onshore assets in China, a few in Brazil, and one each in Angola and Guyana are at risk from the effects of flooding, according to the current predictions. Flooding could cause direct damage to assets or people, or otherwise result in shutdowns and maintenance, delaying construction projects and necessary onshore support to offshore assets.

Landslides, wildfires and avalanches have the highest level of uncertainty in their results. Available tools assess risk by determining if conditions will allow for the occurrence of these hazards. For example, if an area might be conducive to a wildfire, it will be marked as at risk, regardless of proximity to forest cover. In total, five assets were determined to be at risk from these three hazards. If they occur, these three hazards could cause physical damage to assets or people and could delay construction projects. In the future, additional investigation will be performed to lower the level of uncertainty and determine the likelihood of the risk from these hazards.

### Climate scenario RCP 8.5

| Risk | Asset type | Operational impact | Financial impact | Management of impact |
|---|---|---|---|---|
| Ocean acidification | Offshore | Accelerated corrosion of submerged metal, such as the hull and mooring systems. If accelerated enough, corroded metal would either need to be replaced or could shorten the expected operational lifetime of offshore assets | Increased cost of construction and repair costs for damage, insurance, contingency | Design specifications of units take into account the latest metocean simulations of extreme weather events. |
| Saline intrusion | Offshore | | | |
| Cyclones | Offshore | Physical damage to infrastructure | Increased cost of construction and repair costs for damage, insurance, contingency | SBM Offshore mitigates risks from climate change impact to people and the environment for specific scenarios in each location. For example, the preparation and execution of Health and Safety plans during the execution of SBM Offshore's projects and readily available Emergency Response plans. Associated financial impacts are mitigated in contingencies for additional schedule impacts, adequate safety measurements and cover through insurance. |
| Heat stress | Offshore/ Onshore | Increased work strain for construction and offshore workers – decreased productivity and delays | Increased cost of construction | |
| Water stress | Onshore | Increased delays in steel production due to water scarcity<br>Unhealthy work conditions | Increased cost of construction, water expense<br>Higher cost of safe water supply to people | |
| Flooding | Onshore | Physical damage to infrastructure or harm to people, resulting in shutdowns and maintenance, delaying construction projects and necessary onshore support to offshore assets | Increased cost of construction and repair costs for damage, insurance, contingency | |
| Landslides | Onshore | Physical damage to assets and potential harm to workers | | |
| Wildfire | Onshore | | | |
| Avalanche | Onshore | | | |

## TRANSITION CLIMATE RISKS

As the world faces increasing difficulty in aligning with the IEA's Net Zero Emissions (NZE) scenario, the path to limiting global warming to 1.5 degrees has become more challenging. Although renewable energy expansion remains critical, market headwinds – including robust global demand for hydrocarbons and barriers to renewable project scalability – complicate this transition. Without enhanced mitigation measures, the UN projects that warming could highly likely exceed 2.5 degrees over the course of this century, posing substantial implications for energy companies navigating the shift to a low-carbon economy.

### Financing Landscape Shifts

One notable transition risk is the evolving financing landscape, particularly in Europe, where Export Credit Agencies (ECAs) are reducing their support for oil and gas projects. This shift may elevate the cost of capital for energy projects, creating new financial pressures on the industry. To address this, SBM Offshore is actively engaging with clients on alternative commercial models to adapt to these changes and is in dialogue with potential lenders to assess their support for future projects under varying climate scenarios.

### Product Development Delays in New Energies

Another transition risk lies in the potential for delays in new energy project development, particularly offshore wind. Inflationary pressures and a shifting subsidy landscape have impacted certain industry players, underscoring the risk of financial setbacks and slowing momentum for renewable investments. In response, SBM Offshore has adopted a selective strategy for its New Energies portfolio, prioritizing offshore wind projects that are both viable and capable of achieving the scale necessary to drive renewable energy affordability.

Further data on transition climate risk analysis is provided in the table below. SBM Offshore's scenario analysis continue as an iterative process to critically assess and prepare for evolving climate and market conditions, serving as a tool to explore potential transition pathways rather than predict specific outcomes.

### Climate scenario RCP 2.6

| Risks | Operational impact | Financial Impact | Management of Impact |
|---|---|---|---|
| Inability to attract employee/resources | Decreased development in renewable product market, FPSO projects understaffed, net zero targets at risk | Increased cost due to use of contractors rather than attracting in-house talent, potential cost of non-quality | SBM Offshore remains focused on being an attractive employer, with interesting opportunities in the energy industry. Moreover, SBM Offshore applies its unique capabilities to unlock new markets for energy transition. |
| Clients not supporting low-emission effort | Reduced direct income from net zero aligned technologies, net zero targets at risk | Potential increased cost for SBM Offshore when clients are not committed to low emission efforts. | Early engagement with clients on net zero paths, whilst continuing to develop emissionZERO® and achieve SBM Offshore's net zero targets. Leverage on SBM Offshore collaboration to accelerate energy transition. |
| Reduced demand for oil and gas leads to clients terminating contracts | Reduced operational activities for traditional FPSOs | Decline in future revenues and earlier than expected decommissioning costs, managed through contract termination compensation | SBM Offshore has a compensation structure for contract termination and decommissioning costs. SBM Offshore continuously updates its offer in light of the changing energy landscape and aims to decarbonize its existing and new units through emissionZERO®. |
| Financing constraint for hydrocarbon-related projects | Alternative financing arrangements | Increased cost of financing, potential change in economic distributions, lower margins | Adequate access to debt and equity funding is secured through use of SBM Offshore's existing liquidity, by selling equity to third parties, the use of bridging loans and long-term project financing. Debt funding is sourced from multiple markets, such as international project finance banks, capital markets transactions and Export Credit Agencies. Enlargement with providers of alternative financing. |
| More stringent social and environmental laws | Increased liabilities or provisions, and assessments of contingent liabilities | Increased cost of production, limits to field development | The close monitoring of laws and regulations is carried out continuously, and substantive changes are escalated. This includes liability from an emergence of carbon tax and its mitigation through appropriate clauses in contracts. |
| Introduction of carbon pricing | Decrease in total primary fuel consumption and total energy input | Increased environmental tax and carbon pricing | |
| Delay in product development | Deviation from company net zero path | Decreased potential for revenues from renewables associated with 2030 ambitions | SBM Offshore focuses its project development efforts to achieve greater progress, both in core operations and in new markets, by expanding its interests within the energy industry and its horizons into other sectors. |

According to the United Nations' world population projection, by 2050, world population will surpass 9.7 billion people, with around 68% of the total population living in big cities close to the oceans. Global energy demand is set to grow in the coming decades. While oil and natural gas will still play a key role in the primary energy mix, renewable energy is increasing its share and governments are raising their decarbonization targets. The demand for new oil and natural gas projects is expected to continue to grow until the end of the decade, as geopolitical tensions have underlined fragilities and dependencies in the energy system, after which it should slightly decline until 2050. Geopolitical events make energy supply and demand inherently volatile.

SBM Offshore expects that, in the coming years, there will be a need for its capabilities to deliver sizeable deepwater projects across the energy mix. GHG emissions for deep water are comparatively lower than other oil supply projects. As such deepwater oil should be part of the energy transition set of solutions.

SBM Offshore's success will depend on partnering with other companies similarly committed to its energy transition strategy and activities, with a focus on the lifecycle value of projects, from early client engagement to the end of field recycling phases.

## 3.4.2 EMISSIONS

### OUR APPROACH

#### Policies and Governance

Despite the challenges inherent in its business, SBM Offshore is committed to driving the energy transition through innovation, product development and reducing emissions. This commitment is embedded in SBM Offshore's promise of True. Blue. Transition. and Code of Conduct, guiding SBM Offshore toward a sustainable role in society.

SBM Offshore has adopted a policy to manage sustainability matters, including the environmental impacts related to climate change. The objective of the Sustainability Policy is to commit to protecting the environment, across its own operations and its value chain, and to comply with the applicable local and international environmental laws. The policy was approved by the Executive Board, follows the SBM Offshore code of conduct and applies to all divisions, business units, business partners, yards and suppliers, and is available on the SBM Offshore website.

SBM Offshore's Sustainability Policy aligns with the OECD Guidelines for Multinational Enterprises and is implemented through the Environmental and Social Management System Charter across its processes on energy transition through innovation, product and business development, to move towards near zero emissions.

The governance of emissions falls under the Group HSSEQ and Sustainability Director – a member of the Executive Committee – and the group sustainability team with the functional ownership of emissions. The group sustainability team is responsible for:

- Tracking the Net Zero path;
- Consolidating the emissions calculation;
- Supporting the engagement with internal and external stakeholders for emission reduction;
- Setting targets and assessing the effectiveness of the results.

Climate-related considerations are factored into the remuneration of management according to the method explained in remuneration sections 2.3.1 and 2.3.2, in which emission-related targets represent the short-term incentive for the management board and employees.

#### Transition plan and target

SBM Offshore designs and delivers FPSO units based on client specifications, leveraging decades of engineering expertise and operational experience. While FPSO emissions are primarily determined by design requirements, field characteristics and operational profiles, SBM Offshore actively explores and integrates technological advancements that enhance energy efficiency and reduce environmental impact where feasible. Key levers include optimizing FPSO designs, incorporating combined cycle power solutions and integrating carbon capture solutions (see sections 1.2, 1.3 and 1.5.2). However, the extent to which these innovations are implemented and SBM Offshore's direct influence on FPSO emissions is limited, depending on value chain priorities and strategies, regulatory requirements, and project economics. Through close collaboration with clients, suppliers and business partners, SBM Offshore supports industry efforts toward lower-carbon operations while ensuring reliability and operational excellence. SBM Offshore's position within the oil and gas production value chain is further detailed in section 1.2.2.

SBM Offshore is committed to a strategy and actions compatible with its ambition to achieve Net Zero by no later than 2050, including emissions in scope 1, scope 2 and one category of scope 3 – Downstream leased assets. Annually SBM Offshore creates the Corporate Guidance, which outlines the strategic direction and goals. This guidance provides a framework for decision-making and ensures alignment across the business. Key internal stakeholders actively participate in this process and in setting targets through collaborative seminars and meetings.

SBM Offshore has established the following intermediate targets by 2030:

- 100% green energy for scope 1 and 2 emissions[12];
- 50% reduction of GHG intensity[13] and zero routine flaring[14] for scope 3 – Downstream leased assets.

This GHG emissions reduction plan has been approved by the Management Board and Supervisory Board and is embedded in SBM Offshore's overall business strategy and financial planning.

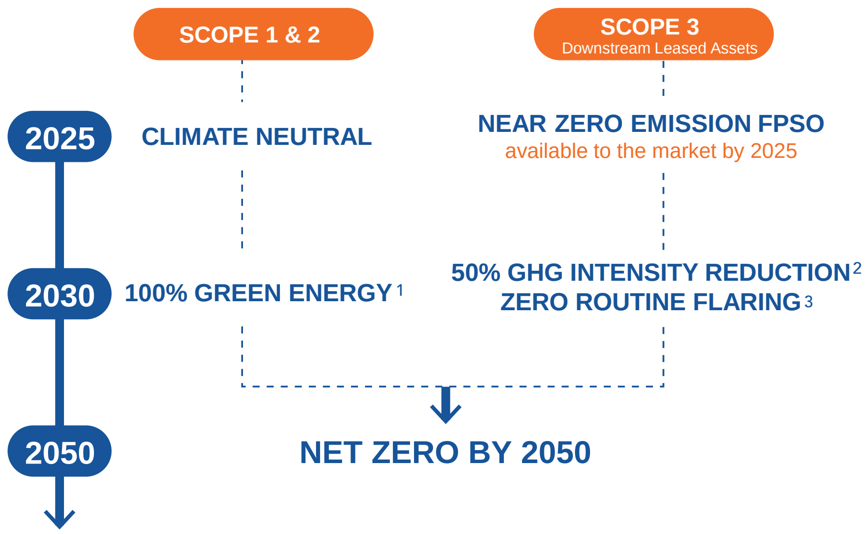
In order to achieve its goals and to support emissions reduction in the value chain, SBM Offshore is focused on engaging and collaborating with key stakeholders, such as lenders and suppliers, to discuss and align business strategies and performance improvements.

[12] Aiming for 100% sourcing of renewable energy by 2030 and considering investments in certified projects to compensate any residual GHG emissions from scope 1 and 2, reaching 'net zero' on total GHG emissions – related to the scope of office and shorebase-related emissions. SBM Offshore monitors development versus 2016. For 2016 GHG volumes please see here.

[13] Reduce GHG intensity of scope 3 downstream leased assets by 50% by 2030, compared to 2016 as a base year. The base year is a representative year for SBM Offshore's business and follows base year selection guidance by the Science Based Target initiative. For 2016 GHG volumes please see here.

[14] Routine flaring of gas considered as flaring during normal oil production operations in the absence of sufficient facilities or amenable geology to re-inject the produced gas, utilize it on-site, or dispatch it to a market. Applies to GHG emissions from scope 3 downstream leased assets.

## OUR NET ZERO AMBITIONS




1. Aiming for 100% sourcing of renewable energy by 2030 and considering investments in certified projects to compensate any residual GHG emissions from scope 1 and 2, reaching 'net zero' on total GHG emissions – related to the scope of office and shorebase-related emissions.
2. Reduce GHG intensity of scope 3 downstream leased assets by 50% by 2030, compared to 2016 as a base year.
3. Routine flaring of gas considered as flaring during normal oil production operations in the absence of sufficient facilities or amenable geology to re-inject the produced gas, utilize it on-site, or dispatch it to a market. Applies to GHG emissions from scope 3 downstream leased assets.

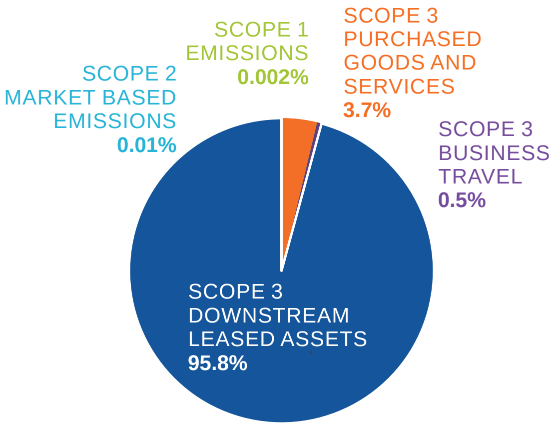
**Scope 1 and 2**
SBM Offshore is progressing steadily toward achieving its scope 1 and 2 emissions reduction targets, in alignment with the 1.5-degree scenario. This will be achieved primarily by sourcing renewable energy for office-related operations, tracked through renewable electricity supply agreements or using Energy Attribute Certificates (EACs). In markets where renewable energy supply is not available (Luanda, Georgetown, and Malabo), scope 1 and 2 emissions were compensated by verified carbon credits.

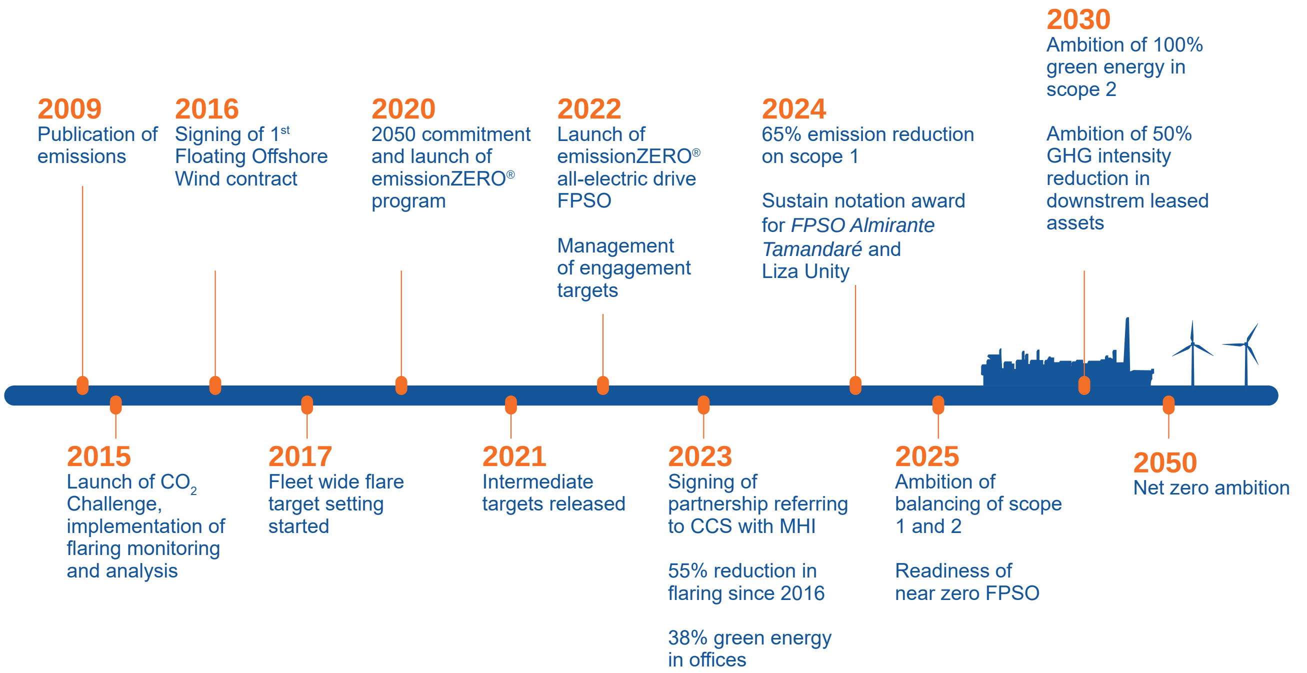
Looking ahead, SBM Offshore commits to sourcing 100% of its energy from renewable sources through targeted energy procurement and contracts, with full implementation expected by 2030.

**Scope 3**
For scope 3, SBM Offshore has used Science-Based Targets initiatives (SBTi) guidelines for a well-below 2-degree scenario. However, since no framework currently exists for oil and gas activities, SBM Offshore cannot be included in EU Paris Aligned Benchmarks. Nevertheless, SBM Offshore is committed to aligning a credible path to net zero by:

1. Using high standards for guidance, such as the SBTi, including the ambitious goal to reduce the GHG intensity of scope 3 – Downstream leased assets – by 50% by 2030.
2. Providing a near zero emission FPSO to the market through its emissionZERO® program, including carbon capture and flare reduction.
3. Taking a selective approach to growth in the energy industry – by focusing on clients with aligned approaches to Net Zero.
4. Understanding suppliers' commitments to Net Zero as part of SBM Offshore's supplier engagement and encouraging selected key suppliers to disclose on CDP to enhance transparency.
5. The optimization of energy use and emissions of downstream leased assets (FPSO) up to end-of-contract.
6. Responsible decommissioning of downstream leased assets at end-of-contract.
7. In addition to decarbonizing the oil and gas business, SBM Offshore explores new ocean infrastructure solutions and develops strategic partners to expand into attractive growing sectors such as power, ammonia and hydrogen, and carbon capture and storage.

The above approaches support SBM Offshore setting targets and actions in light of the global guidance from the Paris Agreement. These ambitions reflect the current understanding of the business and are subject to further development in the future.




**CAPEX and OPEX in relation to climate transition plan**

In 2024, SBM Offshore committed around US$9.3 million in OPEX for the decarbonization of the O&G industry. Most of these expenditures are associated with the emissionZERO® program, which aims to reduce the emission intensity of new FPSOs and develop a commercially viable near zero FPSO, which is crucial for achieving SBM Offshore's emission reduction goals. More significant CAPEX will be necessary once the emissionZERO® FPSO readiness is achieved, targeted for 2025. Although these expenditures are essential for accelerating the energy transition and facilitating the transition of a high-emitting sector, none of them are Taxonomy-eligible since O&G activities are currently not in the scope of the Taxonomy Regulation, even if they contribute to significant emission reductions in the O&G value chain.

In 2024, SBM Offshore allocated roughly US$70 thousand in CAPEX and US$11.8 million in OPEX for the development of new energy products and services, as well as low-emission products. This budget is split into US$10.5 million for the power value chain, US$1.2 million for the ammonia and hydrogen value chains, and US$0.1 million for the carbon initiatives. The OPEX for this period is included in section 4.2.1 of the Financial Statements. A relevant portion of this expenses to manage Emissions at SBM Offshore are R&D-related, included in section 4.3.7.

Key initiatives in the power sector include the development of floating offshore wind, floating solar, wave energy converters, and geothermal technologies. In the ammonia and hydrogen sectors, the focus is on floating hydrogen farms and the production of green and blue ammonia. The carbon initiatives primarily involve carbon capture, utilization, and storage (CCUS) projects.

The total taxonomy-eligible OPEX (US$10.3 million) reported in section 3.8.1.2 pertains to R&D expenses for some of these projects. SBM Offshore does not have specific targets for aligning its economic activities (CAPEX and OPEX KPI) with the criteria outlined in the Taxonomy's Climate and Environmental Delegated Acts and subsequent amendments. Nonetheless, SBM Offshore continues to maintain investment plans for developing renewable energy solutions and low-emission products while also supporting the decarbonization of the O&G value chain.

In 2024, the CAPEX amounts with oil-related economic activities totaled US$44 million. This expenditure pertains to investments in FPSOs used for producing, processing, and storing oil, which are leased to customers under operating leases according to IFRS. These investments are recorded as additions to 'Vessels and floating equipment' and 'Assets under construction' (subsequently transferred to 'Vessels and floating equipment') in section 4.3.13. The expenditures related to FPSOs leased under finance leases according to IFRS are not included in CAPEX.
SBM Offshore does not invest in coal or non-associated gas activities.

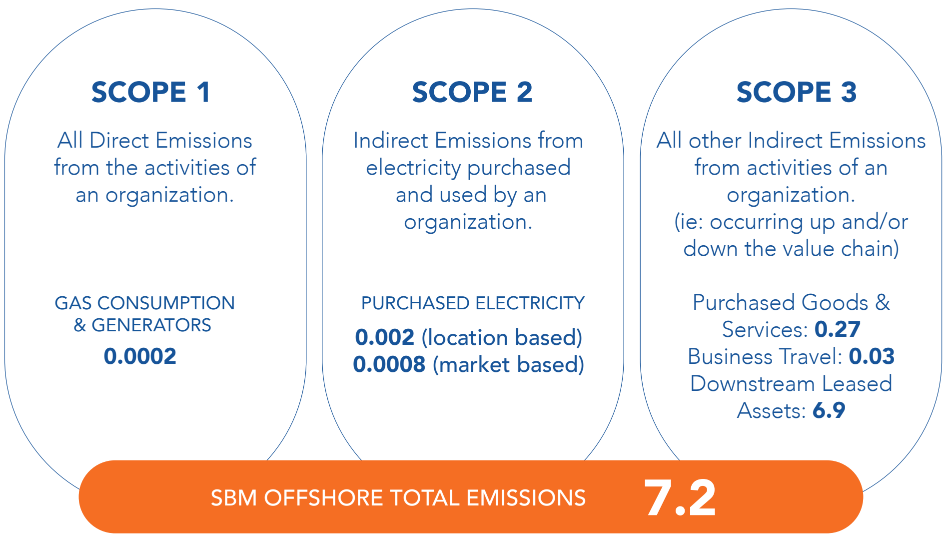
## PERFORMANCE

SBM Offshore's emissions management builds on years of effort. In 2024, SBM Offshore continues to put effort into reducing scopes 1 and 2 and collaborating with clients to reduce scope 3 emissions.

SBM Offshore reports on CDP and uses IOGP statistics to steer its ambitions, effectiveness of actions and performance. SBM Offshore strives to outperform industry benchmarks on the following indicators:

- GHG emissions, gas flare, energy consumption, oil in produced water, oil spill per production.

### GHG EMISSIONS
(MILLION TONNES $CO_2$ EQUIVALENT)




### GHG Emissions

During 2024, a total of 7.2 million tonnes of GHG emissions are reported.

**Scope 1 – Direct Emissions**

The Scope 1 emissions in 2024 represented a total of 169 tonnes of $CO_2e$, a reduction of 65% compared to 2023. This reduction was related with a decrease in natural gas consumption in Carros Workshop and Schiedam Office. In 2024, there was a transition process from Schiedam office to Rotterdam where the natural gas consumption is replaced by district heating from the city network.

**Scope 2 – Purchased Electricity (location based)**

The electricity purchased was 6,126 (MWh), which accounts for 2,061 tonnes of $CO_2e$, based on the average energy mix of each location. This represents 14% higher than previous year, due to increasing activities in Portugal, India and Guyana.

**Scope 2 – Purchased Electricity (market based)**

In 2024, SBM Offshore achieved 100% renewable energy in 4 offices (Amsterdam, Rio de Janeiro, Monaco and Marly) and purchased EACs for offices (Houston, Kuala Lumpur, Porto, Singapore, Shanghai, Bangalore), shorebases

(Santos) and Lab (Carros). In markets where renewable energy supply is not available (Luanda, Georgetown, and Malabo), the remaining require compensation.

Scope 2 market-based emissions accounted for 839 tonnes of $CO_2$e, 33% lower than in 2023.

**Scope 3 – Purchased Goods and Services**
SBM Offshore projects are constructed over several years. As required by the GHG protocol, SBM Offshore uses an allocation method to account for emissions. To derive the total GHG emission related to projects under construction, SBM Offshore uses the completion rates for Hull (MPF) and topsides each year. The percentage completed in a given year determines the total allocated emissions.

In 2024, SBM Offshore had 3 MPFs and 4 topsides under construction[15], with associated emissions amounting to 268,292 tons of $CO_2$e. Compared to 2023, the level of associated emissions increased by 50%, mainly due to a higher completion rate for MPF and topsides in 2024.

**Scope 3 – Business Travel**
Total air travel-related emissions were 34,401 tonnes in 2024, an increase of 12% compared to 2023, as a result of an increment of business activities, including projects and commissioning activities, involving traveling with long-distance flights (which in general require stopovers).

**Scope 3 – Downstream Leased Assets**
Emissions from downstream leased assets account for the majority of the carbon footprint reported by SBM Offshore, which represents a total emission of 6.9 million tonnes of $CO_2$e. The difference compared to 2023 emissions is driven by startup of new units during the period and is expected to normalize once entering stable production phase.

SBM Offshore's ambition is to see emission intensity reduced by 50% in 2030 compared to 2016 as baseline. In 2024, SBM Offshore's emission intensity was 118.14 tonnes of $CO_2$e emissions per thousand tonnes of hydrocarbon produced, which is 8% below the industry benchmark and 42% lower compared to the baseline. .

Energy intensity on downstream leased assets was 21% lower than the IOGP industry benchmark. Energy consumption volumes can be found in section 3.8.

SBM Offshore is aware that currently operated and planned FPSOs represent locked-in emissions, especially for scope 3 – Downstream leased assets. All existing and planned FPSOs will reach the end of their lifetime before SBM Offshore's net zero emission target in 2050. To avoid future locked-in emissions from FPSOs, SBM Offshore is aiming to introduce emissionZERO® FPSOs, dependent on market and client receptiveness.

For 2024, SBM Offshore set a target to further optimize operational excellence on the FPSOs for which it provides operations and maintenance services (O&M). SBM Offshore targeted an absolute volume of gas flared below 1.57 million standard cubic feet per day (mmscft/d) as an overall FPSO fleet average during the year. This was set for a specific part of the volume related with non-routine flaring associated with process shutdowns and upsets over which SBM Offshore may have influence. SBM Offshore outperformed on this target, the actual being 1.33 mmscft/d. The flaring performance in 2024 was mainly driven by a continued focus on reducing the number of unplanned events in its operated fleet.

## Energy consumption and mix
Demonstrating a clear understanding of energy consumption and resource efficiency also supports commensurate opportunities in mitigating $CO_2$ emissions. The total energy consumption in MWh related to own operations is as follows:

[15] Excluding Trion.

| Overall Energy Consumption (scope 1 and 2) | Actual (2024) | Target (2030) |
|---|---|---|
| Total energy consumption (MWh) | 7,094 | 100% source from renewable sources |
| Total energy consumption from fossil sources (MWh) | 2,479 | |
| Total energy consumption from renewable sources (MWh) | 4,615 | |

**Gross scopes 1, 2, 3 and total GHG emissions**

The table below shows the status on GHG emissions versus baseline and targets, as per end of 2024. Other scope 3 categories were not included in the scope 3 target setting, as SBM Offshore concluded that these categories are individually not material following a screening analysis. The calculation methodologies are under development to prepare for disclosure in the following years.

| GHG Emission | Baseline (2016) | Actual (2023) | Actual (2024) | Target (2030) |
|---|---|---|---|---|
| Scope 2 (tonne $CO_2$e) market-based | 3,582 | 1,257 | 839 | 100% Green energy[1] |
| Scope 2 (tonne $CO_2$e) location-based | 3,582 | 1,811 | 2,061 | |
| Scope 1 (tonne $CO_2$e) | 222 | 489 | 169 | 100% Green energy[1] |
| Scope 3 Downstream leased assets – GHG intensity (kg $CO_2$e/tonnes HC) IOGP | 202.11 | 98.85 | 118.14 | 50% reduction |
| Scope 3 Downstream leased assets – GHG intensity (kg $CO_2$ e/BOE) | 28.26 | 13.31 | 16.4 | 50% reduction |

1 Applicable to emissions related to offices and subject to availability of green energy for the scope.

**GHG removals projects financed through carbon credits**

SBM Offshore aims to become GHG neutral by 2025 and to utilize 100% renewable energy by 2030 from own operations for scope 1 and 2, with 58% of reduction achieved to date compared to its 2016 baseline. SBM Offshore is progressing towards these goals primarily by sourcing renewable energy for office-related operations, tracked through renewable electricity supply agreements or using Energy Attribute Certificates (EACs).

In 2024, SBM Offshore canceled 1,009 tonnes of $CO_2$e through the Ganges Mangrove Project in India, which accounted for 100% of the total remaining office-related emissions for scope 1 and 2. This project, certified by the Verified Carbon Standard (VCS[16]) and aligned with the International Carbon Reduction and Offset Alliance (ICROA) guidelines, focuses on conserving and restoring coastal ecosystems through the verified methodology. The project's carbon sequestration claims and reported co-benefits for biodiversity and communities have received independent verification and are subject to regular third-party audits under VCS requirements. SBM Offshore continues to prioritize emissions reduction while investing in independently verified carbon credits that deliver measurable environmental and social benefits.

SBM Offshore does not currently apply an internal carbon pricing mechanism. At this stage, SBM Offshore evaluates carbon-related risks and opportunities without integrating an internal price on carbon into financial or operational decision-making. SBM Offshore continues to monitor regulatory developments and industry best practices to assess the potential relevance of internal carbon pricing as a tool for future climate-related risk management and strategy development.

## FUTURE

SBM Offshore will continue the decarbonization journey with targeted initiatives:

- Scope 1 and 2 emissions: Prioritize energy savings and increase the use of renewable energy at SBM Offshore's onshore facilities. For locations where renewable energy is not yet available, SBM Offshore is exploring alternative solutions, such as solar panel installations to reduce emissions.
- Scope 3 emissions: Remain committed to advancing the emissionZERO® program, aiming to introduce a near-zero emissions FPSO to the market by 2025. To further reduce GHG emissions in operating and maintenance service agreements, SBM Offshore is collaborating with clients to deploy an emissions and energy tool across all units in Brazil and Guyana. This tool will enable the identification of emission-reduction opportunities. Moreover, more categories will be included in the GHG emission calculation such as category 7 – employee commuting and emissions from inbound logistics for Tier 1 suppliers.
- SBM Offshore is also committed to achieving a higher environmental performance than the 2023 IOGP industry benchmark for energy consumption.

## 3.4.3 DECOMMISSIONING

### OUR APPROACH

SBM Offshore is committed to the safe and environmentally sound recycling of assets at the end of their lifecycle, performed in compliance with SBM Offshore's Responsible Recycling Policy, which adheres to the International Convention for the Safe and Environmentally Sound Recycling of Ships (the 'Hong Kong Convention') of the International Maritime Organization (IMO) and EU Ship Recycling Regulation 1257/2013 or equivalent standard, as well as standardized yard activities and ship recycling plans.

SBM Offshore works with specialized suppliers and ship recycling facilities that have suitable infrastructure, compliance with the United Nations Guiding Principles on Business and Human Rights (UNGP) and other internationally applicable regulations; an adequate management system, including health and safety

[16] VCS Methodology AR-AM0014.

procedures in place; and trained personnel. During the projects, specialists inspect the assets to identify hazardous materials and to ensure the controlled removal and disposal of such materials as part of the decommissioning and recycling work. SBM Offshore aims to minimize adverse environmental and social impacts related to the decommissioning and recycling activities of each vessel, while maximizing circular economy opportunities.

SBM Offshore's processes outline the key steps in conducting the decommissioning of an offshore production facility, while ensuring safe and responsible recycling. Aiming to improve the preparation of the next projects of decommissioning and recycling and de-risk execution, in 2024 SBM Offshore developed a provisional decommissioning execution plan for 8 offshore production facilities. These plans have been added as a 2024 performance indicator and are included at Management and Supervisory Board meetings, reinforcing transparency and accuracy at corporate level. The governance of decommissioning falls under the Managing Director – Operations – a member of the Executive Committee.

## PERFORMANCE

During 2024, two projects were in execution: the completion of Deep Panuke MOPU PFC recycling and the decommissioning and recycling of *FPSO Capixaba*, which is currently under execution with estimated completion in 2026.

### Deep Panuke

The Deep Panuke Production Field Center (PFC) recycling project reached completion in Nova Scotia, Canada in January 2024, with the final certificate received from RJ MacIsaac Construction Ltd. (RJMI) and the delivery by Lloyds Register of the statement of Compliance of Completion of Ship Recycling.

The project began in 2020 and was safely achieved and aligned with SBM Offshore's Responsible Recycling Policy. Overall, 97% of the waste materials generated by the project were sold, recycled or reused, with the remaining 3% consisting of waste, which was safely disposed of, meeting the applicable environmental rules and regulations.

Furthermore, this project contributed to Sustainable Development Goals by promoting local development, establishing traceable waste management streams and developing initiatives such as immersing reef balls to stimulate underwater marine life. The successful project has strengthened SBM Offshore's reputation in Nova Scotia as the province looks at renewable projects, and where SBM Offshore had the opportunity to team up with DP Energy for Floating Offshore Wind developments.

### FPSO Capixaba

The *FPSO Capixaba* reached the final phase of its lifecycle after operating in Brazil from 2006 until April 2023, with over 244 million barrels of oil produced on behalf of client Petrobras. After the successful unmooring and towage from Jubarte field in Brazil, *FPSO Capixaba* safely arrived in Frederikshavn, Denmark on May 5, 2024, with handover to M.A.R.S. ship recycling facility accomplished upon arrival.

The unit was exported in accordance with the applicable regulations, including the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal and EU Regulation no. 1013/2006 on shipments of waste. The *FPSO Capixaba* was delivered to M.A.R.S. with the International Ready for Recycling Statement of Compliance issued by American Bureau of Shipping (ABS).

The *FPSO Capixaba* project is a historical milestone for SBM Offshore and marks efforts and investment by employees, partners and suppliers to ensure efficient execution and minimum impact to the environment. The project follows the industry's leading policy and incorporates the recent positive experience of the Deep Panuke project. This is how SBM Offshore addresses a topic that is material to the business, from an economic, environmental and social perspective.

SBM Offshore has taken part in various decommissioning and recycling forums aimed at adding value from experience while benefiting from strategic stakeholder experience. SBM Offshore has participated as a co-chair in the decommissioning expert group of IOGP since 2023 to promote the FPSO Safe and Environmentally Sound Recycling. Areas of attention for this group are:

- Sharing best practices and lessons, using experience from IOGP members.
- Developing good practice guidelines for FPSO decommissioning and recycling, in compliance with international and local regulations.
- Enabling supply chain availability and readiness by compiling forecast data on demand.
- Engaging with external expert groups, NGOs and other relevant stakeholders to learn about expectations and identifying common standards and best practices.

## FUTURE

During 2025, SBM Offshore will continue the execution of the safe and environmentally sound recycling of *FPSO Capixaba* in Denmark. SBM Offshore has the ambition, to continue improving fleet decommissioning and recycling performance through planning and preparation for the next wave of decommissioning, whilst continuously developing and applying industry best practices.

## 3.4.4 EU TAXONOMY DISCLOSURES

### Disclosures pursuant to Article 8 of Regulation 2020/852/EU (Taxonomy Regulation)

The Taxonomy Regulation (the 'Regulation') establishes a common classification system for sustainable activities to the European Union, defining criteria for economic activities that are aligned with the objectives of the European Green Deal. The Regulation establishes six climate and environmental objectives, namely:

1. Climate change mitigation;
2. Climate change adaptation;
3. The sustainable use and protection of water and marine resources;
4. The transition to a circular economy;
5. Pollution prevention and control;
6. The protection and restoration of biodiversity and ecosystems.

### EU Taxonomy Assessment

The first stage of the assessment is to validate whether an economic activity is eligible under the Taxonomy. To qualify, an economic activity must fall within the Taxonomy's scope as potentially contributing to one of the six environmental objectives. This means that there must be corresponding criteria in the Taxonomy against which the activities can be assessed.

Once eligibility is validated, an alignment assessment is conducted to conclude whether the eligible activity is environmentally sustainable and aligned with the EU Taxonomy by meeting the four overarching conditions outlined in the Regulation:

1. It must substantially contribute to at least one of the six objectives;
2. It must Do No Significant Harm (DNSH) to the other environmental objectives;
3. It must comply with the Minimum Safeguards specified in the Regulation[17];
4. It must comply with the Technical Screening Criteria (TSC) established by the Commission.

The list of Taxonomy-eligible economic activities and the corresponding TSC that determine the conditions under which an economic activity qualifies as contributing to an environmental objective and for determining whether that economic activity DNSH to any of the other environmental objectives are set in the Climate Delegated Act and its amendments[18] and the Environmental Delegated Act[19] (collectively referred to as the 'Delegated Acts').

[17] As described in Article 18 of the Regulation, the minimum safeguards are procedures implemented by an undertaking that is carrying out an economic activity to ensure the alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organization on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

At SBM Offshore, the Taxonomy assessment of business activities is conducted according to the aforementioned guidance. Initially, a screening process is performed to identify eligible activities, followed by a detailed assessment to determine if the eligible activity aligns with the TSC and DNSH criteria set in the Delegated Acts.

For clarity, activities not listed in the Delegated Acts are considered Taxonomy-non-eligible economic activities.

### Definition of key performance indicators and methodology

SBM Offshore follows the methodology outlined in the Disclosures Delegated Act[20] to provide information on the proportion of Turnover, Capital Expenditure (CAPEX) and Operating Expenditure (OPEX) – the KPIs – related to its activities, assets or processes considered environmentally sustainable economic activities.

The Taxonomy-related KPIs are determined from the financial data used to prepare SBM Offshore's consolidated financial statements, established in compliance with the IFRS accounting standards. The totals for the three KPIs (the denominator) are sourced from SBM Offshore's financial reporting and consolidation system. The proportion of each KPI that pertains to Taxonomy-aligned economic activities (numerator) is determined through the Taxonomy Assessment described above, with the turnover or expenditure amount adhering to the established consolidation system.

To avoid double counting, the numerator of each KPI only includes revenues and expenditure allocated to a single environmental objective.

#### Turnover

Corresponds to SBM Offshore's revenue from Turnkey and Lease and Operate activities during the financial year 2024 and is equal to total revenue presented in section 4.2.1). A significant part of SBM Offshore's business serves the oil and gas (O&G) extraction industry. While SBM Offshore is working towards a net zero path in this sector – for instance, through decarbonization and digitalization initiatives – activities of this type cannot be classified as Taxonomy-eligible due to the absence of O&G economic activities in the Delegated Acts, even if promoting a just transition to a low-carbon economy. Therefore, Turnover

[18] Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing regulation (EU) 2020/852 of the European Parliament and of the Council and amended by the Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022 and the Commission Delegated Regulation (EU) 2023/2485 of 27 June 2023.

[19] Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council.

[20] Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council.

related to SBM Offshore's Taxonomy-eligible activities pertains only to renewable energy products and services.

### CAPEX

Consists of additions to tangible and intangible assets during the financial year 2024 considered before accounting for depreciation, amortization and any re-measurements. It can be reconciled with the sum of the lines 'Additions' disclosed in sections 4.3.13 and 4.3.14 of the consolidated financial statements and recognized under IAS 16, IFRS 16 and IAS 38. Most CAPEX in SBM Offshore is considered non-eligible according to the EU Taxonomy, as it relates to O&G extraction products and services. Although a portion of these investments may enhance energy efficiency and support the decarbonization of the industry, they cannot be classified as Taxonomy-eligible due to the absence of O&G economic activities in the Delegated Acts.

### OPEX

Corresponds to the direct non-capitalized costs associated with R&D, short-term leases, building renovation measures, maintenance and repair and other direct expenditures linked to the day-to-day servicing of property, plants and equipment (PP&E) by SBM Offshore or third-party contractors needed for the continued and effective functioning of such assets. A significant part of the OPEX associated with Taxonomy-eligible activities relates to SBM Offshore's R&D efforts aimed at developing offshore renewable energy solutions, including market-ready research, development, and innovation for the manufacture of renewable energy technologies.

Maintenance and repair costs for leased and/or operated FPSOs are part of services provided by SBM Offshore to its customers. These expenses are recognized as direct 'cost of sales' in the Consolidated Income Statement under IFRS and amounts invoiced for those services are included in total revenue. As costs to provide maintenance and repair services on assets either owned or leased by the customers, these expenses are not included in the OPEX KPI.

**Summary of EU Taxonomy Eligibility – disclosure covering years 2024 and 2023**

| | Turnover | | CAPEX | | OPEX | |
|---|---|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| **TAXONOMY-ELIGIBLE ACTIVITIES (%)** | **0.4%** | **0.9%** | **21.4%** | **0.0%** | **19.6%** | **32.3%** |
| **Climate Change Mitigation (CCM)** | **0.4%** | **0.9%** | **21.4%** | **0.0%** | **19.6%** | **32.1%** |
| 4.3 Electricity generation from wind power[1] | 0.4% | 0.9% | 0.0% | 0.0% | 0.0% | 0.0% |
| 7.7 Acquisition or ownership of buildings | 0.0% | 0.0% | 21.4% | 0.0% | 0.0% | 0.0% |
| 9.1 Close to market research, development and innovation | 0.0% | 0.0% | 0.0% | 0.0% | 19.6% | 32.1% |
| **Biodiversity and ecosystems (BIO)** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **0.2%** |
| 1.1. Conservation, including restoration, of habitats, ecosystems and species | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.2% |
| **TAXONOMY-NON-ELIGIBLE ACTIVITIES (%)** | **99.6%** | **99.1%** | **78.6%** | **100.0%** | **80.4%** | **67.7%** |
| **Total (in millions of US$)** | **4,785.0** | **4,963.0** | **128.6** | **179.0** | **52.5** | **48.4** |

1 The eligible activities from 2023 related to '3.1 Manufacture of renewable energy technologies' have been updated to '4.3 Electricity generation from wind power'. Similarly, in 2024, the turnover from these activities pertained to the Provence Grand Large project, an offshore wind project installed and commissioned by SBM Offshore. After a review, the SBM Offshore determined that the activities undertaken align more closely with the description for '4.3 Electricity generation from wind power'.

## Taxonomy at SBM Offshore

The table above displays the proportion of eligible economic activities for SBM Offshore in 2023 and 2024 according to three financial KPIs defined by the Regulation: Turnover, CAPEX, and OPEX.

In 2024, the Turnover associated with Eligible Activities (CCM 4.3 Electricity generation from wind power) amounted to US$20.1 million, down from US$43.5 million in 2023. This decrease is partially attributed to the completion of the Provence Grand Large (PGL) floating offshore wind (FOW) project, as SBM Offshore fully commissioned the three FOW turbines installed at the end of 2023. This project is notable as it is the first in the world to utilize tension leg mooring technology.

Additionally, 2024 saw the establishment of Ekwil, a 50/50 joint venture with Technip Energies. Moving forward, all activities related to this emerging FOW market will be conducted exclusively by Ekwil, founded in July 2024. Consequently, there was a decline in revenues and OPEX from FOW activities within the entities controlled and consolidated by SBM Offshore during 2024. The OPEX associated with Eligible Activities (CCM 9.1 Close to market research, development, and innovation) decreased from US$15.6 million in 2023 to US$10.2 million in 2024. This OPEX primarily relates to research and development activities for FOW and other renewable energy technologies.

In 2024, the CAPEX of US$26.4 million linked to Eligible Activities (CCM 7.7 Acquisition or ownership of buildings) was due to the capitalization of lease extensions and new lease office contracts, including a new lease agreement for office space in Rotterdam.

This year, SBM Offshore started recognizing CAPEX associated with the ownership of buildings under Taxonomy, opting not to perform a retroactive review for previous years' Taxonomy disclosures.

In addition to the reported Eligible Activities, SBM Offshore is actively engaged in the responsible decommissioning of FPSOs and other floating structures at the end of their operational life cycles (CE 2.6 Depollution and dismantling of end-of-life products and CE 3.3. Demolition and wrecking of buildings and other structures). However, these actions cannot be classified as Eligible Activities due to a misalignment between SBM Offshore's demobilization provisions and the definition of the Taxonomy financial KPIs.

Furthermore, SBM Offshore is a leader in the decarbonization of the O&G industry, with its investments in the development of near zero emission FPSOs. While these investments are crucial for accelerating the energy transition and aiding the transition of a high-emitting sector, they do not qualify as Taxonomy-eligible activities because O&G activities are currently outside the scope of the regulation. SBM Offshore expects future developments of the Delegated Acts to consider more transitional activities in hard-to-abate sectors, such as O&G. These activities are not only relevant to the global economy and the value chains of other industries but can also provide a significant source of income for emerging and developing countries when developed responsibly, thereby supporting a fair transition toward climate neutrality. More details on SBM Offshore's decarbonization initiatives are presented in section 3.4.2.

**Significant contribution to environmental objectives**

SBM Offshore understands that, by definition, activities related to the construction of electricity generation facilities that produce electricity from wind power substantially contribute to climate change mitigation once they are qualified as eligible. The Provence Grand Large FOW project was successfully commissioned and started generating electricity in 2024 – it represents near-totality of turnover from this activity.

SBM Offshore considers costs with R&D activities eligible to Taxonomy based on their alignment with the criteria for 'Substantial Contribution' to climate change established for research, development and innovation activities:

- These R&D activities focus on creating and improving solutions for economic activities identified in the Climate Delegated Act as eligible for making a significant contribution to climate change mitigation. SBM Offshore strives to confirm that the results of its R&D and innovations allow these economic activities to meet the criteria for substantial contributions to climate change mitigation while avoiding significant harm to other environmental objectives.
- Currently, SBM Offshore supports R&D in several areas, including the manufacture of renewable energy technologies (such as wind power, solar photovoltaic systems, ocean energy technologies, and geothermal energy), the production and use of hydrogen, ammonia production, and carbon capture and storage systems.
- SBM Offshore aims to provide technologies that enhance solutions for alternative energy and other low-emission activities at a reduced cost, significantly improving their technological and economic feasibility to facilitate their scaling up. For example, following the deployment of the PGL FOW, SBM Offshore gathered lessons learned and started to develop a simplified design of FOW to ease installation and maintenance, activities that are now carried out under Ekwil. In the space of Wave Energy Converters, SBM Offshore focused on designing a streamlined version featuring no mechanical parts to lower maintenance costs and minimize the risk of failure in offshore environments.
- SBM Offshore supports R&D investments that facilitate activities for which it or its clients have obtained permits from a competent authority to operate a demonstration project to validate the viability of innovative technologies.

The ownership of buildings eligible activity substantially contributes to climate change mitigation if it complies with specific criteria for (1) buildings built before December 31, 2020, (2) buildings built after December 31, 2020, and (3) large non-residential buildings. SBM Offshore plans to assess its office's alignment to these criteria in 2025.

**Do No Significant Harm Principles (DNSH)**

SBM Offshore could not confirm the alignment of its eligible activities that substantially contributed to climate change mitigation with the criteria of not significantly harming each of the other environmental objectives. Therefore, SBM Offshore could not validate economic activities alignment with the EU Taxonomy.

Main gaps lie in confirming all economic activity's compliance with the criteria for DNSH to climate change adaptation and confirming the alignment of R&D initiatives with the transition to a circular economy by using equipment and components of high durability and recyclability and that are easy to dismantle and refurbish. SBM Offshore will make efforts in 2025 to improve the implementation of climate risk and vulnerability assessment to R&D activities and further engage with clients and the supply chain to obtain evidence on the circularity attributes of sourced components and raw materials used in R&D projects.

The main gaps lie in ensuring that each eligible economic activity comply with the criteria for DNSH related to climate change adaptation and confirming that R&D initiatives align with the DNSH criteria for transition to a circular economy by utilizing equipment and components that are highly durable, recyclable, and easy to dismantle and refurbish. In 2025, SBM Offshore plans to enhance the implementation of climate risk and vulnerability assessments for R&D activities. SBM Offshore will also maintain its efforts to engage with clients and the supply chain to gather evidence on the circularity attributes of the components and raw materials used in R&D projects.

#### Minimum Safeguards
As outlined in section 3.5.3, SBM Offshore is committed to conducting all operations in conformity with the Minimum Safeguards, implementing appropriate policies and procedures to ensure this objective is achieved in every economic activity undertaken.

The tables in section 3.8.1.2 present disclosures regarding the proportion of turnover, CAPEX, and OPEX for products or services related to Taxonomy-aligned economic activities. The disclosures are pursuant to Article 8 of Regulation 2020/852/EU and adhere to the updated template for KPIs of non-financial undertakings, as last amended by Commission Delegated Regulation (EU) 2023/2486.

SBM Offshore does not engage in eligible nuclear energy or fossil gas-related activities. This is highlighted in the last table in section 3.8.1.2, which follows the standard templates for disclosing information on nuclear and fossil gas-related activities, as established by Commission Delegated Regulation (EU) 2022/1214.

# 3.5 SOCIAL

## 3.5.1 OUR PEOPLE

Our People and collective expertise have always been the reason for SBM Offshore's continuous progress. By attracting, developing and retaining a diverse, skilled and motivated team, SBM Offshore focuses on driving excellence in innovation, and ensuring good performance to create long-term value for all its stakeholders.

SBM Offshore's inclusive culture aims to ensure that all Our People are respected and empowered to succeed. Through continuous training, skills development and comprehensive benefits, SBM Offshore works to support Our People's professional growth, fostering a rewarding and sustainable work environment.

### OUR APPROACH
The Corporate Values and Code of Conduct, Inclusion, Diversity and Equity Policy, Privacy Policy, Speak Up Policy and Human Rights Standards[21] testify of the commitment of SBM Offshore to Our People. They address relevant subjects such as care, equal opportunities, discrimination, harassment, human trafficking, forced labor or compulsory labor and child labor.

Policies covering specific relevant topics, such as health and safety and workplace accident prevention, are presented in section 3.5.2. Together with local guidelines and personnel manuals, these resources help establish effective ways to address the main topics, e.g. work schedule and teleworking, health care, family support, etc. For accessibility, the policies are in English and other common languages in SBM Offshore's locations, such as Portuguese, and are available via a dedicated intranet microsite and on the website when relevant externally (e.g. the Code of Conduct, Inclusion, Diversity and Equity Policy and Sustainability Policy.

SBM Offshore also ensures awareness and feedback of these policies via regular ongoing training and communication initiatives.

The governance of the policies and processes related to Our People is the responsibility of the Group HR Director, part of the Executive Committee (see section 2.1.2).

[21] SBM Offshore is committed to conducting business in accordance with the United Nations Guiding Principles on Business and Human Rights (UNGPs), International Labour Organization (ILO) Conventions and OECD Guidelines for Multinational Enterprises to embed human rights throughout the organization, with the aim of achieving no harm to either our people or workers in the value chain. Human Rights Standards is aligned with these principles and frameworks. SBM-Offshore-2023-Human-Rights-Standards-2023-1.pdf

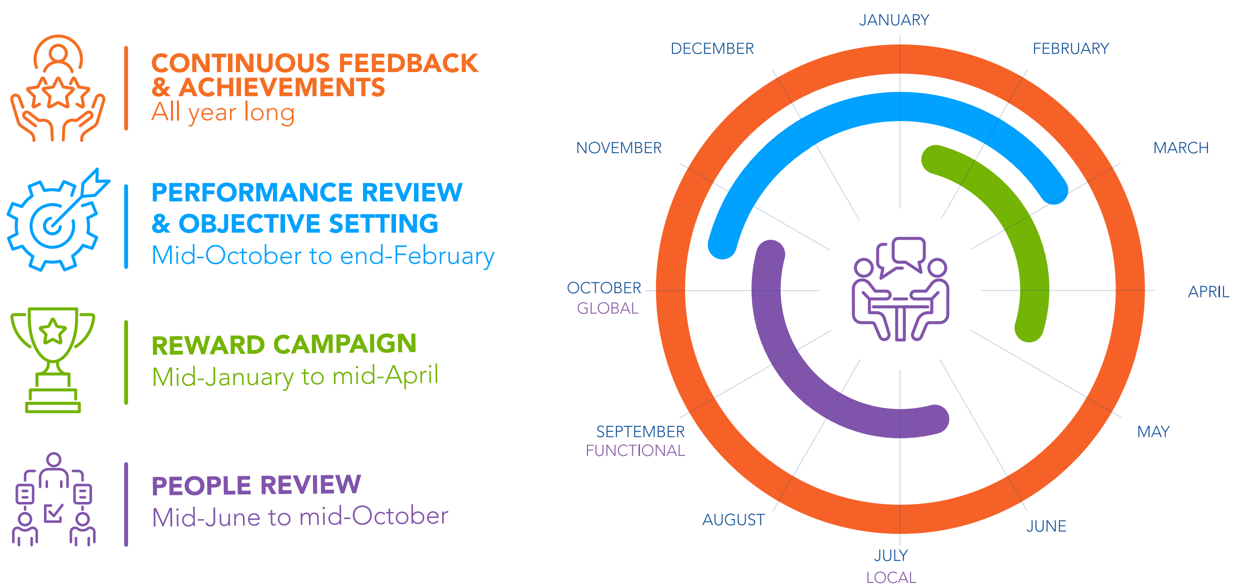
SBM Offshore strives to understand and manage both the positive and adverse impacts on Our People through a combination of key initiatives and regular engagement:

- HR Cycle: this cycle ensures that employee needs are aligned with business goals and career development.
- Employee Engagement: SBM Offshore gathers feedback through regular employee pulse surveys and the Speak Up program. Engagement is also supported through one-on-one meetings, team discussions and town hall meetings held throughout the year. For example, the global town hall meeting is twice per year, one after the financial-year results and one after half-year results. Local town halls depend on each country, but are held, at a minimum, twice per year, one face-to-face and one virtual meeting.
- Performance and Career Development: Formal talent development and performance management processes encourage continuous check-ins between managers and employees to foster career growth and development.
- Inclusion, Diversity and Equity: On-going programs are organized to promote a workplace where diversity is valued, inclusion is fostered and the environment is psychologically safe and nurtures collaboration and innovation.
- Health and Well-being: participation in health-check programs and well-being initiatives are proposed and encouraged, to support mental health and well-being.
- HSSE Management: SBM Offshore continuously integrates health, safety, security and environmental practices into daily operations.

Additionally, SBM Offshore maintains regular interactions with local work councils to ensure alignment with workers' interests and concerns.

SBM Offshore keeps striving to improve HR processes through a dedicated team working on continuous improvement, which fosters open and transparent dialogue and provides a Speak Up line to ensure that the views and concerns of employees are being heard and acted upon. SBM Offshore's Human Resources team regularly supports employees and their managers in addressing topics such as: mental health, inclusion, diversity, equity, discrimination, harassment, remuneration, work conditions, career perspectives and personal development. As a global company, SBM Offshore closely monitors the geopolitical situation in the countries where it operates to ensure the safety of its employees. The same applies if a crisis occurs in the home country of expatriates.

## HR CYCLE




SBM Offshore maintains a culture of open communication and fosters a safe environment where clear mechanisms encourage Our People to raise concerns without fear of retaliation, ensuring that any form of retaliation will be treated as a violation of the Code of Conduct and the Speak Up Policy.

SBM Offshore offers different reporting channels besides direct line managers and the Human Resources team; people can refer to the Global Compliance Department and senior management. In addition, the Speak Up Line (as explained in section 2.5.2), operated by an external provider, guarantees a confidential and 24/7 reporting channel in several languages, with the option for anonymous reporting where permitted by law.

Together with others, all these multiple ways and channels of communication help to identify and address the main impacts, risks and opportunities Our People are facing and support decisions and activities to manage them and deliver a positive impact.

## PERFORMANCE

Our People initiatives are continuously developed and adapted to evolving needs. Each year, the performance and effectiveness of actions and projects are evaluated, ensuring that plans remain relevant and aligned with the business strategy.
In 2024, SBM Offshore launched two major projects to align with its strategic objectives.

### Job and Competency Referential

The first project, the Job and Competency Referential, is an opportunity for SBM Offshore to advance its competency-based approach, aligned with SBM Offshore's strategy to attract and retain talent and expertise.

SBM Offshore will strengthen the focus on employees' potential – their skills and knowledge – rather than just the description of what they do in their current roles. Longer term, this will help employees and managers to enhance internal employability and better anticipate future competency needs demanded by the evolving markets in which SBM Offshore operates.

### Strategic Workforce Planning

The second key HR project is Strategic Workforce Planning. It is essential for SBM Offshore's organizational success. This strategic approach ensures that SBM Offshore's most valuable assets – Our People – are deployed effectively to meet present and future business objectives and ensure SBM Offshore has the ability to address future capacity needs.

### Talent Attraction and Competency Development

SBM Offshore views and experiences its diverse workforce as a competitive advantage, enabling SBM Offshore to attract the best talent and integrate different views into its global operations. In this regard, SBM Offshore recruits, employs and promotes people solely on the basis of their qualifications and competence for the position.

In 2024, SBM Offshore was able to recruit 1,274 new staff, particularly in Brazil, India and Guyana. New joiners are successfully prepared for their jobs through intensive local onboarding. Leadership training courses were held to improve management skills, based on SBM Offshore's 'RISE' leadership program.

Further learning programs have been developed and introduced, focused on increasing functional competencies in key business areas. Sustainability programs continued to be a focus area, in line with SBM Offshore's commitment to sustainability, providing valuable insights into climate action. In 2024, the sustainability basic training was launched to the whole organization.

### Gender Pay Gap

All employees are paid adequate wages, in line with local laws and regulations, as well as applicable benchmarks (e.g. wages paid locally or by the sector). SBM Offshore is committed to equal pay for equal value, with a global career framework defining job roles and supporting standardized base pay salary structures to minimize the potential gender pay gap. This is done with the Hay methodology. The annual reward campaign, part of the HR cycle, is performed to identify and address potential pay disparities and reward performance.

### Work-Life Balance

Work-life balance initiatives focus on benefits, flexibility and well-being, based on local requirements. The key actions include:

- Competitive benefits packages tailored to local market practices.
- Family planning benefits, such as parental leave, pension plans and insurance coverage.
- Flexible work arrangements, including flexible hours and remote work options.
- Mental health support through well-being training.
- Paid social leave benefits, to ensure employees can care for themselves and loved ones.

### Diversity and Inclusion

SBM Offshore takes pride in its global presence and recognizes that its success and competitive advantage is not only rooted in innovative products and services, but also in the diversity of talents, perspectives, and backgrounds that each SBMer brings to the organization. By valuing diversity, SBM Offshore gains a broader understanding of stakeholders, including the communities around the world where SBM Offshore operates.

In 2024, SBM Offshore initiated a review of its Diversity and Inclusion policy. This process led to the adoption of the Group Inclusion, Diversity and Equity ('IDE') Policy, which underscores a deeper and more explicit commitment to IDE. This policy demonstrates growth and maturity towards inclusion, diversity and equity, outlining expected behaviors and accountability in case of non-compliance. The IDE Policy is the foundation of SBM Offshore's approach, fostering creativity, driving innovation, and propelling excellence in all that SBMers do. The IDE policy is available on SBM Offshore's website.

In order to meet the goals of the IDE policy, SBM Offshore set up a global community of Diversity and Inclusion Ambassadors, who organized a number of events, both specific to the context of their locations and as part of the quarterly global campaigns, driving awareness on topics such as gender equity, sexual orientation (LGBTQIA+) and cultural celebrations. The IDE Policy is promoted throughout the employee experience, as SBM Offshore values diversity in all forms, including gender, age, disability, ethnicity, sexual orientation, religion, education, and national origin. SBM Offshore has zero tolerance for discrimination, harassment or inappropriate conduction.

In 2023, SBM Offshore developed and piloted an initiative to promote women in engineering disciplines and to encourage younger generations to take an interest in the energy transition business, as part of SBM Offshore's SDG 10, Reducing Inequalities for All. SBM Offshore scaled up this initiative in 2024, deploying 57 programs for over 2,700 students in 7 countries. SBM Offshore recruited a full-time Diversity and Inclusion Specialist in 2024. Additionally, the 2024 SBM Offshore talent review campaign focused on enhancing diversity in gender and nationality.

### Key Performance Highlights

The development of the Corporate Business Solutions Center (CBSC) continued in 2024 as per plan. The transactional HR activities of the European entities are covered from Porto (Portugal) and include a workforce of 150 people. The same now applies to the activities in Brazil. By the end of 2024, the Asian entities will also be integrated into the CBSC.

Key performance highlights in 2024:

- Workforce increased by 6.4% to 7892.
- 124,282 online applications for jobs reviewed and 76,014 retained for the recruitment process.
- Proportion of flexible workers in the workforce was 21%.
- 33 average training hours per employee.
- SBM Offshore had a turnover rate of 12%, decreasing 6.7% compared to 2023.
- The global gender pay gap is 0.97 globally in 2024.
- The pay ratio comparison showing the developments in the annual total remuneration of the CEO compared to employees over the period can be found in section 2.3.2.
- 629 people engaged in local Unconscious Bias training and awareness sessions.

### FUTURE

The IDE roadmap for 2025 focuses on several actions to enhance an inclusive work environment in line with the IDE policy. These actions include developing SBM Offshore's leadership program to further equip leaders with skills to foster an inclusive culture, focusing on identifying and mitigating biases and implicit barriers within HR processes, and creating a repository of IDE resources and activities to support local stakeholders. Dedicated attention is placed on women and underrepresented nationalities in the recruitment, development and promotion process. Progress will be monitored through a customized IDE dashboard. SBM Offshore believes that this holistic approach aims to build a strong foundation for IDE efforts, ultimately leading to a more inclusive and equitable workplace.

SBM Offshore will reinforce the alignment between HR, Communication and Sustainability to further understand Our People´s views and concerns through Pulse Surveys, meetings, workshops and town halls to inform and increase the involvement of Our People in decision making.

Through the rolling out of a Job and Competency Referential project, learning programs will be focused on closing identified gaps of knowledge to perform functions and implement new projects in SBM Offshore. A new organization is in place to better manage contractors and agencies and ensure better mobilization of SBM Offshore's flexible workforce.

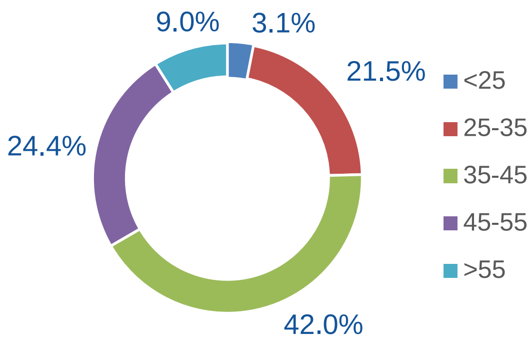
In 2025, the CBSC HR activities will be extended to Angola and Guyana.

# 2024 HR HIGHLIGHTS (direct hires)

## GLOBAL HEADCOUNT BY AGE RANGE

AGE AVERAGE

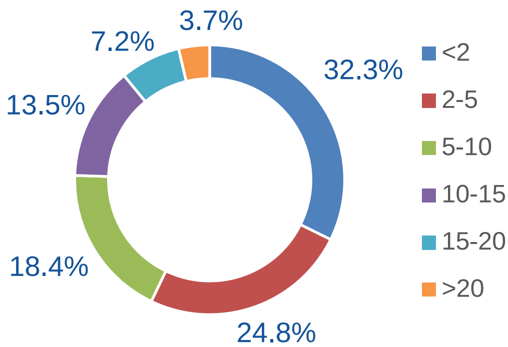
**41.5**




## GLOBAL HEADCOUNT BY SENIORITY RANGE

SENIORITY AVERAGE

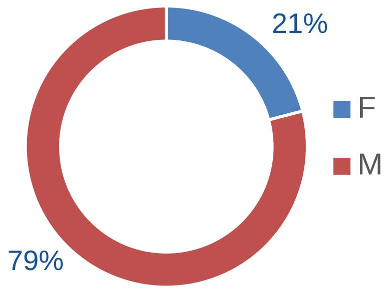
**6.2**




## GLOBAL HEADCOUNT PER GENDER

FEMALE RATIO

**21%**



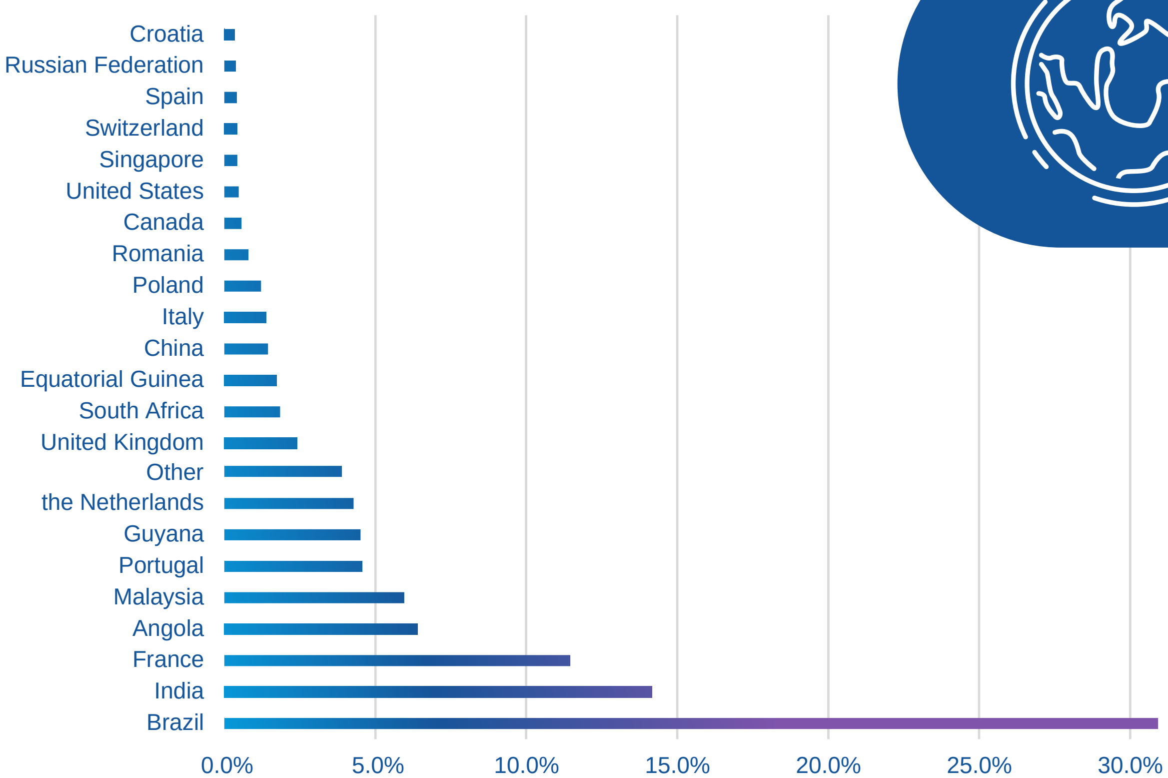

## GLOBAL HEADCOUNT BY NATIONALITY

**24.1%**
OF EMPLOYEES WORK IN A FOREIGN COUNTRY

**48**
LANGUAGES SPOKEN (self-declared)

**84**
NUMBER OF NATIONALITIES

## NATIONALITIES



## 3.5.2 HEALTH, SAFETY AND SECURITY

### OUR APPROACH

Acknowledging the nature of the business, SBM Offshore has implemented the Sustainability Policy. SBM Offshore is committed to fostering an injury-free work environment for all the workforce, including employees, contractors, and subcontractors, by managing risks and critical controls at all organizational levels.

SBM Offshore has established a Management System Assurance framework that adheres to the standards for which the Organization is certified (for more details see section 3.8.5 – Certification table). This framework relies primarily on internal assessments and audits conducted by qualified personnel to review the suitability of processes and their implementation and execution.

SBM Offshore is committed to an ongoing journey toward 'Target Excellence', focusing on the core objectives of No Harm, No Defects and No Leaks. This ambition enables the safeguarding of people and assets, while managing the impacts on the environment and climate change. SBM Offshore strengthens this commitment through the annual LIFE DAY, which celebrates and protects life across all areas of SBM Offshore. Moreover, all personnel have both the right, and the duty, to stop work in the event that business activities are conducted in violation of the Sustainability Policy, to reinforce the collective responsibility for safety.

The approach to managing potential health and safety hazards, along with their associated controls and safeguards, is based on a lifecycle hazard management process integrated within GEMS. The hazard management process applies to all SBM Offshore projects and begins with hazard identification. Following this, SBM Offshore implements actions aimed at eliminating hazards. When elimination is not reasonably practicable, risks are reduced to acceptable levels, in accordance with the hierarchy of controls methodology. Closing the cycle, monitoring, reviewing and recording of the lessons learned are performed. SBM Offshore delivers specialized training to ensure process effectiveness.

Considering the fragmentation of the modern world, with constant evolving threats affecting both national and regional security, SBM Offshore is highly committed to ensuring the security of personnel and assets. In 2024, SBM Offshore developed specific security risk assessments for new projects located in high-risk areas or countries, such as Nigeria and Mexico. Different security rules have been drafted and security set-ups have been implemented, depending on the location of these projects, to ensure the safety and security of the workforce traveling to those areas.

Promoting and supporting employee health and well-being is central, reflecting one of SBM Offshore's core values: 'Care'. At SBM Offshore, Health and Well-being is managed as a Group function, directly reporting to the Group HSSEQS Director. This structure ensures that health and well-being are integrated into daily operations and organizational culture.

### PERFORMANCE

SBM Offshore assesses company HSSE performance through a set of indicators. Those indicators are established, based upon energy sector benchmarks and internal critical analysis. Operations and Projects Management teams contribute to the target definitions, based on the previous years performance and a continuous improvement approach. The targets are approved by the SBM Offshore Management Board. As part of the Target Excellence ambitions, SBM Offshore has the objective to be among the 10% of best performing IOGP members in Occupational and Process Safety results by 2030.

Seeking excellence in occupational and process safety, SBM Offshore has changed the approach related to serious incidents management, adopting IOGP methodology for Fatalities and Permanent Impairment (FPI) injuries prevention. The internal procedures and KPIs have been updated and a new metric has been established, which will focus the organization on achieving zero FPI. TRIFR targets are used as a guide for minimum and maximum scores to ensure zero FPI. This is aligned with the industry approach and focus. In line with this change, SBM Offshore will keep tracking TRIFR, but no longer as a target. Instead, a ceiling has been established to be used as reference to compare with benchmarks. It is a way to push for effective reduction on recordable incidents, while keeping and enhancing the reporting culture.

Monthly reports and critical analysis are performed and shared to track the results and assess the HSSE programs´ effectiveness. Critical analysis promotes corrective actions whenever they are needed. HSSE campaigns and promotions are implemented in order to support business units to achieve the expected results.

The following table provides the targets set for 2024 and the performance achieved:

| Indicator | 2024 Target | 2024 Performance | Details |
|---|---|---|---|
| Total Recordable Injury Frequency Rate (TRIFR) | <0.10 | 0.10[1] | section 3.9 |
| Fatalities and Permanent Impairments (FPI) | 0 | 0[1] | section 3.9 |
| Tier 1 PSE with more than 3 severity weight points as per API 754 | < or equal to 2 | 1 | section 3.9 |
| Occupational Illness Frequency Rate (OIFR)[2] | na | 0.204 | section 3.9 |
| Security incidents | na | 11 | na |

1 In November 2023 a fatality happened on *FPSO Kikeh*. A note was added in 2023 annual report once by the time the report was issued the investigation was not concluded. The incident investigation was concluded in 2024 resulting in a non-work related fatality.

2 For employees.

In 2024, SBM Offshore further expanded its HSSE and Process Safety initiatives:

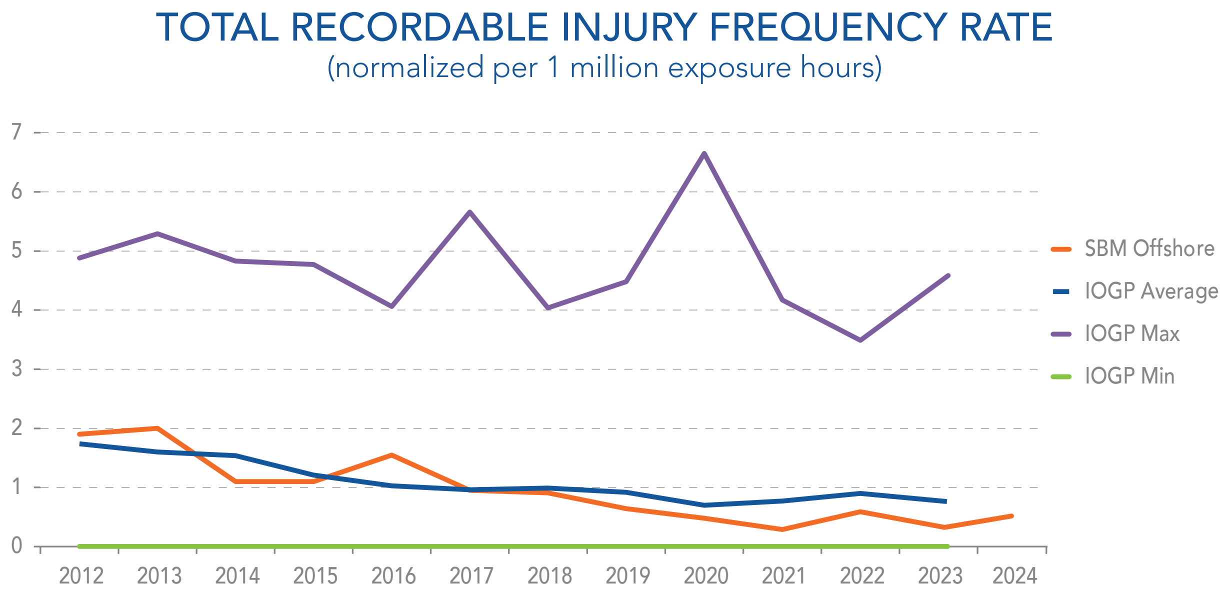
### Health

- Maintained and enhanced the Well-being Matters Program, which addresses presenteeism, work-life balance, job stressors, workplace injuries and illnesses. This program provides comprehensive and holistic support to employees in their social, physical and emotional health, incorporating occupational health services and company guidelines. More than 40% of the target audience have participated in the online training about mental health offered in 2024.
- Each SBM Offshore location has established well-being champions with certified training to support those experiencing a mental health challenge, to raise awareness about mental well-being, to help recognize signs of concern and explore how to intervene and manage a conversation in an effective way. A total of 13 champions were active in 2024.
- e-Learning courses in fatigue management and mental health awareness were developed and made available for employees. Almost 53% of total population attended the Fatigue Management e-Learning and 50%, the Mental Health Awareness.

### Safety

- Implemented the IOGP methodology for FPI injuries, replacing the previous Serious Injuries and Fatalities program. This alignment ensures that SBM Offshore adheres to best practices within the oil and gas sector.
- Implemented a global standard for Human Factors and Performance, alongside initiatives to ensure its integration at all levels of SBM Offshore. This approach aims to cultivate a psychologically safe environment that effectively addresses the human interface with work processes.
- Actively participated in the improvement of industry standards through IOGP work groups focused on FPI and the Human Performance Subcommittee.
- Ensured compliance with certification requirements for both onshore bases and offshore units.

The following graph illustrates that SBM Offshore's TRIFR has consistently remained below the average of the IOGP since 2018. This achievement is a key component of SBM Offshore's commitment to being in the top 10% of the IOGP benchmark by 2030.




### Security

- Risk assessments for new projects in high-risk areas or countries, such as Nigeria and Mexico.
- Specific security rules according to location characteristics: SBM Offshore established specific security induction for its employees, according to the country where they are assigned to work.

### Process Safety

- Implemented the Group Performance Standard process review, ensuring that appropriate metrics and controls are in place for process safety in relation to SBM Offshore's inherent process hazards.
- Continued to uphold the Hazards and Effects Management Process (HEMP) by effectively managing the risks associated with Major Accident Hazards (MAHs) and their potential Major Accident Events (MAEs).

The quantity of oil discharged to sea per hydrocarbon production was 3.73 tonnes per million tonnes of hydrocarbon produced, 61% below the IOGP benchmark (2022) and no oil spills above 1 barrel (as per IOGP definition). SBM Offshore is committed to achieving a higher environmental performance compared with the 2023 IOGP industry benchmark for oil spills per unit of production, as well as 50% improvement over the 2023 benchmark for oil produced in water.

## FUTURE

SBM Offshore has defined the following 2025 targets:

- Zero Fatality or Permanent Impairment Injury.
- TRIFR Ceiling: 0.10.
- Number of PSE Tier 1: Zero event with more than 3 severity points as per API 754 classification.

SBM Offshore has planned the following key initiatives for 2025, based on critical analysis and a continuous improvement approach:

- Enhance the Target Excellence Program, increasing visibility of strategic objectives and adherence throughout the organization (No Harm. No Defect. No Leak).
- Progress in occupational safety with the FPI prevention program and its related initiatives.
- Assure human factors and performance principles are embedded in the management system and fully implemented across the organization.
- Maintain security controls on SBM Offshore's activities: continually driving improvements on procedures and practices to maintain thorough security controls on its activities.
- Maintain compliance with certification requirements on shorebases and offshore units.
- Continue increasing health and wellbeing awareness, training and related programs.
- Improvement actions for employee mental health and wellbeing:
  - Enhance country specific Well-being Matters program.
  - Maintain and enhance SBM Offshore's medical surveillance program for better health and well-being for all (SDG3).
- Keep developing and enhancing the process safety management framework by implementing the Group performance standards for Safety and Environmental Critical Equipment (SECE).
- Keep and enhance Life Day in all projects, operations and offices.

## 3.5.3 HUMAN RIGHTS

### OUR APPROACH

#### Policies

SBM Offshore is committed to embedding human rights principles throughout the organization. This commitment aligns with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights (UNGP), including the principles and rights set out in the fundamental conventions outlined in the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights. By implementing comprehensive policies and procedures across all operations, SBM Offshore aims to ensure the safety and well-being of employees and workers in the value chain, striving to achieve a 'no harm' approach while conforming to the minimum safeguards in economic activities undertaken.

The above international guidance drives SBM Offshore's corporate values, Code of Conduct, Sustainability Policy and also supports the alignment of SBM Offshore's Human Rights program with United Nations Sustainable Development Goals (SDGs). The Human Rights Standards express SBM Offshore's commitment on issues such as – among others – forced labor, child labor, human trafficking, working and living conditions, living wage and freedom of association.

The Supply Chain Charter, which covers environmental, social and governance criteria, together with the Human Rights Standards, help establish the best way to drive the business. They identify and address the main human rights impacts affecting Our People and value chain workers, and also communicate SBM Offshore's purposes and Human Rights commitments, defining the principles expected to be upheld by Our People, suppliers of any tier and business partners.

SBM Offshore updates its Modern Slavery Statement annually to reflect the changing business environment and highlights its activities to prevent modern slavery, trafficking in human beings, forced or compulsory labor and child labor within the organization and supply chain.

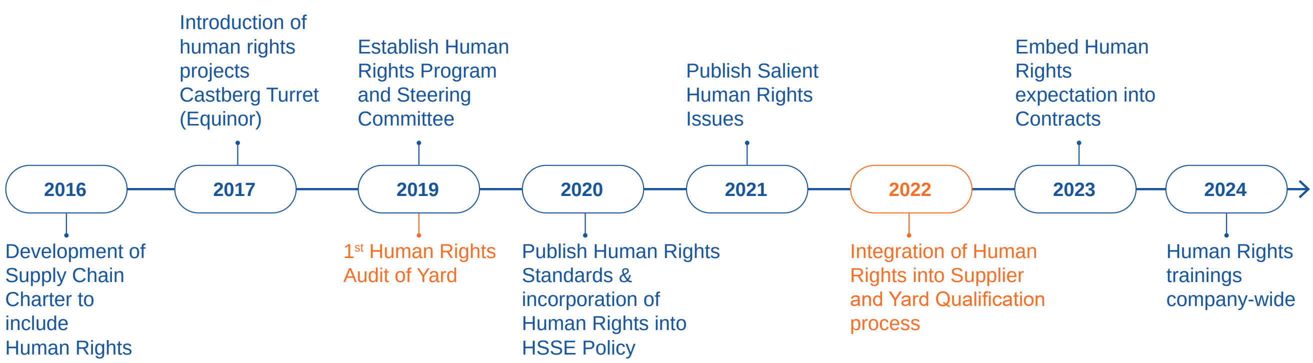
When setting or updating policies, SBM Offshore considers the outcomes of regular stakeholder engagement and other processes, such as due diligence and salience, to understand and include the impacts and interests of main stakeholders.

As one of the ESG material topics, human rights risk performance targets are developed in line with SBM Offshore's risk appetite (section 1.4.1) and monitored on a quarterly basis. Potential human rights risks are captured in SBM Offshore's risk management system.

The governance of human rights is the responsibility of the Group HSSEQS Director, part of the Executive Committee, and the group sustainability team with the functional ownership and activities to embed human rights in the organization to mitigate negative and increase positive impact include:

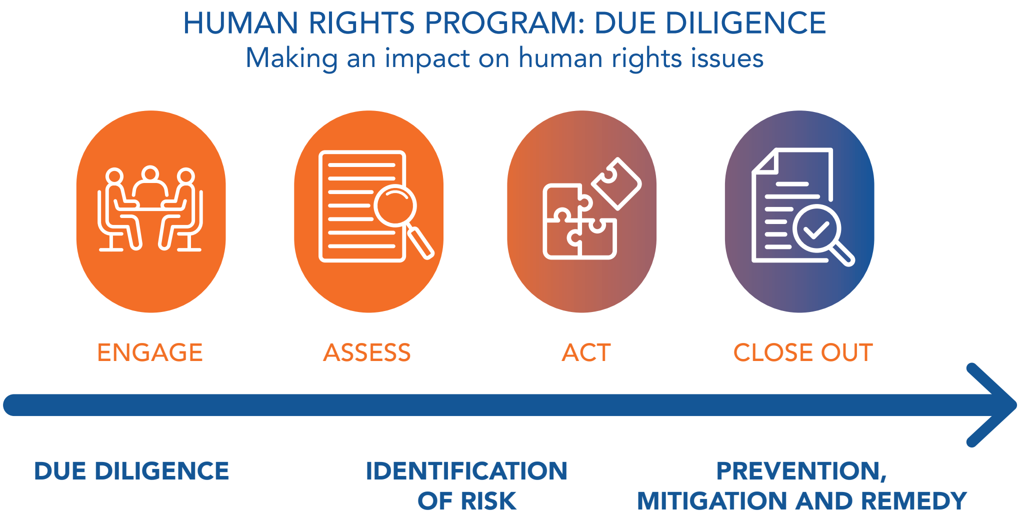
- Continuous improvement of internal procedures and guidelines;
- Setting targets with business functions and assessing the effectiveness of the results;
- Developing human rights training for the organization;
- Facilitating stakeholder engagement;
- Monitoring and reporting the due diligence progress.

### HUMAN RIGHTS PROGRAM: OUR JOURNEY




#### Due Diligence Process

Key to SBM Offshore's approach to human rights is the due diligence process. Demonstrated in the illustration below, the due diligence is supported by a performance management process with action trackers, dashboards and reporting to senior management. SBM Offshore recognizes that, despite having strong human rights policies, some subcontractors' activities occasionally fall short of expectations, especially in areas with diverse local regulations. To address this, SBM Offshore pre-assesses suppliers, conducts human rights assessments and performs due diligence within its operations and supply chain.




**Engagement**

For human rights, SBM Offshore's key stakeholders include workers in SBM Offshore's Tier 1 suppliers and construction yards. SBM Offshore engages with suppliers and yards through various activities, such as:

- Leadership site visits and management-level discussions by the HSSEQS director and other leadership members.
- Regional Vendor Days involving local supply chain leadership and suppliers, for example, Brazil annual vendor day and Guyana bi-annual vendor day and annual worldwide Life Day.
- Industry collaboration with peers and ongoing dialogue to address human rights issues together at regular meetings (i.e. Dutch Human Rights Practitioner Group and the Contractor Leadership Forum, which periodically includes human rights on the agenda).

**Assessment**

Since 2022, SBM Offshore has enhanced its supplier and yard qualification process to go beyond basic standards. The updated process now includes a questionnaire which includes environmental, human rights and governance information. In 2023, these questionnaires were made accessible in four languages – English, French, Portuguese, and Chinese – to further improve inclusion.

In 2024, SBM Offshore hired ABS to perform a gap analysis between the current Supply Chain Management System and the requirements of the ISO 20400 Sustainable Procurement Guidance. Starting with dedicated training for the supply chain community, the action plan derived from the gap analysis will enhance the management of Supply Chain and further contribute to implementation of the Corporate Sustainability Due Diligence Directive (CSDDD).

Construction yards, due to their type of work and workforce makeup, are considered more prone to human rights risks. Human rights assessments for yards have been conducted since 2019, and in 2024, on-site visits with human rights specialists became part of the qualification process. This has helped SBM Offshore identify key human rights risks in yard construction activities, notably:

- Indicators of forced labor (as defined by ILO) mostly in relation to payment of recruitment fees.
- Excessive overtime and limited rest periods.
- Substandard living conditions.
- Mental health issues.

SBM Offshore has deepened the understanding of value chain workers through this assessments. For example, yard workers in Asia and Southeast Asia, especially those in lower-skilled, lower-paid, or subcontracted roles, have potentially greater vulnerability and risk of exploitation or exposure to key human rights risks.

Yards will continue to undergo periodic human rights audits by third-party consultants. Additional ESG audits, linked to SBM Offshore's project financing, have been conducted and assessed against IFC Performance Standards. These audits cover human rights and social issues, with any identified concerns integrated into SBM Offshore's ongoing monitoring by its HSSE and Human Rights teams.

SBM Offshore started social impact assessments in Brazil, Guyana and Angola in 2024, including logistics warehouses, local communities and value chain workers in order to:
- continuously improve the understanding of local contexts, impacts, risks (including severe issues as forced and child labor) and opportunities in the countries where the fleet operates;
- be able to deliver better impacts for value chain workers.

**Act and Close Out**
If there are potential human rights risks identified, SBM Offshore will reach out to the supplier or yard to understand, raise awareness and seek improvement, to prevent and mitigate the risk. This could entail, for example, embedding human rights topics in contract agreements, aiming at making improvements in suppliers' internal process.

SBM Offshore works actively with yards on their human rights performance. So far no severe human rights incidents have been identified connected to the upstream and downstream value chain. After conducting the risk assessment and audits, SBM Offshore collaborates with the yards to develop worker welfare action plans to prevent, mitigate and/or remedy identified impacts, ultimately aiming to resolve (close out) the issue(s).

SBM Offshore has a global team of HSSE advisors who assist projects and yards in implementing action plans. This team currently monitors worker welfare action plans for five active yards and meets several times a year to review progress. Ongoing initiatives include:
- Worker Welfare Listening Tours – Regular 1-on-1 interviews with yard workers to gather feedback on specific topics, such as accommodation or food quality.
- Care Committee – Collaboration between clients and suppliers to address feedback and initiatives from value chain workers.
- Yard Accommodation Visits – Participation in inspections of workers' accommodation.

### Grievance Mechanism
SBM Offshore's primary grievance mechanism, the Speak Up Line (see more information about the channel and processes related in section 2.5.2), is used to monitor and gather feedback on human rights in the value chain. Additionally, SBM Offshore has an operational grievance mechanism for workers in the value chain called the 'Voice Box', which is available at some active yards. A QR code enables workers to submit both positive and negative feedback, which can be managed by the local team or escalated as needed. The Voice Box addresses project-specific issues such as food quality, timely payments, the work environment and accommodation.

## PERFORMANCE

### Target
Human rights have been a key focus for SBM Offshore and have been part of the Code of Conduct since 2012. SBM Offshore has communicated the commitments and values to suppliers through the Supply Chain Charter since its inception in 2017. A significant advancement in integrating human rights into SBM Offshore's operations occurred in 2020 with the inclusion of human rights in SBM Offshore's HSSE Policy and the establishment of the Human Rights Standards directive. Since then, SBM Offshore has enhanced its due diligence processes for both suppliers and its own operations, improving the qualification process and conducting Human Rights Impact Assessments. SBM Offshore will continue to communicate human rights requirements to clients and suppliers, to continue reducing adverse impacts, promote positive impacts and manage material risks and opportunities.

The overall target regarding human rights is to integrate the topic into daily business and reporting to achieve no harm. In 2024, the dedicated targets were:
- 100% of active yards have undergone a human rights due diligence assessment;
- 100% of active yards with non-conformity items have an action plan;
- 100% of suppliers qualified during the year have signed the supply chain charter[22];
- 100% of ABCD[23]criticality suppliers qualified during the year have been assessed on human rights as part of supplier qualification process.

### Capacity Building and Training
SBM Offshore promotes human rights awareness through on-boarding sessions and training, achieving 1906 training hours in 2024. During the year SBM Offshore launched two training courses for Our People:
- Human Rights Basics: raises awareness of human rights for all SBM Offshore employees.
- Human Rights for Supply Chain: develops expertise among within the Supply Chain community to identify and address human rights violations, particularly with suppliers.

Additionally, two internal HSSE staff members received Social Accountability audit certifications, enhancing SBM Offshore's capacity to identify human rights risks in Asia as SA8000 auditors.

[22] Suppliers from all criticality classes are included.
[23] Criticality 'E' is defined for suppliers and items which have no criticality in criteria such as Health and Safety, Environment, Cost, Schedule and Reputation as these items fall outside the requirements of the severity and likelihood criticality rating process. In 2024, the ABCD criticality suppliers are around 66% of total suppliers qualified.

**Achievement**
In 2024, 100% of suppliers qualified had been signed the SBM Offshore Supply Charter and 100% of new suppliers underwent screening based on the procedures implemented by the Global Supply Chain Excellence Team. In total, 510 new suppliers were assessed by the desktop human rights questionnaire, of which:

- 506 are potential low risk suppliers, 4 are potential medium risk suppliers, and no potential high risk suppliers.

| | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|
| Percentage of new suppliers that had been signed the Supply Chain Charter | 100% | 100% | 99.6% | 97% |

| | 2024 | 2023 |
|---|---|---|
| Qualification – Yard Due Diligence Screening | 6 | 8 |
| ESG audits against the IFC Performance Standards | 10 | 9 |
| Worker Welfare Assessment | 1 | 0 |

### FUTURE
In 2025, SBM Offshore will continue to enhance its Human Rights Management through training and awareness sessions for Our People, extending efforts to at-risk individuals. SBM Offshore will also collaborate closely with the Group Compliance department on human rights issues related to the grievance mechanism and sustainable supply chain procurement.

Additionally, SBM Offshore action plans will be identified, based on insights from the Social Impact Assessments conducted in Brazil, Guyana and Angola. These initiatives will better position SBM Offshore to increase trust and accessibility, further to prepare for the upcoming Corporate Sustainability Due Diligence Directive (CSDDD).

## 3.6 GOVERNANCE

## 3.6.1 ETHICS AND COMPLIANCE

### OUR APPROACH
In all the communities in which it operates, SBM Offshore is committed to conducting its business honestly, ethically and lawfully. Integrity is vital to maintaining the trust and confidence of stakeholders in SBM Offshore's long-term value creation. SBM Offshore does not tolerate bribery, corruption, fraud or violations of trade sanctions, money laundering or any other illegal or unethical conduct in any form.

SBM Offshore's Values, as outlined in section 1.3.2, form the foundation of SBM Offshore's Code of Conduct, which serves as the main framework for expected behaviors and embodies SBM Offshore's dedication to conducting business responsibly, adhering to Ethics and Compliance standards. SBM Offshore aims to support stakeholders in making informed decisions, in alignment with SBM Offshore's Code of Conduct and the highest standards of ethical behavior.

Employees and third parties embrace and act in accordance with SBM Offshore Values, Code of Conduct and other compliance policies and procedures, such as: Anti-Bribery and Corruption Policy, Privacy Policy, Speak Up Policy, and related guidelines and procedures.

SBM Offshore promotes an open culture which fosters trust and honest communication. In line with its Code of Conduct and Speak Up Policy, the parties associated with SBM Offshore, including employees and third parties, are encouraged to report any concerns that may involve a violation of the legislation in force, or Code of Conduct and internal policies and, in particular, that may involve a risk of criminal activity within the scope of SBM Offshore's operations.

SBM Offshore has internal channels in place, including a hotline (Speak Up Line), for reporting suspected misconduct, guaranteeing confidentiality, protection of identity and the prohibition of retaliation against reporting persons in good faith, in compliance with current regulations.

The governance and guarantee of the practical implementation of policies, processes and procedures related to ethics and compliance fall under the responsibility of the Group Compliance Department reporting to the Group General Counsel & Chief Compliance Officer – a member of the Executive Committee.

## PERFORMANCE

As part of performance management processes, SBM Offshore sets, monitors and reports on compliance KPIs. Quarterly compliance reports – including follow-up to action for improvement – are discussed with the Management Board and the Audit Committee of the Supervisory Board.

### Achievements

In 2024, SBM Offshore continued to promote a Speak-Up culture and adherence to the Code of Conduct and the whistleblowing legislation through:

- Code of Conduct e-Learning for all employees, including Speak Up and non-retaliation.
- Tailored Speak Up and investigation training for HR leaders.
- Tailored compliance training for functions with higher exposure to compliance risks, such as Supply Chain Management and Project Management teams.
- Expanded global geographical presence of the compliance team in onshore locations.
- Expanded reach offshore through the Compliance Ambassadors Program.
- The use of the compliance digital platform for monitoring Compliance with the following tools:
  - Fully upgraded Third-Party Risk Management module with integrated digital screenings for processing and managing third-party due diligence.
  - Registration and approval of gifts, hospitality and entertainment (GHE).
  - Registration and approval of charitable contributions and sponsorship.
- Publishing required policies and documents to comply with the Portuguese anti-corruption law.
- Integration of compliance e-Learnings (as Code of Conduct and Speak Up Line trainings) into LMS platform together with other trainings.
- No confirmed instances of corruption occurred during 2024.

For further details on SBM Offshore's compliance management approach, purpose and assessment, refer to section 2.5.2.

### Target and Metrics

In 2024, the targeted completions of e-Learning have been updated to encompass a larger audience. An internal enhancement of the Compliance Program has been launched and several initiatives were implemented:

- A digital upgrade and review of policies has been made. Therefore, the Annual Compliance Statements were temporarily suspended and the completion rate for compliance compulsory tasks in 2024 calculated based on the e-Learning and face-to-face training completion.
- e-Learning trainings were migrated from the Compliance platform to the Lucy Management System, the primary training platform for SBM Offshore employees and contractors.
- The e-Learning panel was simplified for greater efficiency.
- The target audience for e-Learning was updated:
  - Contractors were included in the target audience for the first time in 2024.
  - The onshore Code of Conduct e-Learning was split into two modules. In 2023, the second module was mandatory only for managers and high-risk positions. In 2024, it had been extended to include all active employees and contractors.

| | Completed by 2023[1] | | Completed by 2024[2] | |
|---|---|---|---|---|
| Completion rate of Compliance e-Learning Trainings – worldwide[3] | Completion rate | Training hours | Completion rate | Training hours |
| ***Offshore*** | | | | |
| Total of compliance e-Learning trainings | **70%** | **932** | **82%** | **1,663** |
| *Employees* | 70% | 932 | 83% | 1,327 |
| *Contractors*[4] | | | 77% | 336 |
| ***Onshore*** | | | | |
| Total of compliance e-Learning trainings | **91%** | **3,817** | **91%** | **6,473** |
| *Employees* | 91% | 3,817 | 91% | 5,252 |
| *Contractors*[4] | | | 91% | 1,221 |
| ***Offshore & Onshore*** | | | | |
| Total of compliance e-Learning trainings | **86%** | **4,749** | **89%** | **8,136** |
| *Employees* | 86% | 4,749 | 89% | 6,579 |
| *Contractors*[4] | | | 86% | 1,557 |

1 Completion rate of compliance e-Learning trainings since the first offered training until December 31, 2023.
2 Completion rate of compliance e-Learning trainings since the first offered training until December 31, 2024.
3 Each person can have completed multiple compliance e-Learning trainings.
4 The compliance e-Learning trainings were not offered to contractors before 2024.

| Compliance trainings completed during the year and hours – worldwide | 2023 Number of Completion | 2023 Training hours | 2024 Number of Completion | 2024 Training hours |
|---|---|---|---|---|
| Face-to-face trainings[1] | 1,229 | 1,172 | 546 | 599 |
| e-Learnings[2] | 6,384 | 4,749 | 5,127 | 3,845 |
| **Total** | **7,613** | **5,921** | **5,673** | **4,444** |

1 Each person can have attended multiple compliance face-to-face trainings.
2 Each person can have completed multiple compliance e-Learning trainings.

## Speak Up Line reports

In 2024, a total of 125 reports were received under SBM Offshore's Speak Up Policy. Of these, 93 reports are related to the category of potential 'Workplace Civility Violations' (including allegations of improper behavior, moral harassment and leadership issues) and 32 reports are related to the category of potential 'Code of Conduct Violations' (including allegations of fraud, sexual harassment and intellectual property violations).

In terms of geographical trends, Brazil received the highest number of reports (69), followed by Guyana (15) and India (10). These figures reflect SBM Offshore´s sustained efforts over the years to implement regional strategies aimed at increasing awareness of the Speak Up program.

In 2024, a total of 132 reports were closed, comprising 58 reports from 2024 and 74 reports from 2023. Investigations are ongoing for 92 reports, including 67 reports from 2024 (out of 125) and 25 reports from 2023 (out of 194).

The current number of open reports is attributed to the record number of reports received in 2023, which resulted from enhanced communication efforts and training sessions to promote the Speak Up program across all locations, as well as a significant 15% increase in SBM Offshore's headcount.

Depending on the outcome of an investigation, appropriate actions are undertaken. These actions may be remedial and/or disciplinary in nature. Remedial actions can include strengthening processes and procedures, enhancing monitoring, training and coaching, and increasing awareness of expected behaviors. Disciplinary measures may encompass the issuance of written warnings or, in serious instances, the termination of employment.

| Reports received under SBM Offshore's Speak Up Policy | Number of reports |
|---|---|
| **2023** | |
| **Total number of reports received in 2023** | 194 |
| Reports from 2023 closed in 2023 | 95 |
| Reports from 2023 not closed in 2023 (open reports)[1] | 99 |
| **2024** | |
| **Total number of reports received in 2024**[2] | 125 |
| *Allegations of Workplace Civility Violations*[3] | *93* |
| *Allegations of Code of Conduct Violations*[4] | *32* |
| Reports from 2024 closed in 2024 | 58 |
| Reports from 2024 not closed in 2024 (open reports)[5] | 67 |
| Reports from 2023 closed in 2024 | 74 |
| Reports from 2023 not closed in 2024 (open reports)[5] | 25 |
| **Total number of reports closed in 2024** | 132 |
| Total remaining open reports | 92 |

1 Open reports as at 4th quarter of 2023.
2 No material fine result of any alleged incident of discrimination was paid during 2024.
3 Including allegations of improper behavior, moral harassment, and leadership issues.
4 Including allegations of fraud, sexual harassment, and intellectual property violations.
5 Open reports as at 4th quarter of 2024.

### FUTURE

In 2025 SBM Offshore will continue to improve and support the creation, development, and promotion of a culture of compliance, implementing policies and procedures regarding business conduct matters.

SBM Offshore will continuously work on supporting the promotion of a Speak Up culture and responsible business conduct by:
- Implementing a new Code of Conduct.
- Implementing updated policies, including Antibribery and Corruption, Speak Up and Privacy policies.
- Implementing upgraded digital tools, including AI, to improve data analysis and internal controls.
- Increasing the monitoring and reporting capabilities by progressing to data-driven compliance.
- Continuously applying a risk-based approach to third-party management, including regular engagements, due diligence and other monitoring procedures.
- Providing training to SBM Offshore employees, contractors and third parties, when relevant.

In the next years, SBM Offshore aims to improve its Speak Up program by implementing a series of initiatives:
- Implementation of a new Speak Up Policy in full compliance with the EU Whistleblowing Directive and transposed national laws applicable to SBM Offshore.
- Creation of a new investigation framework to address Speak Up reports, featuring a robust risk-based triage system with clear allocation to appropriate functions and segregation of roles and responsibilities. This new framework aims to enhance SBM Offshore's processes and, among other benefits, reduce the average time to close reports in a sustainable and respectful manner.
- Closer collaboration with enabling functions, including the Human Resources and Sustainability departments, in all jurisdictions, to effectively address Workplace Civility and Code of Conduct violations.
- Further reducing the average time to close Speak Up reports.
- Migration to a new enhanced Speak Up platform.
- Extending the Speak Up awareness campaigns to ensure employees and contractors understand how and when to use the reporting mechanisms and the Speak Up Line.
- Drafting of standard protocols and templates to ensure consistent ways of working.
- Investigation techniques training for all individuals involved in the Speak Up process.

## 3.7 OTHER ESG-RELATED TOPICS

### BIODIVERSITY

SBM Offshore addresses biodiversity under its Sustainability Policy and takes action to assess the potential impact, risk and opportunity related thereto across projects and operations to avoid and minimize adverse impacts and focus on opportunities to bring positive impacts. However, biodiversity does not result as an ESG material topic based on the DMA for the following reasons:
- Minimal Environmental Impact: SBM Offshore's operations have minimal direct impacts on biodiversity and ecosystems, as confirmed by independent Environmental Impact Assessments (EIA). In addition, SBM Offshore's main activities are conducted in offshore waters, not in or near biodiversity-sensitive areas, further reducing potential risks to biodiversity.
- The potential biodiversity-related impacts are primarily associated with unplanned events (e.g., oil leaks), which are covered under the material topic of Health, Safety, and Security (HSS). SBM Offshore's HSS framework includes specific targets such as 'No Harm, No Defects, No Leaks' and performance-monitoring through KPIs, including the number of oil spills.
- Proximity to Protected Areas: SBM Offshore's activities are not located in or near protected or ecologically sensitive areas such as the Natura 2000 network of protected areas, UNESCO World Heritage sites, Key Biodiversity Areas ('KBAs'), as well as other protected areas (IUCN sites, wetlands listed under the RAMSAR Convention, Alliance for Zero Extinction sites).
- High Operational Standards: SBM Offshore's low biodiversity risk is further evidenced by its ability to operate in offshore areas while meeting stringent regulatory requirements. SBM Offshore has a strong track record of implementing and maintaining operational standards, and addressing stakeholder concerns about biodiversity impacts.

Before starting a project, the project team receives the EIA from the client, which lists the potential environmental, social and economic impacts during the lifecycle of the project. This assessment includes identified biological resources and ecosystem services, such as the presence of protected areas, coastal habitats and wildlife, threatened species of marine fish, turtles, seabirds, if any, and the overall ecological balance. The EIAs related to SBM Offshore projects are publicly available on the company's website. With the input of environment risk assessments, project impact and risk assessment are performed, with follow up action if needed.

Through stakeholder engagement and collaboration, SBM Offshore is continuously monitoring risks to biodiversity and ecosystems. Through the Sharing Ocean

Data initiative, SBM Offshore supports scientific research and environmental conservation activities, developing a platform to host the environmental and biodiversity data collected by its offshore assets. This data will become openly available to research centers, universities and NGOs.

## AFFECTED COMMUNITIES

SBM Offshore has embedded social impact to affected communities across its operations, with the help of dedicated sustainability ambassadors and professionals in Brazil, Guyana, Malaysia, China, India, the Netherlands, Monaco, the United States, Switzerland, Angola and Portugal. These teams actively engage local employees and organize SDG-aligned initiatives, creating a positive impact through community-focused actions.

Moreover, SBM Offshore is seeking to understand and contribute to the mitigation of the challenges faced by local communities and has carried out social activities in the respective regions where it operates (see local community page on SBM Offshore's website).

## RATING AND NOTATION

SBM Offshore takes pride in its continuous improvement approach and applies the knowledge gained from its performance in future target setting. This has led to solid ratings in sustainability benchmarks, as per the following table.

**Rating – Ranking of SBM Offshore in ESG Benchmarks**

| Benchmark | 2024 | 2023 | 2022 | Comment |
|---|---|---|---|---|
| CDP[1] | B | B | A- | 'Taking climate actions' |
| Sustainalytics, ESG risk[2] | 15.3 | 15.3 | 14.5 | 'Low ESG risk' and ESG Industry Top Rated |
| MSCI | AAA | AA | A | |

1 Score A to D-.
2 Score 0-40+, lower scores indicate better performance.

### Notation

*FPSO Almirante Tamandaré* is the first FPSO to operate in Brazil with Sustainability-1 Notation issued by Bureau Veritas (BV), the world leader in testing, inspections and certification services. This certificate mirrors SBM Offshore's commitment to *True. Blue. Transition.* and aligns with the United Nations' SDGs. To achieve it, SBM Offshore's project team worked in partnership with Bureau Veritas to develop a Guide for Sustainability Notation. The Guide aligns with SBM Offshore's Sustainability policies and provides a step-wise approach for FPSOs to meet the environmental, innovative, and human elements of the selected SDGs.

The FPSO *Liza Unity*, operated by SBM Offshore, has been awarded the Sustain 2 Notation by the American Bureau of Shipping (ABS), making it the first FPSO unit to achieve this advanced notation. This recognition highlights SBM Offshore's commitment to environmental protection, energy efficiency and the adoption of innovative technologies that align with global decarbonization and biodiversity protection goals. The Sustain 2 Notation reflects the FPSO adherence to rigorous sustainability standards, including emissions reduction, pollution management and life cycle sustainability practices, further cementing SBM Offshore's role as a pioneer in responsible offshore operations.

## 3.8 ESG MAIN INDICATORS

## 3.8.1 ENVIRONMENTAL INDICATORS

### 3.8.1.1 EMISSIONS

**Milestones and targets**

| | Retrospective | | | | Milestones and target years | | | |
|---|---|---|---|---|---|---|---|---|
| | Base year 2016 | 2023 | 2024 | % Variation | 2025 | 2030 | 2050 | Progress against base year % |
| **Scope 1 GHG emissions** | | | | | | | | |
| Gross scope 1 GHG emissions (tonnes of $CO_2$ Eq) | 222 | 489 | 169 | (65%) | Climate Neutral[1] | 100% sourcing of green energy[2] | Net Zero[3] | (24%) |
| **Scope 2 GHG emissions** | | | | | | | | |
| Gross location-based scope 2 GHG emissions (tonnes of $CO_2$ Eq) | 3,582 | 1,811 | 2,061 | 14% | | | | |
| Gross market-based scope 2 GHG emissions (tonnes of $CO_2$ Eq) | 3,582 | 1,257 | 839 | (33%) | Climate Neutral[1] | 100% sourcing of green energy[2] | Net Zero[3] | (77%) |
| **Significant scope 3 GHG emissions** | | | | | | | | |
| Total gross indirect (scope 3) GHG emissions (tonnes of $CO_2$ Eq) | | 5,926,119 | 7,174,754 | 21% | | | | |
| **Category 1 – Purchased Goods & Services[4]** | | 179,822 | 268,292 | 49% | | | | |
| **Category 6 – Business Travel[5]** | | 30,596 | 34,401 | 12% | | | | |
| **Category 13 – Downstream Leased Assets[6]** | 8,444,579 | 5,715,701 | 6,872,061 | 20% | Near zero emission FPSO available to the market | 50% reduction of GHG intensity; zero routine flaring[7] | Net Zero[3] | (19%) |
| **Total GHG emissions[8]** | | | | | | | | |
| Total GHG emissions (location-based) (tonnes of $CO_2$ Eq) | | 5,928,419 | 7,176,985 | 21% | | | | |
| Total GHG emissions (market-based) (tonnes of $CO_2$ Eq) | | 5,927,865 | 7,175,763 | 21% | | | | |

1 Balancing emissions associated with market-based office-related emissions.

2 Aiming for 100% sourcing of renewable energy by 2030 and considering investments in certified projects to compensate any residual GHG emissions from scope 1 and 2, reaching 'net zero' on total GHG emissions – all related to the scope of office and shorebase-related emissions. SBM Offshore monitors development versus 2016.

3 Including emissions in scope 1, scope 2 and one category of scope 3 – Downstream leased assets.

4 Base year 2021 for category 1 – Purchased goods and services.

5 Base year 2019 for category 6 – Business travel.

6 Base year 2016 for Category 13 – Downstream leased assets.

7 Reduce GHG-intensity of scope 3 – Downstream Leased Assets by 50% by 2030, compared to 2016 as a base year. Routine flaring of gas is flaring during normal oil production operations in the absence of sufficient facilities or amenable geology to re-inject the produced gas, utilize it on-site, or dispatch it to a market. Applies to GHG emissions from scope 3 – Downstream leased assets.

8 Including scope 1, 2 and 3 (Purchased goods and services, Business travel and Downstream leased assets) GHG emissions.

### Scope 1 and 2 Breakdown per region

| | Total (per year) | | | 2024 (per region) | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2023 | 2024 | Variation (%) | Brazil | Angola | North America & Caribbean | Asia & Equatorial Guinea | Europe |
| **Scope 1 and 2 GHG emissions** | | | | | | | | |
| **Scope 1 GHG Emissions** | | | | | | | | |
| Scope 1 GHG emissions (tonnes of $CO_2$ Eq) | 489 | 169 | (65%) | 0 | 31 | 0 | 1 | 137 |
| **Scope 2 GHG Emissions** | | | | | | | | |
| Scope 2 GHG emissions (location based) (tonnes of $CO_2$ Eq) | 1,811 | 2,061 | 14% | 49 | 110 | 711 | 822 | 369 |
| Scope 2 GHG emissions (market based) (tonnes of $CO_2$ Eq) | 1,257 | 839 | (33%) | 0 | 110 | 678 | 52 | 0 |
| **Total Scope 1 and 2 GHG Emissions** | | | | | | | | |
| Total Scope 1 and 2 GHG emissions (location based) (tonnes of $CO_2$ Eq) | 2,300 | 2,231 | (3%) | 49 | 141 | 711 | 824 | 505.8 |
| Total Scope 1 and 2 GHG emissions (market based) (tonnes of $CO_2$ Eq) | 1,746 | 1,009 | (42%) | 0 | 141 | 678 | 53 | 137 |

### Scope 1 and 2 Breakdown per office country

| | 2024 (per office country) | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Brazil | Angola | United States of America | Guyana | China | India | Singapore | Equatorial Guinea | Malaysia | the Netherlands | Switzerland | Monaco | France | Portugal |
| **Scope 1 and 2 GHG emissions** | | | | | | | | | | | | | | |
| **Scope 1 GHG Emissions** | | | | | | | | | | | | | | |
| Scope 1 GHG emissions (tonnes of $CO_2$ Eq) | 0 | 31 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 86 | 0 | 0 | 51 | 0 |
| **Scope 2 GHG Emissions** | | | | | | | | | | | | | | |
| Scope 2 GHG emissions (location based) (tonnes of $CO_2$ Eq) | 49 | 110 | 39 | 672 | 28 | 638 | 7 | 52 | 97 | 192 | 0 | 25 | 17 | 134 |
| Scope 2 GHG emissions (market based) (tonnes of $CO_2$ Eq) | 0 | 110 | 6 | 672 | 0 | 0 | 0 | 52 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total Scope 1 and 2 GHG Emissions** | | | | | | | | | | | | | | |
| Total Scope 1 and 2 GHG emissions (location based) (tonnes of $CO_2$ Eq) | 49 | 141 | 39 | 672 | 28 | 639 | 7 | 52 | 97 | 278 | 0 | 25 | 68 | 134 |
| Total Scope 1 and 2 GHG emissions (market based) (tonnes of $CO_2$ Eq) | 0 | 141 | 6 | 672 | 0 | 1 | 0 | 52 | 0 | 86 | 0 | 0 | 51 | 0 |

### Scope 3

| | Total (per year) | | | 2024 (per region) | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2023 | 2024 | Variation (%) | Brazil | Angola | North America & Caribbean | Asia & Equatorial Guinea | Europe |
| **Scope 3 GHG emissions** | | | | | | | | |
| **Category 1 – Purchased Goods & Services**[1] | | | | | | | | |
| Total GHG emissions (tonnes of $CO_2$ Eq) | 179,822 | **268,292** | 49% | 0 | 0 | 0 | 0 | 0 |
| **Category 6 – Business Travel**[2] | | | | | | | | |
| Total GHG emissions (tonnes of $CO_2$ Eq) | 30,596 | **34,401** | 12% | 0 | 0 | 0 | 0 | 0 |
| **Category 13 – Downstream Leased Assets**[1] | | | | | | | | |
| **Number of offshore assets** | | | | | | | | |
| Total number of Downstream Leased Assets (units) | 15 | 15 | | 7 | 3 | 3 | 2 | 0 |
| **Offshore Downstream Leased Assets Production** | | | | | | | | |
| Hydrocarbon Production (tonnes) | 57,762,768 | 58,170,414 | 1% | 30,037,855 | 6,076,346 | 20,512,996 | 1,522,279 | 0 |
| **Total net revenue (Financial statements – section 4.1.1)** | | | | | | | | |
| Total net revenue (US$ million) | 4,963 | 4,784 | (4%) | 0 | 0 | 0 | 0 | 0 |
| **Scope 3 GHG emissions Downstream Leased Assets** | | | | | | | | |
| Carbon dioxide (tonnes of $CO_2$ Eq) | 5,332,324 | 6,359,654 | 19% | 3,512,058 | 1,226,157 | 1,104,472 | 516,966 | 0 |
| Methane (tonnes of $CO_2$ Eq) | 10,414 | 406,295 | 40% | 237,240 | 111,720 | 30,386 | 26,949 | 0 |
| Nitrous oxide (tonnes of $CO_2$ Eq) | 340 | 106,110 | 14% | 57,570 | 17,912 | 21,572 | 9,055 | 0 |
| Total GHG emissions (tonnes of $CO_2$ Eq) | 5,715,701 | **6,872,059** | 20% | 3,806,869 | 1,355,788 | 1,156,431 | 552,970 | 0 |
| **Total Scope 3 GHG intensity Downstream Leased Assets per Hydrocarbon Production** | | | | | | | | |
| Total GHG Emissions per Hydrocarbon Production (tonnes of $CO_2$ Eq/1000 tonnes HC Production) | 98.95 | 118.14 | 19% | 126.65 | 223.13 | 56.38 | 363.25 | 0 |

1 For more details see section 3.9 Reporting Boundaries.

2 The split per region is based on travel agency sources. Due to data aggregation in these sources, some regional data has been consolidated under region 'Europe'. For more details see section 3.9 Reporting Boundaries.

| | Total (per year) | | | 2024 (per region) | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2023 | 2024 | Variation (%) | Brazil | Angola | North America & Caribbean | Asia & Equatorial Guinea | Europe |
| **Non GHG emissions Downstream Leased Assets** | | | | | | | | |
| Carbon monoxide (CO in tonnes) | 7,300 | 9,367 | 28% | 5,345 | 2,045 | 1,288 | 689 | 0 |
| Nitrogen oxides (NOx in tonnes) | 9,006 | 10,661 | 18% | 6,041 | 1,591 | 2,121 | 908 | 0 |
| Sulphur dioxides ($SO_2$ in tonnes) | 164 | 211 | 29% | 134 | 35 | 13 | 28 | 0 |
| Volatile organic compounds (VOCs in tonnes) | 1,096 | 1,567 | 43% | 930 | 434 | 101 | 103 | 0 |
| **Flaring Downstream Leased Assets** | | | | | | | | |
| Total Gas Flared per hydrocarbon production (Tonnes/1,000 Tonnes HC Production) | 9.00 | 12.7 | 41% | 14.48 | 34.92 | 2.13 | 31.39 | 0 |
| Flaring emissions vs Total Emissions | 30% | 36% | 20% | 38% | 52% | 13% | 29% | 0 |
| **Total Scope 3 GHG Emissions (Categories 1, 6 and 13)**[1] | | | | | | | | |
| Total Scope 3 GHG Emissions (tonnes of $CO_2$ Eq) | 5,926,119 | **7,174,752** | 21% | 0 | 0 | 0 | 0 | 0 |

1 Sum of Category 1 – Purchased Goods & Services, Category 6 – Business Travel and Category 13 – Downstream Leased Assets.

### Scope 1, 2 and 3

| | Total (per year) | | |
|---|---|---|---|
| | 2023 | 2024 | Variation (%) |
| **Total Scope 1, 2 and 3 GHG emissions**[1] | | | |
| Total Scope 1, 2 and 3 GHG emissions (tonnes of $CO_2$ Eq) (location based) | 5,927,865 | 7,176,982 | 21% |
| Total Scope 1, 2 and 3 GHG emissions (tonnes of $CO_2$ Eq) (market based) | 5,928,419 | 7,175,760 | 21% |
| **Total Scope 1, 2 and 3 GHG intensity per net revenue (Financial statements – section 4.1.1)**[1] | | | |
| Total Scope 1, 2 and 3 GHG emissions per net revenue (tonnes of $CO_2$ Eq/US$ million) (location based) | 1,194 | 1,500 | 26% |
| Total Scope 1, 2 and 3 GHG emissions per net revenue (tonnes of $CO_2$ Eq/US$ million) (market based) | 1,195 | 1,500 | 26% |

1 Including Scope 1, 2 and Scope 3 (Purchased goods and services, Business travel and Downstream Leased Assets) GHG emissions.

## Energy offshore

| | Total (per year) | | | 2024 (per region) | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2023 | 2024 | Variation (%) | Brazil | Angola | North America & Caribbean | Asia & Equatorial Guinea | Europe |
| **Offshore Energy Consumption and Mix – Downstream Leased Assets** | | | | | | | | |
| Offshore Energy Consumption (GJ) | 64,291,224 | 68,814,919 | 7% | 36,952,711 | 10,091,042 | 15,689,149 | 6,082,017 | 0 |
| Offshore Energy Consumption (MWh) | 17,858,673 | 19,115,255 | 7% | 10,264,642 | 2,803,067 | 4,358,097 | 1,689,449 | 0 |
| **Offshore Energy Consumption by source – Downstream Leased Assets** | | | | | | | | |
| Energy consumption from fossil sources | | 19,115,255 | | 10,264,642 | 2,803,067 | 4,358,097 | 1,689,449 | 0 |
| *(a) fuel consumption from coal and coal products (MWh)* | 0 | 0 | 0% | 0 | 0 | 0 | 0 | 0 |
| *(b) fuel consumption from crude oil and petroleum products (MWh)* | 443,214 | 575,406 | 30% | 372,718 | 94,166 | 26,185 | 82,337 | 0 |
| *(c) fuel consumption from natural gas (MWh)* | 17,163,722 | 18,539,850 | 8% | 9,891,924 | 2,708,901 | 4,331,912 | 1,607,113 | 0 |
| *(d) fuel consumption from other fossil sources (MWh)* | 0 | 0 | 0% | 0 | 0 | 0 | 0 | 0 |
| *(e) consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources (MWh)* | 0 | 0 | 0% | 0 | 0 | 0 | 0 | 0 |
| Energy consumption from nuclear sources (MWh) | 0 | 0 | 0% | 0 | 0 | 0 | 0 | 0 |
| Energy consumption from renewable sources (MWh) | 0 | 0 | 0% | 0 | 0 | 0 | 0 | 0 |
| *(a) fuel consumption for renewable sources (MWh)*[1] | 0 | 0 | 0% | 0 | 0 | 0 | 0 | 0 |
| *(b) consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)* | 0 | 0 | 0% | 0 | 0 | 0 | 0 | 0 |
| *(c) consumption of self-generated non-fuel renewable energy (MWh)* | 0 | 0 | 0% | 0 | 0 | 0 | 0 | 0 |
| Share of fossil sources (%) | | 100% | | 100% | 100% | 100% | 100% | 0% |
| Share of renewable sources (%) | | 0% | | 0% | 0% | 0% | 0% | 0% |
| **Offshore Energy Production – Downstream Leased Assets** | | | | | | | | |
| Non-renewable energy production (MWh) | | 19,115,255 | | 10,264,642 | 2,803,067 | 4,358,097 | 1,689,449 | 0 |
| Renewable energy production (MWh) | | 0 | | 0 | 0 | 0 | 0 | 0 |
| **Offshore Energy Intensity per Net Revenue – Downstream Leased Assets (Financial statements – section 4.1.1)** | | | | | | | | |
| Energy intensity per net revenue (MWh/US$ million) | 3,598 | 3,996 | 11% | 2,146 | 586 | 911 | 353 | 0 |

1 Fuel consumption for renewable sources including biomass, biofuels, biogas, hydrogen from renewable sources, etc.

### Energy onshore breakdown per region

| | Total (per year) | | | 2024 (per region) | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2023 | 2024 | Variation (%) | Brazil | Angola | North America & Caribbean | Asia & Equatorial Guinea | Europe |
| Onshore Energy Consumption and Mix | | | | | | | | |
| Onshore Energy Consumption (GJ) | 27,821 | 25,537 | (8%) | 2,392 | 2,780 | 4,003 | 3,791 | 12,571 |
| Onshore Energy Consumption (MWh) | 7,728 | 7,094 | (8%) | 665 | 772 | 1,112 | 1,053 | 3,492 |
| Onshore Energy Consumption by source | | | | | | | | |
| Energy consumption from fossil sources | | 2,479 | | 0 | 772 | 908 | 155 | 644 |
| *(a) fuel consumption from coal and coal products (MWh)* | | | | 0 | 0 | 0 | 0 | 0 |
| *(b) fuel consumption from crude oil and petroleum products (MWh)* | | | | 0 | 0 | 0 | 0 | 0 |
| *(c) fuel consumption from natural gas (MWh)* | | 644 | | 0 | 0 | 0 | 0 | 644 |
| *(d) fuel consumption from other fossil sources (MWh)* | | 121 | | 0 | 116 | 0 | 5 | 0 |
| *(e) consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources (MWh)* | | 1,714 | | 0 | 656 | 908 | 150 | 0 |
| Energy consumption from nuclear sources (MWh) | | | | 0 | 0 | 0 | 0 | 0 |
| Energy consumption from renewable sources (MWh) | 2,926 | 4,615 | 58% | 665 | 0 | 204 | 898 | 2,848 |
| *(a) fuel consumption for renewable sources (MWh)*[1] | | | | 0 | 0 | 0 | 0 | 0 |
| *(b) consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)* | | 4,412 | | 665 | 0 | 90 | 898 | 2,760 |
| *(c) consumption of self-generated non-fuel renewable energy (MWh)* | 201 | 202 | | 0 | 0 | 114 | 0 | 88 |
| Share of fossil sources (%) | | 35% | | 0% | 100% | 82% | 15% | 18% |
| Share of renewable sources (%) | | 65% | | 100% | 0% | 18% | 85% | 82% |
| Onshore Energy Production | | | | | | | | |
| Non-renewable energy production (MWh) | | | | 0 | 0 | 0 | 0 | 0 |
| Renewable energy production (MWh) | | 202 | | 0 | 0 | 114 | 0 | 88 |
| Onshore Energy Intensity per Net Revenue (Financial statements –section 4.1.1) | | | | | | | | |
| Energy intensity per net revenue (MWh/US$ million) | | 1.5 | | 0.1 | 0.2 | 0.2 | 0.2 | 0.7 |

1 Fuel consumption for renewable sources including biomass, biofuels, biogas, hydrogen from renewable sources, etc.

**Energy onshore breakdown per office country**

| | 2024 (per office country) | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Brazil | Angola | United States of America | Guyana | China | India | Singapore | Equatorial Guinea | Malaysia | the Netherlands | Switzerland | Monaco | France | Portugal |
| **Onshore Energy Consumption and Mix** | | | | | | | | | | | | | | |
| Onshore Energy Consumption (GJ) | 2,392 | 2,780 | 378 | 3,624 | 155 | 2,478 | 52 | 539 | 567 | 5,587 | 170 | 3,016 | 2,643 | 1,156 |
| Onshore Energy Consumption (MWh) | 665 | 772 | 105 | 1007 | 43 | 688 | 14 | 150 | 158 | 1552 | 47 | 838 | 734 | 321 |
| **Onshore Energy Consumption by source** | | | | | | | | | | | | | | |
| Energy consumption from fossil sources | 0 | 772 | 15 | 892 | 0 | 5 | 0 | 150 | 0 | 425 | 0 | 0 | 219 | 0 |
| *(a) fuel consumption from coal and coal products (MWh)* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| *(b) fuel consumption from crude oil and petroleum products (MWh)* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| *(c) fuel consumption from natural gas (MWh)* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 425 | 0 | 0 | 219 | 0 |
| *(d) fuel consumption from other fossil sources (MWh)* | 0 | 116 | 0 | 0 | 0 | 4.9 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| *(e) consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources (MWh)* | 0 | 656 | 15 | 892 | 0 | 0 | 0 | 150 | 0 | 0 | 0 | 0 | 0 | 0 |
| Energy consumption from nuclear sources (MWh) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Energy consumption from renewable sources (MWh) | 665 | 0 | 90 | 114 | 43 | 683 | 14 | 0 | 158 | 1127 | 47 | 838 | 515 | 321 |
| *(a) fuel consumption for renewable sources (MWh)*[1] | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| *(b) consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)* | 665 | | 90 | | 43 | 683 | 14 | | 158 | 1,127 | 47 | 750 | 515 | 321 |
| *(c) consumption of self-generated non-fuel renewable energy (MWh)* | 0 | 0 | 0 | 114 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 88 | 0 | 0 |
| Share of fossil sources (%) | 0% | 100% | 14% | 100% | 0% | 0% | 0% | 100% | 0% | 26% | 0% | 0% | 36% | 0% |
| Share of renewable sources (%) | 100% | 0% | 86% | 0% | 100% | 100% | 100% | 0% | 100% | 74% | 100% | 100% | 64% | 100% |
| **Onshore Energy Production** | | | | | | | | | | | | | | |
| Non-renewable energy production (MWh) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Renewable energy production (MWh) | 0 | 0 | 0 | 114 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 88 | 0 | 0 |
| **Onshore Energy Intensity per Net Revenue (Financial statements – section 4.1.1)** | | | | | | | | | | | | | | |
| Energy intensity per net revenue (MWh/US$ million) | 0.1 | 0.2 | 0 | 0.2 | 0 | 0.1 | 0 | 0 | 0 | 0.3 | 0 | 0.2 | 0.2 | 0.1 |

1 Fuel consumption for renewable sources including biomass, biofuels, biogas, hydrogen from renewable sources, etc.

## Energy total

| | Total (per year) | | | 2024 (per region) | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2023 | 2024 | Variation (%) | Brazil | Angola | North America & Caribbean | Asia & Equatorial Guinea | Europe |
| **Total Energy Consumption and Mix – Offshore Downstream Leased Assets + Onshore** | | | | | | | | |
| Total Energy Consumption (GJ) | 64,291,224 | 68,840,456 | 7% | 36,955,103 | 10,093,822 | 15,693,152 | 6,085,808 | 12,571 |
| Total Energy Consumption (MWh) | 17,858,673 | 19,122,349 | 7% | 10,265,307 | 2,803,839 | 4,359,209 | 1,690,502 | 3,492 |
| **Total Energy Consumption by source – Offshore Downstream Leased Assets + Onshore** | | | | | | | | |
| Total energy consumption from fossil sources (MWh) | | 19,117,734 | | 10,264,642 | 2,803,839 | 4,359,005 | 1,689,604 | 644 |
| *(a) fuel consumption from coal and coal products (MWh)* | | | | | | | | |
| *(b) fuel consumption from crude oil and petroleum products (MWh)* | | 575,406 | | 372,718 | 94,166 | 26,185 | 82,337 | 0 |
| *(c) fuel consumption from natural gas (MWh)* | | 18,540,494 | | 9,891,924 | 2,708,901 | 4,331,912 | 1,607,113 | 644 |
| *(d) fuel consumption from other fossil sources (MWh)* | | | | | | | | |
| *(e) consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources (MWh)* | | 1,714 | | 0 | 656 | 908 | 150 | 0 |
| Total energy consumption from nuclear sources (MWh) | | | | | | | | |
| Total energy consumption from renewable sources (MWh) | 2,926 | 4,615 | 58% | 665 | 0 | 204 | 898 | 2848 |
| *(a) fuel consumption for renewable sources (MWh)*[1] | | 0 | | 0 | 0 | 0 | 0 | 0 |
| *(b) consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)* | | 4,412 | | 665 | 0 | 90 | 898 | 2760 |
| *(c) consumption of self-generated non-fuel renewable energy (MWh)* | | 202 | | 0 | 0 | 114 | 0 | 88 |
| Share of fossil sources (%) | | 100% | | 100% | 100% | 100% | 100% | 18% |
| Share of renewable sources (%) | | 0% | | 0% | 0% | 0% | 0% | 82% |
| **Total Energy Production – Offshore Downstream Leased Assets + Onshore** | | | | | | | | |
| Total non-renewable energy production (MWh) | | 19,115,255 | | 10,264,642 | 2,803,067 | 4,358,097 | 1,689,449 | 0 |
| Total renewable energy production (MWh) | | 202 | | 0 | 0 | 114 | 0 | 88 |
| **Total Energy Intensity per Net Revenue – Offshore Downstream Leased Assets + Onshore (Financial statements – section 4.1.1)** | | | | | | | | |
| Total Energy intensity per net revenue (MWh/US$ million) | | 3,997 | | 2,146 | 586 | 911 | 353 | 1 |

1 Fuel consumption for renewable sources including biomass, biofuels, biogas, hydrogen from renewable sources, etc.

## 3.8.1.2 EU TAXONOMY DISCLOSURES

**Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024**

| 2024 | | Year | | Substantial Contribution Criteria | | | | | | DNSH criteria ('Does Not Significantly Harm') | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Economic Activities (1) | Code (2) | Turnover (3) | Proportion of Turnover, year N (4) | Climate Change Mitigation (5) | Climate Change Adaptation (6) | Water (7) | Pollution (8) | Circular Economy (9) | Biodiversity (10) | Climate Change Mitigation (11) | Climate Change Adaptation (12) | Water (13) | Pollution (14) | Circular Economy (15) | Biodiversity (16) | Minimum Safeguards (17) | Proportion of Taxonomy-aligned (A.1.) or-eligible (A.2.) turnover, year N-1 (18) | Category enabling activity (19) | Category transitional activity (20) |
| | | *Millions, US$* | *%* | *Y; N; N/EL* | *Y; N; N/EL* | *Y; N; N/EL* | *Y; N; N/EL* | *Y; N; N/EL* | *Y; N; N/EL* | *Y/N* | *Y/N* | *Y/N* | *Y/N* | *Y/N* | *Y/N* | *Y/N* | *%* | *E* | *T* |
| **A. TAXONOMY-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **A.1. Environmentally sustainable activities (Taxonomy-aligned)** | | | | | | | | | | | | | | | | | | | |
| **Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)** | | **0** | **0%** | **0%** | **0%** | **0%** | **0%** | **0%** | **0%** | **Y** | **Y** | **Y** | **Y** | **Y** | **Y** | **Y** | **0%** | | |
| of which enabling | | 0 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | Y | Y | Y | Y | Y | Y | Y | 0% | E | |
| of which transitional | | 0 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | Y | Y | Y | Y | Y | Y | Y | 0% | | T |
| **A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)** | | | | | | | | | | | | | | | | | | | |
| | | | | *EL; N/EL* | *EL; N/EL* | *EL; N/EL* | *EL; N/EL* | *EL; N/EL* | *EL; N/EL* | | | | | | | | | | |
| Electricity generation from wind power | CCM 4.3 | 20.7 | 0.4% | EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 0.9% | | |
| **Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)** | | **20.7** | **0.4%** | **0.4%** | **0%** | **0%** | **0%** | **0%** | **0%** | | | | | | | | **0.9%** | | |
| **A. Turnover of Taxonomy-eligible activities (A.1+A.2)** | | **20.7** | **0.4%** | **0.4%** | **0%** | **0%** | **0%** | **0%** | **0%** | | | | | | | | **0.9%** | | |
| **B. TAXONOMY-NON-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **Turnover of Taxonomy-non-eligible activities** | | 4,764.0 | 99.6% | | | | | | | | | | | | | | | | |
| **TOTAL (A+B)** | | **4,784.7** | **100.0%** | | | | | | | | | | | | | | | | |

**Proportion of CAPEX from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024**

| 2024 | | Year | | Substantial Contribution Criteria | | | | | | DNSH criteria ('Does Not Significantly Harm') | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Economic Activities (1) | Code (2) | CAPEX (3) | Proportion of CAPEX year N (4) | Climate Change Mitigation (5) | Climate Change Adaptation (6) | Water (7) | Pollution (8) | Circular Economy (9) | Biodiversity (10) | Climate Change Mitigation (11) | Climate Change Adaptation (12) | Water (13) | Pollution (14) | Circular Economy (15) | Biodiversity (16) | Minimum Safeguards (17) | Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CAPEX, year N-1 (18) | Category enabling activity (19) | Category transitional activity (20) |
| | | *Millions, US$* | *%* | *Y; N; N/EL* | *Y; N; N/EL* | *Y; N; N/EL* | *Y; N; N/EL* | *Y; N; N/EL* | *Y; N; N/EL* | *Y/N* | *Y/N* | *Y/N* | *Y/N* | *Y/N* | *Y/N* | *Y/N* | *%* | *E* | *T* |
| **A. TAXONOMY-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **A.1. Environmentally sustainable activities (Taxonomy-aligned)** | | | | | | | | | | | | | | | | | | | |
| **CAPEX of environmentally sustainable activities (Taxonomy-aligned) (A.1)** | | **0** | **0%** | **0%** | **0%** | **0%** | **0%** | **0%** | **0%** | **Y** | **Y** | **Y** | **Y** | **Y** | **Y** | **Y** | **0%** | | |
| **of which enabling** | | 0 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | Y | Y | Y | Y | Y | Y | Y | 0% | E | |
| **of which transitional** | | 0 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | Y | Y | Y | Y | Y | Y | Y | 0% | | T |
| **A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)** | | | | | | | | | | | | | | | | | | | |
| | | | | *EL; N/EL* | *EL; N/EL* | *EL; N/EL* | *EL; N/EL* | *EL; N/EL* | *EL; N/EL* | | | | | | | | | | |
| Acquisition and ownership of buildings | CCM 7.7 | 27.6 | 21.4% | EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 0% | | |
| **CAPEX of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)** | | **27.6** | **21.4%** | **21.4%** | **0%** | **0%** | **0%** | **0%** | **0%** | | | | | | | | **0%** | | |
| **A. CAPEX of Taxonomy-eligible activities (A.1+A.2)** | | **27.6** | **21.4%** | **21.4%** | **0%** | **0%** | **0%** | **0%** | **0%** | | | | | | | | **0%** | | |
| **B. TAXONOMY-NON-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **CAPEX of Taxonomy-non-eligible activities** | | 101.0 | 78.6% | | | | | | | | | | | | | | | | |
| **TOTAL (A+B)** | | **128.6** | **100.0%** | | | | | | | | | | | | | | | | |

**Proportion of OPEX from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024**

| 2024 | | Year | | Substantial Contribution Criteria | | | | | | DNSH criteria ('Does Not Significantly Harm') | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Economic Activities (1) | Code (2) | OPEX (3) | Proportion of OPEX, year N (4) | Climate Change Mitigation (5) | Climate Change Adaptation (6) | Water (7) | Pollution (8) | Circular Economy (9) | Biodiversity (10) | Climate Change Mitigation (11) | Climate Change Adaptation (12) | Water (13) | Pollution (14) | Circular Economy (15) | Biodiversity (16) | Minimum Safeguards (17) | Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OPEX, year N-1 (18) | Category enabling activity (19) | Category transitional activity (20) |
| | | *Millions, US$* | *%* | *Y; N; N/EL* | *Y; N; N/EL* | *Y; N; N/EL* | *Y; N; N/EL* | *Y; N; N/EL* | *Y; N; N/EL* | *Y/ N* | *Y/ N* | *Y/ N* | *Y/ N* | *Y/ N* | *Y/ N* | *Y/ N* | *%* | *E* | *T* |
| **A. TAXONOMY-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **A.1. Environmentally sustainable activities (Taxonomy-aligned)** | | | | | | | | | | | | | | | | | | | |
| **OPEX of environmentally sustainable activities (Taxonomy-aligned) (A.1)** | | **0** | **0%** | **0%** | **0%** | **0%** | **0%** | **0%** | **0%** | **Y** | **Y** | **Y** | **Y** | **Y** | **Y** | **Y** | **0%** | | |
| **of which enabling** | | 0 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | Y | Y | Y | Y | Y | Y | Y | 0% | E | |
| **of which transitional** | | 0 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | Y | Y | Y | Y | Y | Y | Y | 0% | | T |
| **A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)** | | | | | | | | | | | | | | | | | | | |
| | | | | *EL; N/EL* | *EL; N/EL* | *EL; N/EL* | *EL; N/EL* | *EL; N/EL* | *EL; N/EL* | | | | | | | | | | |
| Close to market research, development and innovation | CCM 9.1 | 10.3 | 19.6% | EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 32.1% | | |
| Conservation, including restoration, of habitats, ecosystems and species | BIO 1.1 | 0.0 | 0% | N/EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 0.2% | | |
| **OPEX of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)** | | **10.3** | **19.6%** | **19.6%** | **0%** | **0%** | **0%** | **0%** | **0%** | | | | | | | | **32.3%** | | |
| **A. OPEX of Taxonomy-eligible activities (A.1+A.2)** | | **10.3** | **19.6%** | **19.6%** | **0%** | **0%** | **0%** | **0%** | **0%** | | | | | | | | **32.3%** | | |
| **B. TAXONOMY-NON-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **OPEX of Taxonomy-non-eligible activities** | | 42.2 | 80.5% | | | | | | | | | | | | | | | | |
| **TOTAL (A+B)** | | **52.5** | **100%** | | | | | | | | | | | | | | | | |

**Nuclear and fossil gas related activities**

| Row | Nuclear energy related activities | |
|---|---|---|
| 1 | The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle. | NO |
| 2 | The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies. | NO |
| 3 | The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades. | NO |
| | **Fossil gas related activities** | |
| 4 | The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels. | NO |
| 5 | The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels. | NO |
| 6 | The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels. | NO |

## 3.8.2 SOCIAL INDICATORS

### OUR PEOPLE INDICATORS

**Headcount by employment relationship**

| | Total (per year) | | | 2024 |
|---|---|---|---|---|
| | 2023 | 2024 | Variation (%) | (%) in the Total Global Headcount |
| **Headcount** | | | | |
| Total global headcount (employees and contractors) | 7,416 | 7,892 | 6.42% | 100% |
| **Employee** | | | | |
| Total number of employees (see Financial Statements section 4.3.6 – Number of Employees) | 5,935 | 6,417 | 8.12% | 81% |
| **Contractors** | | | | |
| Total number of contractors | 1,481 | 1,475 | (0.41%) | 19% |

### Employees by employment relationship and country

| | 2024 (per country)[1] | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Monaco & France | India | Angola | Malaysia | Guyana | the Netherlands | Brazil | China | Singapore | Equatorial Guinea | United States | Switzerland | Portugal | Expat |
| **Headcount** | | | | | | | | | | | | | | |
| Total global headcount (employees and contractors) | 891 | 745 | 545 | 489 | 799 | 734 | 2,171 | 400 | 298 | 183 | 26 | 49 | 433 | 119 |
| **Employee** | | | | | | | | | | | | | | |
| Total number of employees | 803 | 713 | 486 | 397 | 522 | 538 | 2,016 | 146 | 100 | 146 | 25 | 48 | 403 | 66 |
| % of employees in the global headcount | 13% | 11% | 8% | 6% | 8% | 8% | 31% | 2% | 2% | 2% | 0% | 1% | 6% | 1% |
| % of employees in the local headcount | 90% | 96% | 89% | 81% | 65% | 73% | 93% | 37% | 34% | 80% | 96% | 98% | 93% | 55% |
| **Contractors** | | | | | | | | | | | | | | |
| Total number of contractors | 88 | 32 | 59 | 92 | 277 | 196 | 155 | 254 | 198 | 37 | 1 | 1 | 30 | 53 |
| % of contractors in the global headcount | 6% | 2% | 4% | 6% | 19% | 13% | 11% | 17% | 13% | 3% | 0% | 0% | 2% | 4% |
| % of contractors in the local headcount | 10% | 4% | 11% | 19% | 35% | 27% | 7% | 64% | 66% | 20% | 4% | 2% | 7% | 45% |

1 Locations with less than 20 people were not included. This resulted in a difference of 10 people between the total headcount and the sum of headcount per country.

### Employees by gender and contract type

| | Total (per year) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | | 2024 | | | Variation (%) | | |
| | Total | Male | Female | Total | Male | Female | Total | Male | Female |
| **Employee** | | | | | | | | | |
| **Employee Headcount** | | | | | | | | | |
| Total number of employees | 5,935 | 4,722 | 1,213 | 6,417 | 5,074 | 1,343 | 8% | 7% | 11% |
| **Permanent contract** | | | | | | | | | |
| Total number of employees with permanent contract | | 4,593 | 1,124 | 6,069 | 4,856 | 1,213 | | 6% | 8% |
| % of employees with permanent contract | | 77% | 19% | | 76% | 19% | | (2%) | (0%) |
| % of female employees with permanent contract | | | 93% | | | 90% | | | (3%) |
| % of male employees with permanent contract | | 97% | | | 96% | | | (2%) | |
| **Temporary contract** | | | | | | | | | |
| Total number of employees with temporary contract | | 129 | 89 | 348 | 218 | 130 | | 69% | 46% |
| % of employees with temporary contract | | 2% | 7% | | 3% | 10% | | 56% | 32% |
| % of female employees with temporary contract | | | 7% | | | 10% | | | 32% |
| % of male employees with temporary contract | | 3% | | | 4% | | | 57% | |
| **Part-time contract** | | | | | | | | | |
| Total number of employees with part-time contract | | 51 | 65 | 110 | 45 | 65 | | (12%) | 0% |
| % of employees with part-time contract % | | 1% | 1% | | 1% | 1% | | (18%) | (8%) |
| % of female employees with part-time contract | | | 5% | | | 5% | | | (10%) |
| % of male employees with part-time contract | | 1% | | | 1% | | | (18%) | |

**Employees by gender, contract type and country**

| | 2024 (per country)[1] | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Monaco & France | India | Angola | Malaysia | Guyana | the Netherlands | Brazil | China | Singapore | Equatorial Guinea | United States | Switzerland | Portugal | Expat |
| **Employee** | | | | | | | | | | | | | | |
| **Employee Headcount** | | | | | | | | | | | | | | |
| Total number of employees | 803 | 713 | 486 | 397 | 522 | 538 | 2,016 | 146 | 100 | 146 | 25 | 48 | 403 | 66 |
| Total number of female employees | 226 | 88 | 41 | 103 | 105 | 131 | 379 | 32 | 12 | 14 | 6 | 18 | 183 | 4 |
| Total number of male employees | 577 | 625 | 445 | 294 | 417 | 407 | 1,637 | 114 | 88 | 132 | 19 | 30 | 220 | 62 |
| **Permanent contract** | | | | | | | | | | | | | | |
| Total number of female employees with permanent contract | 219 | 75 | 31 | 95 | 100 | 115 | 326 | 32 | 11 | 14 | 6 | 17 | 167 | 4 |
| Total number of male employees with permanent contract | 570 | 593 | 373 | 275 | 417 | 373 | 1,598 | 114 | 88 | 130 | 19 | 28 | 209 | 62 |
| % of female employees with permanent contract in the total employees | 27% | 11% | 6% | 24% | 19% | 2% | 16% | 22% | 11% | 10% | 24% | 0% | 41% | 6% |
| % of male employees with permanent contract in the total employees | 71% | 83% | 77% | 69% | 80% | 76% | 79% | 78% | 88% | 89% | 76% | 76% | 52% | 94% |
| % of female employees with permanent contract in the female headcount | 97% | 85% | 76% | 92% | 95% | 9% | 86% | 100% | 92% | 100% | 100% | 1% | 91% | 100% |
| % of male employees with permanent contract in the male headcount | 99% | 95% | 84% | 94% | 100% | 7% | 98% | 100% | 100% | 98% | 100% | 1% | 95% | 100% |
| **Temporary contract** | | | | | | | | | | | | | | |
| Total number of female employees with temporary contract | 7 | 13 | 10 | 8 | 5 | 16 | 53 | 0 | 1 | 0 | 0 | 1 | 16 | 0 |
| Total number of male employees with temporary contract | 7 | 32 | 72 | 19 | 0 | 34 | 39 | 0 | 0 | 2 | 0 | 2 | 11 | 0 |
| % of female employees with temporary contract in the total employees | 1% | 2% | 2% | 2% | 1% | 0% | 3% | 0% | 1% | 0% | 0% | 0% | 4% | 0% |
| % of male employees with temporary contract in the total employees | 1% | 4% | 15% | 5% | 0% | 76% | 2% | 0% | 0% | 1% | 0% | 76% | 3% | 0% |
| % of female employees with temporary contract in the female headcount | 3% | 15% | 24% | 8% | 5% | 1% | 14% | 0% | 8% | 0% | 0% | 0% | 9% | 0% |
| % of male employees with temporary contract in the male headcount | 1% | 5% | 16% | 6% | 0% | 1% | 2% | 0% | 0% | 2% | 0% | 0% | 5% | 0% |

1 Locations with less than 20 people were not included. This resulted in a difference of 10 people between the total headcount and the sum of headcount per country.

| | 2024 (per country)[1] | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Monaco & France | India | Angola | Malaysia | Guyana | the Netherlands | Brazil | China | Singapore | Equatorial Guinea | United States | Switzerland | Portugal | Expat |
| **Part-time contract** | | | | | | | | | | | | | | |
| Total number of female employees with part-time contract | 38 | 0 | 0 | 1 | 0 | 20 | 0 | 0 | 0 | 0 | 0 | 6 | 0 | 0 |
| Total number of male employees with part-time contract | 19 | 1 | 1 | 0 | 0 | 21 | 0 | 0 | 0 | 0 | 0 | 2 | 1 | 0 |
| % of female employees with part-time contract in the total employees | 5% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| % of male employees with part-time contract in the total employees | 2% | 0% | 0% | 0% | 0% | 1% | 0% | 0% | 0% | 0% | 0% | 1% | 0% | 0% |
| % of female employees with part-time contract in the female headcount | 17% | 0% | 0% | 1% | 0% | 1% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| % of male employees with part-time contract in the male headcount | 3% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |

1 Locations with less than 20 people were not included. This resulted in a difference of 10 people between the total headcount and the sum of headcount per country.

### New Hire Employees and turnover

| | Total (per year) | | |
|---|---|---|---|
| | 2023 | 2024 | Variation (%) |
| **Headcount** | | | |
| Total number of employees | 5,935 | 6,417 | 8.1% |
| **New Hire Employees** | | | |
| Total number of new hire employees | 1,178 | 1,274 | 8.1% |
| New Hires Ratio | 18% | 18% | 0.2% |
| **Employees Turnover** | | | |
| Employee Turnover | 747 | 753 | 0.8% |
| Turnover Ratio | 13% | 12% | (7%) |

### New Hire Employees and turnover rate by country

| | 2024 (per country)[1] | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Monaco & France | India | Angola | Malaysia | Guyana | the Netherlands | Brazil | China | Singapore | Equatorial Guinea | United States | Switzerland | Portugal | Expat |
| **Headcount** | | | | | | | | | | | | | | |
| Total number of employees | 803 | 713 | 486 | 397 | 522 | 538 | 2,016 | 146 | 100 | 146 | 25 | 48 | 403 | 66 |
| **New Hire Employees** | | | | | | | | | | | | | | |
| Total number of new employees | 82 | 241 | 49 | 66 | 137 | 95 | 403 | 27 | 24 | 10 | 1 | 14 | 120 | 4 |
| New employees (global) % | 6% | 19% | 4% | 5% | 11% | 7% | 32% | 2% | 2% | 1% | 0% | 1% | 9% | 0% |
| New employees (local) % | 10% | 34% | 10% | 17% | 26% | 18% | 20% | 18% | 24% | 7% | 4% | 29% | 30% | 6% |
| **Employees Turnover Rate** | | | | | | | | | | | | | | |
| Total Employee Turnover | 135 | 121 | 32 | 60 | 26 | 69 | 197 | 11 | 4 | 42 | 4 | 2 | 43 | 5 |
| Employee Turnover rate (global) % | 18% | 16% | 4% | 8% | 3% | 9% | 26% | 1% | 1% | 6% | 1% | 0% | 6% | 1% |
| Employee Turnover rate (local) % | 17% | 17% | 7% | 15% | 5% | 13% | 10% | 8% | 4% | 29% | 16% | 4% | 11% | 8% |

1 Locations with less than 20 people were not included in this table. This resulted in a difference of 10 people between the total headcount and the sum of headcount per country.

### Employees training hours by operating segment and gender

| | Total (per year) | | | 2024 (per gender) | |
|---|---|---|---|---|---|
| | 2023 | 2024 | Variation (%) | Female | Male |
| **Headcount** | | | | | |
| Total number of employees | 5,935 | 6,417 | 8.1% | 1,343 | 5,074 |
| *Offshore* | 1,997 | 2,194 | 9.9% | 103 | 2,091 |
| *Onshore* | 3,938 | 4,223 | 7.2% | 1,240 | 2,983 |
| **Employees Training Hours**[1] | | | | | |
| Total training hours | 83,752 | 104,186 | 24.4% | 26,935 | 77,251 |
| *Offshore* | 9,618 | 18,274 | 90.0% | 800 | 17,474 |
| *Onshore* | 74,135 | 85,912 | 15.9% | 26,134 | 59,778 |
| Average of training hours per employee | 14 | 16 | 15.1% | 20 | 15 |
| *Offshore* | 5 | 8 | 72.9% | 8 | 8 |
| *Onshore* | 19 | 20 | 8.1% | 21 | 20 |

1 Including Compliance trainings.

### Offshore technical training hours by gender

| | Total | 2024 (per gender) | |
|---|---|---|---|
| | 2024 | Female | Male |
| **Headcount** | | | |
| Total number of offshore employees | 2,194 | 103 | 2,091 |
| **Offshore Employees Technical Training Hours** | | | |
| Total technical training hours | 108,706 | 5,103 | 103,602 |
| Average of training hours per offshore employee | 50 | 50 | 50 |

### Employees performance appraisals completed by operating segment and gender

| | Total (per year) | | | 2023 (per gender) | |
|---|---|---|---|---|---|
| | 2022 | 2023 | Variation (%) | Female | Male |
| **Total Employee Performance Appraisals Completed (%)**[1] | | | | | |
| Offshore | 100% | 100% | (0.2%) | 100% | 100% |
| Onshore | 99% | 99% | (0.4%) | 99% | 99% |

1 An appraisal is considered completed when it has been given a rating.

### Employees pay gap and equal remuneration by gender and country

| | Number of employees | | Average Compa-Ratio | | Pay Gap (per year) | | |
|---|---|---|---|---|---|---|---|
| | Female | Male | Female | Male | 2023 | 2024 | Variation |
| **Pay Gap**[1] | | | | | | | |
| Overall Pay Gap | 1,244 | 4,798 | 95.12 | 98.04 | 0.93 | 0.97 | 4.0% |
| **Employee Equal Remuneration** | | | | | | | |
| **Equal Remuneration by country** | | | | | | | |
| Brazil | 330 | 1,600 | 95 | 100 | 0.94 | 0.96 | 1.9% |
| Malaysia | 101 | 245 | 101 | 105 | 0.97 | 0.96 | (0.7%) |
| Monaco & France | 223 | 570 | 97 | 100 | 0.98 | 0.98 | (0.4%) |
| the Netherlands | 131 | 399 | 97 | 97 | 1.00 | 1.00 | 0.1% |
| Portugal | 172 | 214 | 94 | 99 | 0.96 | 0.95 | (0.5%) |
| Switzerland | 18 | 29 | 89 | 90 | 1.01 | 1.00 | (1.2%) |
| Guyana | 98 | 399 | 84 | 92 | 0.94 | 0.91 | (3.0%) |
| Angola | 29 | 397 | 107 | 103 | 1.22 | 1.04 | (14.6%) |
| India | 88 | 625 | 88 | 90 | 0.88 | 0.98 | 10.8% |
| Expat | 4 | 62 | 118 | 102 | 1.02 | 1.15 | 12.8% |
| China | 32 | 113 | 97 | 99 | 1.01 | 0.98 | (3.4%) |
| Singapore | 12 | 89 | 91 | 98 | 0.86 | 0.93 | 8.5% |
| Equatorial Guinea | 0 | 38 | N/A | 99 | 0.61 | N/A | N/A |
| United States | 6 | 18 | 97 | 104 | 0.93 | 0.94 | 1.1% |

1 The Pay Gap calculation is obtained by calculating the average of compa-ratio between Male and Female.

**Employees pay gap and equal remuneration by gender, age range, organizational level and function**

| | Number of employees | | Average Compa-Ratio | | Pay Gap (per year) | | |
|---|---|---|---|---|---|---|---|
| | Female | Male | Female | Male | 2023 | 2024 | Variation |
| **Employee Equal Remuneration** | | | | | | | |
| **Equal Remuneration by age range** | | | | | | | |
| Under 30 | 228 | 375 | 89 | 89 | 1.05 | 1.00 | (4.2%) |
| 30 - 50 | 889 | 3,373 | 95 | 97 | 0.92 | 0.98 | 7.1% |
| Over 50 | 127 | 1,050 | 104 | 104 | 1.01 | 1.00 | (0.5%) |
| **Equal Remuneration by organizational level** | | | | | | | |
| Non-management | 893 | 3,071 | 94 | 97 | 0.91 | 0.96 | 6.6% |
| Junior Management | 264 | 1,195 | 97 | 99 | 0.98 | 0.98 | (0.1%) |
| Middle Management | 80 | 504 | 104 | 100 | 1.01 | 1.04 | 3.6% |
| Top Management[1] | 7 | 28 | 102 | 109 | 0.97 | 0.94 | (3.6%) |
| **Equal Remuneration by organizational function** | | | | | | | |
| Business Support | 239 | 94 | 92 | 95 | 1.04 | 0.97 | (6.6%) |
| Construction & Operations | 268 | 2,570 | 97 | 100 | 0.97 | 0.97 | 0.0% |
| Engineering | 143 | 902 | 91 | 94 | 1.01 | 0.97 | (3.7%) |
| Executive Management & Legal | 45 | 38 | 99 | 98 | 1.04 | 1.01 | (2.9%) |
| Finance, Tax and IT | 213 | 335 | 96 | 98 | 0.74 | 0.98 | 32.4% |
| Project Management | 86 | 243 | 101 | 97 | 1.02 | 1.04 | 2.0% |
| Quality, Health, Risk & Safety | 70 | 140 | 99 | 98 | 0.53 | 1.01 | 89.9% |
| Strategy & Development | 64 | 198 | 97 | 102 | 0.98 | 0.95 | (2.5%) |
| Supply Chain | 116 | 278 | 92 | 93 | 1.00 | 0.98 | (1.7%) |

1 Top Management are employees with grades 15 up to and including 17.

## HEALTH, SAFETY AND SECURITY INDICATORS

### Health, safety and security

| | Total (per year) | | 2024 (per operating segment) | |
|---|---|---|---|---|
| | 2023 | 2024 | Offshore[1] | Onshore[2] |
| **Exposure hours** | | | | |
| Employee[3] | 16,511,091 | 17,048,248 | 5,581,640 | 11,466,609 |
| Contractor[4] | 50,134,806 | 34,259,024 | 6,023,633 | 28,235,391 |
| **Total Exposure hours** | 66,645,896 | 51,307,272 | 11,605,272 | 39,702,000 |
| **Work-related fatalities** | | | | |
| **Total fatalities** | 0 | 0 | 0 | 0 |
| *Employee* | 0 | 0 | 0 | 0 |
| *Contractor* | 0 | 0 | 0 | 0 |
| **Total fatality rate (per 200,000 exposure hours)** | 0 | 0 | 0 | 0 |
| **Total fatality rate (per 1,000,000 exposure hours)** | 0 | 0 | 0 | 0 |
| **Work-related injuries** | | | | |
| **Total serious work-related injuries[5]** | 0 | 0 | 0 | 0 |
| *Employee* | 0 | 0 | 0 | 0 |
| *Contractor* | 0 | 0 | 0 | 0 |
| **Total serious work-related injury rate (per 200,000 exposure hours)** | 0 | 0 | 0 | 0 |
| **Total serious work-related injury rate (per 1,000,000 exposure hours)** | 0 | 0 | 0 | 0 |
| **Total recordable injuries** | 26 | 26 | 19 | 7 |
| *Employee* | 9 | 8 | 6 | 2 |
| *Contractor* | 17 | 18 | 13 | 5 |
| **Total recordable injury frequency rate (per 200,000 exposure hours)** | 0.08 | 0.10 | 0.25 | 0.04 |
| *Employee* | 0.11 | 0.09 | 0.13 | 0.05 |
| *Contractor* | 0.07 | 0.10 | 0.43 | 0.04 |
| **Total recordable injury frequency rate (per 1,000,000 exposure hours)** | 0.39 | 0.51 | 1.25 | 0.19 |
| *Employee* | 0.55 | 0.47 | 0.65 | 0.26 |
| *Contractor* | 0.34 | 0.52 | 2.16 | 0.18 |
| **Work-related ill health (occupational illness)** | | | | |
| **Total work-related ill health** | 6 | 1 | 1 | 0 |
| *Employee* | 1 | 1 | 1 | 0 |
| *Contractor* | 5 | 0 | 0 | 0 |
| **Total recordable work-related ill health frequency rate (per 200,000 exposure hours)** | 0.02 | 0.004 | 0.02 | 0.00 |
| *Employee* | 0.01 | 0.01 | 0.04 | 0.00 |
| *Contractor* | 0.02 | 0.00 | 0.00 | 0.00 |
| **Total recordable work-related ill health frequency rate (per 1,000,000 exposure hours)** | 0.09 | 0.02 | 0.09 | 0.00 |
| *Employee* | 0.06 | 0.06 | 0.18 | 0.00 |
| *Contractor* | 0.10 | 0.00 | 0.00 | 0.00 |

1 Offshore includes FPSOs and shorebases' data.
2 Onshore includes Yards and Offices data.
3 Direct hires, part-time employees, locally hired agency staff ('direct contractors') in the fabrication sites, offices and offshore workers, i.e. all people working for SBM Offshore.
4 Any person employed by a contractor or contractor's sub-contractor(s) who is directly involved in execution of prescribed work under a contract with SBM Offshore.
5 Serious work-related injury results in an injury from which the person cannot, does not, or is not expected to fully recover to pre-injury health status within six months, excluding fatality.

### Process Safety

| | Total (per year) | | 2024 (regional breakdown) | | | | |
|---|---|---|---|---|---|---|---|
| | 2023 | 2024 | Brazil | Angola | North America & Caribbean | Asia & Equatorial Guinea | Europe |
| **Process Safety Events**[1] | | | | | | | |
| Tier 1 incidents (number) | 1 | **3** | 2 | 0 | 0 | 1 | 0 |
| Tier 2 incidents (number) | 5 | **8** | 4 | 2 | 0 | 2 | 0 |

1 Process safety events classified as material according to the American Petroleum Institute (API) Recommended Practice 754.

## 3.8.3 FIVE YEAR KEY ESG FIGURES

| | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| **Health, Safety and Security** | | | | | |
| TRIFR (rate) | 0.1 | 0.08 | 0.12 | 0.06 | 0.1 |
| Fatalities and Permanent Impairments (FPI) | 0 | 0 | 2.00 | n/a | n/a |
| Total consolidated exposure hours[1] | 51.30 | 66.65 | 52.87 | 44.12 | 35.16 |
| **Environment (Offshore)** | | | | | |
| Total GHG emissions per hydrocarbon production[2] | 118.14 | 98.95 | 108.79 | 110.99 | 120.35 |
| Total mass of gas flared per hydrocarbon production[3] | 12.70 | 9.00 | 9.71 | 9.73 | 13.86 |
| Offshore energy consumption (GJ)[4] | 68,814,920 | 64,291,224 | 62,399,131 | 65,036,820 | 64,806,711 |
| Offshore energy consumption (MWh)[5] | 19,115,255 | 17,858,673 | 17,333,091 | 18,065,783 | 18,001,864 |
| **Human Resources**[6] | | | | | |
| Total headcount[7] | 7,892 | 7,416 | 7,073 | 6,426 | 5,527 |
| Total employees[7] | 6,417 | 5,935 | 5,499 | 5,019 | 4,574 |
| Total contractors[7] | 1,475 | 1,481 | 1,574 | 1,407 | 953 |
| Total of contractors (%)[7] | 19% | 25% | 22% | 22% | 17% |
| Total of female employees (%) | 21% | 20% | 19% | 19% | 20% |
| Total of part-time employees (%) | 2% | 2% | 2% | 2% | 3% |
| **Employee Rates**[6] | | | | | |
| Turnover | 12% | 13% | 12% | 14% | 13% |
| **Appraisals** | | | | | |
| Performance appraisals completed (onshore) | 99% | 99% | 99% | 99% | 97% |

1 in millions of hours
2 tonnes of $CO_2e$ per thousand tonnes of hydrocarbon production
3 tonnes of gas flared per thousand tonnes of hydrocarbon production
4 GJ = gigajoule, energy from fuel gas and marine gas oil
5 MWh = Mega-Watt-hours, energy from fuel gas and marine gas oil
6 does not include construction yards, unless otherwise specified
7 including construction yards

## 3.8.4 CERTIFICATION AND CLASSIFICATION TABLES

Complementing sections 1.5 and 2.7, the below tables map the compliance and certification of SBM Offshore entities and (onshore and offshore) sites with the following international certification standards and codes:

- ISO 9001: Quality Management System
- ISO 14001: Environmental Management System
- ISO 45001: Occupational Health and Safety Management System
- Class: Vessel Classification
- ISM: International Safety Management
- ISPS: International Ship and Port Facility Security Code

| OFFICES AND WORKSITES | ISO 9001 | ISO 14001 | ISO 45001 | ISM |
|---|---|---|---|---|
| **Corporate Offices** | | | | |
| Amsterdam (the Netherlands) | Certified | | | |
| Monaco | Certified | | | |
| **Offices** | | | | |
| Rio de Janeiro (Brazil) | Certified | | | |
| Monaco | Certified | | | |
| Rotterdam (The Netherlands) | Certified | | | |
| Kuala Lumpur (Malaysia) | Certified | | | |
| Shanghai (China) | Certified | | | |
| Bengaluru (India) | Certified | | | |
| **Operations Offices** | | | | |
| Monaco (Management Office) | Certified | | | |
| Portugal | *Ongoing* | | | |
| Angola | | Compliant | Compliant | Certified |
| Brazil | Certified | Compliant | Compliant | Certified |
| Equatorial Guinea | | Compliant | Compliant | Certified |
| Guyana | | Compliant | Compliant | Certified |
| Malaysia* | | Compliant | Compliant | Certified |

Certified: certified by accredited third party
Compliant: verified as compliant by independent, qualified third party
* Not operated by SBM Offshore
** Under construction

| OFFSHORE PRODUCTION FLEET | ISO 9001 | ISO 14001 | ISO 45001 | CLASS | ISM | ISPS |
|---|---|---|---|---|---|---|
| **Angola** | | | | | | |
| *FPSO Mondo* | | Compliant | Compliant | Classed | Certified | Certified |
| *FPSO Saxi Batuque* | | Compliant | Compliant | Classed | Certified | Certified |
| *N'Goma FPSO* | | Compliant | Compliant | Classed | Certified | Certified |
| **Brazil** | | | | | | |
| *FPSO Capixaba* | | Compliant | Compliant | Classed | Certified | Certified |
| *FPSO Espirito Santo* | | Compliant | Compliant | Classed | Certified | Certified |
| *FPSO Cidade de Anchieta* | | Compliant | Compliant | Classed | Certified | Certified |
| *FPSO Cidade de Paraty* | | Compliant | Compliant | Classed | Certified | Certified |
| *FPSO Cidade de Ilhabela* | | Compliant | Compliant | Classed | Certified | Certified |
| *FPSO Cidade de Maricá* | | Compliant | Compliant | Classed | Certified | Certified |
| *FPSO Cidade de Saquarema* | | Compliant | Compliant | Classed | Certified | Certified |
| *FPSO Sepetiba* | | *Compliant* | *Compliant* | Classed | Certified | Certified |
| *FPSO Almirante Tamandaré***** | | *Ongoing* | *Ongoing* | *Ongoing* | *Ongoing* | *Ongoing* |
| *FPSO Alexandre de Gusmão***** | | *Ongoing* | *Ongoing* | *Ongoing* | *Ongoing* | *Ongoing* |
| **Equatorial Guinea** | | | | | | |
| *FPSO Aseng* | | Compliant | Compliant | Classed | Certified | Certified |
| **Guyana** | | | | | | |
| *Liza Destiny* | | Compliant | Compliant | Classed | Certified | Certified |
| *Liza Unity* | | Compliant | Compliant | Classed | Certified | Certified |
| *Prosperity* | | Compliant | Compliant | Classed | Certified | Certified |
| *ONE GUYANA***** | | *Ongoing* | *Ongoing* | *Ongoing* | *Ongoing* | *Ongoing* |
| *FPSO Jaguar***** | | *Ongoing* | *Ongoing* | *Ongoing* | *Ongoing* | *Ongoing* |
| **Malaysia** | | | | | | |
| *FPSO Kikeh* | | Compliant | Compliant | Classed | Certified | Certified |
| **Mexico** | | | | | | |
| FSO Trion ** | | *Ongoing* | *Ongoing* | *Ongoing* | *Ongoing* | *Ongoing* |

| OFFSHORE INSTALLATION FLEET | ISO 9001 | ISO 14001 | ISO 45001 | CLASS | ISM | ISPS |
|---|---|---|---|---|---|---|
| Normand Installer* | Certified | Certified | Certified | Classed | Certified | Certified |

Certified: certified by accredited third party
Compliant: verified as compliant by independent, qualified third party
Classed: certified by classification society
* Not operated by SBM Offshore
** Under construction

## 3.9 REPORTING BOUNDARIES

This section describes the boundaries of SBM Offshore's sustainability statement which, aligned with the financial statements scope, discloses information from January 1 to December 31, 2024 on a consolidated basis for SBM Offshore N.V. and subsidiaries.

### 3.9.1 GENERAL INFORMATION

#### CHANGES IN PREPARATION OR PRESENTATION OF SUSTAINABILITY INFORMATION

Following a continuous improvement approach, each annual report SBM Offshore aims to provide clearer, more granular and accurate information. As an illustration, in 2023 the GHG emissions were reported per region, while from 2024 SBM Offshore is reporting emissions per country as ESRS specified (see more details in section 3.4.2).

#### REPORTING ERRORS IN PRIOR PERIODS

SBM Offshore is not including in this report any restatement to correct material errors in prior periods.

No material ESRS disclosure requirement was omitted on the grounds of it being classified or sensitive information.

#### EXTERNAL VALIDATION

SBM Offshore seeks to use metrics and set targets based on recognized standards, sectorial guidelines and benchmarks, science-based approach (when available), certifications, despite this the measurement of the metric is not specifically validated by an external body.

#### USE OF THIRD-PARTY INFORMATION

In calculating the relevant KPIs, SBM Offshore incorporates supplier data to report Scope 3 emissions for Category 1 (Purchased Goods and Services) and Category 6 (Business Travel), as well as working hours data. Additionally, SBM Offshore also utilizes widely recognized emission factors and industry benchmark data sets to ensure accuracy and consistency in greenhouse gas (GHG) calculations.

#### ESG MATERIAL TOPICS OVERVIEW

ESG Material Topics definitions

| | |
|---|---|
| **Environmental Topics** | |
| Emissions | Manage scope 1, 2 and 3 emissions (GHG and Non-GHG emissions, such as methane, NOx, SOx emissions, etc.) to reduce them as much as possible. |
| Decommissioning | Decommissioning is a structured process of planning, preparation and execution, leading to the eventual removal from service or reuse of an asset, giving due consideration to the potential impact on the environment and communities – including the following activities: safe removal of hazards from an asset, recycling, restoration and remediation. |
| **Social Topics** | |
| Our People | Relates to all aspects of working life, from the quality and safety of the physical environment, to how workers feel about their work, their working environment, the climate at work and work organization. It covers the full life cycle – from hiring to training, development, remuneration and transitions. Providing a healthy work environment for employees, with training and education and regular performance feedback, and enabling them to grow through SBM Offshore with meaningful employment. |
| Health, safety and security | Occupational health and safety management system set of interrelated or interacting elements to establish an occupational health and safety policy and objectives. This includes Process Safety Management. The aim is to provide a safe, secure and reliable work environment for all employees, promoting good health, adequately protecting them from infectious diseases and providing a secure work environment. |
| Human rights | Human rights: rights inherent to all human beings, which include, at a minimum, the rights set out in the United Nations (UN) International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work. SBM Offshore strives to provide a work environment for employees in which basic human rights for all employees are respected and maintained. Ensure social dialogue with regards to labor conditions and impacts on communities. |
| **Governance Topics** | |
| Ethics and compliance | Being a trustworthy organization by complying with rules, regulations and SBM Offshore's code of conduct, including anti-corruption policies, procedures and mechanisms. Ethics provide the framework for making ethical decisions and drive responsible behavior. Compliance ensures decisions and actions are aligned with the Code of Conduct and legal/regulatory requirements. |

**Key indicators per ESG Material Topics**

| Material Topic | KPI | Definition |
|---|---|---|
| Emissions | MMSCF/D Average Flaring | The volumes of operational excellence gas flaring in scope 3 – downstream leased assets – Standard Cubic Feet (per day). |
| | Scope 1, 2 and 3 GHG emissions | Greenhouse gas emissions for the various scopes in tonnes of $CO_2$ equivalents |
| | GHG emissions intensity | GHG in tonnes per '000 tonnes of hydrocarbon production (scope 3 – downstream leased assets). |
| | GJenergy use | Energy consumption in GigaJoules (GJ). |
| | Other significant air emissions *(non-GHG emissions)* | Non-greenhouse gas emissions, which are CO (Carbon Monoxide), NOx (Nitrogen Oxides), $SO_2$ (Sulfur Dioxide) and VOCs (Volatile Organic Compounds), in tonnes. |
| | Oil-in-water discharge to % below IOGP average | Oil in Produced Water per hydrocarbon production in tonnes per million tonnes of hydrocarbon production. (This KPI applies to the units operated by SBM Offshore which are part of the CSR scope (i.e. *FPSO Serpentina* and *Thunder Hawk* are excluded). |
| Health, safety and security | Total Recordable Injury Frequency Rate (TRIFR) | Total Recordable Incidents of the Year x 200.000/ Total workhours of the year. |
| | Serious Injuries and Fatalities (SIF) | Serious Injuries and Fatalities. |
| | Lost Time Injuries Rate (LTIFR) | Total Lost Work Day Cases of the Year x 200.000 / Total workhours of the year. |
| | Tier 1 Process Safety Incident | All events having actual severity of 4 or 5 as defined in the Common Thresholds Matrix. |
| | Tier 2 Process Safety Incident | All events having an actual severity of 3 as defined in the Common Thresholds Matrix. |
| Ethics and compliance | # of reports received under SBM Offshore's Integrity Reporting Policy | The number of reports received under SBM Offshore's Integrity Reporting Policy. |
| | # of confirmed cases of corruption | The number of corruption cases confirmed. |
| | Compliance Training | Face-to-face training and e-Learning on Ethics and Compliance topics. |
| Human rights | % of suppliers who have been screened on human rights questionnaire | The percentage of suppliers with criticality D and above that have been screened with the human rights questionnaire. For high-risk suppliers assessment of risk is based on SBM Offshore human rights standard, using specific criteria, e.g. country risk, as well as expert judgement from within SBM Offshore. |
| | % of suppliers signing supply chain charter | The percentage of suppliers qualified between January 1 and December 31 that signed SBM Offshore's supply chain charter. |
| | # of yards that have completed desktop screening | The number of yards that have completed desktop screening (desktop screenings have to be assessed by SBM Offshore in 2024 related to prospect yards). |
| | # of worker welfare audits | The number of worker welfare audits completed in 2024 at yards with ongoing activities. |
| | % e-Learning completion | The percentage of targeted employees who have completed a human rights e-Learning course (based on all onshore staff and offshore leadership staff employed at year-end). |
| Our People | Gender pay gap | The average compa-ratio female/average compa-ratio male. |
| | # of new hires | Total number and rate of new employee hires during the reporting period. |
| | # of average training hours | The average of total training hours per employee in the current year. |
| | Employee turnover rate (%) | The number of employees who have left SBM Offshore in the current year (between January 1 and December 31) compared with the aggregate of the headcount on December 31 of the previous year and December 31 of the current year; divided by 2, with the result multiplied by 100. |
| | % of performance appraisals completion | The percentage of performance appraisals completed for permanent, temporary (only from Brazil and the Netherlands) and JV staff (apart from *FPSO Kikeh*) of all employees that joined SBM Offshore before October 1, 2023 and were still with SBM Offshore on December 31, 2023. |

## 3.9.2 ENVIRONMENTAL REPORTING BOUNDARIES

The environmental information is reported under the same organization boundaries as the financial statement:

- Including fully consolidated entities
- Excluding unconsolidated joint ventures

SBM Offshore discloses GHG emissions using the operational control approach, as per the Greenhouse Gas Protocol. All generated GHG emissions related to SBM Offshore's business activities are reported and split between direct (scopes 1 and 2), and indirect (scope 3) emissions.

Other environmental KPIs, such as non-GHG emissions (other significant air emissions), number of oil spills above 1 bbl, and oil-in-water discharge to 54% below IOGP average emission to water, follow the same boundary and covering the FPSO's where SBM Offshore has an O&M agreement, which excludes Thunder Hawk Floating Production Unit.

### EMISSIONS

#### Base year

SBM Offshore has set 2016 as the base year, being the first year with complete and verifiable data, for tracking the progress towards achieving 2030 targets and 2050 Net zero target.

Starting in FY25, following ESRS guidance, the base year shall be updated every five years.

For all reported emissions, the $CO_2$ equivalency is the quantity that describes, for a given mixture and amount of greenhouse gas, the amount of $CO_2$ that would have the same Global Warming Potential (GWP), when measured over a specified timescale (generally, 100 years).

#### GHG Emissions

**Direct (scope 1) GHG emissions**

For site emissions related to gas consumed and use of diesel for back-up power generators, SBM Offshore takes an operational control view and uses conversion factors from the Dutch Emission Authority, the website $Co_2$emissiefactoren.nl and the Greenhouse Gas Conversion Factors by the UK Government. The conversion factors are reviewed every year with the most recent data available.

**Energy indirect (scope 2) GHG emissions**

Scope 2 contains GHG emissions from energy purchased for offices (market-based and location-based). It is calculated using measured activity data (kWh energy consumed) and conversion factors from, among others, the Association of Issuing Bodies and Carbon Footprint Ltd.

For market-based scope 2 emissions, purchased green electricity is assumed to have an emissions factor of zero. The conversion factors are reviewed every year with the most recent data available.

The reporting scope includes all locations where the headcount is over 10. SBM Offshore reports onshore emissions data for the following locations: the Netherlands (Amsterdam, Schiedam), the United States (Houston), Malaysia (Kuala Lumpur), Switzerland (Marly), Monaco (Monaco), Brazil (Rio de Janeiro, Shorebases), China (Shanghai), France (Carros lab), Guyana (Georgetown), India (Bangalore), Portugal (Porto), Singapore, Angola (Luanda Shorebase) and Equatorial Guinea (Malabo Shorebase).

**Other indirect (scope 3) GHG emissions**

Scope 3 categories reflect an analysis performed using the GHG Protocol Technical Guidance for Calculating scope 3 Emissions. Since 2021, SBM Offshore applied a criteria aligned with its goals related to emissions and the criteria guided by the GHG Protocol (size of footprint, influence, risk, stakeholder interest, outsourcing, sector guidance and spending/revenue). The following categories are a result of this analysis and it is re-considered on an annual basis.

*Category 1 – Purchased Goods and Services*

This category consists of GHG emissions associated with the procurement of (capital) goods and services for FPSO projects (hereafter 'projects') that SBM Offshore is executing on behalf of clients. The FPSO projects represent the most significant part of SBM Offshore's purchased goods and services, compared to office-purchased goods and services. The following parts of an FPSO are considered in the calculations of the GHG emissions for this category:

- Hull (MPF) – the marine structure of an FPSO.
- Topsides – the processing facility of an FPSO. Other parts of the FPSO (mooring structure, integration etc.) are not accounted for in this initial GHG calculation due to the data limitations and the limited percentage they added in total weight.

SBM Offshore calculates the GHG emissions of its projects via the GHG protocol's average data method and has chosen a pragmatic approach to assess which components and materials used in projects contribute most to GHG emissions. The outcome of the analysis is initially focused on identifying GHG hotspots. Once they are identified, SBM Offshore can increase the accuracy of the GHG inventory via supplier engagement and, with that, abate emissions.

*Category 6 – Business Travel*

Business travel contains GHG emissions associated with the transportation of SBM Offshore employees for business-related activities. This includes emissions from flights invoiced via SBM Offshore's standard travel system for all entities in operational control. The scope and data accuracy increased since 2023, due to both the addition of data from an additional travel agency and better data on multi-legged flights.

Business travel is determined based on flight data communicated by travel agencies, including mileage per invoice date and a calculated extrapolation of data for the last two weeks of the year. In a few cases where mileage data is missing, it is completed with mileage from a similar route. The GHG emissions relating to business flights are thus based primarily on supplier provided travel distance converted to $CO_2$-equivalents using factors from $CO_2$emissiefactoren.nl.

*Category 13 – Downstream Leased Assets*
SBM Offshore reports on emission from assets producing and/or storing hydrocarbons under lease contracts. GHG emissions come from the energy consumed (steam boilers, gas turbines and diesel engines) and from gas flared.

The environmental performance of SBM Offshore is reported by country i.e. Brazil, Angola, the United States, Guyana, Malaysia and Equatorial Guinea for the following 15 units:

- Brazil – *FPSO Espirito Santo*, *FPSO Cidade de Paraty*, *FPSO Cidade de Anchieta*, *FPSO Cidade de Ilhabela*, *FPSO Cidade de Marica*, *FPSO Cidade de Saquarema*, *FPSO Sepetiba*
- Angola – *FPSO Mondo*, *FPSO Saxi Batuque* and *N'Goma FPSO*
- Guyana – FPSO *Liza Destiny*, FPSO *Prosperity*
- Malaysia – *FPSO Kikeh*
- Equatorial Guinea – *FPSO Aseng*
- The United States – *Thunder Hawk* Floating Production Unit (FPU)[24]

The calculation of air emissions from offshore operations units uses the method described in the EEMS-Atmospheric Emissions Calculations (Issue 1.810a) recommended by Oil and Gas UK. SBM Offshore reports some of the indicators as a weighted average, calculated *pro rata* over the volume of hydrocarbon production per region. This is in line with the IOGP Environmental Performance Indicators.

All SBM Offshore business under an operating and maintenance service agreement (all downstream leased assets excluding Thunder Hawk) are required to issue a Daily Report (DR), which includes data from energy consumed and gas flared. Emissions calculations are performed using data storage and analysis software, where raw data from daily reports are saved. Emissions e-Dashboard is a comprehensive digital tool designed to monitor, analyze and report on emissions data within the organization. It serves as a central platform for tracking various emission sources, such as flared gas and flue gas consumption, ensuring compliance with local regulations and supporting environmental sustainability goals. By integrating data from multiple systems and employing advanced analytics, the Emissions e-Dashboard provides real-time (daily updates) insights into emissions trends, significant contributions and performance metrics. This enables operations managers and environmental engineers to make informed decisions, optimize processes, and implement effective emissions reduction initiatives. The dashboard's user-friendly interface facilitates easy access to detailed reports, historical data, and predictive analytics, promoting transparency and accountability across the organization. It also supports regulatory and contractual reporting requirements, ensuring accuracy and completeness in emissions data management.

**GHG emissions intensity of downstream leased assets**
The GHG Emission intensity figures in section 3.4.2 use hydrocarbon production as a denominator, being the standard metric in the industry (million tonnes of hydrocarbon produced). Hydrocarbon production is measured for each offshore asset.

**Average Operational Excellence flaring of downstream leased assets**
To better understand the causes of flaring that SBM Offshore may influence and be able to improve both environmental and operational performances, flaring events are reviewed and analyzed. Daily, the total flaring figure is broken down into flaring events that are categorized, based on the International Petroleum Industry Environmental Conservation Association (IPIECA) Guidelines. This process is part of Daily reporting and is called Flare CSR Reporting (Causes – Sources – Reasons). Depending on the causes identified, the responsibility is allocated to each event.

To further optimize operational excellence on the FPSOs for which it provides operations and maintenance services, SBM Offshore sets yearly targets. For 2024, SBM Offshore targeted an absolute volume of gas flared below 1.57 million standard cubic feet per day (MMSCFD) as an overall FPSO fleet average during the year.

**Total energy consumption scope 1, 2 and 3**
Demonstrating a clear understanding of energy consumption and resource efficiency also supports commensurate opportunities to mitigate $CO_2$ emissions. This indicator discloses the total quantity of energy consumed by SBM Offshore operations: scope 1 and 2

[24] Owned by SBM Offshore (lessor) and leased to the client, but without an operating and maintenance service agreement

related (Total Energy consumption from scope 1 and 2) and from downstream leased assets (Total energy consumption from downstream leased assets).

**Total energy consumption from scope 1 and 2**
Energy use associated with scope 1 and scope 2 GHG emissions. Consumption data was partially verified through meter readings, energy provider reports and landlord confirmations. For offices shared with other tenants, where only the total building energy consumption was available, SBM Offshore allocated energy usage to its office spaces based on the proportion of square meters occupied.

**Total energy consumption from downstream leased assets**
The energy used to produce oil and gas covers a range of activities, including:
- Driving pumps producing the hydrocarbons or reinjecting produced water.
- Heating produced oil for separation.
- Producing steam.
- Powering compressors to reinject produced gas.
- Driving turbines to generate electricity needed for operational activities.

The main source of energy consumption on offshore units is fuel gas and marine gas oil: the calculation of their volumes in Gigajoules being a function of calorific values and conversion factors from Oil and Gas UK.

### Non-GHG emissions
Emissions to air are an important determinant of local and regional air quality and can affect human health, flora and fauna or cultural heritage sites. The indicators used enable SBM Offshore to monitor the quantities in tonnes of non GHG emissions to the atmosphere from operations, including CO (Carbon Monoxide), NOx (Nitrogen Oxides), $SO_2$ (Sulfur Dioxide) and VOCs (Volatile Organic Compounds).

### Oil in produced water discharges
Produced water is a volume liquid discharge generated during the production of oil and gas. After extraction, produced water is separated and treated (de-oiled) before discharge to surface water. The quality of produced water is most widely expressed in terms of its oil content. Limits are imposed on the concentration of oil in the effluent discharge stream or discharge is limited where reinjection back into the reservoir is permitted.

Incidental environmental releases to air, water or land from the offshore operations units are highly controlled and reported using the data recorded in the SBM Offshore Incident Management tool.

### Changes in reporting and continuous improvement
The following reporting changes apply:
- Emissions have been disaggregated by country, which were formerly a mix of regions and countries.
- Business wise, FPSO *Liza Unity* was sold to ExxonMobil Guyana, Ltd. on November 9, 2023. From that date on, its emissions are no longer part of scope 3 – Downstream leased assets. The 98,459.10 tonnes of $CO_2e$ of associated emissions over 2024 needs to be reclassified and were not included in 2024 Downstream leased assets performance.
- *FPSO Sepetiba* joined the fleet on January 2, 2024, achieving first oil on December 31, 2023.
- SBM Offshore arranged for the full divestment of its effective equity interest in the lease and operating entities of the *FPSO Kikeh* to MISC. To ensure consistency with the previous reporting year and as the transaction will be effective January 2025, the emissions from *FPSO Kikeh* will be 100% accounted in downstream leased assets for the reporting year.
- FPSO *Prosperity* was sold to ExxonMobil Guyana, Ltd. on November 7, 2024 and the FPSO *Liza Destiny*, in December 19, 2024. From that date on, the emissions are no longer part of scope 3 – Downstream leased assets. Although, 100% of the GHG emissions associated with FPSO *Prosperity* and FPSO *Liza Destiny* in 2024 were accounted for in Downstream leased assets. Associated emissions over 2025 needs to be reclassified.

In 2024, emissions associated with the SBM Offshore 'Normand Installer' Installation Vessel have been assessed. They have, however, not been included at this stage to the overall reported emissions under scope 3 as the Installation Vessel is chartered to client projects in a joint venture (SBM Offshore 49.9% share), and the report excludes unconsolidated joint ventures. These emissions represent 21,653 tonnes $CO_2e$ in 2024, which is not material in this category (0.3 % of scope 3).

As part of its commitment to continuous improvement, SBM Offshore regularly reviews and updates its emissions scope and calculation methodologies. While most emissions categories are covered, SBM Offshore is currently developing methodologies for categories 4 (upstream transportation and distribution), 7 (employee commuting), 11 (use of sold products), and 15 (investments). Other categories from the GHG Protocol, including category 2 (capital goods), category 3 (fuel- and energy-related activities), category 5 (waste generated in operations), category 8 (upstream leased assets), category 9 (downstream transportation and distribution), category 10 (processing of sold products), category 12 (end-of-life treatment of sold products), and category 14 (franchises), are not prioritized at this stage due to their lower materiality in SBM Offshore's emissions reporting efforts. These ongoing efforts aim to enhance the accuracy and comprehensiveness of emissions reporting in line with SBM Offshore's sustainability objectives.

**Emission factors for scope 1 and 2**

| Country | Location | Emission factor scope 1 | | Emission factor scope 2 Location based | | Emission factor scope 2 Market based | |
|---|---|---|---|---|---|---|---|
| | | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| The Netherlands | Amsterdam | 1.779[2] | | 0.171[1] | 0.370 | 0[1] | 0 |
| | Schiedam KDW 48 | 1.779[2] | 1.785 | 0.171[1] | 0.370 | 0[1] | 0 |
| | Schiedam KDW 66 | 1.779[2] | 1.785 | 0.171[1] | 0.370 | 0[1] | 0 |
| India | Bangalore | - | - | 0.934[3] | 0.713 | 0[1] | 0.713 |
| France | Carros Laboratory | 2.045[4] | 2.04 | 0.034[1] | 0.041 | 0[1] | 0.041 |
| | Carros Workshop | 2.045[4] | 2.04 | 0.034[1] | 0.041 | 0[1] | 0.041 |
| Guyana | Georgetown (Sheriff Street) | - | - | 0.753[3] | 0.616 | 0.753[3] | 0.616 |
| | Georgetown (Turkeyen) | - | - | 0.753[3] | 0.616 | 0.753[3] | 0.616 |
| United States | Houston | - | - | 0.375[3] | 0.373 | 0.375[3] | 0.373 |
| Malaysia | Kuala Lumpur | - | - | 0.615[3] | 0.436 | 0[1] | 0.349 |
| Portugal | LBH.E (Lionesa Business Hub) | - | - | 0.417[1] | 0.164 | 0[1] | 0.164 |
| | LBH.A (Lionesa Business Hub) | - | - | 0.417[1] | 0.164 | 0[1] | 0.164 |
| | LBH.B (Lionesa Business Hub) | - | - | 0.417[1] | 0.164 | 0[1] | 0.164 |
| Angola | Luanda Shorebase | 2.662[4] | 2.594 | 0.167[3] | 0.426 | 0.167[3] | 0.426 |
| Equatorial Guinea | Malabo Shorebase | - | - | 0.346[3] | 0.361 | 0.346[3] | 0.361 |
| Switzerland | Marly | - | - | 0.006[1] | 0.012 | 0[1] | 0 |
| Monaco | Monaco | - | - | 0.034[1] | 0.041 | 0[1] | 0 |
| Brazil | Rio de Janeiro | - | - | 0.074[3] | 0.150 | 0[3] | 0 |
| | Santos Shorebase | - | - | 0.074[3] | 0.150 | 0[1] | 0.150 |
| China | Shanghai | - | - | 0.661[3] | 0.557 | 0[1] | 0.557 |
| Singapore | Singapore | - | - | 0.502[3] | 0.408 | 0[1] | 0.408 |

1 Source: Association of Issuing Bodies 2023
2 Source: $CO_2$emissiefactoren.nl
3 Source: Carbon Footprint Ltd 2024
4 Source: DEFRA 2024

**IOGP benchmark**

| Indicators | Benchmark | Unit | Reference |
|---|---|---|---|
| Total GHG emissions | 128 | tonnes of GHG/1,000 tonnes of hydrocarbon production | IOGP Environmental performance indicators – 2022 data – page 16 |
| Total gas flared | 8.6 | tonnes of gas flared/1,000 tonnes of hydrocarbon production | IOGP Environmental performance indicators – 2022 data – page 26 |
| Energy consumption | 1.5 | GJ/tonnes of hydrocarbon production | IOGP Environmental performance indicators – 2022 data – page 24 |
| Oil-in-water | 9.5 | tonnes oil discharged to sea from produced water/ 10^6 tonnes of hydrocarbon production | IOGP Environmental performance indicators – 2022 data – page 28 |
| Oil spills | 0.4 | oil spills greater than 1 bbl/10^6 tonnes of hydrocarbon production | IOGP Environmental performance indicators – 2022 data – page 38 |

## 3.9.3 SOCIAL REPORTING BOUNDARIES

### OUR PEOPLE

SBM Offshore's HR data covers the global workforce and is broken down by countries, gender and employment type. The performance indicators report on the workforce status at year-end December 31, 2024. They include all staff assigned on unlimited or fixed-term contracts, employee new hires and departures, the total number of locally-employed staff from agencies and all crew working on board on the offshore operations units and shorebases.

In general, human resources initiatives and goals have continued, without a specific time frame. The performance and effectiveness of actions and projects are evaluated annually.

When referencing all SBM Offshore workforce collectively, this report uses the term 'Our People', which means directly hire (also called 'employee' in this report), contractors and individuals employed by a third party working in employment activities. Unless otherwise stated, the material impacts and opportunities outlined in this section apply to all individuals within SBM Offshore workforce. Beside that, certain policies, actions, metrics, and targets are specific to employees.

#### Headcount, turnover, equal remuneration and nationalization

Human Resources considers:

- a 'Direct hire' employee is a staff member holding a labor contract for either an unlimited or a defined period (or an offer letter for an unlimited period in the USA). Direct hires are recorded on the payroll, directly paid by one entity of SBM Offshore (including joint ventures). Direct hires perform mainly managerial, engineering and support activities.
- a 'Contractor' is an individual performing work for or on behalf of SBM Offshore. A contractor is not recognized as an employee under national law or practice (contractors do not form part of any of SBM Offshore's company payroll. Contractors issue invoices for services rendered). Contractors work on projects using their expertise to perform engineering or technical activities, especially on site.
- a 'Subcontractor' is an individual excluded from the headcount because subcontractors are not considered as staff in the HR headcount breakdown structure. Subcontractors are managed as a temporary service and are not covered by HR processes and policies. Yet, SBM Offshore has rigorous processes and procedures in place for subcontractors.

SBM Offshore's headcount figures are based on the number of people, as individuals, that are working for SBM Offshore at a specific given time. Headcount includes all types of staff independently from their contract or their work schedule. The Annual Report figures are based on the headcount at December 31, 2024.

In principle, reporting on headcount includes contractors, while turnover only includes direct hires. Turnover has been calculated as the number of employees who have left SBM Offshore (between January 1 and December 31, 2024) compared to the aggregate of the headcount on December 31, 2023 and December 31, 2024; divided by two, with the result multiplied by 100.

Concerning equal remuneration, SBM Offshore considers direct hires (excluding joint ventures and internships) in all locations. The gender pay gap has been calculated as such: average compa-ratio female/average compa-ratio male.

For fleet operations, engagement and development of the local workforce are the main indicators for successful implementation of the local content development plan. SBM Offshore monitors the percentage of the local workforce (excluding contractors) – the percentage of nationalization per region (the majority of SBM Offshore's offshore population are located in Brazil, Angola and Guyana) – and invests in training to increase or maintain the targeted level of nationals. For example, specific programs in the countries mentioned focus on education and training of nationals to facilitate them entering the workforce with the required level of qualifications and knowledge.

#### Performance Management

In order to ensure personal development and the optimal management of performance, SBM Offshore conducts annual performance reviews for its employees, using globally a common system to rate and evaluate them. For the reporting on Performance Appraisals, SBM Offshore included permanent staff, temporary (only from Brazil and the Netherlands) and JV staff (apart from *FPSO Kikeh*) of employees that joined SBM Offshore before October 1, 2024 and that were still with SBM Offshore on December 31, 2024.

#### Collective Bargaining

Within SBM Offshore, three entities conduct a yearly bargaining process: Angola, Brazil and the Schiedam entity in the Netherlands. In the other entities of SBM Offshore, direct hire employees are commonly represented by internal representatives that are elected on a yearly basis and according to the respective countries' labor practices. In the few places where employee representation is not organized, SBM Offshore considers the employee handbook as a valid labor agreement between the employee and the employer, signed during the hiring process.

### HEALTH, SAFETY AND SECURITY

SBM Offshore's people work in demanding roles and conditions, with different risks to manage. The Health, Safety and Security (HSS) performance indicator boundaries take into account:

- Employees, which include all direct hires, part-time employees, locally-hired agency staff ('direct contractors') in the fabrication sites, offices and offshore workers, i.e. all people working for SBM Offshore.
- Contractors, which include any person employed by a contractor or contractor's subcontractor(s) who is directly involved in execution of prescribed work under a contract with SBM Offshore.

Until 2021, HSS incidents were reported and managed through SBM Offshore's incident management tool (SRS – Single Reporting System), which is a web-based reporting system that is used to collect data on all incidents occurring in all locations where SBM Offshore operates. In 2021, SBM Offshore developed and began using the IFS Incident Management/Corrective Action Preventive Action (IM/CAPA) module for Brazil operations. In 2022, the IFS IM/CAPA module was rolled out to Guyana, Angola and Malaysia operations as well as projects. In 2023, it was further rolled out to the remaining company locations, with the exception of *FPSO Serpentina*.

Safety incidents are reported based on the incident classifications as defined by the IOGP Report 2022s-June 2023. Occupational injuries and illnesses are reported based on the Occupational Safety and Health Administration (OSHA) definition and described in IOGP Report Number 393 2023 – Health Performance Indicators. The main type of work-related injury categories are related to line of fire and slips, trips and falls. Investigations, based on the type, criticality and severity of the event, are performed by specifically identified personnel using methods such as TapRoot® and 5 Whys. SBM Offshore is ISM certified for offshore production fleet and operation offices, as well as being compliant with ISO 45001 as per certification and classification table (section 5.5).

Employees are provided with HSS training to familiarize themselves with SBM Offshore's health, safety, and security rules and regulations. The training topics are based on the hazards identified through the above identification process as well as safety studies and regulatory requirements. The promotion of a speak up culture – as described in section 2.5.2– contributes to the identification process. Inclusion and non-retaliation are part of the Speak Up Policy.

#### Process Safety

A Loss of Primary Containment (LOPC) is defined as an unplanned or uncontrolled release of any material from primary containment, including non-toxic and non-flammable materials (e.g. steam, hot condensate, nitrogen, compressed $CO_2$ or compressed air).

A Tier 1 PSE is defined as an LOPC from a process system that meets criteria defined in API RP 754.

LOPC events are reported in SBM Offshore's reporting system as highlighted in sections 3.5.2 and 3.9. This system includes a built-in calculation tool to assist the user in determining the release quantity of LOPC events. All LOPCs are analyzed to identify those considered to be PSEs as per API RP 754. Process Safety KPIs used by SBM Offshore include the number of Tier 1 PSEs.

SBM Offshore encourages employees and contractors to report the PSE minor LOPC (weeps and seeps) and precursors (e.g. integrity conditions, losing items), using them as a basis for leading initiatives aiming at minimizing the probability of major events occurring.

For the purposes of incident reporting, SBM Offshore reports against the three levels of incident Tier used by IOGP 456/ API 754:

- Tier 1: All events having actual severity of 4 or 5 as defined in the Common Thresholds Matrix.
- Tier 2: All events having an actual severity of 3 as defined in the Common Thresholds Matrix.
- Tier 3: All events having actual severity of 1 or 2 as defined in the Common Thresholds Matrix.

## 3.9.4 GOVERNANCE

### ETHICS AND COMPLIANCE

SBM Offshore reports on significant fines paid by SBM Offshore and all affiliate companies. To define a significant fine the following threshold is considered (subject to final assessment by the Management Board on acase-by-case basis): operational fines of a regulatory and/or administrative nature which exceed US$500,000.

## 3.10 ESG CONTENT INDEX

This annual report has been prepared to comply with the European Sustainability Reporting Standards principles and disclosure requirements, prioritizing and emphasizing the most material information to produce a concise, relevant and clear report. SBM Offshore welcomes any engagement on sustainability and contact details can be found in 5.1.3.

The ESG content index includes the ESRS references.

| Material Topic | ESRS Reference | | Disclosure Requirement | Section |
|---|---|---|---|---|
| General Disclosures | ESRS 2 | BP-1 | General basis for preparation of sustainability statements | 3.1; 3.2; 3.3; 3.9 |
| General Disclosures | ESRS 2 | BP-2 | Disclosures in relation to specific circumstances | 2.1.2; 3.1; 3.3; 3.9; |
| General Disclosures | ESRS 2 | GOV-1 | The role of the administrative, management and supervisory bodies | 2.1.2; 2.1.3; 2.2; 2.5.1 |
| General Disclosures | ESRS 2 | GOV-2 | Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies | 2.1.2; 2.1.3; 2.2; 2.5; |
| General Disclosures | ESRS 2 | GOV-3 | Integration of sustainability-related performance in incentive schemes | 2.3.1; 2.3.2; 2.3.4 |
| General Disclosures | ESRS 2 | GOV-4 | Statement on due diligence | 1.4; 2.1.2; 2.1.3; 2.2; 2.5; 3.2; 3.3; 3.5.3; 3.6 |
| General Disclosures | ESRS 2 | GOV-5 | Risk management and internal controls over sustainability reporting | 1.4; 2.1; 2.5; 3.3 |
| General Disclosures | ESRS 2 | SBM-1 | Strategy, business model and value chain | 1.2; 1.3; 3.3; 3.4.4; 3.8.1.2; 3.8.2; 4.1.1 |
| General Disclosures | ESRS 2 | SBM-2 | Interests and views of stakeholders | 1.4; 2.1; 2.5.2; 3.2; 3.3; 3.5; 3.6 |
| General Disclosures | ESRS 2 | SBM-3 | Material impacts, risks and opportunities and their interaction with strategy and business model | 1.2; 1.3; 1.4; 2.5; 3.1; 3.3; 3.4; 3.5; 3.6; 4.3.27 |
| General Disclosures | ESRS 2 | IRO-1 | Description of the processes to identify and assess material impacts, risks and opportunities | 1.4; 2.5; 3.3; 3.4; 3.5; 3.6; 4.3.27 |
| General Disclosures | ESRS 2 | IRO-2 | Disclosure requirements in ESRS covered by the undertaking's sustainability statement | 3.3; 3.10; 3.11 |
| Emissions | E1 | E1.GOV-3 | Integration of sustainability-related performance in incentive schemes | 2.3.1; 2.3.2; 2.3.4; 3.1 |
| Emissions | E1 | E1-1 | Transition plan for climate change mitigation | 1.3.3; 1.3.4; 1.5.2; 3.4.1; 3.4.2; 3.4.4; 3.8.1.2; 4.2.1; 4.3.7; 4.3.13; 4.3.27 |
| Emissions | E1 | E1.SBM-3 | Material impacts, risks and opportunities and their interaction with strategy and business model | 3.4.1; 3.4.2 |
| Emissions | E1 | E1.IRO-1 | Description of the processes to identify and assess material climate-related impacts, risks and opportunities | 3.4.1; 3.4.2; 4.3.27 |
| Emissions | ESRS 2 | MDR-P | MDR-Policies | 3.2; 3.3; 3.4.2; |
| | E1 | E1-2 | Policies related to climate change mitigation and adaptation | |
| Emissions | ESRS 2 | MDR-A | MDR-Actions | 1.3.3; 1.3.4; 1.5.2; 3.4.1; 3.4.2; 3.4.4; 3.8.1.2; 4.2.1; 4.3.7; 4.3.13; 4.3.27 |
| Emissions | E1 | E1-3 | Actions and resources in relation to climate change policies | 3.4.1; 3.4.2; 3.4.4; 3.8.1.2; 4.2.1; 4.3.7; 4.3.13; 4.3.27 |

| Material Topic | ESRS Reference | | Disclosure Requirement | Section |
|---|---|---|---|---|
| Emissions | ESRS 2 | MDR-M | MDR-Metrics | 3.3; 3.4.1; 3.4.2; 3.8.1.1; 3.8.3; 3.9.1; 3.9.2 |
| | ESRS 2 | MDR-T | MDR-Targets | |
| | E1 | E1-4 | Targets related to climate change mitigation and adaptation | |
| Emissions | E1 | E1-5 | Energy consumption & mix | 3.4.2; 3.8.1.1; 3.8.3 |
| Emissions | E1 | E1-6 | Gross scopes 1, 2, 3 and Total GHG emissions | 3.4.2; 3.8.1.1; 3.8.3 |
| Emissions | E1 | E1-7 | GHG removals and GHG mitigation projects financed through carbon credits | 3.4.2 |
| Emissions | E1 | E1-8 | Internal carbon pricing | Not material per the outcome of DMA. |
| Emissions | E1 | E1-9 | Anticipated financial effects from material physical and transition risks and potential climate-related opportunities | Reported only qualitative disclosures in sections 3.4.1 and 3.4.2 based on ESRS phased-in disclosure requirements (transitional provision). |
| Decommissioning | ESRS 2 | SBM-3 | Material impacts, risks and opportunities and their interaction with strategy and business model | 1.4.2; 3.3; 3.4.3 |
| Decommissioning | ESRS 2 | MDR-P | Policies in place to manage material impacts, risks and opportunities | 3.2; 3.3; 3.4.3 |
| Decommissioning | ESRS 2 | MDR-A | Actions and resources to manage material impacts, risks, and opportunities | 3.3; 3.4.3; 4.2.7; 4.3.24 |
| Decommissioning | ESRS 2 | MDR-Metrics | Metrics used to evaluate performance and effectiveness in relation to a material impact, risk or opportunity | 3.3; 3.4.3; 3.9.1 |
| | ESRS 2 | MDR-Targets | Targets set to manage material impacts, risks and opportunities | |
| Our People | ESRS 2 | S1.SBM-2 | Interests and views of stakeholders | 3.2; 3.3; 3.5.1 |
| Our People | ESRS 2 | S1.SBM-3 | Material impacts, risks and opportunities and their interaction with strategy and business model | 1.4.2; 3.3; 3.5.1; 3.5.2; 3.5.3; 3.9 |
| Our People | ESRS 2 | MDR-P | MDR-Policies | 3.3; 3.5.1; 3.5.2; 3.5.3; 3.9 |
| | S1 | S1-1 | Policies related to own workforce | |
| Our People | S1 | S1-2 | Processes for engaging with own workers and workers' representatives about impacts | 3.2; 3.3; 3.5.1; 3.5.2; 3.5.3 |
| Our People | S1 | S1-3 | Processes to remediate negative impacts and channels for own workers to raise concerns | 2.5.2; 3.2; 3.5.1; 3.5.2; 3.5.3; 3.6.1 |
| Our People | ESRS 2 | MDR-A | MDR-Actions | 1.4.2; 2.5.2; 3.3; 3.5.1; 3.5.2; 3.5.3; 3.6.1; 3.9.1; 3.9.3; 4.2.1; 4.3.14; 4.3.6 |
| | ESRS 2 | MDR-M | MDR-Metrics | |
| | S1 | S1-4 | Taking action on material impacts and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions and approaches | |
| Our People | ESRS 2 | MDR-T | MDR-Targets | 3.3; 3.5.1; 3.5.2; 3.5.3; 3.6.1; 3.9.3 |
| | S1 | S1-5 | Targets related to managing material impacts, advancing positive impacts, as well as to risks and opportunities | |

| Material Topic | ESRS Reference | | Disclosure Requirement | Section |
|---|---|---|---|---|
| Our People | S1 | S1-6 | Characteristics of the undertaking's employees | 3.5.1; 3.8.2; 3.8.3; 3.9.3; 4.3.6 |
| Our People | S1 | S1-7 | Characteristics of non-employee workers in the undertaking's own workforce | 3.5.1; 3.8.2; 3.9.3 |
| Our People | S1 | S1-8 | Collective bargaining coverage and social dialogue | Not material per the outcome of DMA. |
| Our People | S1 | S1-9 | Diversity metrics | 3.5.1; 3.8.2; 3.9.3 |
| Our People | S1 | S1-10 | Adequate Wages | 3.5.1; 3.8.2; 3.9.3 |
| Our People | S1 | S1-11 | Social protection | Not material per the outcome of DMA. |
| Our People | S1 | S1-12 | Persons with disabilities | Not material per the outcome of DMA. |
| Our People | S1 | S1-13 | Training and Skills Development metrics | 3.5.1; 3.8.2; 3.9.3 |
| Our People | S1 | S1-15 | Work-life balance | Not material per the outcome of DMA. |
| Our People | S1 | S1-16 | Remuneration metrics (pay gap and total remuneration) | 3.5.1; 3.8.2; 3.9.3 |
| Our People | S1 | S1-17 | Incidents, complaints and severe human rights impacts | 3.5.1; 3.5.2; 3.6.1 |
| Health, Safety and Security | ESRS 2 | SBM-3 | Material impacts, risks and opportunities and their interaction with strategy and business model | 1.4.2; 3.3; 3.5.2 |
| Health, Safety and Security | ESRS 2 | MDR-P | Policies in place to manage material impacts, risks and opportunities | 3.2; 3.3; 3.5.2 |
| Health, Safety and Security | ESRS 2 | MDR-A | Actions and resources to manage material impacts, risks, and opportunities | 3.3; 3.5.2; 4.2.1 |
| Health, Safety and Security | ESRS 2 | MDR-M | Metrics used to evaluate performance and effectiveness in relation to a material impact, risk or opportunity | 3.3; 3.5.2; 3.8.2; 3.8.3; 3.9.1; 3.9.3 |
| | ESRS 2 | MDR-Targets | Targets set to manage material impacts, risks and opportunities | |
| | S1 | S1-14 | Health and safety metrics | |
| Human rights | ESRS 2 | S1.SBM-2 | Interests and views of stakeholders | 3.2; 3.3; 3.5.3 |
| Human rights | ESRS 2 | S2.SBM-3 | Processes to remediate negative impacts and channels for value chain workers to raise concerns | 1.4.2; 3.2; 3.3; 3.5.3 |
| Human rights | ESRS 2 | MDR-P | MDR-Policies | 3.2; 3.3; 3.5.3 |
| | S2 | S2-1 | Policies related to value chain workers | |
| Human rights | S2 | S2-2 | Processes for engaging with value chain workers about impacts | 3.2; 3.3; 3.5.3 |
| Human rights | S2 | S2-3 | Processes to remediate negative impacts and channels for value chain workers to raise concerns | 2.5.2; 3.2; 3.3; 3.5.3; 3.6.1 |
| Human rights | ESRS 2 | MDR-A | MDR-Actions | 1.4.2; 3.2; 3.3; 3.5.3; 3.9.1; 4.2.1 |
| | ESRS 2 | MDR-M | MDR-Metrics | |
| | S2 | S2-4 | S2-4 | |

| Material Topic | ESRS Reference | | Disclosure Requirement | Section |
|---|---|---|---|---|
| Human rights | ESRS 2 | MDR-T | MDR-Targets | 3.3; 3.5.3 |
| | S2 | S2-5 | Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities | |
| Ethics and Compliance | ESRS 2 | GOV-1 | The role of the administrative, supervisory and management bodies | 2.1.2; 2.1.3; 2.2; 2.5.2; 3.6.1 |
| Ethics and Compliance | ESRS 2 | IRO-1 | Description of the processes to identify and assess material impacts, risks and opportunities | 2.5.2; 3.2; 3.3; 3.6.1 |
| Ethics and Compliance | ESRS 2 | MDR-P | MDR-Policies | 2.5.2; 3.3; 3.6.1 |
| | G1 | G1-1 | Corporate culture and business conduct policies and corporate culture | |
| Ethics and Compliance | G1 | G1-2 | Management of relationships with suppliers | 2.5.2; 3.3; 3.5.3; 3.6.1 |
| Ethics and Compliance | G1 | G1-3 | Prevention and detection of corruption and bribery | 2.5.2; 3.2; 3.6.1 |
| Ethics and Compliance | ESRS 2 | MDR-A | MDR-Actions | 2.5.2; 3.2; 3.3; 3.6.1; 3.9.1; 3.9.4 |
| | ESRS 2 | MDR-M | MDR-Metrics | |
| | G1 | G1-4 | G1-4 | |
| Ethics and Compliance | G1 | G1-5 | G1-5 | Not material per the outcome of DMA. |
| Ethics and Compliance | G1 | G1-6 | G1-6 | Not material per the outcome of DMA. |

## 3.11 DATAPOINTS THAT DERIVE FROM OTHER EU LEGISLATION

| Disclosure Requirement and related datapoint | SFDR reference | Pillar 3 reference | Benchmark Regulation reference | EU Climate Law reference | Section |
|---|---|---|---|---|---|
| ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d) | Indicator number 13 of Table #1 of Annex 1 | | Commission Delegated Regulation (EU) 2020/1816, Annex II | | 2.1.9 |
| ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e) | | | Delegated Regulation (EU) 2020/1816, Annex II | | 2.2 |
| ESRS 2 GOV-4 Statement on due diligence paragraph 30 | Indicator number 10 Table #3 of Annex 1 | | | | 1.4; 2.1.2; 2.1.3; 2.2; 2.5; 3.2; 3.3; 3.5.3; 3.6 |
| ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i | Indicators number 4 Table #1 of Annex 1 | Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453[28] Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk | Delegated Regulation (EU) 2020/1816, Annex II | | 1.2; 1.3; 3.3; 3.4.4; 3.8.1.2; 3.8.2; 4.1.1 |
| ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii | Indicator number 9 Table #2 of Annex 1 | | Delegated Regulation (EU) 2020/1816, Annex II | | Not material |
| ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii | Indicator number 14 Table #1 of Annex 1 | | Delegated Regulation (EU) 2020/1818[29], Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II | | Not material |
| ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv | | | Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II | | Not material |
| ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14 | | | | Regulation (EU) 2021/1119, Article 2(1) | 1.3.3; 1.3.4; 1.5.2; 3.4.1; 3.4.2; 3.4.4; 3.8.1.2; 4.2.1; 4.3.7; 4.3.13; 4.3.27 |
| ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g) | | Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity | Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g), and Article 12.2 | | 3.4.2 |

| Disclosure Requirement and related datapoint | SFDR reference | Pillar 3 reference | Benchmark Regulation reference | EU Climate Law reference | Section |
|---|---|---|---|---|---|
| ESRS E1-4 GHG emission reduction targets paragraph 34 | Indicator number 4 Table #2 of Annex 1 | Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics | Delegated Regulation (EU) 2020/1818, Article 6 | | 3.3; 3.4.1; 3.4.2; 3.8.1.1; 3.8.3; 3.9.1; 3.9.2 |
| ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38 | Indicator number 5 Table #1 and Indicator number 5 Table #2 of Annex 1 | | | | 3.4.2; 3.8.1.1 |
| ESRS E1-5 Energy consumption and mix paragraph 37 | Indicator number 5 Table #1 of Annex 1 | | | | 3.4.2; 3.8.1.1 |
| ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43 | Indicator number 6 Table #1 of Annex 1 | | | | 3.4.2; 3.8.1.1 |
| ESRS E1-6 Gross scope 1, 2, 3 and Total GHG emissions paragraph 44 | Indicators number 1 and 2 Table #1 of Annex 1 | Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity | Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1) | | 3.4.2; 3.8.1.1 |
| ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55 | Indicators number 3 Table #1 of Annex 1 | Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics | Delegated Regulation (EU) 2020/1818, Article 8(1) | | 3.4.2; 3.8.1.1 |
| ESRS E1-7 GHG removals and carbon credits paragraph 56 | | | | Regulation (EU) 2021/1119, Article 2(1) | 3.4.1; 3.4.2 |
| ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66 | | | Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II | | 3.4.1; 3.4.2 |

| Disclosure Requirement and related datapoint | SFDR reference | Pillar 3 reference | Benchmark Regulation reference | EU Climate Law reference | Section |
|---|---|---|---|---|---|
| ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c). | | Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book – Climate change physical risk: Exposures subject to physical risk. | | | 3.4.1; 3.4.2 |
| ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c). | | Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453paragraphs 46 and 47; Template 5: Banking book – Climate change physical risk: Exposures subject to physical risk. | | | 3.4.1; 3.4.2 |
| ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c). | | Article 449a Regulation(EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book – Climate change transition risk: Loans collateralized by immovable property – Energy efficiency of the collateral | | | 3.4.1; 3.4.2 |
| ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69 | | | Delegated Regulation (EU) 2020/1818, Annex II | | 3.4.1; 3.4.2 |
| ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28 | Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1 | | | | Not material |
| ESRS E3-1 Water and marine resources paragraph 9 | Indicator number 7 Table #2 of Annex 1 | | | | Not material |
| ESRS E3-1 Dedicated policy paragraph 13 | Indicator number 8 Table 2 of Annex 1 | | | | Not material |
| ESRS E3-1 Sustainable oceans and seas paragraph 14 | Indicator number 12 Table #2 of Annex 1 | | | | Not material |
| ESRS E3-4 Total water recycled and reused paragraph 28 (c) | Indicator number 6.2 Table #2 of Annex 1 | | | | Not material |

| Disclosure Requirement and related datapoint | SFDR reference | Pillar 3 reference | Benchmark Regulation reference | EU Climate Law reference | Section |
|---|---|---|---|---|---|
| ESRS E3-4 Total water consumption in $m^3$ per net revenue on own operations paragraph 29 | Indicator number 6.1 Table #2 of Annex 1 | | | | Not material |
| ESRS 2-IRO 1-E4 paragraph 16 (a) i | Indicator number 7 Table #1 of Annex 1 | | | | 3.3 |
| ESRS 2-IRO 1-E4 paragraph 16 (b) | Indicator number 10 Table #2 of Annex 1 | | | | 3.3 |
| ESRS 2-IRO 1-E4 paragraph 16 (c) | Indicator number 14 Table #2 of Annex 1 | | | | 3.3 |
| ESRS E4-2 Sustainable land/ agriculture practices or policies paragraph 24 (b) | Indicator number 11 Table #2 of Annex 1 | | | | Not material |
| ESRS E4-2 Sustainable oceans/ seas practices or policies paragraph 24 (c) | Indicator number 12 Table #2 of Annex 1 | | | | Not material |
| ESRS E4-2 Policies to address deforestation paragraph 24 (d) | Indicator number 15 Table #2 of Annex 1 | | | | Not material |
| ESRS E5-5 Non-recycled waste paragraph 37 (d) | Indicator number 13 Table #2 of Annex 1 | | | | Not material |
| ESRS E5-5 Hazardous waste and radioactive waste paragraph 39 | Indicator number 9 Table #1 of Annex 1 | | | | Not material |
| ESRS 2-SBM3-S1 Risk of incidents of forced labour paragraph 14 (f) | Indicator number 13 Table #3 of Annex I | | | | 1.4.2; 3.3; 3.5.1; 3.5.2; 3.5.3 |
| ESRS 2-SBM3-S1 Risk of incidents of child labour paragraph 14 (g) | Indicator number 12 Table #3 of Annex I | | | | 1.4.2; 3.3; 3.5.1; 3.5.2; 3.5.3 |
| ESRS S1-1 Human rights policy commitments paragraph 20 | Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I | | | | 3.3; 3.5.1; 3.5.2; 3.5.3 |
| ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21 | | | Delegated Regulation (EU) 2020/1816, Annex II | | 3.3; 3.5.1; 3.5.3 |
| ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22 | Indicator number 11 Table #3 of Annex I | | | | 3.3; 3.5.1; 3.5.3 |

| Disclosure Requirement and related datapoint | SFDR reference | Pillar 3 reference | Benchmark Regulation reference | EU Climate Law reference | Section |
|---|---|---|---|---|---|
| ESRS S1-1 workplace accident prevention policy or management system paragraph 23 | Indicator number 1 Table #3 of Annex I | | | | 3.3; 3.5.2; |
| ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c) | Indicator number 5 Table #3 of Annex I | | | | 2.5.2; 3.2; 3.5.1; 3.5.2; 3.5.3; 3.6.1 |
| ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c) | Indicator number 2 Table #3 of Annex I | | Delegated Regulation (EU) 2020/1816, Annex II | | 3.5.2; 3.8.2; 3.8.3 |
| ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e) | Indicator number 3 Table #3 of Annex I | | | | 3.5.2; 3.8.2; 3.8.3 |
| ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a) | Indicator number 12 Table #1 of Annex I | | Delegated Regulation (EU) 2020/1816, Annex II | | 3.5.1; 3.8.2 |
| ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b) | Indicator number 8 Table #3 of Annex I | | | | 2.3.2 |
| ESRS S1-17 Incidents of discrimination paragraph 103 (a) | Indicator number 7 Table #3 of Annex I | | | | 3.5.1; 3.5.3; 3.6.1 |
| ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a) | Indicator number 10 Table #1 and Indicator number 14 Table #3 of Annex I | | Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12(1) | | 3.5.1; 3.5.3 |
| ESRS 2-SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b) | Indicators number 12 and number 13 Table #3 of Annex I | | | | 1.4.2; 3.3; 3.5.3 |
| ESRS S2-1 Human rights policy commitments paragraph 17 | Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1 | | | | 3.3; 3.5.1; 3.5.3 |
| ESRS S2-1 Policies related to value chain workers paragraph 18 | Indicator number 11 and number 4 Table #3 of Annex 1 | | | | 3.3; 3.5.3 |
| ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19 | Indicator number 10 Table #1 of Annex 1 | | Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU)2020/1818, Art 12 (1) | | 3.5.1; 3.5.3; 3.6.1 |

| Disclosure Requirement and related datapoint | SFDR reference | Pillar 3 reference | Benchmark Regulation reference | EU Climate Law reference | Section |
|---|---|---|---|---|---|
| ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19 | | | Delegated Regulation (EU) 2020/1816, Annex II | | 3.5.3; 3.6.1 |
| ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36 | Indicator number 14 Table #3 of Annex 1 | | | | 3.5.3; 3.6.1 |
| ESRS S3-1 Human rights policy commitments paragraph 16 | Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1 | | | | Not material |
| ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17 | Indicator number 10 Table #1 Annex 1 | | Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art12 (1) | | Not material |
| ESRS S3-4 Human rights issues and incidents paragraph 36 | Indicator number 14 Table #3 of Annex 1 | | | | Not material |
| ESRS S4-1 Policies related to consumers and end-users paragraph 16 | Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1 | | | | Not material |
| ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17 | Indicator number 10 Table #1 of Annex 1 | | Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art12 (1) | | Not material |
| ESRS S4-4 Human rights issues and incidents paragraph 35 | Indicator number 14 Table #3 of Annex 1 | | | | Not material |
| ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b) | Indicator number 15 Table #3 of Annex 1 | | | | 2.5.2; 3.6.1 |
| ESRS G1-1 Protection of whistle-blowers paragraph 10 (d) | Indicator number 6 Table #3 of Annex 1 | | | | 2.5.2; 3.6.1 |
| ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a) | Indicator number 17 Table #3 of Annex 1 | | Delegated Regulation (EU) 2020/1816, Annex II) | | 2.5.2; 3.6.1 |
| ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b) | Indicator number 16 Table #3 of Annex 1 | | | | 2.5.2; 3.6.1 |

CHAPTER 4
# FINANCIAL INFORMATION 2024


ONE GUYANA

# 4 FINANCIAL INFORMATION 2024

# 4 FINANCIAL INFORMATION 2024

## 4.1 FINANCIAL REVIEW

### 4.1.1 FINANCIAL OVERVIEW

| in US$ million | FY 2024 | FY 2023 |
|---|---|---|
| **IFRS figures** | | |
| **Revenue** | **4,784** | **4,963** |
| Lease and Operate revenue | 2,074 | 1,563 |
| Turnkey revenue | 2,710 | 3,400 |
| **EBITDA**[1] | **1,041** | **1,239** |
| Lease and Operate EBITDA | 842 | 695 |
| Turnkey EBITDA | 287 | 646 |
| Other | (88) | (101) |
| **Profit/(loss) attributable to shareholders** | **150** | **491** |
| | | |
| **Directional figures** | | |
| **Directional Revenue** | **6,111** | **4,532** |
| Directional Lease and Operate revenue | 2,369 | 1,954 |
| Directional Turnkey revenue | 3,743 | 2,578 |
| **Directional EBITDA**[2] | **1,896** | **1,319** |
| Directional Lease and Operate EBITDA | 1,261 | 1,124 |
| Directional Turnkey EBITDA | 724 | 296 |
| Other | (89) | (101) |
| **Directional Profit/(loss) attributable to shareholders** | **907** | **524** |

1 EBITDA - Profit/(loss) excluding net financing costs, income tax expense, depreciation, amortization and impairment as well as share of profit/(loss) of equity-accounted investees. For a reconciliation to the consolidated income statement, refer to section 4.1.3 Financial Review IFRS.

2 Directional EBITDA - Directional Profit/(loss) excluding Directional net financing costs, Directional income tax expense, Directional depreciation, amortization and impairment as well as Directional share of profit/(loss) of equity-accounted investees. For a reconciliation to IFRS figures, refer to section 4.3.2 Operating segments and Directional reporting.

#### 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 and for business planning. Reference is made to 4.3.2 Operating Segments and Directional Reporting for further detail on the main principles of Directional reporting.

The Management Board, as chief operating decision-maker, monitors the operating results of the Company primarily based on Directional reporting. The financial information in this section 4.1 Financial Review is presented both under Directional and IFRS while the financial information presented in note 4.3.2 Operating Segments and Directional Reporting is presented under Directional with a reconciliation to IFRS. For clarity, the remainder of the financial statements are presented solely under IFRS, except where expressly stated otherwise.

## 4.1.2 FINANCIAL HIGHLIGHTS

The main financial highlights of the year and their associated financial impact are reported in note 4.3.1 Financial Highlights.

## 4.1.3 FINANCIAL REVIEW IFRS

| in US$ million | FY 2024 | FY 2023 |
|---|---|---|
| **Revenue** | **4,784** | **4,963** |
| Lease and Operate | 2,074 | 1,563 |
| Turnkey | 2,710 | 3,400 |
| **EBITDA** | **1,041** | **1,239** |
| Lease and Operate | 842 | 695 |
| Turnkey | 287 | 646 |
| Other | (88) | (101) |
| **Profit/(loss) attributable to shareholders** | **150** | **491** |

### PROFITABILITY

#### Revenue

Total revenue decreased by 4% to US$4,784 million compared with US$4,963 million in 2023. This decrease was mainly driven by the Turnkey segment despite the positive impact of the Lease and Operate segment.

Turnkey revenue decreased by 20% to US$2,710 million, compared with US$3,400 million in the year-ago period, mainly explained by (i) the completion of FPSO *Prosperity* during the last quarter of 2023 and *FPSO Sepetiba* early January 2024, and (ii) a reduced level of progress during the period compared with the year-ago period on *FPSO Almirante Tamandaré, FPSO Alexandre de Gusmão* and FPSO *ONE GUYANA* as those projects approached completion during the current year. This was partially offset by (iii) the progress on the awarded contracts for the *FPSO Jaguar*, *GranMorgu FPSO* and FSO Trion projects and (iv) the increased support to the fleet through brownfield projects.

Lease and Operate revenue increased by 33% to US$2,074 million, compared with US$1,563 million in the year-ago period. This reflects mainly the following events: (i) FPSO *Prosperity* and *FPSO Sepetiba* joining the fleet upon successful delivery during the last quarter of 2023 and early January 2024 respectively, (ii) full consolidation of the lease and operating entities related to FPSOs *N'Goma*, *Saxi Batuque* and *Mondo* following the acquisition of additional shares ('Sonangol transaction'), and (iii) an increase in reimbursable scope on the fleet partially offset by (iv) reduced revenue from FPSO *Liza Unity* only contributing in 2024 as an operating contract following the purchase of the unit by the client at the end of 2023 (therefore not contributing to lease revenue in 2024) and (v) regular declining profile of interest revenue from finance leases.

#### EBITDA

EBITDA based on IFRS accounting policies amounted to US$1,041 million, representing a 16% decrease compared with US$1,239 million in the year-ago period. This variance is further detailed as follows by segment:

- Turnkey EBITDA decreased to US$287 million in the current year, compared with US$646 million in the year-ago period, as a result of (i) the completion of FPSO *Prosperity* during last quarter of 2023 and of *FPSO Sepetiba* early January 2024, (ii) a reduced level of progress during the period compared with the year-ago on *FPSO Almirante Tamandaré*, *FPSO Alexandre de Gusmão* and FPSO *ONE GUYANA* as those projects approached completion during the current year. This was partially offset by (iii) the increased support to the fleet through brownfield projects, (iv) an improved performance on some projects in the portfolio affected in prior years by the historical consequences of the pandemic and subsequent pressure on the global supply chain and (v) a reduced investment on Floating Offshore Wind projects following the implementation of the Ekwil Joint Venture in partnership with Technip Energies. Finally, it should be noted that with respect to the awarded contracts for the *GranMorgu FPSO* and FSO Trion projects which contributed to the revenue during the period, no contribution to EBITDA was recognized as those projects had not reached the requisite 'stage of completion' to allow margin to be recognized at the end of the current period. With regards to *FPSO Jaguar,* the contribution to EBITDA is limited over the period as the project just reached the requisite 'stage of completion' during the last quarter of 2024.
- Lease and Operate EBITDA for the current period increased by 21% to US$842 million versus US$695 million in the year-ago period. This increase resulted from (i) the same drivers as for the 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 recognized in Other Operating Income, both impacting the Lease and Operate segment due their strategic and commercial link for a total amount of US$32 million 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$(88) million in 2024, a US$(13) million decrease compared with the US$(101) million in the year-ago period, which is mainly explained by the one-off impact of US$11 million restructuring costs following the implementation of an optimization plan related to the Company's support functions' activities in the year-ago period.

EBITDA is reconciled to the consolidated income statement as follows:

| in US$ million | Notes | FY 2024 | FY 2023 |
|---|---|---|---|
| **Profit/(loss)** | | **211** | **614** |
| Add: Income tax expense | 4.3.10 | 73 | (25) |
| Less: Share of profit/(loss) of equity accounted investees | 4.3.29 | (19) | (19) |
| Add: Net financing costs | 4.3.9 | 663 | 575 |
| **Operating profit/(loss) (EBIT)** | | **928** | **1,145** |
| Add: Depreciation, amortization and impairment | 4.3.5 | 113 | 94 |
| **EBITDA** | | **1,041** | **1,239** |

### Net income

Depreciation, amortization and impairment increased by US$19 million compared with the year-ago period, mostly explained by the US$39 million *FPSO Cidade de Anchieta* impairment (refer to note 4.3.13 Property Plant and equipment), partially offset by the impairment of a funding loan provided to some equity-accounted entities, which was recognized a year ago.

Net financing costs totaled US$(663) million, compared with US$(575) million in the year-ago period. This increase of 15% compared with prior year is mainly explained by (i) increased project financing to fund continued investment in growth on *FPSO Almirante Tamandaré*, *FPSO Alexandre de Gusmão* and FPSO *ONE GUYANA*, and (ii) additional interest expense generated by the construction financing of *FPSO Jaguar*, partially offset by (iii) lower interest expense on FPSOs *Liza Unity*, *Prosperity* and *Liza Destiny* following the purchase of the units by the client and the full repayment of the project loans in November 2023, November 2024 and December 2024 respectively, and (iv) the scheduled amortization of project loans for the fleet under operations.

The effective tax rate over 2024 increased to 27%, compared with (4)% in the year-ago period. The increase is primarily driven by the initial recognition of a deferred tax asset on a tax goodwill in Switzerland in prior year.

As a result, the consolidated net income attributable to shareholders stood at US$150 million, a decrease of US$(341) million compared with the prior year.

## STATEMENT OF FINANCIAL POSITION

| in millions of US$ | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| Total equity | 5,844 | 5,531 | 4,914 | 3,537 | 3,462 |
| Net debt[1] | 8,137 | 8,748 | 7,881 | 6,681 | 5,209 |
| Cash and cash equivalents | 806 | 543 | 683 | 1,021 | 414 |
| Total assets | 17,157 | 17,176 | 15,889 | 13,211 | 11,085 |

1 Net debt is calculated as total borrowings (including lease liabilities) less cash and cash equivalents.

Total equity increased from US$5,531 million at December 31, 2023 to US$5,844 million at December 31, 2024, notwithstanding the dividend distributed to the shareholders of US$150 million and the Company's cumulative share repurchase amount of US$102 million in relation to:

- The share repurchase program (the 'Structural Buyback') effective from March 1, 2024, which was fully completed end of 2024 for a total amount of c. US$70 million. The objective of this program was to reduce the Company's share capital. Therefore, all shares purchased have been cancelled at the end of 2024. and;

- The additional share repurchase program (the 'Incremental Buyback') effective from August 8, 2024, which is expected to be completed by end of April 2025 for a total amount of c. US$71 million. The objective of this program is to reduce share capital and, in addition, provide shares for regular management and employee share programs.

The increase mainly resulted from (i) the positive result over the current period, (ii) the positive impact of the Sonangol transaction on foreign currency translation reserves and non-controlling interests with the entity being now fully consolidated, (iii) the gain recognized in retained earnings from the 13.5% divestment to CMFL completed in October 2024, and (iv) capital contributions from non-controlling interests in special purpose entities, partially offset by (v) the decrease of the hedging reserves and dividends to non-controlling interests.

The movement in the hedging reserve was mainly caused by (i) the decrease in marked-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 increase in the marked-to-market value of interest rate swaps due to increasing US$ market interest rates.

Net debt decreased by US$(611) million to US$8,137 million at year-end 2024. While the Company's net debt was positively impacted by (i) the amount of the net cash proceeds of the sale of FPSO *Liza Destiny* and FPSO *Prosperity* (with a cash consideration of US$1,760 million received, primarily used for the full repayment of the US$1,384 million project financing) and by (ii) the Lease and Operate segment's strong operating cash flow, the Company drew (iii) on project finance facilities for FPSO *ONE GUYANA*, *FPSO Almirante Tamandaré* and *FPSO Alexandre de Gusmão* in order to fund continued investment growth, and (iv) on the construction financing for *FPSO Jaguar*, completed in November 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 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, decreasing its net debt as of December 2024 by US$49 million.

More than a third of the Company's debt as of December 31, 2024 consisted of non-recourse project financing (US$3.6 billion) in special purpose investees. The remainder (US$5.3 billion) comprised (i) borrowings to support the ongoing construction of *FPSO Almirante Tamandaré*, FPSO *ONE GUYANA* and *FPSO* A*lexandre de Gusmão,* which will become non-recourse following project execution finalization and release of the related parent company guarantee, (ii) the project loan for *FPSO Jaguar* which will be repaid following completion of construction, (iii) the Company's RCF, which was drawn for US$500 million as at December 31, 2024, and (iv) the US$89 million Revolving Credit Facility for MPF hull financing. Cash and cash equivalents amounted to US$806 million (December 31, 2023: US$543 million). Lease liabilities totaled US$93 million as of December 31, 2024.

Total assets remain stable at US$17.2 billion as of December 31, 2024, compared with US$17.2 billion at year-end 2023. This primarily resulted from (i) the decrease of finance lease receivables following the sale of FPSO *Liza Destiny* and FPSO *Prosperity* during the current period, and (ii) a reduction of the gross amount of finance lease receivables in line with the repayment schedules, offset by (iii) the increase of contract assets and receivables related to the FPSO projects under construction at the end of the year, and (iv) 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 during the period compared to the net equity investment recognized in the prior year.

## 4.1.4 FINANCIAL REVIEW DIRECTIONAL

| in US$ million | FY 2024 | FY 2023 |
|---|---|---|
| **Directional Revenue** | **6,111** | **4,532** |
| Directional Lease and Operate revenue | 2,369 | 1,954 |
| Directional Turnkey revenue | 3,743 | 2,578 |
| **Directional EBITDA** | **1,896** | **1,319** |
| Directional Lease and Operate EBITDA | 1,261 | 1,124 |
| Directional Turnkey EBITDA | 724 | 296 |
| Other | (89) | (101) |
| **Directional Profit/(loss) attributable to shareholders** | **907** | **524** |

| in US$ billion | FY 2024 | FY 2023 |
|---|---|---|
| Pro-forma Directional backlog | 35.1 | 30.3 |

### BACKLOG – DIRECTIONAL

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.

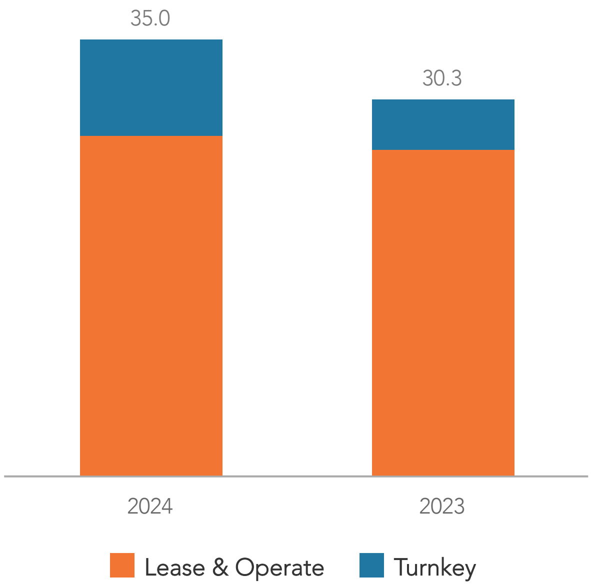
The pro-forma Directional backlog at the end of 2024 reflects the following key assumptions:

- The FPSO *ONE GUYANA* contract covers a maximum period of lease of two years, within which the FPSO ownership will transfer to the client. The impact of the subsequent sale is reflected in the Turnkey backlog.
- 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 and Maintenance Enabling Agreement ('OMEA') in 2023. For *FPSO Jaguar*, the proforma 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 *GranMorgu FPSO* contract awarded to the Company in November 2024 covers the construction period within which the FPSO ownership will transfer to the client and is reported in the Turnkey backlog.
- The FSO Trion contract awarded to the Company in August 2024 is considered for 20 years in lease and operate contracts at the Company ownership share at year-end (100%).
- The transaction with MISC Berhad related to the *FPSO Espirito Santo* and *FPSO Kikeh* announced on September 6, 2024, and completed on January 31, 2025, has been reflected in the pro-forma Directional backlog.

The pro-forma Directional backlog at December 31, 2024 increased by US$4.8 billion compared with the position at December 31, 2023, to a total of US$35.1 billion. This was mainly the result of (i) the *FPSO Jaguar* contract awarded in April 2024, (ii) the FSO Trion contract awarded in August 2024, and (iii) the *GranMorgu FPSO* contract awarded in November 2024, partially offset by (iv) turnover for the period which consumed approximately US$6.1 billion of backlog (including the sale of FPSO *Prosperity* completed in November 2024 and the sale of FPSO *Liza Destiny* completed in December 2024, in advance of the initial lease terms which were respectively in November 2026 and in December 2029), and (v) the 13.5% divestment to CMFL completed in October 2024, which was not reflected in the pro-forma Directional backlog end of 2023. The Company's backlog provides cash flow visibility up to 2050.

| in billions of US$ | Turnkey | Lease & Operate | Total |
|---|---|---|---|
| 2025 | 2.6 | 2.3 | 4.9 |
| 2026 | 1.6 | 2.6 | 4.2 |
| 2027 | 3.3 | 2.1 | 5.4 |
| Beyond 2028 | 0.2 | 20.3 | 20.5 |
| **Total pro-forma Directional backlog** | **7.7** | **27.3** | **35.1** |

Pro-forma Directional backlog (in billions of US$)




## PROFITABILITY – DIRECTIONAL

### Accounting treatment of projects under construction

Under IFRS, the construction of FPSO *ONE GUYANA* contributed to both Turnkey revenue and gross margin over the period. This is because the contract is classified as a finance lease under IFRS 16 and is therefore accounted for as a direct sale. Under Directional Reporting however, FPSO *ONE GUYANA* is qualified as an operating lease, with the lessor-related entities being 100% owned by the Company. 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. FPSO *ONE GUYANA*'s 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 the Directional Lease and Operate segment over the period following its start of production in 2023 and up to its sale, completed in November 2024.

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

With regards to the early exercise of purchase options by the client for FPSOs *Prosperity* and *Liza Destiny*, completed in November and December 2024 respectively, those transactions did not contribute to revenue and margin under IFRS in the current year as finance lease arrangements are treated as direct sales under IFRS and therefore revenue and margin were recognized over time during the construction period for the present value of the future lease payments, which include the contractual sale price. However, under Directional reporting those FPSOs were treated as operating leases. Accordingly, the impacts of the sale of the units were booked as Directional revenue and Directional margin within the Turnkey segment during the period.

With regards to the awarded Sale and Operate contracts for the *FPSO Jaguar* and *GranMorgu FPSO* projects, the full construction revenue and margin will be recognized during the construction period in the same way under IFRS and Directional reporting. These contracts are qualified as a construction contract falling in the scope of IFRS 15 and the FPSO's full ownership is expected to be transferred to the client at the end of the construction period and before start of operations. The operating part of the contracts will be recognized separately during the operation phase.

Under IFRS, the FSO Trion contract is classified as a finance lease, as per IFRS 16, and is therefore accounted for as a direct sale. Therefore, the FSO Trion project will contribute to both Turnkey revenue and gross margin during construction, following the contract award in August 2024. However, under Directional reporting, the FSO Trion is classified as an operating lease where lessor-related entities are 100% owned by the Company. Therefore, under the Company's Directional accounting policy, revenue recognition on this project is as follows:

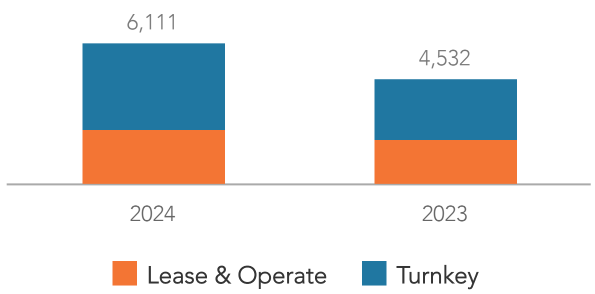
- The Company does not recognize any Directional revenue and Directional margin unless defined invoicing (if any) to the client occurs during the construction phase to cover specific construction work and/or services performed before the commencement of the lease. These upfront payments are recognized as revenues and the costs associated with the related construction work and/or services are recognized as cost of sales with no margin.
- Upon any partial divestment to partners, the Company will book Directional revenue and (once the 'stage of completion' is reached) Directional margin associated with the EPC works to the extent of the portion of the sale to partners in the special purpose entities.

Finally, in October 2024, the Company completed the divestment of a 13.5% ownership interest in the special purpose companies of *FPSO Sepetiba* to CMFL. Under IFRS, the Company will continue to have control over the entities that own *FPSO Sepetiba* after the transaction, through its ownership interest of 51% (64.5% before the transaction). Therefore, under IFRS, this divestment has been accounted for as an equity transaction with no impact on revenue and EBITDA. Under Directional reporting this transaction, which was initiated in 2021 during the construction period of the FPSO, has been recognized in the Turnkey segment during the period, both impacting Directional revenue and EBITDA. At transaction date, the relevant portion of the assets, liabilities and OCI already accounted were derecognized against the recognition of the fair value of the consideration received and the Company recognized revenue and margin associated with the EPC works to the extent of the portion of the sale to partners accordingly. The remaining Directional net gain on sale was recognized in Other Operating income.

### Directional Revenue

Total Directional revenue increased by 35% to US$6,111 million compared with US$4,532 million in 2023. This increase is further detailed by segment as follows:

Directional Revenue (in millions of US$)




Directional Turnkey revenue increased to US$3,743 million, representing 61% of total Directional revenue in 2024. This compares with US$2,578 million, or 57% of total Directional revenue in 2023. This increase was mainly driven by:

- (i) the sale of FPSOs *Prosperity* and *Liza Destiny*, completed respectively in November and December 2024;
- (ii) the progress on awarded contracts for the *FPSO Jaguar* and the *GranMorgu FPSO* projects;
- (iii) the 13.5% divestment to CMFL completed in October 2024; and
- (iv) the increased support to the fleet through brownfield projects;

Partially offset by:

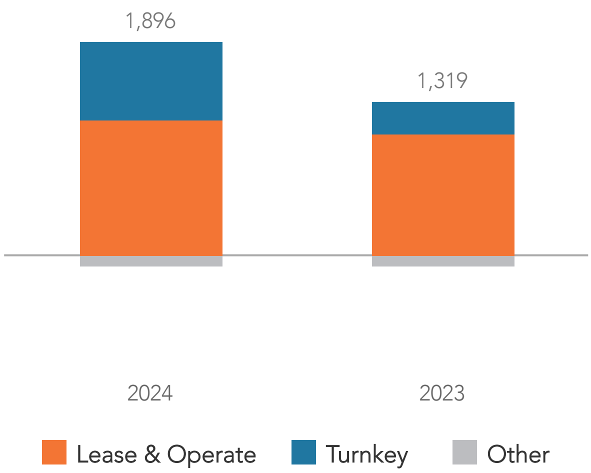
- (v) the sale of FPSO *Liza Unity* which occurred in November 2023;
- (vi) the completion of FPSO *Prosperity* during the last quarter of 2023 and of *FPSO Sepetiba* early January 2024; and
- (vii) a reduced level of progress during 2024 compared with 2023 on *FPSO Almirante Tamandaré* and *FPSO Alexandre de Gusmão* as those projects approached completion during the period.

Directional Lease and Operate revenue came in at US$2,369 million, an increase versus US$1,954 million in the year-ago period. This mainly reflects the following events: (i) FPSO *Prosperity* and *FPSO Sepetiba* joining the fleet upon successful delivery during the last quarter of 2023 and early January 2024 respectively, (ii) the acquisition of interests held by Sonangol related to FPSOs *N'Goma*, *Saxi Batuque* and *Mondo* in June 2024, leading to an increased contribution to Revenue, and (iii) an increase in reimbursable scope on the fleet, partially offset by (iv) reduced revenue on FPSO *Liza Unity* only contributing in 2024 as an operating contract following the purchase of the unit by the client at the end of 2023 (no contribution to lease revenue in 2024).

**Directional EBITDA**

Directional EBITDA amounted to US$1,896 million, representing a 44% increase compared with US$1,319 million in 2023. The variance of Directional EBITDA is further detailed by segment as follows:

Directional EBITDA (in millions of US$)




Directional Turnkey EBITDA increased from US$296 million in the year-ago period to US$724 million in the current year. The key factors impacting Directional Turnkey EBITDA are:

- (i) the sale of FPSOs *Prosperity* and *Liza Destiny* (completed in November and December 2024 respectively with recognition of associated margin on the sale of the assets);
- (ii) the 13.5% divestment to CMFL completed in October 2024. The Company recognized revenue and margin associated with the EPC works to the extent of the portion of the sale to partners. The remaining net gain on sale was recognised in Other operating income;
- (iii) the increased support to the fleet through brownfield projects;
- (iv) an improved performance in some projects in the portfolio affected in prior years by the historical consequences of the pandemic and pressure on the global supply chain; and
- (v) a reduced investment on Floating Offshore Wind projects following the implementation of Ekwil Joint Venture in partnership with Technip Energies.

Partially offset by:

- (vi) the sale of FPSO *Liza Unity* which occurred in November 2023;
- (vii) the completion of FPSO *Prosperity* during last quarter of 2023 and *FPSO Sepetiba* early January 2024; and
- (viii) a reduced level of progress on *FPSO Almirante Tamandaré* and *FPSO Alexandre de Gusmão* during 2024 as those projects approached completion during the period.

It should be noted that, with respect to the awarded contract for the *GranMorgu FPSO* project which contributed to the Directional revenue during the period, no contribution to Directional 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. With regards to *FPSO Jaguar*, the contribution to Directional EBITDA is limited over the period as the project just reached the requisite 'stage of completion' during the last quarter of 2024. Regarding FSO Trion*,* which is 100% by the Company at year end, despite the increase in activity, a limited contribution to the Directional EBITDA was recognized during the period as the direct payments received during construction and before first oil are recognized as revenue but without contribution to gross margin, in accordance with the Company policy for Directional reporting.

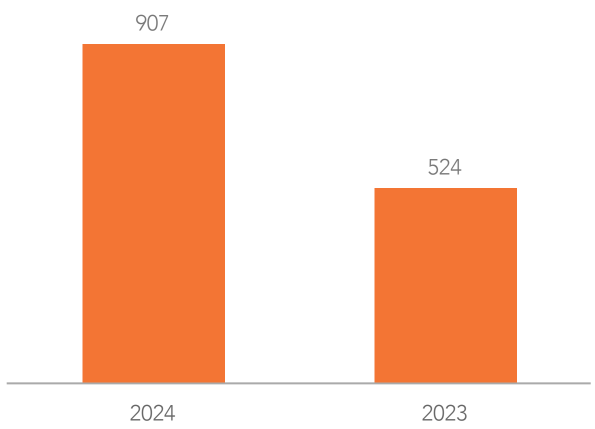
Directional Lease and Operate EBITDA increased from US$1,124 million in the year-ago period to US$1,261 million in the current period. This increase resulted from (i) the same drivers as for the Directional Lease and Operate revenue, (ii) the net gain arising from the acquisition of interests held by Sonangol related to FPSOs *N'Goma*, *Saxi Batuque* and *Mondo* and the divestment in the parent company of the Paenal shipyard in Angola recognized 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) the *N'Goma* dividends, partially offset by (iv) additional non-recurring maintenance costs for the fleet under operation.

Regarding the FPSO *Prosperity* and FPSO *Liza Destiny* sale, where the sale of the assets has ended the associated charter agreement contribution to Directional EBITDA, those vessels will continue to be operated and contribute to Directional Lease and Operate EBITDA in the future, following the OMEA signed with ExxonMobil Guyana in 2023.

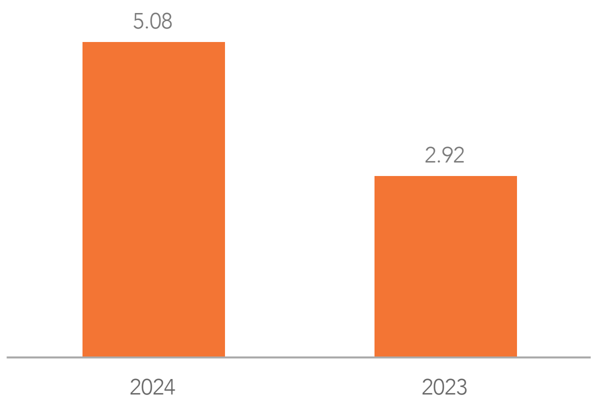
The other non-allocated costs charged to Directional EBITDA amounted to US$(89) million in 2024, a US$(13) million decrease compared with the US$(101) million in the year-ago period, which is mainly explained by the one-off impact of US$11 million of restructuring costs following the implementation of an optimization plan related to the Company's support functions' activities in the year-ago period.

### Directional Net income

Directional Net income (in millions of US$)




Weighted Average Earnings Per Share Directional (in US$)




Directional depreciation, amortization and impairment increased by US$(44) million year-on-year. This primarily resulted from (i) FPSO *Prosperity* and *FPSO Sepetiba* contributing to depreciation for the year of 2024 upon successful delivery during the last quarter of 2023 and early January 2024 respectively, and (ii) a US$39 million impairment on *FPSO Cidade de Anchieta* (refer to note 4.3.13 Property Plant and equipment), partially offset by (iii) FPSO *Liza Unity* no longer contributing to depreciation following purchase of the Unit by the client end of 2023, and (iv) an impairment of a funding loan provided to some equity accounted entities which was recognized in the year-ago period.

Directional net financing costs totaled US$(314) million in 2024, compared with US$(238) million in the year-ago period. This increase of 32% mainly comprised additional interest expense from (i) FPSO *Prosperity* joining the fleet during the last quarter of 2023 up to full repayment of the project loan in November 2024, (ii) *FPSO Sepetiba* joining the fleet in early January 2024, and (iii) the new FPSO construction financing facility for *FPSO Jaguar*, partially offset by (v) lower interest expense on FPSO *Liza Unity* and *Liza Destiny*, following purchase of the units by the client and the full repayment of the project loans at the end of 2023 and end of 2024 respectively, and (vi) the scheduled amortization of project loans for the fleet under operation.

The Directional effective tax rate increased to 10.3% versus 5% in the year-ago period. The increase is primarily driven by the initial recognition of a deferred tax asset on a tax goodwill in Switzerland in prior year.

As a result, the Company recorded a Directional net profit of US$907 million, or US$5.08 per share, a 73% and 74% increase respectively when compared with the Directional net profit of US$524 million, or US$2.92 per share, in the year-ago period.

## STATEMENT OF FINANCIAL POSITION – DIRECTIONAL

| in millions of US$ | 2024 | 2023 |
|---|---|---|
| Directional total equity | 2,002 | 1,448 |
| Directional net debt[1] | 5,719 | 6,654 |
| Directional cash and cash equivalents | 606 | 563 |
| Directional total assets | 10,815 | 11,214 |
| Solvency ratio[2] | 31.9 | 29.9 |

1 Directional net debt is calculated as Directional total borrowings (including lease liabilities) less Directional cash and cash equivalents.

2 Solvency ratio is calculated in accordance with the definition provided in section 4.3.23 Borrowings and lease liabilities - Covenants

Directional shareholders' equity increased by US$554 million from US$1,448 million at year-end 2023 to US$2,002 million at year-end 2024, notwithstanding the dividend distributed to the shareholders of US$150 million and the Company's cumulative share repurchase amount of US$102 million in relation to:

- The share repurchase program (the 'Structural Buyback') effective from March 1, 2024, which has been fully completed end of 2024 for a total amount of c. US$70 million. The objective of this program was to reduce the Company's share capital. Therefore, all shares purchased have been cancelled end of 2024;
- The additional share repurchase program (the 'Incremental Buyback') effective from August 8, 2024, which is expected to be completed by end of April 2025 for a total amount of c. US$70 million. The objective of this program is to reduce share capital and, in addition, provide shares for regular management and employee share programs.

The increase mainly resulted from (i) the positive result over the current period, and (ii) the positive impact of the Sonangol transaction on foreign currency translation reserves, partially offset by (v) the decrease of the hedging reserves.

The movement in hedging reserve was mainly caused by (i) the decrease in marked-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 increase in the marked-to-market value of interest rate swaps due to increasing US$ market interest rates.

It should be noted that under Directional policy, historically the contribution to profit and equity of the FPSOs program under construction has mainly materialized in the operating phase at the Company's share of ownership in lessor-related SPVs, in line with the generation of associated operating cash flows. With regards to the *FPSO Jaguar* and *GranMorgu FPSO* which, contrary to the other FPSOs under construction, are classified as construction contracts falling solely in the scope of IFRS 15, their contribution to profit and equity will largely materialize in the coming years during the construction period.

Directional net debt decreased by US$(936) million to US$5,719 million at year-end 2024. The Company's Directional net debt was positively impacted by (i) the amount of the net cash proceeds of the sale of FPSO *Liza Destiny* and FPSO *Prosperity* (with a cash consideration of US$1,760 million received, primarily used for the full repayment of the US$1,384 million project financing), and (ii) the Lease and Operate segment's strong operating cash flow. Offsetting this, the Company (i) drew on project finance facilities for FPSO *ONE GUYANA*, *FPSO Almirante Tamandaré, FPSO Alexandre de Gusmão* in order to fund continued investment growth and (ii) on the construction financing for *FPSO Jaguar*, completed in November 2024.

More than a third of the Company's Directional debt, as of December 31, 2024, consisted of non-recourse project financing (US$2.2 billion) in special purpose investees. The remainder (US$4 billion) comprised (i) borrowings to support the on-going construction of *FPSO Almirante Tamandaré*, FPSO *ONE GUYANA* and *FPSO Alexandre de Gusmão* which will become non-recourse following project execution finalization and release of the related parent company guarantee, (ii) the project loan for FPSO *Jaguar* which will be repaid following completion of construction, (iii) the Company's RCF, which was drawn for US$500 million as at December 31, 2024, and (iii) the US$89 million Revolving Credit Facility for MPF hull financing. Directional cash and cash equivalents amounted to US$606 million (December 31, 2023: US$563 million) and lease liabilities totaled US$93 million (December 31, 2023: US$85 million).

Directional net debt is reconciled to IFRS figures as follows:

| | Notes | 31 December 2024 | 31 December 2023 |
|---|---|---|---|
| Total borrowings and lease liabilities | 4.3.23 | 8,943 | 9,291 |
| Less: Cash and cash equivalents | 4.3.21 | (806) | (543) |
| **Net debt** | 4.3.27 | **8,137** | **8,748** |
| Impact of lease accounting treatment | 4.3.2 | - | - |
| Impact of consolidation methods | 4.3.2 | (2,418) | (2,094) |
| **Directional net debt** | | **5,719** | **6,654** |

Directional total assets decreased to US$10.8 billion as at December 31, 2024, compared with US$11.2 billion at year-end 2023, following (i) investments in property, plant and equipment for FPSOs under construction, (ii) the recognition of additional shares in assets from the lease and operating entities in Angola, following the acquisition of shares of Sonangol EP, and (iii) increase of contract assets and receivables related to the FPSO projects under construction at the end of the year, more than offset by (iv) the derecognition of investments in property, plant and equipment for FPSO *Liza Destiny* and FPSO *Prosperity*, following their sale to the client and recognition of associated net cash proceeds.

The relevant covenants (solvency ratio and interest cover ratio) applicable for the Company's RCF, drawn for c. US$500 million as at year-end 2024, and the Revolving Credit Facility for MPF hull financing, drawn for c. US$89 million as at year-end 2024, were all met at December 31, 2024. For more detailed information on covenants, please refer to section 4.3.23 Borrowings and Lease Liabilities. In line with previous years, the Company had no off-balance sheet financing.

The Company's Directional financial position has remained strong as a result of the cash flow generated by the fleet, as well as the positive contribution of the turnkey activities.

## CASH FLOW / LIQUIDITIES – DIRECTIONAL

Directional cash and undrawn committed credit facilities amount to US$2,639 million at December 31, 2024, of which US$1,533 million is considered as pledged to specific project debt-servicing related to FPSO *ONE GUYANA*, *FPSO Alexandre de Gusmão*, FPSO *Prosperity* and *FPSO Jaguar,* or otherwise restricted in its utilization.

The consolidated cash flow statement under Directional reporting is as follows:

| in millions of US$ | 2024 | 2023 |
|---|---|---|
| **Directional EBITDA** | **1,896** | **1,319** |
| Adjustments for non-cash and investing items | | |
| Directional Addition/(release) provision | 23 | 51 |
| Directional Effect of disposal of property, plant and equipment | 1,112 | 902 |
| Directional (Gain) / loss on acquisition of shares in investees | (74) | (0) |
| Directional Share-based payments | 21 | 20 |
| Changes in operating assets and liabilities | | |
| Directional (Increase)/Decrease in operating receivables | (1,181) | (211) |
| Directional Movement in contract assets | 124 | (153) |
| Directional (Increase)/Decrease in inventories | (26) | (124) |
| Directional Increase/(Decrease) in operating liabilities | 773 | (84) |
| Directional Income taxes paid | (178) | (104) |
| **Directional Net cash flows from (used in) operating activities** | **2,492** | **1,616** |
| Directional Capital expenditures | (937) | (1,658) |
| Directional (Addition) / repayments of funding loans | (4) | (4) |
| Directional Cash flows from changes in interests of subsidiaries | 1 | 0 |
| Directional Cash receipts from sale of investments in joint ventures | 57 | (0) |
| Directional Other investing activities | 27 | 23 |
| **Directional Net cash flows from (used in) investing activities** | **(858)** | **(1,639)** |
| Directional Additions and repayments of borrowings and lease liabilities | (969) | 287 |
| Directional Dividends paid to shareholders | (154) | (197) |
| Directional Share repurchase program | (102) | (5) |
| Directional Payments from/to non-controlling interests for change in ownership | - | (21) |
| Directional Proceeds from settlement of interest rate swaps | - | 154 |
| Directional Interest paid | (327) | (248) |
| **Directional Net cash flows from (used in) financing activities** | **(1,552)** | **(29)** |
| Directional Foreign currency variations | (3) | 0 |
| **Directional Net increase/(decrease) in cash and cash equivalents** | **79** | **(52)** |

The Company generated strong Directional operating cash flows mainly as a result of the cash flow from the fleet under operations, the positive turnkey cash flows benefiting from client's milestone payments on FPSO projects and the proceeds received from FPSO *Liza Destiny* and FPSO *Prosperity* sale.

Cash generated from the strong Directional operating cash flows and drawdowns on project and construction financings, together with some of the Company's existing cash, was primarily used to:

- Invest in the five FPSOs under construction over the period and the Fast4Ward® new build multi-purpose hulls;
- Repayment of the project loan following the FPSO *Liza Destiny* and FPSO *Prosperity* sale;
- Return funds to shareholders through dividends and share repurchase programs; and
- Service the Company's non-recourse debt and interest in accordance with the respective repayment schedules.

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$40 million, which is reported as investing activity within the Directional cash flow statement.

With regards to the 13.5% divestment to CMFL, completed in October 2024, the cash proceeds from the transaction net of cash transferred are reported in investing activity within the Directional cash flow statement for an amount of US$45 million.

As a result, Directional cash and cash equivalents increased from US$563 million at year-end 2023 to US$606 million at year-end 2024.

### 4.1.5 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 analyzes 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 4.3.2 Operating Segments and Directional Reporting.

APMs may be viewed under the following two categories:

1. **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 |
|---|---|---|
| *Operating profit/(loss) (EBIT)* | Earnings before interest and tax.<br><br>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 earnings trend. |
| *EBITDA* | Earnings before interest, tax, depreciation and amortization.<br><br>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. |
| *Net debt* | Net debt is calculated as total borrowings (including lease liabilities) less cash and cash equivalents.<br><br>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. |
| *Directional EBIT* | EBIT calculation based on Directional reporting instead of IFRS. Refer to 4.3.2 Operating Segments and Directional Reporting for further detail. | Used to monitor earnings trend based on Directional reporting, as monitored by the Management Board. |
| *Directional EBITDA* | EBITDA calculation based on Directional reporting instead of IFRS. Refer to 4.3.2 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. |
| *Directional net debt* | Net debt calculation based on Directional reporting instead of IFRS. Refer to 4.3.2 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 | FY 2024 | FY 2023 |
|---|---|---|---|
| **Profit/(loss)** | | **211** | **614** |
| Add: Income tax expense | 4.3.10 | 73 | (25) |
| **Profit/(loss) before tax** | | **284** | **589** |
| Less: Share of profit/(loss) of equity accounted investees | | (19) | (19) |
| Add: Net financing costs | 4.3.9 | 663 | 575 |
| **Operating profit/(loss) (EBIT)** | | **929** | **1,146** |
| Add: Depreciation, amortization and impairment | | 113 | 94 |
| **EBITDA** | | **1,041** | **1,239** |

Directional EBIT and Directional EBITDA are reconciled in this report in note 4.3.2 Operating Segments and Directional Reporting.

Directional net debt and net debt are reconciled as follows:

| | Notes | FY 2024 | FY 2023 |
|---|---|---|---|
| Total Borrowings and lease liabilities | 4.3.23 | 8,943 | 9,291 |
| Less: Cash and cash equivalents | | (806) | (543) |
| **Net debt** | | **8,137** | **8,748** |
| Impact of lease accounting treatment | 4.3.2 | - | - |
| Impact of consolidation methods | 4.3.2 | (2,418) | (2,092) |
| **Directional net debt** | | **5,719** | **6,654** |

2. **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 |
|---|---|---|
| *Pro-forma Directional backlog* | Represents a pro-forma view of the outstanding performance obligations to its clients on awarded contracts under Directional reporting.<br><br>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.<br><br>As a forecast measure, it is not reconcilable to the consolidated financial statements. | A key performance indicator used to monitor the Company's future earnings trend according to Directional reporting measures. |
| *Pro-forma Directional net cash backlog* | Reflects a pro-forma management view of the foreseeable net cash flows related to the pro-forma Directional backlog, after contingency, direct overheads, tax and debt service.<br><br>As a forecast measure, it is not reconcilable to the consolidated financial statements. | A key performance indicator used to monitor the Company's future cash flow and liquidity risk according to Directional reporting measures. |

## 4.1.6 OUTLOOK AND GUIDANCE

The Company's 2025 Directional revenue guidance is above US$4.9 billion, of which above US$2.2 billion is expected from the Lease and Operate segment and around US$2.7 billion from the Turnkey segment.

2025 Directional EBITDA guidance is around US$1.55 billion for the Company.

## 4.2 CONSOLIDATED FINANCIAL STATEMENTS

### 4.2.1 CONSOLIDATED INCOME STATEMENT

| in millions of US$ | Notes | 2024 | 2023 |
|---|---|---|---|
| Revenue from contracts with customers | | 4,127 | 4,452 |
| Interest revenue from finance lease calculated using the effective interest method | | 657 | 510 |
| **Total revenue** | *4.3.2/4.3.3* | **4,784** | **4,963** |
| Cost of sales | *4.3.5* | (3,652) | (3,543) |
| **Gross margin** | | **1,132** | **1,420** |
| Other operating income/(expense) | *4.3.4/4.3.5* | 29 | (11) |
| Selling and marketing expenses | *4.3.5* | (23) | (22) |
| General and administrative expenses | *4.3.5* | (162) | (183) |
| Research and development expenses | *4.3.5/4.3.7* | (40) | (37) |
| Net impairment gains/(losses) on financial and contract assets | *4.3.8* | (6) | (21) |
| **Operating profit/(loss) (EBIT)** | | **928** | **1,145** |
| Financial income | *4.3.9* | 26 | 25 |
| Financial expenses | *4.3.9* | (690) | (601) |
| **Net financing costs** | | **(663)** | **(575)** |
| Share of profit/(loss) of equity-accounted investees | *4.3.29* | 19 | 19 |
| **Profit/(loss) before income tax** | | **283** | **589** |
| Income tax expense | *4.3.10* | (73) | 25 |
| **Profit/(loss)** | | **211** | **614** |
| | | | |
| Attributable to shareholders of the parent company | | 150 | 491 |
| Attributable to non-controlling interests | *4.3.31* | 61 | 123 |
| **Profit/(loss)** | | **211** | **614** |

**Earnings/(loss) per share**

| | Notes | 2024 | 2023 |
|---|---|---|---|
| Weighted average number of shares outstanding | *4.3.11* | 178,649,722 | 179,235,116 |
| Basic earnings/(loss) per share in US$ | *4.3.11* | 0.84 | 2.74 |
| Fully diluted earnings/(loss) per share in US$ | *4.3.11* | 0.83 | 2.70 |

## 4.2.2 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| in millions of US$ | 2024 | 2023 |
|---|---|---|
| **Profit/(loss) for the period** | **211** | **614** |
| Cash flow hedges | (96) | 62 |
| Deferred tax on cash flow hedges | 14 | (57) |
| Foreign currency variations | 35 | (2) |
| **Items that are or may be reclassified to profit or loss** | **(48)** | **4** |
| Remeasurements of defined benefit liabilities | 0 | (4) |
| **Items that will never be reclassified to profit or loss** | **0** | **(4)** |
| **Other comprehensive income/(expense) for the period, net of tax** | **(47)** | **1** |
| **Total comprehensive income/(expense) for the period, net of tax** | **163** | **615** |
| Of which | | |
| - on controlled entities | 145 | 599 |
| - on equity-accounted entities | 18 | 15 |
| Attributable to shareholders of the parent company | 52 | 509 |
| Attributable to non-controlling interests | 111 | 106 |
| **Total comprehensive income/(expense) for the period, net of tax** | **163** | **615** |

## 4.2.3 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| in millions of US$ | Notes | 31 December 2024 | 31 December 2023 |
|---|---|---|---|
| **ASSETS** | | | |
| Property, plant and equipment | 4.3.13 | 266 | 384 |
| Intangible assets | 4.3.14 | 176 | 153 |
| Investment in associates and joint ventures | 4.3.29 | 21 | 288 |
| Finance lease receivables | 4.3.15 | 6,142 | 6,276 |
| Other financial assets | 4.3.16 | 136 | 151 |
| Deferred tax assets | 4.3.17 | 311 | 247 |
| Derivative financial instruments | 4.3.20 | 305 | 258 |
| **Total non-current assets** | | **7,358** | **7,757** |
| Inventories | 4.3.18 | 37 | 149 |
| Finance lease receivables | 4.3.15 | 516 | 526 |
| Trade and other receivables | 4.3.19 | 1,438 | 901 |
| Income tax receivables | | 9 | 7 |
| Contract assets | 4.3.3 | 6,809 | 7,134 |
| Derivative financial instruments | 4.3.20 | 124 | 158 |
| Cash and cash equivalents | 4.3.21 | 806 | 543 |
| Assets held for sale | 4.3.29 | 60 | - |
| **Total current assets** | | **9,799** | **9,419** |
| **TOTAL ASSETS** | | **17,157** | **17,176** |
| **EQUITY AND LIABILITIES** | | | |
| Issued share capital | | 46 | 50 |
| Share premium reserve | | 1,007 | 1,007 |
| Treasury shares | | (31) | (26) |
| Retained earnings | | 2,489 | 2,478 |
| Other reserves | | 108 | 224 |
| **Equity attributable to shareholders of the parent company** | 4.3.22 | **3,619** | **3,733** |
| Non-controlling interests | 4.3.31 | 2,225 | 1,797 |
| **Total Equity** | | **5,844** | **5,531** |
| Borrowings and lease liabilities | 4.3.22 | 7,714 | 8,186 |
| Provisions | 4.3.24 | 380 | 383 |
| Deferred tax liabilities | 4.3.17 | 178 | 173 |
| Derivative financial instruments | 4.3.20 | 64 | 8 |
| Other non-current liabilities | 4.3.25 | 89 | 95 |
| **Total non-current liabilities** | | **8,425** | **8,845** |
| Borrowings and lease liabilities | 4.3.22 | 1,229 | 1,105 |
| Provisions | 4.3.24 | 185 | 203 |
| Trade and other payables | 4.3.25 | 1,216 | 1,347 |
| Income tax payables | | 55 | 57 |
| Derivative financial instruments | 4.3.20 | 201 | 89 |
| **Total current liabilities** | | **2,887** | **2,800** |
| **TOTAL EQUITY AND LIABILITIES** | | **17,157** | **17,176** |

## 4.2.4 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| 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 | | - | - | - | 150 | - | **150** | 61 | **211** |
| Foreign currency translation | | (3) | - | 2 | 0 | 34 | **33** | 2 | **35** |
| Remeasurements of defined benefit provisions | | - | - | - | - | 0 | **0** | - | **0** |
| Cash flow hedges | | - | - | - | - | (153) | **(153)** | 57 | **(96)** |
| Deferred tax on cash flow hedges | | - | - | - | - | 22 | **22** | (8) | **14** |
| **Total comprehensive income for the period** | | **(3)** | **-** | **2** | **150** | **(97)** | **52** | **111** | **163** |
| IFRS 2 vesting cost of share-based payments | | - | - | - | - | 21 | **21** | - | **21** |
| Re-issuance treasury shares on the share-based scheme | | (0) | - | 25 | 0 | (19) | **5** | - | **5** |
| Purchase of treasury shares | | - | - | (102) | - | - | **(102)** | - | **(102)** |
| Share cancellation | *4.3.22* | (1) | - | 70 | (69) | - | **0** | - | **0** |
| Cash dividend | | - | - | - | (150) | - | **(150)** | (99) | **(249)** |
| Acquisition of subsidiaries | *4.3.30 / 4.3.31* | - | - | - | - | - | **-** | 178 | **178** |
| Transaction with non-controlling interests | *4.3.25 / 4.3.30* | - | - | - | 82 | (21) | **61** | 238 | **299** |
| **At 31 December 2024** | | **46** | **1,007** | **(31)** | **2,489** | **108** | **3,619** | **2,225** | **5,844** |

| 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 | | - | - | - | 491 | - | **491** | 123 | **614** |
| Foreign currency translation | | 2 | - | (1) | - | (2) | **(1)** | (1) | **(2)** |
| Remeasurements of defined benefit provisions | | - | - | - | - | (4) | **(4)** | - | **(4)** |
| Cash flow hedges | | - | - | - | - | 68 | **68** | (5) | **62** |
| Deferred tax on cash flow hedges | | - | - | - | - | (45) | **(45)** | (12) | **(57)** |
| **Total comprehensive income for the period** | | **2** | **-** | **(1)** | **491** | **17** | **509** | **106** | **615** |
| IFRS 2 vesting cost of share-based payments | | - | - | - | - | 20 | **20** | - | **20** |
| Re-issuance treasury shares on the share-based scheme | | - | - | 21 | (2) | (16) | **4** | - | **4** |
| Purchase of treasury shares | | - | - | (5) | - | - | **(5)** | - | **(5)** |
| Cash dividend | | - | - | - | (197) | - | **(197)** | (81) | **(278)** |
| Transaction with non-controlling interests | *4.3.31* | - | - | - | 6 | - | **6** | 255 | **261** |
| **At 31 December 2023** | | 50 | 1,007 | (26) | 2,478 | 224 | **3,733** | 1,797 | **5,531** |

## 4.2.5 CONSOLIDATED CASH FLOW STATEMENT

| in millions of US$ | Notes | 2024 | 2023 |
|---|---|---|---|
| **Cash flow from operating activities** | | | |
| **Profit/(loss) before income tax** | | **283** | **589** |
| **Adjustments to reconcile profit before taxation to net cash flows:** | | | |
| Depreciation and amortization | | 70 | 65 |
| Impairment | | 43 | 31 |
| Net financing costs | | 659 | 573 |
| Share net income of associates and joint ventures | | (19) | (19) |
| Share-based compensation | | 21 | 20 |
| Other adjustments for non-cash items | *4.3.30* | (49) | - |
| Gain on disposal of equity-accounted investees | | 22 | - |
| Net (gain)/loss on sale of property, plant and equipment | | 1 | (0) |
| (Increase)/Decrease in working capital: | | | |
| - (Increase)/decrease trade and other receivables | | 161 | (58) |
| - (Increase)/decrease contract assets | | (1,419) | (2,774) |
| - (Increase)/decrease inventories | | (26) | (124) |
| - Increase/(decrease) trade and other payables | | (469) | (226) |
| Increase/(decrease) other provisions | | 4 | 112 |
| Reimbursement finance lease assets | | 2,378 | 1,743 |
| Income taxes paid | | (178) | (101) |
| **Net cash flows from (used in) operating activities** | | **1,482** | **(169)** |
| **Cash flow from investing activities** | | | |
| Acquisition of subsidiaries, net of cash acquired | | 179 | - |
| Investment in property, plant and equipment | | (79) | (128) |
| Investment in intangible assets | *4.3.14* | (37) | (45) |
| Additions to funding loans | *4.3.16* | (5) | (11) |
| Redemption of funding loans | *4.3.16* | 0 | 1 |
| Interest received | | 26 | 24 |
| Dividends received from equity-accounted investees | | 0 | 17 |
| Proceeds from disposal of property, plant and equipment | *4.3.13* | 0 | 0 |
| Disposal of interests in equity-accounted investees | | 12 | - |
| Purchase of interests in equity-accounted investees | | (6) | (1) |
| **Net cash flows from (used in) investing activities** | | **92** | **(142)** |
| **Cash flow from financing activities** | | | |
| Equity funding from/repayment to non-controlling interests | *4.3.30* | 196 | 235 |
| Additions to borrowings and loans | *4.3.23* | 2,151 | 3,440 |
| Repayments of borrowings and lease liabilities | *4.3.23* | (3,000) | (2,988) |
| Dividends paid to shareholders and non-controlling interests | | (249) | (279) |
| Payments from/to non-controlling interests for change in ownership | *4.3.30* | 53 | (21) |
| Share repurchase program | | (102) | (5) |
| Proceeds from settlement of interest rate swaps | *4.3.20* | - | 154 |
| Interest paid | | (356) | (366) |
| **Net cash flows from (used in) financing activities** | | **(1,307)** | **170** |
| **Net increase/(decrease) in cash and cash equivalents** | | **267** | **(141)** |
| | | | |
| Net cash and cash equivalents as at 1 January | | 543 | 683 |
| Net increase/(decrease) in net cash and cash equivalents | | 267 | (141) |
| Foreign currency variations | | (4) | 1 |
| **Net cash and cash equivalents as at 31 December** | | **806** | **543** |

As at December 31, 2024 and December 31, 2023, no differences arise between net cash and cash equivalents and the corresponding amounts in the statement of financial position.

## 4.2.6 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, 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 offshore oil and gas industry and broader offshore infrastructure sector.

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

The consolidated financial statements for the year ended December 31, 2024 comprise the 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 consolidated financial statements were authorized for issue by the Supervisory Board on February 19, 2025.

## 4.2.7 ACCOUNTING PRINCIPLES

### A. ACCOUNTING FRAMEWORK

The consolidated financial statements of the Company have been prepared in accordance with, and comply with, International Financial Reporting Standards ('IFRS') and interpretations adopted by the European Union, which were effective for the financial year beginning January 1, 2024, and also comply with the financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code.

The Company financial statements included in section 4.4 are part of the 2024 financial statements of SBM Offshore N.V.

**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 December 31, 2024, no balances resulting from this type of facility are outstanding. Information on the Supply Chain Financing facility secured by the Company is included in note 4.3.23 Borrowings and Lease Liabilities.

**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 consolidated financial statements of the Company.

**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 consolidated financial statements of the Company.

### Standards and Interpretations not mandatorily applicable to the Company as of January 1, 2024

**Standards and amendments published by the IASB and endorsed by the European Union**
The following standards and amendments published by the IASB and endorsed by the European Union are not mandatorily applicable as of January 1, 2024:
- Amendments to IAS 21 – 'Lack of Exchangeability'.

The Company does not expect a material impact on the financial statements due to the adoption of this amendment.

**Standards and amendments published by the IASB and not yet endorsed by the European Union**
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 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.*
- Amendments to IFRS 9 and IFRS 7 – '*Contracts Referencing Nature-dependent Electricity*';

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

## B. CRITICAL ACCOUNTING POLICIES

Critical accounting policies that involve a high degree of judgment or complexity, or areas where assumptions and estimates are material, are disclosed in the paragraphs below.

### (a) Use of estimates and judgment

When preparing the financial statements, it is necessary for the Management 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 continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable.

**Estimates:**
Significant areas of estimation and uncertainty in applying accounting policies that have the most significant impact on amounts recognized in the financial statements are:

*The measurement and recognition of revenues on construction contracts based on the input method:*
Revenue of the Company is measured and recognized, based on the input method (i.e. costs incurred). Costs and revenue at completion are reviewed periodically throughout the life of the contract. This requires a large number of estimates, especially of the total expected costs at completion, due to the complex nature of the Company's construction contracts. Judgment is also required for the accounting of contract modifications and claims from clients where negotiations or discussions are at a sufficiently advanced stage. Costs and revenue (and the resulting gross margin) at completion reflect, at each reporting period, the Management's current best estimate of the probable future benefits and obligations associated with the contract. The policy for measurement of transaction price, including variable considerations (i.e. claims, performance-based incentives), is included below in the point (d) Revenue.

In case a contract meets the definition of an onerous contract as per IAS 37, provisions for anticipated losses are made in full in the period in which they become known.

*Impairments:*
Assumptions and estimates used in the discounted cash-flow model and the adjusted net-present-value model to determine the value in use of assets, or group of assets (e.g. discount rates, residual values and business plans), are subject to uncertainty. There is a possibility that changes in circumstances or in market conditions could impact the recoverable amount of the asset or group of assets.

*The anticipated useful life of the leased facilities under an operating lease:*
Management uses its experience to estimate the remaining useful life of an asset. The actual useful life of an asset may be impacted by an unexpected event that may result in an adjustment to the carrying amount of the asset.

*Uncertain income tax treatment:*
The Company is subject to income taxes in multiple jurisdictions. Significant judgment is required in determining the Company's overall income tax liability. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company takes into account the following considerations when determining the liabilities related to uncertain income tax treatment:
- When necessary, the Company engages with local tax advisers, which provide advice on the expected view of tax authorities on the treatment of judgmental areas of income tax;
- The Company considers any changes in tax legislation, and knowledge built based on prior cases, to make an estimate/judgment on whether or not to provide for any tax payable; and
- The Company takes into account any dispute resolutions, case law and discussions between peer companies and the tax authorities on similar cases over an uncertain tax treatment.

The Company consistently monitors each issue around uncertain income tax treatments across the group in order to ensure that the Company applies sufficient judgment to the resolution of tax disputes that might arise from examination of the Company's tax position by relevant tax authorities.

The Company recognizes liabilities for anticipated tax audit issues, based on estimates of whether additional taxes will be due. The income tax liabilities include any penalties and interest that could be associated with a tax audit issue. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will influence the income tax and deferred tax provisions in the period in which such determination is made.

*The Company's exposure to litigation and non-compliance:*
The Company identifies and provides analysis on a regular basis of current litigation and measures, when necessary, provisions based on its best estimate of the expenditure required to settle the obligations, taking into account information available and different possible outcomes at the reporting date.

*The warranty provision:*
A warranty provision is accrued during the construction phase of projects, based on historical warranty expenditure per product type. At the completion of a project, a warranty provision (depending on the nature of the project) is therefore provided for and reported as provision in the statement of financial position. Following the acceptance of a project, the warranty provision is released over the warranty period. For some specific claims formally notified by the customer and which can be reliably estimated, an amount is provided in full and without discounting. An overall review of the warranty provision

is performed by Management at each reporting date. Nevertheless, considering the specificity of each asset, actual warranty expenditures could vary significantly from one project to another and therefore differ materially from initial statistical warranty provision provided at the completion of a said project.

*The timing and estimated cost of demobilization:*
The estimated future costs of demobilization are reviewed on a regular basis and adjusted when appropriate. Nevertheless, considering the long-term expiry date of the obligations, these costs are subject to uncertainty. Cost estimates can vary in response to many factors, including, for example, new demobilization techniques, the Company's own experience on demobilization operations, future changes in laws and regulations, and the timing of demobilization operations.

Estimates and assumptions made in determining these obligations can therefore lead to significant adjustments to the future financial results. Nevertheless, the cost of demobilization obligations at the reporting date represents Management's best estimate of the present value of the future costs required.

*Significant estimates and judgments in the context of current economic and geopolitical environment*
The 2024 financial year was impacted by commodity price volatility, inflation and variability of interest rates and energy prices that continued to generate current economic and geopolitical uncertainty and volatility. Accordingly, the Company reassessed its significant estimates and judgments. The following main areas identified by the Company as potentially affected by the current global circumstances are:
- Key assumptions used in the impairment test of assets, or group of assets;
- Expected credit losses; and
- Additional costs in order to satisfy the performance obligations on some of the construction contracts, mainly due to pressure on the global supply chain and a general increase in global inflation.

The impact of the current economic and geopolitical environment on the impairment of the tangible assets is disclosed in note4.3.13 Property, Plant and Equipment. Regarding the Company's considerations for estimation of expected credit losses, refer to note 4.3.8 Net Impairment Gains/(Losses) on Financial and Contract Assets. In relation to the impact of additional costs incurred due to these current macroeconomic circumstances when satisfying the Company's performance obligations, refer to note4.3.3 Revenue.

Following the assessments, the Company does not expect any significant impact in other areas.

**Judgments:**
In addition to the above estimates, the Management exercises the following judgments:

*Lease classification as Lessor:*
When the Company enters into a new lease arrangement, the terms and conditions of the contract are analyzed in order to assess whether or not the Company retains the significant risks and rewards of ownership of the asset subject of the lease contract. To identify whether risks and rewards are retained, the Company systematically considers, among others, all the examples and indicators listed by IFRS 16.63, on a contract-by-contract basis. By performing such an analysis, the Company makes a significant judgment to determine whether the arrangement results in a finance lease or an operating lease. This judgment can have a significant effect on the amounts recognized in the consolidated financial statements and its recognition of profits in the future. The most important judgmental areas assessed by the Company are (i) determination of the fair value, (ii) determination of the useful life of the asset, (iii) the highly specialized nature of an FPSO constructed on behalf of the client and (iv) the probability of the client exercising the purchase or termination option (if relevant).

**(b) Leases: accounting by lessor**
A lease is an agreement whereby the lessor conveys to the lessee, in return for a payment, or series of payments, the right to use an asset for an agreed period of time.

Leases in which a significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Under an operating lease, the asset is included in the statement of financial position as property, plant and equipment. Lease income is recognized over the term of the lease on a straight-line basis. This implies the recognition of deferred income when the contractual day rates are not constant during the initial term of the lease contract.

When assets are leased under a finance lease, the present value of the lease payments is recognized as a finance lease receivable. Under a finance lease, the difference between the gross receivable and the present value of the receivable is recognized as revenue during the lease phase. Lease income is, as of the commencement date of the lease contract, recognized over the term of the lease using the net investment method, which reflects a constant periodic rate of return. The discount rate used to measure the net investment in the lease is the interest rate implicit in the lease. During the construction phase, revenue is recognized over time, as per IFRS 15, due to the fact the Company is acting as manufacturer lessor (refer to accounting policy (d) Revenue).

### (c) Impairment of non-financial assets

Under certain circumstances, impairment tests must be performed. Assets that are subject to amortization or depreciation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

The recoverable amount is the higher of an asset's Cash Generating Unit's ('CGU') fair value, less costs of disposal, and its value-in-use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. An impairment loss is recognized for the amount by which the assets, or CGU's carrying amount, exceeds its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. The Company bases its future cash flows on detailed budgets and forecasts.

Non-financial assets, other than goodwill, that have been impaired are reviewed for possible reversal at financial position date, whenever the circumstances which caused the initial impairment have improved or no longer exist.

### (d) Revenue

The Company provides design, supply, installation, operation, life extension and demobilization of Floating Production, Storage and Offloading (FPSO) vessels. The vessels are either owned and operated by SBM Offshore and leased to its clients (Lease and Operate arrangements) or supplied on a Turnkey sale basis (construction contracts). Even in the latter case, the vessels can be operated by the Company, under a separate operating and maintenance agreement, after transfer to the clients.

Other products of the Company include: Turret Mooring Systems ('TMS'), Floating Offshore Wind ('FOW') and brownfield and offshore (off)loading terminals. These products are mostly delivered as construction, lease or service-type agreements.

Some contracts include multiple deliverables (such as Front-End Engineering Design ('FEED'), engineering, construction, procurement, installation, maintenance, operating services and demobilization). The Company assesses the level of integration between different deliverables and the ability of the deliverable to be performed by another party. Based on this assessment, the Company ascertains whether the multiple deliverables are one, or separate, performance obligation(s).

The Company determines the transaction price for its performance obligations based on contractually-agreed prices. The Company has various arrangements with its customers in terms of pricing, but, in principle (i) the construction contracts have agreed fixed-pricing terms, including fixed lump sums and reimbursable type of contracts, (ii) the majority of the Company's lease arrangements have fixed lease rates and (iii) the operating and service type of contracts can be based on fixed lump sums or reimbursable type of contracts. The Lease and Operate contracts generally include a variable component for which the treatment is described below under 'Lease and Operate contracts'. In rare cases when the transaction prices are not directly observable from the contract, they are estimated based on expected cost-plus margin (e.g. based on an operating service component in a lease arrangement).

The Company assesses, for each performance obligation, whether the revenue should be recognized over time or at a point in time. This is explained in more detail under the below sections 'Construction contracts' and 'Lease and Operate contracts'.

The Company can agree on various payment arrangements that generally reflect the progress of delivered performance obligations. However, if the Company's delivered performance obligation exceeds installments invoiced to the client, a contract asset is recognized (see note 4.3.3 Revenue). If the installments invoiced to the client exceed the work performed, a contract liability is recognized (see note 4.3.25 Trade and Other Payables).

Revenue policies related to specific arrangements with customers are described below.

**Construction contracts:**
The Company, under its construction contracts, usually provides Engineering, Procurement, Construction and Installation ('EPCI') of vessels. The Company assesses the contracts on an individual basis as per the policy described above. Based on the analysis performed for existing contracts:

- The construction contracts generally include one performance obligation due to significant integration of the activities involved; and
- Revenue is recognized over time as the Company has an enforceable right to payment for performance completed to date and the assets created have no direct alternative use.

Based on these requirements, the Company concludes that, in principle, construction contracts meet the criteria for revenue to be recognized over time. Revenue is recognized at each period based upon the advancement of the work, using the input method. The input method is based on the ratio of costs incurred to date to total estimated costs. Up to the moment that the Company can reasonably measure the outcome of the performance obligation, revenue is recognized to the extent of cost incurred.

Complex projects that present a high-risk profile due to technical novelty, complexity or pricing arrangements agreed with the client are subject to independent project reviews at advanced degrees of completion in engineering. An independent project review is an internal, but independent, review of the status of a project, based upon an assessment of a range of project management and company factors. Until this point, and when other significant uncertainties related to the cost at completion are mitigated, revenue is recognized to the extent of cost incurred.

Due to the nature of the services performed, variation orders and claims are commonly billed to clients in the normal course of business. The variation orders and claims are modifications of contracts that are usually not distinct and are therefore normally considered as part of the existing performance obligation. When the contract modification (including claims) is initially approved by oral agreement or implied by customary business practice, the Company recognizes revenue only to the extent of contract costs incurred. Once contract modifications and claims are approved, the revenue is no longer capped at the level of costs and is recognized, based on the input method.

Generally, the payments related to the construction contracts (under EPCI arrangements) correspond to the work completed to date, therefore the Company does not adjust any of the transaction prices for the time value of money. However, the time value of money is assessed on a contract-by-contract basis and, in case the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year, the transaction price is adjusted for the identified and quantified financing component.

Furthermore, finance lease arrangements under which the Company delivers a unit to a client are treated as direct sales (see also point (b) above), therefore revenue is recognized over time during the construction period as the present value of the lease payments accruing to the lessor, discounted using a market rate of interest. In order to determine the revenue to be recognized, based on this policy, the Company determines the applicable discount rate using a market interest rate that takes into account, among others: time value of money, financing structure and risk profile of the client and project.

**Lease and Operate contracts:**
The Company provides its customers with the possibility of leasing the units under charter contracts. Charter contracts are multi-year contracts and some of them contain options to extend the term of the lease or terminate the lease earlier. Some of the contracts also contain purchase options that are exercisable throughout the lease term.

*Charter rates*
Charter rates received on long-term operating lease contracts are reported on a straight-line basis over the period of the contract once the facility has been brought into service. The difference between straight-line revenue and the contractual day-rates, which may not be constant throughout the charter, is accounted for as deferred income.

Revenue from finance lease contracts is, as of the commencement date of the lease contract, recognized over the term of the lease using the amortized cost method, which reflects a constant periodic rate of return.

*Operating fees*

Operating fees are received by the Company for facilitating receipt, processing and storage of petroleum services on board the facilities, which occur continuously through the term of the contract. As such, they are a series of services that are substantially the same and that have the same pattern of transfer to the customer. Revenue is recognized over time, based on input methods by reference to the stage of completion of the service rendered, either on a straight-line basis for lump-sum contracts or in line with cost incurred on reimbursable contracts.

*Bonuses/penalties*

On some contracts, the Company is entitled to receive bonuses (incentives) or incurs penalties, depending on the level of interruption of production or processing of oil. Bonuses are recognized as revenue once it is highly probable that no significant reversal of revenue recognized will occur, which is generally the case only when the performance bonus is earned. Penalties are recognized as a deduction of revenue when they become probable. For estimation of bonuses and penalties, the Company applies the 'most likely' method, where the Company assesses which single amount is the most likely in a range of possible outcomes.

**Contract costs**

The incremental costs of obtaining a contract with a customer are recognized as an asset when the costs are expected to be recovered. The Company uses a practical expedient that permits the costs to obtain a contract to be expensed as incurred when the expected amortization period is one year or less. The costs of obtaining a contract that are not incremental are expensed as incurred, unless those costs are explicitly chargeable to the customer. Bid, proposal, and selling and marketing costs, as well as legal costs incurred in connection with the pursuit of the contract, are not incremental, as the Company would have incurred those costs, even if it did not obtain the contract.

If the costs incurred in fulfilling a contract with a customer are not within the scope of another IFRS standard (e.g. IAS 2 Inventories, IAS 16 Property, Plant and Equipment or IAS 38 Intangible Assets), the Company recognizes an asset for the costs incurred to fulfill a contract only if those costs meet all the following criteria:

- The costs relate directly to a contract or to an anticipated contract that the Company can specifically identify (for example, costs relating to services to be provided under renewal of an existing contract or costs of designing an asset to be transferred under a specific contract that has not yet been approved);
- The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- The costs are expected to be recovered.

An asset recognized for contract costs is amortized on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates.

**Contract assets**

Contract assets, as defined in IFRS 15, represent the Company's construction work-in-progress. Construction work-in-progress is the Company's right to consideration in exchange for goods and services that the Company has transferred to the customer. The Company's contract assets are measured as accumulated revenue, recognized over time, based on progress of the project, net of installments invoiced to date. The invoiced installments represent the contractually agreed unconditional milestone payments during the construction period and these amounts are classified as trade receivables until the amount is paid. The Company recognizes any losses from onerous contracts under provisions, in line with IAS 37. Further, the impairment of contract assets is measured, presented and disclosed on the same basis as financial assets that are within the scope of IFRS 9. The Company applies the simplified approach in measuring expected credit losses for contract assets. In case of contract asset balances relating to the finance lease contracts, the Company applies the low-credit-risk simplification of IFRS 9 for the computation of the expected credit-loss. The simplification is applied as the credit-risk profile of these balances has been assessed as low.

**Contract liabilities**

The Company recognizes a contract liability (see note 4.3.25 Trade and Other Payables) where installments are received in advance of satisfying the performance obligation towards the customer.

### (e) Operating segment information

As per IFRS 8, an operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses, whose segmental operating results are regularly reviewed by the entity's chief operating decision maker, and for which distinct financial information is available.

The Management Board, as chief operating decision-maker, monitors the operating results of its operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on revenue, gross margin, EBIT and EBITDA, and prepared in accordance with Directional reporting. The Company has two reportable segments:

- The Lease and Operate segment includes all earned day-rates on operating lease and operate contracts.
- The Turnkey segment includes revenues from Turnkey supply contracts and after-sales services, which consist mainly of large production systems, large mooring systems, deepwater export systems, fluid transfer systems, tanker loading and discharge terminals, design services and supply of special components and proprietary designs and equipment. The new energy business, which mainly relates to floating offshore wind solutions, also forms part of the Turnkey segment.

No operating segments have been aggregated to form the above reportable segments.

The Company's corporate overhead functions do not constitute an operating segment as defined by IFRS 8 'Operating segments' and are reported under the 'Other' section in note 4.3.2 Operating Segments and Directional Reporting.

Operating segment information is prepared and evaluated based on Directional reporting, for which the main principles are explained in note 4.3.2 Operating Segments and Directional Reporting.

### (f) Demobilization obligations

The demobilization obligations of the Company are either stated in the lease contract or derived from the international conventions and the specific legislation applied in the countries where the Company operates assets. Demobilization costs will be incurred by the Company at the end of the operating life of the Company's facilities.

For operating leases, the net present value of the future obligations is included in property, plant and equipment, with a corresponding amount included in the provision for demobilization. As the remaining duration of each lease reduces, and the discounting effect on the provision unwinds, accrued interest is recognized as part of financial expenses and added to the provision. The subsequent updates of the measurement of the demobilization costs are recognized, both impacting the provision and the asset.

In some cases, when the contract includes a demobilization bareboat fee that the Company invoices to the client during the demobilization phase, a receivable is recognized at the beginning of the lease phase for the discounted value of the fee. When the receivable is recognized, it is limited to the amount of the corresponding demobilization obligation. These receivables are subject to expected credit-loss impairment, which are analyzed together with the finance lease receivable using the same methodology.

For finance leases, demobilization obligations are analyzed as a component of the sale recognized under IFRS 15. It is determined whether the demobilization obligation should be defined as a separate performance obligation. In that case, because the demobilization operation is performed at a later stage, the related revenue is deferred until the demobilization operations occur. Subsequent updates of the measurement of the demobilization costs are recognized immediately through the contract liability, for the present value of the change.

## C. OTHER MATERIAL ACCOUNTING POLICIES

The consolidated financial statements of the Company have been prepared on the historical cost basis, except for the revaluation of certain financial instruments.

### (a) Distinction between current and non-current assets and liabilities

The Company classifies its assets as current when it expects to realize the asset, or intends to sell or consume it, in its normal operating cycle. Inventory and contract balances are classified as current while the time when these assets are sold or consumed might be longer than 12 months. In the context of the Company's operations, it is considered that its operating cycle begins with the construction of the vessels, up to the moment of sale or transfer to finance lease receivable and the remaining Turnkey warranty period. Financial assets are classified as current when they are realized within 12 months.

Liabilities are classified as current when they are expected to be settled within less than 12 months and the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period or when they are expected to be settled in the Company's normal operating cycle. All other assets and liabilities are classified as non-current.

**(b) Consolidation**
The Company's consolidated financial statements include the financial statements of all controlled subsidiaries.

In determining, under IFRS 10, whether the Company controls an investee, the Company assesses whether it has (i) power over the investee, (ii) exposure or rights to variable returns from its involvement, and (iii) the ability to use power over investees to affect the amount of return. To determine whether the Company has power over the investee, multiple contractual elements are analyzed, among which (i) voting rights of the Company at the General Meeting, (ii) voting rights of the Company at Board level and (iii) the power of the Company to appoint, reassign or remove other key management personnel.

For investees, whereby such contractual elements are not conclusive because all decisions about the relevant activities are taken on a mutual consent basis, the main deciding feature resides then in the deadlock clause existing in shareholders' agreements. In case a deadlock situation arises at the Board of Directors of an entity, whereby the Board is unable to conclude a decision, the deadlock clause of the shareholders' agreements generally stipulates whether a substantive right is granted to the Company or to all the partners in the entity to buy its shares through a compensation mechanism that is fair enough for the Company or one of the partners to acquire these shares. In case such a substantive right resides with the Company, the entity will be defined under IFRS 10 as controlled by the Company. In case no such substantive right is held by any of the shareholders through the deadlock clause, the entity will be defined as a joint arrangement.

*Subsidiaries:*
Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated using the full consolidation method.

All reciprocal transactions between two controlled subsidiaries, with no profit or loss impact at consolidation level, are fully eliminated for the preparation of the consolidated financial statements.

*Interests in joint arrangements:*
The Company has applied IFRS 11 'Joint Arrangements' to all joint arrangements. Under IFRS 11, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. In determining, under IFRS 11, the classification of a joint arrangement, the Company first assesses whether joint arrangements are structured through private limited liability companies incorporated in various jurisdictions. Assets and liabilities held in these separate vehicles are those of the separate vehicles and not those of the shareholders of these limited liability companies. Shareholders usually have no direct rights to the assets, nor primary obligations for liabilities of these vehicles. As a result, the Company classifies most of its joint arrangements as joint ventures. Joint ventures are accounted for using the equity method.

When a joint arrangement is structured through a legal form that gives the partners rights to the assets and obligations for the liabilities of the arrangement, or when other terms of the arrangement or other facts and circumstances give the partners rights to its assets and obligations for its liabilities, the Company classifies the interest as a joint operation. The Company recognizes its share of the joint operation's assets, liabilities, income and expenses in the consolidated financial statements.

*Investments in associates:*
Associates are all entities over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but it is not control over those policies. Investments in associates are accounted for using the equity method.

When losses of an equity-accounted entity are greater than the value of the Company's net investment in that entity, these losses are not recognized unless the Company has a constructive obligation to fund the entity. The share of the negative net equity of these is first accounted for against the loans held by the owner towards the equity-accounted company that forms part of the net investment. Any excess is accounted for under provisions.

Reciprocal transactions carried out between a subsidiary and an equity-accounted entity are not eliminated for the preparation of the consolidated financial statements. Only transactions leading to an internal profit (e.g. for dividends or internal margin on asset sale) are eliminated, applying the percentage owned in the equity-accounted entity.

The financial statements of the subsidiaries, associates and joint ventures are prepared for the same reporting period as the Company and the accounting policies are in line with those of the Company.

**(c) Non-derivative financial assets**

The Company's financial assets consist of finance lease receivables, loans to joint ventures and associates and trade and other receivables. The accounting policy on trade and other receivables is described separately.

Finance lease receivables are non-derivative financial assets with fixed or determined payments that are not quoted in an active market.

Loans to joint ventures and associates relate primarily to interest-bearing loans to joint ventures. These financial assets are initially measured at fair value plus transaction costs (if any) and subsequently measured at amortized cost.

The Company classifies its financial assets at amortized cost only if both of the following criteria are met:
- The asset is held within a business model whose objective is to collect the contractual cash flows; and
- The contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

**(d) Borrowings (bank and other loans) and lease liabilities**

*Borrowings* are recognized on settlement date, being the date on which cash is paid or received. They are initially recognized at fair value, net of transaction costs incurred (transaction price), subsequently measured at amortized cost and classified as current liabilities, unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized into the cost of the asset in the period in which they are incurred. Otherwise, borrowing costs are recognized as an expense in the period in which they are incurred.

Borrowings are derecognized when the Company either discharges the borrowing by paying the creditor or is legally released from primary responsibility for the borrowing, either by process of law or by the creditor.

Liabilities arising from funds received under the Company's existing supplier finance arrangements are presented as borrowings while outstanding, and the respective receipts and payments are presented as cash flows from financing activities.

*Lease liabilities*, arising from lease contracts in which the Company is the lessee, are initially measured at the net present value of the following:
- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that are based on an index or a rate;
- Amounts expected to be payable under residual value guarantees;
- The exercise price of a purchase option, if the Company is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Company's incremental borrowing rate.

Each lease payment is allocated between the lease liability and finance cost. Finance cost is charged to the consolidated income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

### (e) Foreign currency transactions and derivative financial instruments

Foreign currency transactions are recognized in the functional currency, at the exchange rate applicable on the transaction date. At the closing date, monetary assets and liabilities stated in foreign currencies are translated into the functional currency at the exchange rate prevailing on that date. Resulting exchange gains or losses are directly recorded in the income statement. At the closing date, non-monetary assets and liabilities stated in foreign currency remain translated into the functional currency using the exchange rate at the date of the transaction.

Foreign currency income statements of foreign operations (except for foreign operations in hyper-inflationary economies) are translated into the Company's presentation currency (US dollars) at the average exchange rate prevailing during the year. Statements of financial position are translated at the exchange rate at the closing date. Differences arising in the translation of financial statements of foreign operations are recorded in other comprehensive income as foreign currency translation reserve. On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and borrowings of such investments, are taken to Company equity. On disposal or partial disposal of a foreign operation, any corresponding cumulative exchange differences are transferred from equity to profit or loss.

Derivative financial instruments held by the Company are aimed at hedging risks associated with market risk fluctuations. The Company uses primarily forward currency contracts, interest rate swaps and commodity contracts to hedge foreign currency risk, interest rate risk and commodity price risk. Further information about the financial risk management objectives and policies is included in note 4.3.27 Financial Instruments – Fair Values and Risk Management.

A derivative instrument (cash-flow hedge) qualifies for hedge accounting when all relevant criteria are met. A cash-flow hedge aims at reducing risks incurred by variations in the value of future cash flows that may impact net income. In order for a derivative to be eligible for hedge accounting, the following criteria must be met:

- There is an economic relationship between the hedging instrument and the hedged item.
- The effect of credit risk does not dominate the value changes resulting from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that used for risk management purposes.

All derivative instruments are recorded and disclosed in the statement of financial position at fair value. Purchases and sales of derivatives are accounted for at trade date. Where a portion of a financial derivative is expected to be realized within 12 months of the reporting date, that portion is presented as current; the remainder of the financial derivative as non-current.

Changes in fair value of derivatives designated as cash-flow hedge relationships are recognized as follows:

- The effective portion of the gain or loss of the hedging instrument is recorded directly in other comprehensive income, and the ineffective portion of the gain or loss on the hedging instrument is recorded in the income statement. The gain or loss which is deferred in equity is reclassified to the net income in the period(s) in which the specified hedged transaction affects the income statement.
- The changes in fair value of derivative financial instruments that do not qualify as hedging, according to the accounting standards, are directly recorded in the income statement.

The sources of hedge ineffectiveness are:

- The non-occurrence of the hedged item;
- The change in the principal terms of the hedged item;
- The severe change of the credit risk of the Company and, or the derivative counterparty.

When measuring the fair value of a financial instrument, the Company uses market observable data as much as possible. Fair values are categorized into different levels in a fair value hierarchy, based on the inputs used in the valuation techniques. Further information about the fair value measurement of financial derivatives is included in note 4.3.27 Financial Instruments – Fair Values and Risk Management.

#### (f) Provisions

*Provisions* are recognized if, and only if, the following criteria are simultaneously met:
- The Company has an ongoing obligation (legal or constructive) as a result of a past event.
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.
- The amount of the obligation can be reliably estimated; provisions are measured according to the risk assessment or the exposed charge, based upon best-known facts.

*Demobilization* provisions relate to estimated costs for demobilization of leased facilities at the end of the respective lease period or operating life.

*Warranty* provisions relate to the Company's obligations to replace or repair defective items that become apparent within an agreed period, starting from final acceptance of the delivered system. These assurance-type warranties are provided to customers on most Turnkey sales for a duration generally between 1 and 2 years. These provisions are estimated on a statistical basis regarding the Company's past experience or on an individual basis in the case of any warranty claim already identified. These provisions are classified as current by nature as they coincide with the production cycle of the Company.

*Other* provisions include provisions like commercial claims, regulatory fines related to operations and local content penalties. In relation to local content penalties, Brazilian oil and gas contracts typically include local content requirements. These requirements are issued by the Agência Nacional do Petróleo, Gás Natural e Biocombustíveis (ANP) to the winning concessionaire/consortia of auctioned Brazilian exploratory blocks or areas at the end of the bidding round, with the intention to strengthen the domestic Brazilian market and expand local employment. The owning concessionaire/consortia normally contractually passes such requirements on to, among other suppliers, the company delivering the FPSO. For the Company's Brazilian contracts, the Company assesses the execution strategy and may decide that execution of the project in locations other than Brazil is more beneficial. Such a decision takes into account factors such as optimization of overall cost of delivery, quality and timeliness. As a result, following the chosen execution strategy, the Company may expect not to meet entirely the agreed local content requirements. In such circumstances, the expected penalty to be paid, as a result of not meeting the local content requirements, is determined based on management's best estimate and recognized as provision during the construction period. The corresponding cost is expensed over the construction period of the asset.

#### (g) Property, plant and equipment

*Property, plant and equipment* are stated at cost, less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of such items. The capital value of a facility to be leased and operated for a client is the sum of external costs (such as shipyards, subcontractors and suppliers), internal costs (design, engineering, construction supervision, etc.), third-party financial costs including interest paid during construction and attributable overhead.

Subsequent costs are included in an asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The costs of assets include the initial estimate of costs of demobilization of the asset, net of reimbursement expected to be received by the client.

Costs related to major overhaul, which meet the criteria for capitalization, are included in the asset's carrying amount. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

When significant parts of an item of property, plant and equipment have different useful lives, those components are accounted for as separate line items of property, plant and equipment. The depreciation charge is calculated, based on future anticipated economic benefits, e.g. based on the unit of production method or on a straight-line basis as follows:
- New build Fast4Ward® FPSO up to 30 years (included in vessels and floating equipment);
- Converted tankers FPSO 10-20 years (included in vessels and floating equipment);
- Floating equipment 3-15 years (included in vessels and floating equipment);
- Buildings 30-50 years;
- Other assets 2-20 years;
- Land is not depreciated.

Regarding useful lives for vessels in operation, they are usually aligned with the lease period. Useful lives and methods of depreciation are reviewed at least annually and adjusted if needed.

The assets' residual values are reviewed and adjusted, if appropriate, at each statement of financial position date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is higher than its estimated recoverable amount.

Gains and losses arising on disposals or retirement of assets are determined by comparing any sales proceeds and the carrying amount of the asset. These are reflected in the income statement in the period that the asset is disposed of or retired.

*Right-of-use assets,* related to the Company's lease contracts in which the Company is a lessee, are included in Property, plant and equipment. Right-of-use assets and corresponding liabilities are recognized when the leased asset is available for use by the Company. Right-of-use assets are measured at cost, comprising the following:
- The amount of the initial measurement of the lease liability;
- Any lease payments made at or before the commencement date;
- Any initial direct costs; and
- Restoration costs.

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term, on a straight-line basis.

Payments associated with short-term leases and leases of low-value assets are recognized, on a straight-line basis, as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

### (h) Intangible assets
Intangible assets, acquired separately, are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost, less any accumulated amortization and accumulated impairment losses.

*Software* is recognized at historical cost and is amortized, on a straight-line basis, over its useful life. The useful life of software is generally between 3 and 5 years, dependent on the type of software.

*Research* costs are expensed when incurred. In compliance with IAS 38, development costs are capitalized if all the following criteria are met:
- The projects are clearly defined.
- The Company is able to reliably measure expenditures incurred by each project during its development.
- The Company is able to demonstrate the technical feasibility of the project.
- The Company has the financial and technical resources available to achieve the project.
- The Company can demonstrate its intention to complete, to use or to commercialize products resulting from the project.
- The Company is able to demonstrate the existence of a market for the output of the intangible asset, or, if it is used internally, the usefulness of the intangible asset.

When capitalized, development costs are carried at cost, less any accumulated amortization and impairment losses. Amortization begins when the project is complete and available for use. It is amortized over the period of expected future benefit, which is generally between 3 and 5 years.

### (i) Inventories
Inventories are valued at the lower of cost and net realizable value. Cost is determined using the first-in first-out method. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses. Inventories comprise semi-finished, finished products and the Company's Fast4Ward® Multi Purpose Floater ('MPF') valued at cost, including attributable overheads and third-party financial costs during construction and spare parts stated at the lower of purchase price or market value. MPFs under construction are accounted for as inventories until they are allocated to awarded projects and then reclassified from inventories to contract assets.

### (j) Trade and other receivables
Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within a maximum of 90 days and are therefore all classified as current. Trade

receivables are recognized initially at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortized cost, using the effective interest method. The Company applies the simplified approach in measuring expected credit losses for trade receivables.

Other receivables are recognized initially at fair value and subsequently measured at amortized cost, using the effective interest rate method. Interest income, together with gains and losses when the receivables are derecognized or impaired, is recognized in the income statement.

**(k) Impairment of finance lease receivables**

For finance lease receivables, the Company assumes that the credit risk has not increased significantly since the initial recognition if the finance lease receivable is determined to have a low credit risk at the reporting date (i.e. the Company applies the low credit risk simplification). As a result, if the finance lease receivable is determined to have a low credit risk at the reporting date, the Company recognizes a 12-month expected credit-loss.

**(l) Cash and cash equivalents**

Cash and cash equivalents consist of cash in bank and in hand fulfilling the following criteria: a maturity of usually less than three months, highly liquid, a fixed exchange value and an extremely low risk of loss of value.

**(m) Share capital**

Ordinary shares and protective preference shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

**(n) Income tax**

The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the associated tax is also recognized in other comprehensive income or directly in equity.

Income tax expenses comprise corporate income tax due in countries of incorporation of the Company's main subsidiaries and levied on actual profits. Income tax expenses also include the corporate income taxes which are levied on a deemed profit basis and revenue basis (withholding taxes in the scope of IAS 12). This presentation adequately reflects the Company's global tax burden.

**(o) Deferred tax**

*Deferred tax* is recognized using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates and laws that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

*Deferred tax assets* are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred tax is provided for on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

**(p) Employee benefits**

*Pension obligations:* the Company operates various pension schemes that are generally funded through payments determined by periodic actuarial calculations to insurance companies or are defined as multi-employer plans. The Company has both defined benefit and defined contribution plans:

- A defined benefit plan is a pension plan that defines the amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.
- A defined contribution plan is a pension plan under which the Company pays fixed contributions to public or private pension insurance plans on a mandatory, contractual or voluntary basis. The Company has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions to defined contribution plans and multi-employer plans are recognized as an expense in the income statement as incurred.

The liability recognized in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the statement of financial position date, less the fair value of the plan assets, together with adjustments for unrecognized actuarial gains and losses and past service costs. The defined benefit obligation is calculated periodically by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates on high-quality corporate bonds that have maturity dates approximating to the terms of the Company's obligations.

The expense recognized within the EBIT comprises the current service cost and the effects of any change, reduction or winding up of the plan. The accretion impact on actuarial debt and interest income on plan assets are recognized under the net financing cost.

Cumulative actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized immediately in comprehensive income.

*Share-based payments:* within the Company there are four types of share-based payment plans that qualify as equity settled:
- Restricted Share Unit (RSU);
- Short-term Incentive Program of Bonus Shares and Matching Shares;
- Value Creation Stake (VCS); and
- Ownership Shares.

The estimated total amount to be expensed over the vesting period related to share-based payments is determined by (i) reference to the fair value of the instruments determined at the grant date, and (ii) non-market vesting conditions included in assumptions about the number of shares that the employee will ultimately receive. Main assumptions for estimates are revised at statement of financial position date. Total cost for the period is charged or credited to the income statement, with a corresponding adjustment to equity.

When equity instruments vest, the Company issues new shares, unless the Company has Treasury shares in stock.

Any cancellation of matching shares will lead to an accelerated expense recognition of the total fair value, with a corresponding adjustment to equity.

**(q) Trade payables**
Trade payables are amounts due to suppliers for goods bought or services received in the ordinary course of business. They are generally due for settlement within a maximum of 90 days and are therefore classified as current. Trade payables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method.

## 4.3 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 4.3.1 FINANCIAL HIGHLIGHTS

#### Impact of current economic and geopolitical environment

During 2024, uncertainty and volatility in geopolitics and markets continued as a result of unresolved conflicts, such as the Russia-Ukraine war and conflicts in the Middle East, as well as tensions between China and various jurisdictions. The existing conflicts and tensions continued to put pressure on the 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 or the 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 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 January 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.

*FPSO Sepetiba* is owned and operated by special purpose companies owned by affiliated companies of SBM Offshore and its partners (51% and 49% respectively at December 31, 2024). The FPSO will operate under 22.5-year charter and operation services contracts with Petróleo Brasileiro S.A. (Petrobras).

#### Share repurchase program

On February 29, 2024, the Company announced a EUR65 million (US$70 million equivalent) share repurchase program, effective from March 1, 2024, (the 'Structural Buyback'). On August 8, 2024, the Company announced an additional share repurchase program of EUR65 million (c. US$71 million equivalent) effective from August 8, 2024, (the 'Incremental Buyback').

The objective of the Structural Buyback is to reduce the Company's share capital. The program was completed within 2024 and all shares purchased have therefore been cancelled.

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 it will be accomplished under the authorization granted by the Annual General Meeting of the Company held on April 12, 2024.

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

On March 14, 2024, the Company announced the signing of a Memorandum of Understanding for the creation of a new Floating Offshore Wind (FOW) joint venture entity, Ekwil, with Technip Energies.

Ekwil combines the people expertise, engineering and delivery capabilities and the 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.

As announced on July 5, 2024, all the conditions precedent to the establishment of the JV were fulfilled and the new company has now been established and is operational.

The Company's interest in Ekwil meets the definition of a joint venture according to IFRS 11.

### Awarded Contracts for ExxonMobil Guyana's FPSO Jaguar

On April 12, 2024, the Company announced that ExxonMobil Guyana Ltd ('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 the *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 Guyana 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 and incorporates the Company's seventh 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 contract is classified as a construction contract falling in the scope of IFRS 15.

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

On June 11, 2024, the Company announced that it had 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, the Company 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 the Company'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 are also 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, the Company partner (Angola Offshore Services Limited, 'AOSL') in the *FPSO N'Goma* signed a share purchase agreement concerning the purchase by AOSL of 20% of the Company's shareholding (80%) in the entity owning the FPSO, following the MOU previously signed by the Company 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, the Company 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 4.3.30 Business Combinations for further information on the business combination and the Paenal divestment.

### FSO contract award for Woodside's Trion development

On August 8, 2024, the Company announced that it had 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 and installation contract for the FSO and the FPU awarded to the Company in 2023.

The contract is classified as finance lease in accordance with IFRS 16 at inception of the lease.

**SBM Offshore divests minority interest in FPSO Sepetiba**

On October 24, 2024, the Company announced it had completed the divestment of a 13.5% ownership interest in the special purpose companies related to the lease and operation of the *FPSO Sepetiba* to China Merchants Financial Leasing (Hong Kong) Holding Co., Limited (CMFL). This follows the announcement on February 10, 2022, of an agreement whereby CMFL would acquire its ownership interest after the *FPSO Sepetiba* had commenced operations. The Company is the operator of the FPSO and will remain the majority shareholder with 51% ownership interest.

The divestment is accounted for as a transaction with a minority shareholder. Refer to note 4.3.31 Information on Non-controlling Interests.

**FPSO Prosperity Purchase by ExxonMobil Guyana Completed**

On November 7, 2024, the Company announced that it and ExxonMobil Guyana Ltd, an affiliate of Exxon Mobil Corporation, had completed the transaction related to the purchase of FPSO *Prosperity*, ahead of the maximum lease term, which would have expired in November 2025. The purchase allows ExxonMobil Guyana to assume ownership of the unit while SBM Offshore will continue to operate and maintain the FPSO up to 2033.

The transaction comprised a total cash consideration of US$1,225 million. The net cash proceeds have primarily been used for the full repayment of the US$0.98 billion project financing and as such have decreased the Comapny's net debt position.

The FPSO *Prosperity* has been on hire since November 2023 and has, and will continue to be, operated through the integrated operations and maintenance model combining SBM Offshore and ExxonMobil Guyana's expertise and experience to deliver outstanding operational performance.

Under IFRS reporting, the exercise of the purchase option led to a derecognition of the finance lease receivable against the payment received from ExxonMobil, in the amount of US$1,225 million, with a positive impact in profit or loss of US$2 million.

Under Directional reporting, the net book value of the FPSO *Prosperity*, at US$760 million, was derecognized as cost of sales, and the consideration received of US$1,225 million was recognized as revenue, with a positive impact in profit or loss, of US$465 million.

**SBM Offshore awarded contracts for the GranMorgu field development**

On November 14, 2024, the Company announced that it had been awarded contracts for the GranMorgu field development project, located in Block 58 in Suriname, by the operator, TotalEnergies EP Suriname B.V., an affiliate of TotalEnergies. Under these contracts, the Company will, in partnership with Technip Energies, construct and install a Floating Production, Storage and Offloading vessel (FPSO). The award follows completion of front-end engineering and design studies, and the final investment decision on the project by the Joint Venture operated by TotalEnergies EP Suriname B.V. The Company is expected to operate the unit under an operations and maintenance agreement.

The *GranMorgu FPSO* project is the first development within Block 58, circa 150 kilometers offshore Suriname.

The FPSO will be the first large deepwater project development in Suriname, with an expected production capacity of up to 220,000 barrels of oil per day and associated gas treatment capacity of up to 500 million cubic feet per day. The FPSO will be spread-moored in water depth of about 400 meters and will be able to store around 2 million barrels of crude oil.

Thanks to the joint expertise of Technip Energies and SBM Offshore, this all-electric drive FPSO will also be designed to eliminate routine flaring, in line with TotalEnergies objectives and the Company's goal to deliver carbon efficient units.

The Company's partnership with Technip Energies in relation to the FPSO for the GranMorgu development project is classified as a joint operation according to IFRS 11.

**SBM Offshore completes US$1.5 billion financing of Jaguar**

On November 21, 2024, the Company announced it has completed the project financing of *FPSO Jaguar* for a total of US$1.5 billion.

The project financing was fully secured by a consortium of 16 international financial institutions. The Company expects to draw the loan phased over the construction period of the FPSO. The project loan is in line with the duration of the construction phase.

**FPSO Liza Destiny Purchase by ExxonMobil Guyana Completed**

On December, 19, 2024, the Company and ExxonMobil Guyana Ltd, an affiliate of Exxon Mobil Corporation, completed the transaction related to the purchase of FPSO *Liza Destiny,* ahead of the maximum lease term, which would have expired in December 2029. The purchase allows ExxonMobil Guyana to assume ownership of the unit while the Company will continue to operate and maintain the FPSO up to 2033.

The transaction comprises a total cash consideration of c. US$535 million. The net cash proceeds will primarily be used for the full repayment of the US$405 million project financing and as such will decrease the Company's net debt position.

The FPSO *Liza Destiny* has been on hire since December 2019, and, since 2023, it has, and will continue to be, operated through the integrated operations and maintenance model combining SBM Offshore and ExxonMobil Guyana's expertise and experience delivering outstanding operational performance.

Under IFRS reporting, the exercise of the purchase option led to a derecognition of the finance lease receivable against the payment received from ExxonMobil, in the amount of US$535 million, with a negative impact in profit or loss of US$2 million.

Under Directional reporting, the net book value of the FPSO *Prosperity*, at US$352 million, was derecognized as cost of sales, and the consideration received of US$535 million was recognized as revenue, with a positive impact in profit or loss, of US$183 million.

**SBM Offshore completes the Share Purchase Agreements with MISC Berhad**

On January 31, 2025, the Company announced it had completed the transactions related to the Share Purchase Agreements announced on September 6, 2024 with its partner MISC Berhad for:

- The acquisition of MISC Berhad's entire effective equity interest in the lease and operating entities related to the *FPSO Espirito Santo* in Brazil; and
- The full divestment to MISC Berhad of SBM Offshore's effective equity interest in the lease and operating entities of the *FPSO Kikeh* in Malaysia.

This transaction furthers the Company's efforts to rationalize our portfolio to 'maintain focus and excellence' of its operations.

The acquisition of the interests in the entities related to the *FPSO Espirito Santo* will be accounted for as a transaction with a non-controlling interest in 2025.

As of December 31, 2024, the equity interests held by the Company in the lease and operating entities of the *FPSO Kikeh* are classified as non-current assets held for sale.

## 4.3.2 OPERATING SEGMENTS AND DIRECTIONAL REPORTING

### OPERATING SEGMENTS

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

- Lease and Operate;
- Turnkey;
- Other.

### DIRECTIONAL REPORTING

Strictly for the purposes of this note, the operating segments are measured under Directional reporting, which in essence follows IFRS, but with three main exceptions:

- All lease contracts are classified and accounted for as if they were operating lease contracts under IFRS 16. Some lease and operate contracts may provide for defined invoicing ('upfront payments') to the client occurring during the construction phase or at first-oil (beginning of the lease phase), to cover specific construction work and/or services performed during the construction phase. These 'upfront payments' are recognized as revenues and the costs associated with the construction work and/or services are recognized as 'Cost of sales' with no margin during the construction. As a consequence, these costs are not capitalized in the gross value of the assets under construction.
- All investees related to Lease and Operate contracts are accounted for at the Company's share as if they were classified as joint operations under IFRS 11, whereby all lines of the income statement, statement of financial position and cash flow statement are consolidated, based on the Company's percentage of ownership (hereafter referred to as 'percentage of ownership consolidation'). All joint ventures and associates within the Turnkey segment (such as yards and installation vessel) remain equity accounted. Therefore, when the Company has partners in the lessor-related SPV owning the lease contract with the client, the Company recognizes revenue as well as margin associated with the EPC works to the extent of the partners' shares in the lessor SPV. In situations where the Company reduces its percentage of ownership after the award date of the contract, due to a disposal of shares to a partner, the relevant portion of the assets and liabilities already accounted at transaction date are derecognized. This derecognition is accounted against (i) the recognition of the fair value of any consideration received and associated revenue and (ii) the recognition of cost of sales, from contract award to transaction date, and to the extent of the ownership divested.
- All deferred tax impacts generated by intragroup elimination are not recognized.

In 2024, all other accounting principles remain unchanged, compared with applicable IFRS standards.

The above differences to the consolidated financial statements between Directional reporting and IFRS are highlighted in the reconciliations provided in this note on revenue, gross margin, EBIT and EBITDA, as required by IFRS 8 'Operating segments'. The Company also provides the reconciliation of the statement of financial position and cash flow statement under IFRS and Directional reporting. The statement of financial position and the cash flow statement under Directional reporting are evaluated regularly by the Management Board in assessing the financial position and cash generation of the Company. The Company believes that these disclosures should enable users of its financial statements to better evaluate the nature and financial effects of the business activities in which it engages, while facilitating the understanding of Directional reporting by providing a straightforward reconciliation with IFRS for all key financial metrics.

### SEGMENT HIGHLIGHTS

The Directional Lease and Operate revenue increased versus the year-ago period. This reflects mainly the following events: (i) FPSO *Prosperity* and *FPSO Sepetiba* joining the fleet upon successful delivery, respectively during the last quarter of 2023 and early January 2024, (ii) the acquisition of interests held by Sonangol related to FPSOs *N'Goma*, *Saxi Batuque* and *Mondo* in June 2024, and (iii) an increase in reimbursable scope on the fleet, partially offset by (iv) reduced revenue on FPSO *Liza Unity* only contributing in 2024 as 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 the divestment in the parent company of the Paenal shipyard in Angola, recognized in Other operating income (both impacting the Lease and Operate segment due to their strategic and commercial link), and (iii) the *N'Goma* dividends, partially offset by (iv) additional non-recurring maintenance costs for the fleet under operation.

The Directional Turnkey Revenue and Directional Turnkey EBITDA increased versus the year-ago period. This resulted mainly from (i) the sale of FPSOs *Prosperity* and *Liza Destiny,* completed in November and December 2024 respectively, (ii) the awarded contracts for the *FPSO Jaguar* project and the *GranMorgu FPSO* project (with limited impact on EBITDA), (iii) the 13.5% divestment in *FPSO Sepetiba* to CMFL, completed in October 2024, (iv) the increased support to the fleet through brownfield projects, and (v) an improved performance in some projects in the portfolio, affected in prior years by the historical consequences of the pandemic and pressure on the global supply chain positively impacting Directional EBITDA, partially offset by (vi) the sale of FPSO *Liza Unity,* which occurred in November 2023, (vii) the completion of FPSO *Prosperity* during the last quarter of 2023 and of *FPSO Sepetiba*, early January 2024, and (viii) a reduced level of progress during 2024, compared with 2023, on *FPSO Almirante Tamandaré* and *FPSO Alexandre de Gusmão,* as those projects approached completion during the period.

It should be noted that, with respect to the awarded contract for the *GranMorgu FPSO* project which contributed to the Directional revenue during the period, no contribution to Directional 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. With regards to *FPSO Jaguar*, the contribution to Directional EBITDA is very limited over the period as the project only reached the requisite 'stage of completion' during the last quarter. Regarding FSO Trion*,* which is 100% owned by the Company at year end, despite the increase in activity, a very limited contribution to the Directional EBITDA was recognized during the period as the direct payments received during construction and before first oil are recognized as revenue but without contribution to gross margin, in accordance with the Company policy for Directional reporting.

**2024 operating segments (Directional)**

| | Lease and Operate | Turnkey | **Reported segments** | Other | **Total Directional reporting** |
|---|---|---|---|---|---|
| **Directional revenue** | **2,369** | **3,743** | **6,111** | - | **6,111** |
| Directional Cost of sales | (1,682) | (2,949) | (4,631) | - | (4,630) |
| **Directional Gross margin** | **686** | **794** | **1,480** | - | **1,480** |
| Directional Other operating income/ expense | 57 | 21 | 78 | (4) | **74** |
| Directional Selling and marketing expenses | (4) | (19) | (23) | (0) | **(23)** |
| Directional General and administrative expenses | (25) | (53) | (77) | (85) | **(162)** |
| Directional Research and development expenses | (6) | (34) | (40) | (0) | **(40)** |
| Directional Net impairment gains/(losses) on financial and contract assets | 0 | (7) | (7) | (1) | **(8)** |
| **Directional Operating profit/(loss) (EBIT)** | **709** | **702** | **1,410** | **(90)** | **1,321** |
| Directional Net financing costs | | | | | (314) |
| Directional Share of profit of equity-accounted investees | | | | | 5 |
| Directional Income tax expense | | | | | (105) |
| **Directional Profit/(Loss)** | | | | | **907** |
| | | | | | |
| Directional Operating profit/(loss) (EBIT) | 709 | 702 | 1,410 | (90) | **1,321** |
| Directional Depreciation, amortization and impairment | 553 | 22 | 574 | 2 | **576** |
| **Directional EBITDA** | **1,261** | **724** | **1,984** | **(89)** | **1,896** |
| | | | | | |
| Other segment information : | | | | | |
| Directional Impairment charge/(reversal) | 39 | (0) | 39 | (0) | **39** |

**Reconciliation of 2024 operating segments (Directional to IFRS)**

| | Reported segments under Directional reporting | Impact of lease accounting treatment | Impact of consolidation methods | Total Consolidated IFRS |
|---|---|---|---|---|
| **Revenue** | | | | |
| Lease and Operate | 2,369 | (546) | 252 | 2,074 |
| Turnkey | 3,743 | (1,111) | 79 | 2,710 |
| **Total revenue** | **6,111** | (1,657) | 331 | **4,784** |
| **Gross margin** | | | | |
| Lease and Operate | 686 | (91) | 157 | 752 |
| Turnkey | 794 | (439) | 25 | 380 |
| **Total gross margin** | **1,480** | (530) | 182 | **1,132** |
| | | | | |
| **EBITDA** | | | | |
| Lease and Operate | 1,261 | (563) | 145 | 842 |
| Turnkey | 724 | (443) | 6 | 287 |
| Other | (89) | - | 0 | (88) |
| **Total EBITDA** | **1,896** | (1,006) | 151 | **1,041** |
| | | | | |
| **EBIT** | | | | |
| Lease and Operate | 709 | (104) | 145 | 750 |
| Turnkey | 702 | (441) | 8 | 270 |
| Other | (90) | - | (0) | (91) |
| **Total EBIT** | **1,321** | (545) | 153 | **928** |
| Net financing costs | (314) | (194) | (155) | (663) |
| Share of profit of equity-accounted investees | 5 | - | 14 | 19 |
| Income tax expense | (105) | 23 | 9 | (73) |
| **Profit/(loss)** | **907** | (716) | 20 | 211 |
| | | | | |
| Impairment charge/(reversal) | 39 | (2) | (0) | 36 |

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 main following impacts for the 2024 period:

- Revenue is reduced by US$(546) million. During the lease period, under IFRS, the revenue from finance leases is limited to that portion of charter rates that is recognized as interest, using the interest effective method. Under Directional reporting, in accordance with the operating lease treatment, the full charter rate is recognized as revenue, on a straight-line basis. Directional Lease and Operate EBITDA is similarly impacted (reduction of US$(563) million) for the same reasons.
- Gross margin is reduced by US$(91) 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 operating to finance lease accounting treatment had the following impacts over the 2024 period:

- Revenue and gross margin decreased by US$(1,111) million and US$(439) million respectively. This primarily resulted from the following opposite effects:
  - A decrease following the FPSO *Liza Destiny* and FPSO *Prosperity* sale, where the consideration received in the amount of US$1,760 million was recognized as Directional Revenue and the net book value in the amount of US$1,112 million was derecognized as Directional cost of sales, generating a positive impact in Directional profit or loss in the amount of US$648 million under Directional reporting. Under IFRS reporting, the consideration received was already included in the finance lease receivable and led to a derecognition of the finance lease receivable against the payment received by the Company, with no impact on the net result.
  - A decrease following the divestment of a 13.5% ownership interest in the special purpose companies of *FPSO Sepetiba* to CMFL. Under IFRS, this divestment has been accounted for as an equity transaction with no impact on revenue and gross margin as the Company continues to have control over the entities that own *FPSO Sepetiba*. On the contrary, under Directional reporting, this transaction, which was initiated in 2021 during the construction period of the FPSO, has been recognized during 2024 in the Turnkey segment where the revenue and margin associated with the EPC works to the extent of the portion of the sale to partners was recognized.
  - Partly offset by an increase mainly due to the accounting treatment of the Company's FPSOs that were under construction during the period (*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 were 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.

Net financing costs increased by US$(194) million. During construction, interest on project loans is expensed under IFRS while capitalized in the vessel under construction under Directional. As a result of the above elements, restatement from operating to finance lease accounting treatment results in an aggregate decrease of net profit of US$(716) million under IFRS when compared with Directional reporting.

#### Impact of consolidation methods

The impact of consolidation methods 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; and
- 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 result 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. Before completion of the Sonangol transaction (refer to note 4.3.30 Business Combinations for Angolan FPSOs and Paenal Divestment) FPSOs *N'Goma*, *Saxi Batuque* and *Mondo* were owned by equity-accounted investees, leading to a decrease of US$116 million in revenue and US$16 million in gross margin when restating the impact of consolidation methods from Directional reporting to IFRS. Additionally, it is noted that following the completion of the Sonangol transaction, the entity owning *FPSO N'Goma* has distributed dividends, which led to the recognition of a gain of US$27 million under Directional reporting included in 'Directional Other operating income/(expense)' in 2024, while under IFRS this effect was recognized within equity (refer to note 4.3.31 Information on Non-controlling Interests).

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 that are not totally owned by the Company, but over which the Company has control. Additionally, it is noted that following the completion of the divestment of a 13.5% ownership interest in the special purpose companies of *FPSO Sepetiba* to CMFL, the Company recognized a net gain on sale in 'Directional Other operating income/(expense)' in 2024, while under IFRS this effect was recognized within equity (refer to note 4.3.31 Information on Non-controlling Interests).

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$20 million under IFRS when compared with Directional reporting.

**2023 operating segments (Directional)**

| | Lease and Operate | Turnkey | Reported segments | Other | Total Directional reporting |
|---|---|---|---|---|---|
| **Directional revenue** | **1,954** | **2,578** | **4,532** | **-** | **4,532** |
| Directional Cost of sales | (1,285) | (2,185) | (3,469) | - | (3,469) |
| **Directional Gross margin** | **669** | **394** | **1,063** | **-** | **1,062** |
| Directional Other operating income/ expense | 0 | 0 | 0 | (11) | **(11)** |
| Directional Selling and marketing expenses | (0) | (22) | (22) | (0) | **(22)** |
| Directional General and administrative expenses | (30) | (62) | (92) | (91) | **(183)** |
| Directional Research and development expenses | (7) | (30) | (37) | (0) | **(37)** |
| Directional Net impairment gains/(losses) on financial and contract assets | 1 | (21) | (20) | (2) | **(22)** |
| **Directional Operating profit/(loss) (EBIT)** | **633** | **259** | **892** | **(104)** | **788** |
| Directional Net financing costs | | | | | (238) |
| Directional Share of profit of equity-accounted investees | | | | | 4 |
| Directional Income tax expense | | | | | (30) |
| **Directional Profit/(Loss)** | | | | | **524** |
| | | | | | |
| Directional Operating profit/(loss) (EBIT) | 633 | 259 | 892 | (104) | **788** |
| Directional Depreciation, amortization and impairment | 492 | 37 | 529 | 3 | 532 |
| **Directional EBITDA** | **1,124** | **296** | **1,421** | **(101)** | **1,319** |
| | | | | | |
| Other segment information | | | | | |
| Directional Impairment charge/(reversal) | 6 | - | 6 | - | **6** |

**Reconciliation of 2023 operating segments (Directional to IFRS)**

| | Reported segments under Directional reporting | Impact of lease accounting treatment | Impact of consolidation methods | Total Consolidated IFRS |
|---|---|---|---|---|
| **Revenue** | | | | |
| Lease and Operate | 1,954 | (529) | 139 | 1,563 |
| Turnkey | 2,578 | 707 | 115 | 3,400 |
| **Total revenue** | **4,532** | 177 | 253 | **4,963** |
| **Gross margin** | | | | |
| Lease and Operate | 669 | (94) | 97 | 671 |
| Turnkey | 394 | 290 | 64 | 748 |
| **Total gross margin** | **1,063** | 196 | 161 | **1,420** |
| | | | | |
| **EBITDA** | | | | |
| Lease and Operate | 1,124 | (527) | 98 | 695 |
| Turnkey | 296 | 284 | 65 | 646 |
| Other | (101) | - | (0) | (101) |
| **Total EBITDA** | 1,319 | (243) | 163 | **1,239** |
| | | | | |
| **EBIT** | | | | |
| Lease and Operate | 633 | (91) | 96 | 638 |
| Turnkey | 259 | 287 | 66 | 612 |
| Other | (104) | - | 0 | (104) |
| **Total EBIT** | **788** | 196 | 162 | **1,145** |
| Net financing costs | (238) | (218) | (119) | (575) |
| Share of profit of equity-accounted investees | 4 | - | 15 | 19 |
| Income tax expense | (30) | (2) | 57 | 25 |
| **Profit/(loss)** | 524 | (24) | 114 | 614 |
| | | | | |
| Impairment charge/(reversal) | 6 | 0 | 2 | 8 |

**Reconciliation of 2024 statement of financial position (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] | 7,490[2] | (7,047) | (0) | 442 |
| Investment in associates and joint ventures | 20 | - | 1 | 21 |
| Finance lease receivables | 0 | 4,047 | 2,611 | 6,658 |
| Other financial assets | 272[3] | (132) | (4) | 136 |
| Contract assets | 326 | 4,474 | 2,009 | 6,809 |
| Trade receivables and other assets | 1,797 | (29) | 27 | 1,795 |
| Derivative financial instruments | 264 | - | 165 | 429 |
| Cash and cash equivalents | 606 | (0) | 200 | 806 |
| Assets held for sale | 40 | 40 | (20) | 60 |
| **Total Assets** | **10,815** | 1,352 | 4,988 | **17,157** |
| **EQUITY AND LIABILITIES** | | | | |
| Equity attributable to parent company | 2,008 | 1,606 | 4 | 3,619 |
| Non-controlling interests | (6) | 20 | 2,212 | 2,225 |
| **Equity** | **2,002** | 1,626 | 2,216 | **5,844** |
| Borrowings and lease liabilities | 6,325[4] | - | 2,618 | 8,943 |
| Provisions | 680 | (213) | 98 | 565 |
| Trade payable and other liabilities | 1,367 | 79 | 63 | 1,508 |
| Deferred income | 157 | (140) | 13 | 30 |
| Derivative financial instruments | 266 | - | - | 266 |
| Liabilities held for sale | 18 | - | (18) | - |
| **Total Equity and Liabilities** | **10,815** | 1,352 | 4,989 | **17,157** |

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$3,957 million related to units under construction (i.e. Almirante Tamandaré, ONE GUYANA, FSO Trion and Alexandre de Gusmao).

3 Includes US$261 million related to demobilization receivable

4 Includes US$2.2 billion non-recourse debt and US$93 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 December 31, 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$(7,047) million) and subsequent recognition of (i) finance lease receivables (US$4,047 million), and (ii) contract assets (US$4,474 million) for those assets still under construction;
- For operating lease contracts with non-linear bareboat day rates, a deferred income provision is recognized to show linear revenues under Directional reporting. The part of the balance (US$(140) million) is derecognized for the contracts that are classified and accounted for as finance lease contracts under IFRS; and
- Restatement of the provisions for demobilization and associated non-current receivable assets, mainly impacting other financial assets (US$(132) million) and provisions (US$(213) million).

As a result, the restatement from operating to finance lease accounting treatment gives rise to an aggregate increase of equity of US$1,626 million under IFRS when compared with Directional reporting. This primarily reflects the earlier margin recognition on finance lease contracts.

### Impact of consolidation methods

The above 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; and
- Derecognition of the individual line items from the statement of financial positions for those entities that are equity-accounted under IFRS, rolling up in 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$2,216 million under IFRS when compared with Directional reporting.

**Reconciliation of 2024 cash flow statement (Directional to IFRS)**

| | Reported under Directional reporting | Impact of lease accounting treatment | Impact of consolidation methods | Total Consolidated IFRS |
|---|---|---|---|---|
| **EBITDA** | **1,896** | (1,006) | 151 | **1,041** |
| Adjustments for non-cash and investing items | 1,062 | (1,092) | 55 | 24 |
| Changes in operating assets and liabilities | (288) | (990) | (506) | (1,784) |
| Reimbursement finance lease assets | (0) | 2,226 | 152 | 2,378 |
| Income taxes paid | (178) | 3 | (3) | (178) |
| **Net cash flows from (used in) operating activities** | **2,492** | (859) | (151) | **1,482** |
| Capital expenditures | (937) | 821 | (0) | (116) |
| Other investing activities | 80 | 14 | 115 | 208 |
| **Net cash flows from (used in) investing activities** | **(858)** | 835 | 115 | **92** |
| Equity payment from/(repayment to) partners | - | - | 196 | 196 |
| Additions and repayments of borrowings and lease liabilities | (970) | (0) | 120 | (849) |
| Dividends paid to shareholders and non-controlling interests | (154) | - | (94) | (249) |
| Interest paid | (327) | 24 | (54) | (356) |
| Share repurchase program | (102) | - | - | (102) |
| Payments from/to non-controlling interests for change in ownership | 0 | 0 | 53 | 53 |
| **Net cash flows from (used in) financing activities** | **(1,552)** | 24 | 221 | **(1,307)** |
| | | | | |
| Net cash and cash equivalents as at 1 January | 563 | - | (20) | 543 |
| Net increase/(decrease) in net cash and cash equivalents | 46 | (0) | 220 | 267 |
| Foreign currency variations | (3) | (0) | (1) | (4) |
| **Net cash and cash equivalents as at 31 December** | **606** | (0) | 200 | **806** |

### Impact of lease accounting treatment

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

Following the announcement that ExxonMobil Guyana Limited exercised the purchase option for FPSO *Prosperity* and FPSO *Liza Destiny* (refer to note 4.3.1 Financial Highlights), the Company received the proceeds of the purchase in the amount of US$1,760 million, which is presented under IFRS reporting as inflow within cash flows from operating activities in the line 'Reimbursement finance lease assets'. Under Directional, the proceeds are also presented within cash flows from operating activities under EBITDA which should be considered together with 'Adjustments for non-cash and investing items' where the net book value of the FPSO *Prosperity* and FPSO *Liza Destiny* in the amount of US$1,112 million recognized as cost of sales was cancelled.

A large part of the capital expenditures (US$821 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 asset 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 non-recourse project debts, results in increased additions and repayments of borrowings under IFRS versus Directional.

The impact in net cash flows from operating activities (US$(151) 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$221 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$115 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 4.3.30 Business Combinations) 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$27 million arising from dividends received from the *FPSO N'Goma* according to the percentage of legal ownership at distribution date (refer to note 4.3.31 Information on Non-controlling Interests).

Other investing activities (US$115 million) also includes the impact of the 13.5% divestment of minority interests in the special purpose companies of in *FPSO Sepetiba* to CMFL, which has been reported in financing activities under IFRS as the entities continued to be fully consolidated.

**Reconciliation of 2023 statement of financial position (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] | 8,515[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 Gusmao).

3 Includes US$220 million related to demobilization receivable

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

**Reconciliation of 2023 cash flow statement (Directional to IFRS)**

| | Reported under Directional reporting | Impact of lease accounting treatment | Impact of consolidation methods | Total Consolidated IFRS |
|---|---|---|---|---|
| **EBITDA** | **1,319** | (243) | 163 | **1,239** |
| Adjustments for non-cash and investing items | 972 | (859) | 29 | 142 |
| Changes in operating assets and liabilities | (571) | (2,050) | (572) | (3,193) |
| Reimbursement finance lease assets | 0 | 1,718 | 24 | 1,743 |
| Income taxes paid | (104) | (0) | 4 | (101) |
| **Net cash flows from (used in) operating activities** | **1,616** | (1,433) | (352) | **(169)** |
| Capital expenditures | (1,658) | 1,486 | (1) | (173) |
| Other investing activities | 19 | 1 | 11 | 31 |
| **Net cash flows from (used in) investing activities** | **(1,639)** | 1,487 | 10 | **(142)** |
| Equity payment from/repayment to partners | - | - | 235 | 235 |
| Additions and repayments of borrowings and lease liabilities | 287 | 0 | 165 | 452 |
| Dividends paid to shareholders and non-controlling interests | (197) | - | (82) | (279) |
| Interest paid | (248) | (54) | (64) | (366) |
| Share repurchase program | (5) | - | - | (5) |
| Payments to non-controlling interests for change in ownership | 155 | - | 0 | 155 |
| **Net cash flows from (used in) financing activities** | **(29)** | (54) | 254 | **171** |
| | | | | |
| Net cash and cash equivalents as at 1 January | 615 | - | 68 | 683 |
| Net increase/(decrease) in net cash and cash equivalents | (52) | (0) | (89) | (141) |
| Foreign currency variations | 0 | 0 | 0 | 1 |
| **Net cash and cash equivalents as at 31 December** | **563** | - | (20) | **543** |

**Deferred income (Directional)**

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Within one year | 44 | 52 |
| Between 1 and 2 years | 37 | 44 |
| Between 2 and 5 years | 33 | 59 |
| More than 5 years | 44 | 56 |
| **Balance at 31 December** | **157** | **211** |

Directional deferred income is mainly related to the revenue of those 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 for both revenues and non-current assets.

The revenue by country is analyzed as follows:

**2024 geographical information (revenue by country and segment)**

| | Directional | | | IFRS | | |
|---|---|---|---|---|---|---|
| | Lease and Operate | Turnkey | **Reported segments** | Lease and Operate | Turnkey | **Reported segments** |
| Brazil | 936 | 543 | 1,479 | 1,087 | 697 | 1,784 |
| Guyana | 799 | 2,632 | 3,431 | 602 | 1,375 | 1,977 |
| Angola | 451 | 47 | 498 | 262 | 92 | 354 |
| Equatorial Guinea | 102 | 2 | 104 | 91 | 1 | 92 |
| Malaysia | 48 | 6 | 54 | (0) | 9 | 9 |
| The United States of America | 27 | 3 | 31 | 27 | 3 | 31 |
| France | - | 20 | 20 | - | 20 | 20 |
| Suriname | - | 316 | 316 | - | 316 | 316 |
| Nigeria | - | 36 | 36 | - | 36 | 36 |
| Norway | - | 20 | 20 | - | 20 | 20 |
| Other | 5 | 118 | 123 | 5 | 141 | 146 |
| **Total revenue** | **2,368** | **3,743** | **6,111** | **2,074** | **2,710** | **4,784** |

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)**

| | Directional | | | IFRS | | |
|---|---|---|---|---|---|---|
| | Lease and Operate | Turnkey | **Reported segments** | Lease and Operate | Turnkey | **Reported segments** |
| Brazil | 832 | 572 | 1,405 | 940 | 1,505 | 2,445 |
| Guyana | 688 | 1,826 | 2,514 | 485 | 1,694 | 2,179 |
| Angola | 247 | 19 | 266 | 4 | 38 | 43 |
| Equatorial Guinea | 108 | 1 | 109 | 104 | 0 | 104 |
| Malaysia | 49 | 3 | 51 | 0 | 5 | 6 |
| The United States of America | 28 | 2 | 30 | 28 | 2 | 30 |
| France | - | 43 | 43 | - | 43 | 43 |
| Mozambique | - | - | - | - | - | - |
| Nigeria | - | 22 | 22 | - | 22 | 22 |
| Norway | - | 25 | 25 | - | 25 | 25 |
| Other | 2 | 65 | 67 | 2 | 65 | 67 |
| **Total revenue** | **1,954** | **2,578** | **4,532** | **1,563** | **3,400** | **4,963** |

The non-current assets by country are analyzed as follows:

**Geographical information (non-current assets by country)**

| | 31 December 2024 | | 31 December 2023 | |
|---|---|---|---|---|
| | IFRS | DIR | IFRS | DIR |
| Brazil | 6,726 | 5,998 | 5,276 | 6,115 |
| Guyana | 18 | 1,634 | 1,753 | 2,468 |
| Angola | 159 | 106 | 252 | 132 |
| Switzerland | 120 | 120 | 93 | 93 |
| Monaco | 60 | 60 | 77 | 77 |
| Malaysia | 8 | 8 | 64 | 13 |
| Equatorial Guinea | 24 | 47 | 41 | 70 |
| The United States of America | 18 | 18 | 19 | 19 |
| France | 12 | 12 | 12 | 12 |
| Netherlands | 33 | 33 | 6 | 6 |
| Mexico | 0 | 23 | - | - |
| Other | 181 | 161 | 163 | 138 |
| **Total** | **7,358** | **8,220** | **7,757** | **9,143** |

### RELIANCE ON MAJOR CUSTOMERS

Under IFRS, two customers represent more than 10% of the consolidated revenue each. Total revenue from these major customers amounts to US$3,966 million (US$2,249 million and US$1,716 million respectively). In 2023, two customers accounted for more than 10% of the consolidated revenue (US$4,598 million, US$2,213 and US$2,386 million respectively).

Under Directional reporting, two customers represent more than 10% of the consolidated revenue each. Total revenue from these two major customers amounts to US$5,142 million (US$3,728 million and US$1,414 million respectively). In 2023, the revenue related to two major customers was US$3,979 million (US$2,643 million and US$1,335 million respectively). In both 2024 and 2023, revenue from these major customers was mainly related to the Lease and Operate segment. The revenue from the sale of FPSO *Liza Unity*, FPSO *Liza Destiny* and FPSO *Prosperity* were reported in the Turnkey segment.

## 4.3.3 REVENUE

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. Around 39% of the Company's 2024 Lease and Operate revenue is made of charter rates related to lease contracts, while the remaining amount originates from operating contracts. The Company recognizes most of its revenue (i.e. more than 99%) over time.

The Company's policy regarding revenue recognition is described in further detail in note 4.2.7 B. Critical Accounting Policies – (d) Revenue. For the disaggregation of total revenue by country and by segment, please refer to Geographical Information under note 4.3.2 Operating Segments and Directional Reporting.

The Company's construction contracts can last for several years, depending on the type of product, scope and complexity of the project, while the Company's Lease and Operate contracts are generally multiple-year contracts. As a result, the Company has (partially) outstanding performance obligations to its clients (unsatisfied performance obligations) at December 31, 2024. These unsatisfied performance obligations relate to:

- Ongoing construction contracts, including the construction of vessels under finance leases that still need to be completed;
- Ongoing multiple-year operating contracts. Note that for this specific disclosure on unsatisfied performance obligations, the lease component of the Lease and Operate contracts is excluded (this component being described in further detail in notes 4.3.13 Property, Plant and Equipment and 4.3.15 Finance Lease Receivables). As noted, some contracts include (performance) bonuses when earned or penalties incurred under the Company's Lease and Operate contracts. The net amount of performance-related payments for 2024 decreased to US$22 million (2023: US$132 million). This decrease is mostly related to the temporary shutdown of three units during the period.

The following table presents the unsatisfied performance obligations as at December 31, 2024 (in billions of US$):

| Unsatisfied performance obligations related to: | 2024 | 2023 |
|---|---|---|
| - constructions contracts including finance leases | 7.0 | 2.4 |
| - operating contracts | 15.4 | 13.4 |
| **Total** | 22.4 | 15.8 |

The unsatisfied performance obligations for the committed construction contracts mostly relate to five major construction FPSO contracts and one FSO. Revenue related to these construction contracts is expected to be recognized over the coming two years in line with the construction progress on these projects.

The unsatisfied performance obligations for the operating contracts relate to i) the Company's vessels leased to clients where the Company is the operator (both operating and finance lease contracts) and ii) four operating contracts for operating services on a vessel that is owned by the client. The operating contracts end between 2024 and 2050. The Company will recognize the unsatisfied performance obligation over this period in line with the work performed.

The Company can agree on various payment arrangements which generally reflect the progress of delivered performance obligations. However, if the Company's delivered performance obligation exceeds installments invoiced to the client, a contract asset is recognized. If the installments invoiced to the client exceed the work performed, a contract liability is recognized.

As a result of various commercial discussions with clients, the Company recognized revenue amounting to US$28 million in 2024 (2023: US$7 million) originating from performance obligations satisfied in previous periods.

Lease revenue recognized for leases where the Company is the lessor, for both operating and finance leases, relates to fixed and variable lease payments. Most of the Company's revenue from lease contracts is based on fixed day-rates. To the extent that lease payments are dependent on an index or a rate, they are excluded from the initial recognition of the lease payments receivable. The impact related to a change in index or a rate is recognized in the consolidated income statement from the date the change occurs.

## CONTRACT BALANCES

The table below sets out the contract balances for the years 2024 and 2023:

| | *Notes* | 31 December 2024 | 31 December 2023 |
|---|---|---|---|
| Current contract liability | *4.3.25* | 31 | 74 |
| Non-current contract liability | *4.3.25* | 28 | 22 |
| **Total contract liabilities** | | **59** | 97 |
| Current contract assets | | 6,809 | 7,134 |
| **Total contract assets** | | **6,809** | 7,134 |

**Contract assets**

The contract asset balance decreased to US$6,809 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*, *FPSO Jaguar* and the *GranMorgu* FPSO*,* more than offset by the finalization of the *FPSO Sepetiba* construction as the contract asset related to this unit was reclassified to finance lease receivables (refer to note 4.3.15 Finance Lease Receivables).

Regarding information about expected credit losses recognized for contract assets, refer to note 4.3.27 Financial Instruments – Fair Values and Risk Management.

**Contract liabilities**

Current contract liabilities of US$31 million (December 31, 2023: US$74 million) comprise the amounts of those individual contracts for which the total installments invoiced exceed the revenue recognized over time. Contract liabilities are reported in trade and other payables (see note 4.3.25 Trade and Other Payables).

As at December 31, 2024, current contract liabilities are related only to minor construction projects.

Non-current contract liabilities of US$28 million (December 31, 2023: US$22 million) as at December 31, 2024, mostly relate to future demobilization performance obligations associated with expected demobilization costs in finance lease contracts.

The Company recognized revenue of US$66 million during the period which was included in the contract liabilities as per December 31, 2023.

## 4.3.4 OTHER OPERATING INCOME AND EXPENSE

| | 2024 | 2023 |
|---|---|---|
| Gains from sale of financial participations and property, plant and equipment | 32 | 0 |
| Other operating income | 2 | 3 |
| **Total other operating income** | **34** | **3** |
| Other operating expenses | (5) | (2) |
| Restructuring expenses | (0) | (11) |
| **Total other operating expense** | **(5)** | **(13)** |
| **Total** | **29** | **(10)** |

In 2024, total other operating income and expense is mainly driven by 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 4.3.30 Business Combinations for details on these transactions).

For comparison, in 2023, the total Other operating income and expense was mainly driven by a restructuring expense in the amount of US$11 million corresponding to severance costs relating to the implementation of an optimization plan for the Company's support functions' activities.

## 4.3.5 EXPENSES BY NATURE

The table below sets out expenses by nature for all items included in EBIT for the years 2024 and 2023:

| | *Note* | 2024 | 2023 |
|---|---|---|---|
| Expenses on construction contracts | | (1,704) | (2,130) |
| Employee benefit expenses | *4.3.6* | (995) | (842) |
| Vessels operating costs | | (770) | (512) |
| Depreciation, amortization and impairment | | (113) | (94) |
| Selling expenses | | (9) | (10) |
| Other costs | | (300) | (232) |
| **Total expenses** | | **(3,890)** | **(3,820)** |

'Expenses on construction contracts' decreased compared with prior year. Despite having five FPSO's under construction during both periods, the reduction is a result of (i) lower progress on *FPSO Almirante Tamandaré, FPSO Alexandre de Gusmão* and FPSO *ONE GUYANA,* as those projects approached completion during the period, and (ii) the completion of FPSO *Prosperity* during the last quarter of 2023 and of *FPSO Sepetiba* early January 2024, partially offset by (iii) progress on the awarded contracts for *FPSO Jaguar*, *GranMorgu FPSO*, FSO Trion and on brownfield projects.

'Employee benefit expenses' increased due to higher work-hour-related activities in Turnkey projects and the ramp-up of operations on the fleet in operation.

'Vessel operating costs' increased mainly as a result of a higher scope of work in several vessels and the operational start of FPSO *Prosperity* during the last quarter of 2023 and *FPSO Sepetiba* early 2024. Notwithstanding the sale of the units during 2024, FPSO *Liza Destiny* and FPSO *Prosperity* continue to be operated by the Company through the OMEA signed with the client in 2023. The change in consolidation method of FPSOs *N'Goma*, *Saxi Batuque* and *Mondo* for the Operational scope, triggered by the completion of the acquisition of shares from Sonangol EP, also contributed to this increase.

'Depreciation, amortization and impairment' increased compared with the prior year, mainly driven by movements in impairment losses, following the US$39 million *FPSO Cidade de Anchieta* impairment (refer to paragraph 4.3.13 Property Plant and equipment) the year-on-year effect of which is partially offset by an impairment of a funding loan provided to some equity-accounted entities recognized in 2023.

Expenses related to short-term leases and leases of low-value assets amounted to US$5 million (2023: US$6 million).

The increase of 'Other costs' is mainly driven by the overall ramp-up of activities and the change in consolidation method of FPSOs *N'Goma*, *Saxi Batuque* and *Mondo*.

## 4.3.6 EMPLOYEE BENEFIT EXPENSES

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

| | Note | 2024 | 2023 |
|---|---|---|---|
| Wages and salaries | | (503) | (420) |
| Social security costs | | (67) | (57) |
| Contributions to defined contribution plans | | (40) | (39) |
| Contributions to defined benefit plans | | (2) | (2) |
| Share-based payment cost | | (30) | (26) |
| Contractors' costs | | (212) | (197) |
| Other employee benefits | | (140) | (100) |
| **Total employee benefits** | *4.3.5* | **(995)** | **(842)** |

Wages and salaries increased due to (i) FPSO *Prosperity* and *FPSO Sepetiba* joining the fleet during the last quarter of 2023 and early 2024 respectively, (ii) the full ramp-up on *FPSO Almirante Tamandaré* in December 2024 (before producing and being on hire) and (iii) the change in consolidation method of FPSOs *N'Goma*, *Saxi Batuque* and *Mondo* for the Operational scope.

Contractors' costs include expenses related to contractor staff not on the Company's payroll, linked to the Company's strategy of aiming to maintain flexibility in its workforce management. Other employee benefits mainly include commuting, training, expatriate and other non-wage compensation costs.

### DEFINED CONTRIBUTION PLAN

The contributions to defined contribution plans include Company participation in the Merchant Navy Officers Pension Fund (MNOPF). The MNOPF is a defined benefit multi-employer plan, which is closed to new members. The fund is managed by a corporate trustee, MNOPF Trustees Limited, and provides defined benefits for 21,281 (December 31, 2023: 21,936) Merchant Navy Officers and their dependents, out of whom 33 are SBM Offshore former employees.

The trustee apportions its funding deficit between participating employers, based on the portions of the fund's liabilities, which were originally accrued by members in service with each employer. When the trustee determines that contributions are unlikely to be recovered from a participating employer, it can re-apportion the deficit contributions to other participating employers.

Entities participating in the MNOPF are exposed to the actuarial risk associated with the current and former employees of other entities through exposure to their share of the deficit of those other entities' default. As there is only a notional allocation of assets and liabilities to any employer, the Company is accounting for the MNOPF in its financial statements as if it was a defined contribution scheme. There are no contributions to the plan agreed at present.

## DEFINED BENEFIT PLANS AND OTHER LONG-TERM BENEFITS

The employee benefits provisions recognized relate to:

| | Note | 2024 | 2023 |
|---|---|---|---|
| Pension plan | | (0) | (0) |
| Lump sums on retirement | | 8 | 8 |
| **Defined benefit plans** | | **8** | **7** |
| Long-service awards | | 14 | 14 |
| **Other long-term benefits** | | **14** | **14** |
| **Employee benefits provisions** | *4.3.24* | **22** | **21** |

The defined benefit plan provision is partially funded as follows:

**Benefit asset/liability included in the statement of financial position**

| | 31 December 2024 | | | 31 December 2023 | | |
|---|---|---|---|---|---|---|
| | Pension plans | Lump sums on retirement | Total | Pension plans | Lump sums on retirement | Total |
| Defined benefit obligation | 21 | 8 | 28 | 22 | 8 | **30** |
| Fair value of plan assets | (21) | - | (21) | (22) | - | **(22)** |
| **Benefit (asset)/liability** | **(0)** | **8** | **8** | **(0)** | **8** | **7** |

The main assumptions used in determining employee benefit obligations for the Company's plans are shown below:

**Main assumptions used in determining employee benefit obligations**

| in % | 2024 | 2023 |
|---|---|---|
| Discount rate | 1.00 - 3.60 | 1.50 - 3.40 |
| Inflation rate | 1.00 - 2.00 | 2.00 |
| Discount rate of return on plan assets during financial year | 1.50 | 1.50 |
| Future salary increases | 1.00 - 3.00 | 1.00 - 3.00 |
| Future pension/awards increases | 0.00 - 2.00 | 0 - 2.00 |

The overall expected rate of return on assets is determined, based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

## REMUNERATION OF THE KEY MANAGEMENT PERSONNEL OF THE COMPANY

The remuneration of the key management personnel of the Company paid during the year, not including the Supervisory Board, including pension costs and performance-related Short-Term Incentives (STI), amounted to US$16 million (2023: US$14 million). There are no loans outstanding or guarantees given on behalf of members of the key management.

The performance-related part of the remuneration of the Management Board, comprising Value Creation Stake and STI components, was 70% (2023: 66%). The Management Board's remuneration decreased in 2024 versus 2023, mainly explained by the decrease to two members in the overall year-on-year comparison.

The total remuneration and associated costs of the Management Board and 'Other key management personnel' (members of the Executive Leadership Team and the Executive Committee other than members of the Management Board) is specified as follows:

**Remuneration key management personnel**

| in thousands of US$ | Base salary | STI[1] | Share-based compensation[2] | Other[3] | Pensions[4] | Total remuneration |
|---|---|---|---|---|---|---|
| Management Board Members | | | | | | |
| 2024 | 1,690 | 1,878 | 3,934 | 390 | 439 | 8,331 |
| 2023 | 2,186 | 2,279 | 3,866 | 457 | 585 | 9,373 |
| Other key personnel[5] | | | | | | |
| 2024 | 3,086 | 1,019 | 2,364 | 646 | 579 | 7,694 |
| 2023 | 2,021 | 562 | 1,292 | 442 | 442 | 4,759 |
| **Total 2024** | **4,776** | **2,897** | **6,298** | **1,036** | **1,018** | **16,025** |
| **Total 2023** | **4,207** | **2,841** | **5,158** | **899** | **1,027** | **14,132** |

1 For the Management Board this represents the actual STI approved by the Supervisory Board, which has been accrued over the calendar year, payment of which will be made in the following year.

2 This share-based compensation represents the period expense of share-based payments in accordance with IFRS 2.

3 Consisting of social charges, lease car expenses, and other allowances.

4 This represents company contributions to defined contribution pension plans; in case of absence of a qualifying pension scheme such contribution is paid gross, withholding wage tax at source borne by the individuals.

5 The definition of 'Other key personnel' is aligned with the Executive Leadership and the Executive Committee excluding the members of the Management Board, as disclosed on the Company's website.

The table above represents the total remuneration in US dollars, being the reporting currency of the Company. The increase in remuneration of 'other key personnel' compared with 2023 is mainly explained by several new members joining the Executive Committee.

As at December 31, 2024, there are no unvested shares of current and former Management Board members. The total number of vested shares held by current Management Board members are reported in note 4.3.22 Equity Attributable to Shareholders.

## SHORT-TERM INCENTIVE PROGRAM OF THE MANAGEMENT BOARD

The Short-Term Incentive Program is based upon short-term operational performance, which includes three sets of performance indicators, as noted below:

- Profitability;
- Growth;
- Sustainability.

The Supervisory Board may adjust the outcome of the STI down by 10%. Any such adjustment would be reported in the Remuneration Report. No such reduction has been made for 2024 or 2023.

For 2024 (equal to 2023), the Supervisory Board concluded that the Company's performance indicators had outcomes ranging from threshold to maximum. For the year 2024, a total of nine performance indicators were established (2023: ten). The Company's performance resulted in performance of 126% (2023: 120%) of salary for the CEO and 94.5% (2023: 90%) for the other Management Board member(s).

## VALUE CREATION STAKE SHARES OF THE MANAGEMENT BOARD

Under the Remuneration Policy 2022, the members of the Management Board are entitled to a Value Creation Stake, being a number of shares determined by a four-year average share price (volume-weighted). These shares vest immediately upon the award date, and must be retained for five years from the vesting date, or, in the event of retirement or termination, two years.

| Number of issued shares | 2024 | 2023 |
|---|---|---|
| **Total** | 284,264 | 242,375 |

The number of shares granted is based upon 175% of the individual's base salary and determined by the 4-year average volume-weighed share price (VWAP) over the years 2020 through 2023 (2023: 2019 through 2022), being EUR13.85 (2023: EUR14.60). The grant date fair value of these shares upon issue was EUR12.55, being the opening share price of January 2, 2024 (2023: EUR14.75).

### RESTRICTED SHARE UNIT (RSU) PLANS

The number of shares granted under the RSU plan in 2024 was 847,350 (2023: 812,950), with the three-year employment period starting on January 1, 2024 (2023: January 1, 2023).

The annual RSU award is based on individual potential. The RSU plans themselves have no performance condition, only a service condition, and will vest at the end of three years' continuing service. The fair value is determined, based on the share price at the grant dates, with an adjustment for the present value of the expected dividends during the vesting period.

| | 2024 | 2023 |
|---|---|---|
| RSU grant date fair value per share | € 12.44 | € 10.85 |

For RSUs, a vesting probability (based on expectations on, for example, the number of employees leaving the Company before the vesting date of their respective RSU plan) of 5% is assumed. The Company periodically reviews this estimate and aligns to the actual forfeitures.

### OWNERSHIP SHARES

Ownership Shares is an annual award in shares to compensate the overall STI target reduction of 3-6% of annualized gross salary under the Company's 2019 STI plan awarded to employees based on seniority. The Ownership Shares have no performance conditions, only a service condition. The Ownership Shares are subject to a three-year holding requirement after the grant date. This means that a fixed population of onshore employees, based on seniority in the Company, are eligible to the Ownership Shares equal to 4-8% of annualized gross salary.

The total number of Ownership Shares that vested during 2024 was 92,115 shares (2023: 76,485). The fair value of the Ownership Shares is measured at the opening share price of January 2, 2024.

| | 2024 | 2023 |
|---|---|---|
| Ownership Shares grant date fair value per share | € 12.55 | € 14.75 |

### MATCHING SHARES

Under the STI plans for the management and staff of the Company, 20% of the STI is or can be paid in shares. Subject to a vesting period of three years, an identical number of shares (matching shares) will be issued to participants, assuming a probability of 95%. The Company periodically reviews this estimate and aligns to the actual forfeitures. The grant date fair value is measured indirectly, based on the grant date price of the equity instrument, with an adjustment for the present value of the expected dividends during the vesting period.

The assumptions included in the calculation for the matching shares are:

| | 2024 | 2023 |
|---|---|---|
| Matching shares grant date fair value per share | € 12.72 | € 10.74 |

### TOTAL SHARE-BASED PAYMENT COSTS

The amounts recognized in operating profit for all share-based payment transactions have been summarized by taking into account both the provisional awards for the current year and the additional awards related to prior years. Total share-based compensation has increased in comparison with 2023.

| 2024 (in thousands of US$) | Performance shares and RSU/Value Creation Stake | Matching shares | Total |
|---|---|---|---|
| Instruments granted | 14,491 | 6,776 | **21,267** |
| **Total expenses 2024** | **14,491** | **6,776** | **21,267** |

| 2023 (in thousands of US$) | Performance shares and RSU/Value Creation Stake | Matching shares | Total |
|---|---|---|---|
| Instruments granted | 14,424 | 5,087 | **19,511** |
| **Total expenses 2023** | **14,424** | **5,087** | **19,511** |

Rules of conduct with regards to inside information are in place to ensure compliance with the Act on Financial Supervision. For example, these rules forbid the exercise of options or other financial instruments during certain periods, more specifically when an employee is in possession of price-sensitive information.

The movement in the outstanding number of shares which could potentially vest at a point in time under the Company share-based payment plans is illustrated in the following table.

| in number of shares | 2024 | 2023 |
|---|---|---|
| **Outstanding at 1 January** | **3,336,236** | **3,064,079** |
| Granted | 1,687,801 | 1,686,474 |
| Vested | (1,258,810) | (1,064,211) |
| Cancelled or forfeited | (257,778) | (350,106) |
| **Total movements** | **171,213** | **272,157** |
| **Outstanding at 31 December** | **3,507,449** | **3,336,236** |

## REMUNERATION OF THE SUPERVISORY BOARD

The remuneration of the Supervisory Board amounted to EUR580 thousand (2023: EUR599 thousand) and can be specified as follows:

| | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| in thousands of EUR | Basic remuneration | Committees | Total | Basic remuneration | Committees | Total |
| **Total** | **500** | **80** | **580** | **521** | **78** | **599** |

There are no share-based incentives granted to the members of the Supervisory Board. Nor are there any loans outstanding to the members of the Supervisory Board or guarantees given on behalf of members of the Supervisory Board.

## NUMBER OF EMPLOYEES

**Number of employees (by operating segment)**

| | 2024 | | 2023 | |
|---|---|---|---|---|
| By operating segment: | Average | Year-end | Average | Year-end |
| Lease and Operate | 3,061 | 3,455 | 2,420 | 2,667 |
| Turnkey | 2,112 | 2,188 | 2,129 | 2,036 |
| Other | 710 | 718 | 639 | 701 |
| **Total excluding employees working for JVs and associates** | **5,883** | **6,361** | **5,187** | **5,404** |
| Employees working for JVs and associates | 294 | 56 | 531 | 531 |
| **Total** | **6,176** | **6,417** | **5,717** | **5,935** |

**Number of employees (by geographical area)**

| | 2024 | | 2023 | |
|---|---|---|---|---|
| By geographical area: | Average | Year-end | Average | Year-end |
| the Netherlands | 513 | 530 | 507 | 496 |
| Worldwide | 5,370 | 5,831 | 4,680 | 4,908 |
| **Total excluding employees working for JVs and associates** | **5,883** | **6,361** | **5,187** | **5,404** |
| Employees working for JVs and associates | 294 | 56 | 531 | 531 |
| **Total** | **6,176** | **6,417** | **5,717** | **5,935** |

The figures exclude fleet personnel hired through crewing agencies as well as other agency and freelance staff for whom expenses are included within 'Other employee benefits'. The increase of Lease and Operate average headcount is primarily due to the ramp-up in December 2024 on *FPSO Almirante Tamandaré* and *FPSO Alexandre de Gusmão*. The change in consolidation method of FPSOs *N'Goma*, *Saxi Batuque* and *Mondo* also contributed to this increase as local employees were transferred from the 'Employees working for JVs and associates' line to the 'Lease and Operate' line.

## 4.3.7 RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses amounted to US$40 million (2023: US$37 million) and mainly relate to the internal projects for energy transition development costs, mostly related to emissionZERO® and Digital transformation.

The amortization of development costs recognized in the statement of financial position is allocated to cost of sales when the developed technology is used through one or several projects. Otherwise, it is allocated to research and development expenses.

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

In the context of the current economic and geopolitical environment, during 2024, the Company anticipated a range of possible impacts that could arise from the general economic downturn, the pressure on price inflation, the energy market pressure, increasing interest rates and other governmental actions as a consequence of the geopolitical environment. In response to these effects, the Company (i) reassessed whether there is a significant increase in credit risk related to its financial assets as of December 31, 2024, and (ii) updated estimates in terms of 'probability of default' and 'loss given default' in order to determine the expected credit losses.

### Finance Lease Receivables

There was no payment default on any finance lease contract over the period. In addition, despite the current economic and geopolitical environment, the Company concluded that the counterparties of the finance lease receivables still have a strong capacity to meet their contractual cash-flow obligations, based on existing contractual arrangements, which include parent company guarantees. Based on the available forward-looking information related to the oil price, it is also assumed that none of the assets leased under the Company's finance lease contracts would become uneconomical to operate for clients.

Therefore, the Company concludes that (i) the credit risk has not increased significantly since the initial recognition of the finance lease receivable, and (ii) the finance lease receivables still have a low credit-risk as of December 31, 2024. As a result, the Company recognizes a 12-month expected credit loss.

### Contract assets and Trade Receivables

As for the finance leases, there was no payment default (including overdue of more than 90 days) on any significant trade receivables over the period. The Company performed, as usual, a detailed analysis of the credit risks associated with significant trade receivables balances as at the reporting date. This did not result in any specific significant increase in credit risks related to its outstanding contract assets and trade receivables.

### Other Financial Assets

Overall, the reassessment of the expected credit losses of other financial assets resulted in a limited impact.

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

| | 2024 | 2023 |
|---|---|---|
| Impairment losses | | |
| - Movement in loss allowance for trade receivables | 0 | (1) |
| - Movement in loss allowance for contract assets | 0 | 0 |
| - Movement in loss allowance for finance lease receivables | 0 | 0 |
| (Impairment)/impairment reversal losses on financial lease receivables | 3 | - |
| - Movement in loss allowance for other assets | (2) | (0) |
| (Impairment)/impairment reversal losses on other financial assets | (7) | (20) |
| **Net impairment gains/(losses) on financial and contract assets** | **(6)** | **(21)** |

During the year 2024, the Company recognized a US$(6) million net impairment loss on financial and contract assets (2023: loss of US$(21) million mainly attributable to impairment of funding loans provided to equity-accounted entities).

## 4.3.9 NET FINANCING COSTS

| | 2024 | 2023 |
|---|---|---|
| Interest income on loans & receivables | 2 | 3 |
| Interest income on investments | 24 | 21 |
| **Financial income** | **26** | **25** |
| Interest expenses on financial liabilities at amortized cost | (832) | (731) |
| Interest income / (expenses) on hedging derivatives | 167 | 139 |
| Interest expenses on lease liabilities | (5) | (5) |
| Interest addition to provisions | (10) | (1) |
| Net cash flow hedges ineffectiveness | (3) | - |
| Net foreign exchange loss | (8) | (3) |
| **Financial expenses** | **(690)** | **(601)** |
| **Net financing costs** | **(663)** | **(575)** |

The increase in net financing costs is mainly due to (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, (iii) additional interest expense generated by the construction financing of *FPSO Jaguar*, partially offset by (iv) lower interest expense on FPSOs *Liza Unity*, *Prosperity* and *Liza Destiny* following purchase of the units by the client and the full repayment of the project loans respectively in November 2023, November 2024 and December 2024 and (v) the scheduled amortization of project loans for the fleet under operations.

## 4.3.10 INCOME TAX EXPENSE

The relationship between the Company's income tax expense and profit before income tax (referred to as 'effective tax rate') can vary significantly from period to period considering among other factors: (i) changes in the blend of income that is taxed based on revenues versus profit, (ii) the different statutory tax rates in the location of the Company's operations and (iii) the possibility to recognize deferred tax assets on tax losses to the extent that suitable future taxable profits will be available.

Some of the taxes are withholding taxes (paid on revenues). The assessment of whether the withholding tax is in scope of IAS 12 is judgmental; the Company has performed this assessment in the past and some of the withholding taxes that the Company pays in certain countries qualify as income taxes, as it creates an income tax credit or it is considered as deemed profit taxation.

Consequently, income tax expense does not change proportionally with profit before income taxes. Significant decreases in profit before income tax typically lead to a higher effective tax rate, while significant increases in profit before income taxes can lead to a lower effective tax rate, subject to the other factors impacting income tax expense, noted above. Additionally, where a deferred tax asset is not recognized on a loss carry forward, the effective tax rate is impacted by the unrecognized tax loss.

The components of the Company's income taxes are:

**Income tax recognized in the consolidated Income Statement**

| | *Note* | 2024 | 2023 |
|---|---|---|---|
| Corporation tax on profits for the year | | (157) | (129) |
| Adjustments in respect of prior years | | 9 | (1) |
| Movements in uncertain tax positions | | 5 | (2) |
| **Total current income tax** | | **(143)** | **(131)** |
| Deferred tax | *4.3.17* | 71 | 156 |
| **Total** | | **(73)** | **25** |

The Company's operational activities are subject to taxation at rates which range up to 35% (2023: 35%).

For the year ended December 31, 2024, the respective tax rates, the change in the blend of income tax based on income withholding tax and deemed profit assessment versus income tax based on net profit, the unrecognized deferred tax asset on certain tax losses, tax-exempt profits and non-deductible costs resulted in an effective tax on continuing operations of 27% (2023: (4)%).

The reconciliation of the effective tax rate is as follows:

**Reconciliation of total income tax charge**

| | 2024 | | 2023 | |
|---|---|---|---|---|
| | % | | % | |
| **Profit/(Loss) before income tax** | | **283** | | **589** |
| Share of profit of equity-accounted investees | | 19 | | 19 |
| **Profit/(Loss) before income tax and share of profit of equity-accounted investees** | | **265** | | **570** |
| Income tax using the domestic corporation tax rate (25,8% for the Netherlands) | 25,8% | (68) | 25,8% | (147) |
| **Tax effects of :** | | | | |
| Different statutory taxes related to subsidiaries operating in other jurisdictions | (9%) | 24 | (5%) | 29 |
| Withholding taxes and taxes based on deemed profits | 30% | (79) | 8% | (46) |
| Non-deductible expenses | 30% | (80) | 10% | (55) |
| Non-taxable income | (7%) | 19 | (17%) | 98 |
| Adjustments related to prior years | (3%) | 9 | 0% | (1) |
| Tax effect originating from current year timing differences and unused tax losses for which no deferred tax is recognized | (37%) | 98 | (26%) | 150 |
| Movements in uncertain tax positions | (2%) | 5 | 0% | (2) |
| **Total tax effects** | **2%** | **(5)** | **(30%)** | **172** |
| **Total of tax charge on the Consolidated Income Statement** | **27%** | **(73)** | **-4%** | **25** |

The effective tax rate was impacted in 2024 by the prior-year effect of the initial recognition of a deferred tax asset on a tax goodwill in Switzerland for a net amount of US$141 million, explaining the variation between 2024 and 2023. For more detailed information refer to note 4.3.17 Deferred Tax Assets and Liabilities.

Similar to last year, the effective tax was also impacted by unrecognized deferred tax assets concerning Brazil, USA, Luxembourg, Monaco and the Netherlands.

There were no changes in the applicable corporate income tax rates in 2024 compared with the previous accounting period.

Details of the withholding taxes and other taxes are as follows:

**Withholding taxes per country**

| | 2024 | 2023 |
|---|---|---|
| Withholding Tax and Overseas Taxes (per location) | Withholding tax | Withholding tax |
| Angola | (20) | - |
| Brazil | (14) | (22) |
| Guyana | (43) | (22) |
| Other | (1) | (2) |
| **Total withholding and overseas taxes** | **(79)** | **(46)** |

**Brazil withholding tax**
The Company incurs in Brazilian withholding tax in relation to its Brazilian fleet time charter revenue.

**Guyana withholding tax**
The Company's construction and lease activities related to Guyana are subject to Guyanese withholding tax. The variation between 2024 and 2023 is mainly explained by the withholding tax incurred for FPSO *Prosperity* which was fully in operation during the year 2024.

**Angola withholding tax**
Following the acquisition of shares in joint ventures associated to operations in Angola the said joint ventures are now fully consolidated in the Company's financial statements. As a result, withholding tax was recognized in 2024.

## TAX RETURNS AND TAX CONTINGENCIES

The Company files federal and local tax returns in several jurisdictions throughout the world. Tax returns in the major jurisdictions in which the Company operates are generally subject to examination for periods ranging from three to six years. Tax authorities in certain jurisdictions are examining tax returns and in some cases have issued assessments. The Company believes there is a sound basis for its tax positions in those jurisdictions. The Company provides for taxes that it considers probable of being payable as a result of these audits and for which a reasonable estimate may be made. While the Company cannot predict or provide assurance as to the final outcome of these proceedings, the Company does not expect the ultimate liability to have a material effect on its consolidated statement of financial position or results of operations, although it could have a significant adverse effect on its consolidated cash flows.

Each year, management completes a detailed review of uncertain tax positions across the Company and makes provisions based on the probability of a liability arising. The principal risks that arise for the Company are in respect of permanent establishment, transfer pricing and other similar international tax issues. In common with other international groups, the difference in alignment between the Company's global operating model and the jurisdictional approach of tax authorities often leads to uncertainty on tax positions.

As a result of the above, in the period, the Company recorded a net tax decrease of US$8 million in respect of ongoing tax audits and in respect of the Company's review of its uncertain tax positions. This decrease is in relation to uncertain tax positions on corporate income tax for an amount of US$5 million. However, it is possible that the ultimate resolution of the tax exposures could result in tax charges that are materially higher or lower than the amount provided.

In the prior year, the Company recognized a deferred tax asset in relation to a tax goodwill in Switzerland (refer to note 4.3.17 Deferred Tax Assets and Liabilities). In determining the taxable profits, the Company updated its assessment and modeling to determine that an amount of US$1,995 million could possibly be unrecoverable, which is driven by the assessment of profitability and commercial uncertainties (i.e. future awards) impacting future profits. Based on the uncertainty of recovering this tax asset in future years, in light of applicable enacted Swiss tax regulations, the Company determined the expected value based on a range of possible outcomes. As a result, the Company as of December 31, 2024, reassessed the amount of its net deferred tax asset related to the tax goodwill in Switzerland to US$157 million (2023: US$141 million) in accordance with IAS 12 and IFRIC 23.

The Company conducts operations through its various subsidiaries in a number of countries throughout the world. Each country has its own tax regimes with varying nominal rates, deductions and tax attributes. From time to time, the Company may identify changes to previously evaluated tax positions, which could result in adjustments to its recorded assets and liabilities. Although the Company is unable to predict the outcome of these changes, it does not expect the effect, if any, resulting from these adjustments to have a material effect on its consolidated statement of financial position, results of operations or cash flows.

### IMPACT OF THE GLOBE PILLAR TWO MODEL RULES

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 the 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 came into effect on 1 January 2024. The Netherlands, the jurisdiction in which the Company is incorporated, transposed the EU directive into its legislation under the Minimum Tax Act 2024.

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 following countries where the Company has a presence have implemented DMTT (Domestic minimum Top-Up Tax) with an effective date of 1 January 2024: the Netherlands, Switzerland, Portugal, Canada, France, Luxembourg, Norway and the United Kingdom.

The company applies the IAS12 exception issued by the IASB in May 2023 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.

The assessment is complex and is based on legislation that is subject to further developments and interpretation. Based on the current rules and the result for 2024, the Company has estimated that the current tax expense related to the application of Pillar Two represents an amount of US$0.9 million. For 2024, this impact primarily concerns entities within the jurisdiction of Bermuda, Malta and Liberia. The Company highlights that the disclosed impact is on the basis of certain assumptions, which eventually might deviate from the actual impact due to differences in interpretation, divergence in rules between jurisdictions and further guidance to be issued.

## 4.3.11 EARNINGS/(LOSS) PER SHARE

The basic earnings per share for the year amounts to US$0.84 (2023: US$2.74), and the fully diluted earnings per share amounts to US$0.83 (2023: US$2.70). 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 reflects the share data used in the basic and diluted earnings per share computations:

**Earnings per share**

| | 2024 | 2023 |
|---|---|---|
| Earnings attributable to shareholders (in thousands of US$) | 150,061 | 490,821 |
| Number of shares outstanding at January 1 | 179,019,227 | 178,054,655 |
| Average number of treasury shares transferred to employee share programs | 1,448,155 | 1,225,505 |
| Average number of shares repurchased / cancelled | (1,817,660) | (45,044) |
| **Weighted average number of shares outstanding** | **178,649,722** | **179,235,116** |
| Potential dilutive shares from stock option scheme and other share-based payments | 2,364,009 | 2,269,314 |
| **Weighted average number of shares (diluted)** | **181,013,731** | **181,504,430** |
| Basic earnings per share in US$ | 0.84 | 2.74 |
| Fully diluted earnings per share in US$ | 0.83 | 2.70 |

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorization for issue of these financial statements, except for the issuance of Value Creation Stake shares for the Management Board, Ownership Shares for the Company's senior management and the Matching Shares and RSUs that have vested on January 1, 2025 (see note 4.3.6 Employee Benefit Expenses).

## 4.3.12 DIVIDENDS PAID AND PROPOSED AND SHARE REPURCHASE PROGRAM

After a review, the Company updated its shareholder return policy in 2024 as follows: 'The Company's shareholders return policy is to maintain a stable annual cash return to shareholders which grows over time, with flexibility for the Company to make such cash return in the form of a cash dividend and the repurchase of shares. Determination of the annual cash return is based on the Company's assessment of its underlying cash flow position. The Company prioritizes a stable cash distribution to shareholders and funding of growth projects, with the option to apply surplus capital towards incremental cash returns to shareholders.'

As a result, following review of its cash flow position and forecast, the Company intends to pay US$1.59 per share through a proposed US$155 million dividend[1] (EUR150 million equivalent or US$0.88 per share[2]) and US$150 million (EUR141 million equivalent) share repurchase program[3]. This represents an increase of 30% compared with 2024. The objective of the share buyback program would be to reduce share capital and provide shares for regular management and employee share programs (maximum US$25 million). Shares repurchased as part of the cash return will be cancelled.

The share repurchase program will be launched after the current share repurchase program has ended. The dividend will be proposed at the Annual General Meeting on April 9, 2025.

## 4.3.13 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)**

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Property, plant and equipment excluding leases | 184 | 308 |
| Right-of-use assets | 82 | 77 |
| **Total** | **266** | **384** |

1 Equivalent of EUR150 million based on the EUR/US$ exchange rate on February 11, 2025. Dividends will be paid in euro provided that the minimum euro dividend shall amount to EUR150 million.
2 Based on the number of shares outstanding at December 31, 2024. Dividend amount per share depends on number of shares entitled to dividend.
3 Including maximum US$25 million for management and employee share programs.

## PROPERTY, PLANT AND EQUIPMENT OWNED BY THE COMPANY

The movement of the Property, plant and equipment during the year 2024 is summarized as follows:

**2024**

| | Land and buildings | Vessels and floating equipment | Other fixed assets | Assets under construction | Total |
|---|---|---|---|---|---|
| Cost | 67 | 1,821 | 82 | 81 | **2,051** |
| Accumulated depreciation and impairment | (45) | (1,637) | (62) | - | **(1,744)** |
| **Book value at 1 January** | **22** | **185** | **21** | **81** | **308** |
| Additions | 0 | - | 14 | 44 | **58** |
| Disposals | - | - | (0) | (2) | **(2)** |
| Depreciation | (1) | (33) | (10) | - | **(44)** |
| (Impairment)/impairment reversal | - | (39) | - | - | **(39)** |
| Foreign currency variations | (1) | 0 | (2) | (0) | **(3)** |
| Other movements | (4) | (39) | 7 | (57) | **(94)** |
| **Total movements** | **(6)** | **(110)** | **9** | **(15)** | **(123)** |
| Cost | 59 | 1,215 | 84 | 65 | **1,423** |
| Accumulated depreciation and impairment | (44) | (1,140) | (55) | - | **(1,238)** |
| **Book value at 31 December** | **15** | **74** | **29** | **65** | **184** |

**2023**

| | Land and buildings | Vessels and floating equipment | Other fixed assets | Assets under construction | Total |
|---|---|---|---|---|---|
| Cost | 60 | 1,813 | 78 | 16 | **1,967** |
| Accumulated depreciation and impairment | (41) | (1,596) | (56) | - | **(1,693)** |
| **Book value at 1 January** | **19** | **217** | **23** | **16** | **274** |
| Additions | 0 | 3 | 6 | 70 | **79** |
| Disposals | (0) | - | (0) | - | **(0)** |
| Depreciation | (2) | (30) | (9) | - | **(41)** |
| (Impairment)/impairment reversal | - | (6) | - | - | **(6)** |
| Foreign currency variations | 0 | (0) | 1 | 0 | **1** |
| Other movements | 5 | (0) | 1 | (6) | **0** |
| **Total movements** | **3** | **(32)** | **(2)** | **65** | **34** |
| Cost | 67 | 1,821 | 82 | 81 | **2,051** |
| Accumulated depreciation and impairment | (45) | (1,637) | (62) | - | **(1,744)** |
| **Book value at 31 December** | **22** | **185** | **21** | **81** | **308** |

During the 2024 period, the following main events occurred regarding owned property, plant and equipment:

- US$44 million of annual depreciation charges, following the normal depreciation schedule;
- US$58 million in additions, mainly related to capitalized major overhaul costs related to repair works performed on *FPSO Cidade de Anchieta;*
- US$(94) in other movements, mainly related to the impact of the full and final settlement agreement signed during the last quarter 2024 with its insurers relating to the tanks repair works project for *FPSO Cidade de Anchieta*;
- US$(39) million impairment on *FPSO Cidade de Anchieta*.

Property, plant and equipment at year-end comprises of:

- One (2023: one) integrated floating production, storage and offloading system (*FPSO Cidade de Anchieta*) consisting of a converted tanker, a processing plant and one mooring system. This FPSO is leased to third parties under an operating lease contract; and
- One (2023: one) semi-submersible production platform, *Thunder Hawk*, leased to third parties under an operating lease contract.

The depreciation charge for the semi-submersible production facility *Thunder Hawk* is calculated based on its future anticipated economic benefits, resulting in a depreciation plan based on the unit of production method. All other property, plant and equipment is depreciated on a straight-line basis.

Company-owned property, plant and equipment with a carrying amount of US$71 million (December 31, 2023: US$178 million) has been pledged as security for liabilities, mainly for external financing.

No interest has been capitalized during the financial year as part of the additions to property, plant and equipment (2023: nil).

### FPSO Cidade de Anchieta

*FPSO Cidade de Anchieta* was shut down from January 22, 2022 until December 17, 2022, following observation of oil near the vessel. Adequate anti-pollution measures were immediately deployed and were effective and inspections quickly identified oil leaks from two tanks. For the safe restart of the vessel, four tanks were repaired, in agreement with the client and approved by Class and local authorities. This enabled a safe restart at full production on December 17, 2022. Repair of other tanks have continued since the restart, with good progress and will continue over the coming years.

During the last quarter of 2024, the Company signed a full and final settlement agreement with its insurers relating to this incident and performed its regular review of revised estimates of future maintenance and repair costs. Based on this analysis, actual values and future cash flows were re-estimated, leading to an impairment charge of US$39 million accounted for in the 2024 results.

The recoverable amount of the vessel was determined using its value in use. Significant estimates are part of the impairment calculation:

- If the discount rate (7%) used in the impairment test were to vary by +/- 1%, the impairment would change by +/- US$7 million; and
- If the cash outflow were to vary by +/- US$10 million, the impairment would change by +/- US$9.5 million.

## RIGHT-OF-USE ASSETS

As of December 31, 2024, the Company leases buildings and cars. The movement of the right-of-use assets during the year 2024 is summarized as follows:

**2024**

| | Buildings | Other fixed assets | Total |
|---|---|---|---|
| **Book value at 1 January** | **75** | **2** | **77** |
| Additions | 32 | 1 | **33** |
| Disposals | (7) | - | **(7)** |
| Depreciation | (15) | (1) | **(16)** |
| (Impairment)/impairment reversal | - | - | **-** |
| Foreign currency variations | (5) | (0) | **(5)** |
| Other movements | (1) | (0) | **(1)** |
| **Total movements** | **4** | **1** | **6** |
| Cost | 116 | 5 | **121** |
| Accumulated depreciation and impairment | (36) | (3) | **(39)** |
| **Book value at 31 December** | **80** | **2** | **82** |

**2023**

| | Buildings | Other fixed assets | Total |
|---|---|---|---|
| **Book value at 1 January** | **39** | **1** | **40** |
| Additions | 54 | 1 | **55** |
| Disposals | (5) | - | **(5)** |
| Depreciation | (14) | (1) | **(14)** |
| (Impairment)/impairment reversal | - | - | **-** |
| Foreign currency variations | 2 | 0 | **2** |
| Other movements | (1) | (0) | **(1)** |
| **Total movements** | **36** | **1** | **37** |
| Cost | 104 | 4 | **108** |
| Accumulated depreciation and impairment | (29) | (2) | **(31)** |
| **Book value at 31 December** | **75** | **2** | **77** |

During the year 2024, the main movements regarding right-of-use assets related to US$33 million of capitalization of lease extensions and new lease office contracts, mainly arising from the new lease agreement for office space in Rotterdam beginning in July 2024, partially offset by US$16 million of depreciation charges. Additions to right-of-use assets led to a similar increase in lease liabilities (refer to note 4.3.23 Borrowings and Lease Liabilities).

**Office leases**

Significant contracts under buildings relate to the lease of offices. The remaining contract periods of the Company's office rentals vary between one and ten years and most of the contracts include extension options between three and 12 years. The extension options have been taken into account in the measurement of lease liabilities when the Company is reasonably certain to exercise these options. The lease agreements do not impose any covenants.

## OPERATING LEASES AS A LESSOR

The category 'Vessels and floating equipment' mainly relates to facilities leased to third parties under various operating lease agreements which terminate between 2025 and 2031. Leased facilities included in 'Vessels and floating equipment' amount to:

**Leased facilities included in vessels and floating equipment**

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Cost | 1,215 | 1,821 |
| Accumulated depreciation and impairment | (1,140) | (1,637) |
| **Book value at 31 December** | **74** | **185** |

As of December 31, 2024, the units included under leased facilities are *FPSO Cidade de Anchieta* and the semi-submersible production facility *Thunder Hawk*. The book value of the leased facilities included in vessels and floating equipment has decreased by US$110 million, mainly due to depreciation, impairment and capitalized major overhaul costs related to repair works performed net of the insurance recovery on *FPSO Cidade de Anchieta*.

The nominal values of the future expected bareboat receipts (undiscounted lease payments) in respect of the remaining operating lease contracts are:

**Nominal values of the future expected bareboat receipts**

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Within 1 year | 101 | 105 |
| 2 years | 93 | 99 |
| 3 years | 93 | 91 |
| 4 years | 93 | 91 |
| 5 years | 93 | 91 |
| After 5 years | 156 | 214 |
| **Total** | **629** | **693** |

A number of agreements have extension options, which have not been included in the above table.

**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 December 31, 2024.

## 4.3.14 INTANGIBLE ASSETS

**2024**

| | Development costs | Software | Intangible assets under construction | Patents | Total |
|---|---|---|---|---|---|
| Cost | 44 | 29 | 132 | 19 | **224** |
| Accumulated amortization and impairment | (33) | (18) | - | (19) | **(71)** |
| **Book value at 1 January** | **11** | **11** | **132** | **0** | **153** |
| Additions | 4 | 4 | 28 | - | **37** |
| Disposals | - | (1) | (4) | - | **(5)** |
| Amortization | (5) | (4) | - | - | **(9)** |
| (Impairment)/impairment reversal | - | - | - | - | **-** |
| Foreign currency variations | - | (0) | (0) | - | **(0)** |
| Other movements | - | - | (0) | - | **(0)** |
| **Total movements** | **(1)** | **(0)** | **24** | **-** | **23** |
| Cost | 48 | 33 | 155 | 19 | **256** |
| Accumulated amortization and impairment | (39) | (22) | - | (19) | **(80)** |
| **Book value at 31 December** | **10** | **11** | **155** | **0** | **176** |

**2023**

| | Development costs | Software | Intangible assets under construction | Patents | Total |
|---|---|---|---|---|---|
| Cost | 38 | 28 | 100 | 19 | **185** |
| Accumulated amortization and impairment | (29) | (20) | - | (19) | **(68)** |
| **Book value at 1 January** | **9** | **8** | **100** | **0** | **117** |
| Additions | 6 | 7 | 31 | - | **45** |
| Amortization | (5) | (4) | - | - | **(9)** |
| (Impairment)/impairment reversal | - | - | - | - | **-** |
| **Total movements** | **1** | **3** | **31** | **-** | **36** |
| Cost | 44 | 29 | 132 | 19 | **224** |
| Accumulated amortization and impairment | (33) | (18) | - | (19) | **(71)** |
| **Book value at 31 December** | **11** | **11** | **132** | **0** | **153** |

The increase in 'Intangible assets under construction' mainly relates to costs capitalized relating to the design and implementation of the new global ERP system, the capitalization of software licenses and other capital expenditures related to the IT infrastructure upgrade project.

Amortization of development costs is included in 'Research and development expenses' in the income statement in 2024 for US$5 million (2023: US$5 million).

Amortization of software is included in 'General and administrative expenses' in the income statement in 2024 for US$4 million (2023: US$4 million).

## 4.3.15 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)**

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Gross receivable | 10,913 | 9,576 |
| Less: unearned finance income | (4,255) | (2,775) |
| **Total** | **6,658** | **6,801** |
| Of which | | |
| Current portion | 516 | 526 |
| Non-current portion | 6,142 | 6,276 |

As of December 31, 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 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;
- *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 from its partner Sonangol EP in the lease and operating entities related to FPSOs *N'Goma*, *Saxi Batuque* and *Mondo*, for which the previously held interests were equity-accounted, and recognized the associated fair values of the finance lease receivables of the acquired entities. Therefore, as of December 31, 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 2026;
- *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 4.3.30 Business Combinations for further details.

The decrease in finance lease receivables is driven by (i) *FPSO Sepetiba,* which started production in January 2024, (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, more than offset by (iii) the client exercise of the purchase options for FPSO *Liza Destiny* on December 19, 2024, for the amount of US$535 million and for FPSO *Prosperity* on November 7, 2024, for the amount of US$1,225 million, which were included in the finance lease receivables, ahead of the end of the maximum lease terms in November 2025 and December 2029 respectively (as a result, the finance lease receivables were derecognized against the payments made by the client, with minor impact on the net profit), and (iv) redemptions as per the payment plans of lease contracts.

**Unguaranteed residual values**

Included in the gross receivable is an amount related to unguaranteed residual values (i.e. scrap value of units). The total amount of unguaranteed residual values at the end of the lease term amounts to US$83 million, as of December 31, 2024, (2023: US$50 million). This increase is mainly due to (i) the addition of *FPSO Sepetiba,* and (ii) three FPSOs following the Sonangol transaction, partially offset by (iii) the sale of FPSO *Liza Destiny.* The 2024 reassessment of unguaranteed residual values resulted in a release of impairment of US$3 million due to the increase of scrap value of units.

As per the contractual terms, gross receivables should be invoiced to the lessee within the following periods:

**Finance lease receivables (gross receivables invoiced to the lessee within the following periods)**

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Less than 1 year | 1,042 | 1,026 |
| Between 1 and 2 years | 1,035 | 2,060 |
| Between 2 and 5 years | 2,486 | 2,345 |
| More than 5 years | 6,350 | 4,146 |
| **Total Gross receivable** | **10,913** | **9,576** |

The increase of the gross finance lease receivable is mainly explained by (i) *FPSO Sepetiba* following first oil 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) the exercise of the purchase option for *FPSO Liza Destiny* and *FPSO Prosperity*.

The following part of the net investment in the lease is included as part of the current assets within the statement of financial position:

**Finance lease receivables (part of the net investment included as part of the current assets)**

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Gross receivable | 1,042 | 1,026 |
| Less: unearned finance income | (527) | (500) |
| **Current portion of finance lease receivable** | **516** | **526** |

The maximum exposure to credit risk at the reporting date is the carrying amount of the finance lease receivables, taking into account the risk of recoverability. The Company performed an assessment, which concluded that the credit risk for these receivables has not increased significantly since the initial recognition. The Company does not hold any financial collateral as security.

**Outstanding purchase and termination options**

The finance lease contracts of *FPSO Aseng* and *FPSO N'Goma*, where the Company is the lessor, include call options for the client to purchase the underlying asset or to terminate the contract earlier. If the client had exercised the purchase option for *FPSO Aseng* as of December 31, 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 December 31, 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.

The finance lease contract of *FPSO Espirito Santo* includes a call option for the client to terminate the contract earlier without obtaining the underlying asset. The exercise of the early termination option would have resulted in a loss for the Company as of December 31, 2024.

The finance lease contracts of FPSO *ONE GUYANA* and FSO Trion (under construction as per December 31, 2024) contain 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.

## 4.3.16 OTHER FINANCIAL ASSETS

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

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Non-current portion of other receivables | 130 | 113 |
| Non-current portion of loans to joint ventures and associates | 6 | 38 |
| **Total** | **136** | **151** |

The increase in non-current portion of other receivables relates to the extension of the lease period for *FPSO Cidade de Anchieta* which is considered as a lease reassessment as per IFRS 16. This leads to an update of the linearized revenue up to the new end date of the contract which led to the recognition of an accrued income of US$31 million. This is partially offset by the recognition of the linearized revenue for *FPSO Cidade de Anchieta* on accrued income recognized in prior years.

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

In relation to the exposure to credit risk at the reporting date on the carrying amount of the interest-bearing loans, non-current portion of other receivables and sublease receivables, please refer to note 4.3.8 Net Impairment Gains/(Losses) on Financial and Contract Assets and note 4.3.27 Financial Instruments – Fair Values and Risk Management for the risk of recoverability (i.e. for expected credit losses). The Company does not hold any collateral as security.

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

### LOANS TO JOINT VENTURES AND ASSOCIATES

| | Notes | 31 December 2024 | 31 December 2023 |
|---|---|---|---|
| Current portion of loans to joint ventures and associates | 4.3.19 | 0 | 3 |
| Non-current portion of loans to joint ventures and associates | | 6 | 38 |
| **Total** | 4.3.31 | **6** | **41** |

The decrease in 'Non-current portion of loans to joint ventures and associates' results from the acquisition of lease and operating entities related to FPSOs *N'Goma*, *Saxi Batuque* and *Mondo* (refer to note 4.3.30 Business Combinations 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.

## 4.3.17 DEFERRED TAX ASSETS AND LIABILITIES

The deferred tax assets and liabilities and associated net positions are summarized as follows:

**Deferred tax positions (summary)**

| | 31 December 2024 | | | 31 December 2023 | | |
|---|---|---|---|---|---|---|
| | Assets | Liabilities | Net | Assets | Liabilities | Net |
| Property, plant and equipment | - | - | - | 0 | - | 0 |
| Tax losses | 28 | - | 28 | 2 | - | 2 |
| Other | 283 | 178 | 105 | 245 | 173 | 72 |
| **Book value at 31 December** | **311** | **178** | **133** | **247** | **173** | **74** |

Deferred tax assets increased by US$64 million during the current year, mainly due to the recognition of deferred tax assets for losses carried forward for the period and the partial reversal of the valuation allowance for Swiss tax goodwill (refer to 4.3.10 Income Tax Expense).

**Movements in net deferred tax positions**

| | Note | 2024 Net | 2023 Net |
|---|---|---|---|
| **Deferred tax at 1 January** | | **74** | **(26)** |
| Deferred tax recognized in the income statement | *4.3.10* | 71 | 156 |
| Deferred tax recognized in other comprehensive income | | (14) | (57) |
| Foreign currency variations | | 2 | - |
| **Total movements** | | **59** | **100** |
| **Deferred tax at 31 December** | | **133** | **74** |

Expected realization and settlement of deferred tax positions is within 20 years. The deferred tax losses are expected to be recovered, based on the anticipated profit in the applicable jurisdiction. The Company has US$26 million (2023: US$48 million) of deferred tax assets unrecognized in 2024, due to the valuation allowance of current tax losses. The term in which these unrecognized deferred tax assets could be settled depends on the respective tax jurisdiction and ranges from five years to an unlimited period of time.

On a cumulative basis, a total amount of US$2,221 million at the end of 2024 (2023: US$2,306 million) corresponds to deferred tax assets basis unrecognized on temporary differences, unused tax losses and tax credits.

Deferred tax in connection with unused tax losses carried forward, temporary differences and tax credits:

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Unused tax losses carried forward, temporary differences and tax credits not recognized as a deferred tax asset | 2,221 | 2,306 |
| Unused tax losses carried forward, temporary differences and tax credits recognized as a deferred tax asset | 311 | 247 |
| **Total** | **2,531** | **2,553** |

'Unused tax losses carried forward, temporary differences and tax credit not recognized as a deferred tax asset' remained in line with the previous year. A significant portion of this balance relates to the deferred tax asset in relation to a tax goodwill in Switzerland. In determining the taxable profits, the Company updated its assessment and modeling to determine that an amount of US$1,995 million could possibly be unrecoverable, which is concluded based on the assessment of profitability and commercial uncertainties (i.e. future awards) impacting future profits. Based on the uncertainty of recovering this tax asset in future years in light of applicable enacted Swiss tax regulations, the Company determined the expected value based on a range of possible outcomes. As a result, the Company as of December 31, 2024, reassessed the deferred tax asset in related to the tax goodwill in Switzerland net of US$157 million in accordance with IAS 12 and IFRIC 23.

Expiry date on deferred tax assets unrecognized on temporary differences, unused tax losses and tax credits:

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Within one year | 20 | 12 |
| More than a year but less than 5 years | 18 | 17 |
| More than 5 years but less than 10 years | 39 | 38 |
| More than 10 years but less than 20 years | 1,993 | 2,079 |
| Unlimited period of time | 152 | 160 |
| **Total** | **2,221** | **2,306** |

Deferred tax assets per location are as follows:

**Deferred tax positions per location**

| | 31 December 2024 | | | 31 December 2023 | | |
|---|---|---|---|---|---|---|
| | Assets | Liabilities | Net | Assets | Liabilities | Net |
| Guyana | 4 | 57 | (53) | 2 | 70 | (69) |
| Monaco | 10 | 9 | 2 | 14 | 12 | 2 |
| Switzerland | 282 | 82 | 200 | 221 | 84 | 136 |
| the Netherlands | 6 | 5 | 1 | 0 | 1 | (0) |
| Angola | 0 | 20 | (20) | - | - | - |
| Other | 8 | 5 | 3 | 9 | 5 | 4 |
| **Book value at 31 December** | **311** | **178** | **133** | **247** | **173** | **74** |

Following the acquisition of shares in certain joint ventures associated to operations in Angola the company has recognized a deferred tax liability of US$20 million in 2024.

## 4.3.18 INVENTORIES

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Materials and consumables | 10 | 13 |
| Goods for resale | 0 | 0 |
| Multi-purpose floaters under construction | 27 | 135 |
| **Total** | **37** | **149** |

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 decrease of the inventory balance at year-end 2024 mainly relates to the allocation of the multi-purpose hull to the *GranMorgu FPSO* awarded in 2024 partially offset by the new multi-purpose hulls for use on future FPSO projects. As per December 31, 2024, the Company has two MPFs under construction (December 31, 2023: one MPF under construction).

## 4.3.19 TRADE AND OTHER RECEIVABLES

**Trade and other receivables (summary)**

| | *Note* | 31 December 2024 | 31 December 2023 |
|---|---|---|---|
| Trade debtors | | 309 | 200 |
| Other accrued income | | 464 | 258 |
| Prepayments | | 311 | 126 |
| Accrued income in respect of delivered orders | | 5 | 74 |
| Other receivables | | 245 | 147 |
| Taxes and social security | | 103 | 92 |
| Current portion of loan to joint ventures and associates | *4.3.16* | (0) | 3 |
| **Total** | | **1,438** | **901** |

The increase in 'Trade debtors' of US$109 million is mainly due to the result of the acquisition of lease and operating entities related to FPSOs *N'Goma*, *Saxi Batuque* and *Mondo* (refer to note 4.3.30 Business Combinations for further details). Additionally, the ramp-up of the Turnkey activities, especially for the newly awarded *GranMorgu* FPSO, also contributed for the increase.

The increase in 'Other accrued income' is mainly due to the acquisition of lease and operating entities related to FPSOs *N'Goma*, *Saxi Batuque* and *Mondo* and the growth support to the fleet through brownfield projects.

The increase in prepayments of US$185 million is mainly related to advance payments to yards related to *FPSO Jaguar* and to the multi-purpose floater (MPF) hull that has not yet been allocated to a project.

The decrease in accrued income in respect of delivered orders is due to the completion of FPSO *Prosperity* at the end of 2023.

The increase in 'Other receivables' mainly relates to the full and final settlement agreement signed during the last quarter 2024 with the Company's insurers on *FPSO Cidade de Anchieta* 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,* dependent on completion of the conditions precedent of the share purchase agreement.

The carrying amounts of the Company's trade debtors are distributed in the following countries:

**Trade debtors (countries where Company's trade debtors are distributed)**

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Angola | 82 | 66 |
| Brazil | 13 | 36 |
| Guyana | 75 | 45 |
| Equatorial Guinea | 21 | 8 |
| Canada | 9 | 10 |
| Mexico | 9 | 6 |
| Suriname | 92 | - |
| Other | 8 | 29 |
| **Total** | **309** | **200** |

The trade debtors' balance is the nominal value less an allowance for estimated impairment losses as follows:

**Trade debtors (trade debtors balance)**

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Nominal amount | 313 | 204 |
| Impairment allowance | (4) | (4) |
| **Total** | **309** | **200** |

The allowance for impairment represents the Company's estimate of losses in respect of trade debtors. The allowance related to credit risk for significant trade debtors is built on specific expected loss components that relate to individual exposures. Furthermore, the Company uses historical credit loss experience as well as forward-looking information to determine a 1% expected credit loss rate on individually insignificant trade receivable balances. The creation and release for impaired trade debtors due to credit risk are reported in the line 'Net impairment losses on financial and contract assets' of the consolidated income statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovery.

The ageing of the nominal amounts of the trade debtors are:

**Trade debtors (aging of the nominal amounts of the trade debtors)**

| | 31 December 2024 | | 31 December 2023 | |
|---|---|---|---|---|
| | Nominal | Impairment | Nominal | Impairment |
| Not past due | 170 | (2) | 82 | (1) |
| Past due 0-30 days | 16 | (0) | 40 | (0) |
| Past due 31-120 days | 107 | (0) | 25 | (0) |
| Past due 121- 365 days | 8 | (0) | 21 | (0) |
| More than one year | 13 | (1) | 36 | (2) |
| **Total** | **313** | **(4)** | **204** | **(4)** |

Not past due are those receivables for which either the contractual or 'normal' payment date has not yet elapsed. Past due are those amounts for which either the contractual or the 'normal' payment date has passed. Amounts that are past due but not impaired relate to a number of Company joint ventures and independent customers for whom there is no recent history of default, or the receivable amount can be offset by amounts included in current liabilities.

For the closing balance and movements during the year of allowances on trade receivables, please refer to note 4.3.27 Financial Instruments – Fair Values and Risk Management.

## 4.3.20 DERIVATIVE FINANCIAL INSTRUMENTS

Further information about the financial risk management objectives and policies, the fair value measurement and hedge accounting of financial derivative instruments is included in note 4.3.27 Financial Instruments – Fair Values and Risk Management.

In the ordinary course of business and in accordance with its hedging policies as of December 31, 2024, the Company held multiple currency forward exchange contracts designated as hedges of expected future transactions for which the Company has firm commitments or forecasts. Furthermore, the Company held several interest rate swap contracts and entered into new interest option contracts designated as hedges of interest rate financing exposure. The most important floating rate is the US$ 3-month SOFR.

Details of interest percentages of the long-term debt are included in note 4.3.23 Borrowings and Lease Liabilities. Lastly, the Company held commodity contracts in order to hedge against the fluctuation of operating cash flows and future earnings resulting from movement in commodity prices.

The fair value of the derivative financial instruments included in the statement of financial position is summarized as follows:

**Derivative financial instruments**

| | 31 December 2024 | | | 31 December 2023 | | |
|---|---|---|---|---|---|---|
| | Assets | Liabilities | Net | Assets | Liabilities | Net |
| Interest rate swaps cash flow hedge | 373 | 4 | 369 | 279 | 31 | 248 |
| Interest rate options cash flow hedge | 7 | - | 7 | - | - | - |
| Forward currency contracts cash flow hedge | 0 | 179 | (179) | 86 | 17 | 68 |
| Forward currency contracts fair value through profit and loss | 49 | 82 | (33) | 48 | 44 | 4 |
| Commodity contracts cash flow hedge | 0 | 1 | (1) | 3 | 4 | (1) |
| **Total** | **429** | **266** | **163** | **416** | **97** | **319** |
| Non-current portion | 305 | 64 | 241 | 258 | 8 | 250 |
| Current portion | 124 | 201 | (78) | 158 | 89 | 69 |

The decrease in the net balance of derivative assets and liabilities of US$156 million is mostly related to (i) the decrease in marked-to-market value of forward currency contracts, which is mainly driven by the appreciation of the US$ exchange rate versus the hedged currencies (especially EUR and BRL) partially offset by (ii) the increase in marked-to-market value of interest rate swaps, which mainly arises from increasing US$ market interest rates.

No ineffective portion arising from cash-flow hedges was recognized in the income statement in 2024 (2023: no ineffectiveness). The maximum exposure to credit risk at the reporting date is the fair value of the derivative assets in the statement of financial position.

## 4.3.21 NET CASH AND CASH EQUIVALENTS

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Cash and bank balances | 100 | 196 |
| Short-term investments | 706 | 347 |
| **Cash and cash equivalent** | **806** | **543** |
| **Net cash and cash equivalent** | **806** | **543** |

The increase of the cash and bank balances mainly relates to (i) net cash proceeds from the sale of FPSO *Liza Destiny* and FPSO *Prosperity*, (ii) operating cash flows from the fleet under operations and from Turnkey activities, (iii) company strategy on drawdowns on RCF and project and construction financing, (iv) cash proceeds from the 13.5% divestment to CMFL in Sepetiba entities, which together with (v) some of the Company's existing cash was partially used to (vi) invest in the five FPSOs under construction over the period and the Fast4Ward® new build multi-purpose hulls, (vii) return funds to the shareholders through dividends and share repurchase programs and (viii) serve the Company's non-recourse debt and interest in accordance with the respective repayment schedules.

The cash and cash equivalents dedicated to debt and interest payments (and therefore restricted) amounted to US$201 million as per December 31, 2024 (2023: US$193 million). Short-term investment deposits are made for varying periods of up to one year, usually less than three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

The cash and cash equivalents held in countries with restrictions on currency outflow (Angola, Brazil, China, Equatorial Guinea and Nigeria) amounted to US$56 million (December 31, 2023: US$26 million). These restrictions do not limit the liquidity of the cash balances.

Further disclosure about the fair value measurement is included in note 4.3.27 Financial Instruments – Fair Values and Risk Management.

## 4.3.22 EQUITY ATTRIBUTABLE TO SHAREHOLDERS

For a consolidated overview of changes in equity reference is made to 4.2.4 Consolidated Statement of Changes in Equity.

### ISSUED SHARE CAPITAL

The authorized share capital of the Company is two hundred million euros (EUR200,000,000). This share capital is divided into four hundred million (400,000,000) ordinary shares with a nominal value of twenty-five euro cents (EUR0.25) each and four hundred million (400,000,000) protective preference shares, with a nominal value of twenty-five euro cents (EUR0.25) each. The protective preference shares can be issued as a protective measure as described in note 2.1.8 Stichting Continuïteit SBM Offshore.

The total number of ordinary shares issued and fully paid at December 31, 2024 was 176,361,365 (December 31, 2023: 180,671,305). No protective preference shares have been issued.

During the financial year the movements in the number of ordinary shares issued and fully paid are as follows:

| number of shares | 2024 | 2023 |
|---|---|---|
| **Ordinary shares issued and fully paid at 1 January** | **180,671,305** | **180,671,305** |
| Treasury shares cancelled | (4,309,940) | - |
| **Ordinary shares issued and fully paid 31 December** | **176,361,365** | **180,671,305** |

### TREASURY SHARES

A total number of 1,798,914[4] treasury shares are reported in the ordinary shares issued and fully paid as at December 31, 2024 (December 31, 2023: 1,652,078). During 2024, a total of 1,564,747 shares (2023: 1,314,575) were transferred to management and employee share programs.

[4] 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. A shareholder who

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 (equivalent to US$0.7 million based on the exchange rate on February 29, 2024).

In the period between February 29, 2024 and October 21, 2024, a total number of 4,309,940 shares totaling EUR65 million (equivalent to US$70 million based on the exchange rate on February 29, 2024) were repurchased (the 'Structural Buyback'). The objective of the Structural Buyback program is to reduce the Company's share capital and therefore all repurchased shares under this program have been cancelled in 2024.

In addition, effective from August 8, 2024 (the 'Incremental Buyback') the share repurchase program has been increased by an additional amount of EUR65 million (equivalent to US$71 million based on the exchange rate on August 8, 2024), which is expected to be completed by end of April 2025. As of December 31, 2024, the Company's cumulative repurchase amounted to EUR28 million (equivalent to US$31 million based on the exchange rate on August 8, 2024) in relation to the Incremental Buyback program. 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 above described repurchase programs are accomplished under the authorization granted by the Annual General Meeting of the Company on April 13, 2023, and the authorization of April 12, 2024.

### ORDINARY SHARES

In terms of ordinary shares, 576,428 shares were held by members of Management Board, in office as at December 31, 2024 (December 31, 2023: 1,791,995) as detailed below:

**Ordinary shares held in the Company by the Management Board**

| | Shares subject to conditional holding requirement | Other shares | Total shares at 31 December 2024 | Total shares at 31 December 2023 |
|---|---|---|---|---|
| Øivind Tangen | 139,087 | 96,167 | 235,254 | 173,104 |
| Douglas Wood | 182,624 | 158,550 | 341,174 | 300,186 |
| Bruno Chabas[1] | n/a | n/a | n/a | 1,318,705 |
| **Total** | **321,711** | **254,717** | **576,428** | **1,791,995** |

1 Management Board member until 12 April, 2024

hands in a bearer share certificate to the Company before January 2, 2026 is entitled to receive from the Company a replacement registered share. A shareholder may not exercise the rights vested in a share until the shareholder has handed in the corresponding bearer share certificate(s) to the Company.

## OTHER RESERVES

The other reserves comprise the hedging reserve, actuarial gains/losses, the foreign currency translation reserve and IFRS 2 reserves. The movement and breakdown of the other reserves can be stated as follows (all amounts are expressed net of deferred taxes):

| | Hedging reserve Forward currency contracts | Hedging reserve Interest rate swaps | Actuarial gain/(loss) on defined benefit provisions | Foreign currency translation reserve | IFRS 2 Reserves | Protective share reserve | Total other reserves |
|---|---|---|---|---|---|---|---|
| **Balance at 1 January 2023** | **(72)** | **317** | **15** | **(103)** | **21** | **26** | **204** |
| **Cash flow hedges** | | | | | | | |
| Change in fair value | 85 | (53) | - | - | - | - | 32 |
| Deferred tax on cash flow hedges | - | (45) | - | - | - | - | (45) |
| Transfer to financial income and expenses | - | 4 | - | - | - | - | 4 |
| Transfer to construction contracts and property, plant and equipment | 24 | - | - | - | - | - | 24 |
| Transfer to operating profit and loss | 8 | - | - | - | - | - | 8 |
| **IFRS 2 share-based payments** | | | | | | | |
| IFRS 2 vesting costs for the year | - | - | - | - | 20 | - | 20 |
| IFRS 2 vested share-based payments | - | - | - | - | (16) | - | (16) |
| **Actuarial gain/(loss) on defined benefit provision** | | | | | | | |
| Change in defined benefit provision due to changes in actuarial assumptions | - | - | (4) | - | - | - | (4) |
| **Foreign currency variations** | | | | | | | |
| Foreign currency variations | - | - | - | (2) | 1 | - | (2) |
| Mergers and acquisitions | - | - | - | 0 | | - | 0 |
| **Other movements** | | | | | | | |
| Reclassification | | | | | | - | - |
| **Balance at 31 December 2023** | **44** | **224** | **11** | **(105)** | **25** | **26** | **224** |
| **Cash flow hedges** | | | | | | | |
| Change in fair value | (249) | 56 | - | - | - | - | (193) |
| Deferred tax on cash flow hedges | 25 | (3) | - | - | - | - | 22 |
| Transfer to financial income and expenses | 3 | 3 | - | - | - | - | 5 |
| Transfer to construction contracts and property, plant and equipment | 10 | - | - | - | - | - | 10 |
| Transfer to operating profit and loss | 19 | (16) | - | 35 | - | - | 38 |
| **IFRS 2 share-based payments** | | | | | | | |
| IFRS 2 vesting costs for the year | - | - | - | - | 21 | - | 21 |
| IFRS 2 vested share-based payments | - | - | - | - | (19) | - | (19) |
| **Actuarial gain/(loss) on defined benefit provision** | | | | | | | |
| Change in defined benefit provision due to changes in actuarial assumptions | - | - | 0 | - | - | - | 0 |
| **Foreign currency variations** | | | | | | | |
| Foreign currency variations | - | - | - | 1 | (2) | - | (1) |
| Mergers and acquisitions | - | 1 | - | (0) | - | - | 0 |
| **Other movements** | | | | | | | |
| Reclassification | | | | | | - | - |
| **Balance at 31 December 2024** | **(149)** | **264** | **11** | **(70)** | **25** | **26** | **108** |

The hedging reserve consists of the effective portion of cash-flow hedging instruments related to hedged transactions that have not yet occurred, net of deferred taxes. The increased fair value of interest rate swaps mainly arises from increasing US$ market interest rates whereas the decreased fair value of forward currency contracts is mainly driven by the appreciation of the US$ exchange rate versus the hedged currencies (especially EUR and BRL).

Actuarial gain/(loss) on defined benefits provisions includes the impact of the remeasurement of defined benefit provisions.

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

The Management Board, with the approval of the Supervisory Board, has granted a call option to Stichting Continuïteit SBM Offshore to acquire a number of preference shares. As of October 1, 2022, and with reference to articles 5.5 and 5.6 of the Articles of Association of the Company, a 'Protective Preference Shares' reserve amounting to US$26 million was created at the expense of the share premium reserve at the level of the Company. If and when Stichting Continuiteït SBM Offshore would exercise the call option to acquire preference shares, these preference shares may also be paid-up from the reserve of the Company. In addition to the legal reserves, distributions to the Company's shareholders are restricted to the amount of the statutory reserves.

The Company's total equity as at December 31, 2024 is US$3,619 million, out of which US$1,921 million relates to legal reserves and US$26 million relates to the statutory reserves (December 31, 2023: Total equity of US$3,733 million out of which US$2,052 million relates to legal reserves and US$26 million to the statutory reserves). For more information, reference is made to note 4.5.4 Shareholders' Equity.

## 4.3.23 BORROWINGS AND LEASE LIABILITIES

The line item 'Borrowings and lease liabilities' in the consolidated statement of financial position is further detailed as follows:

**Borrowings and lease liabilities (summary)**

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Borrowings | 7,632 | 8,112 |
| Lease liabilities | 82 | 74 |
| **Total Non-current portion of Borrowings and lease liabilities** | **7,714** | **8,186** |
| Borrowings | 1,218 | 1,093 |
| Lease liabilities | 11 | 11 |
| **Total Current portion of Borrowings and lease liabilities** | **1,229** | **1,105** |

## BORROWINGS

The movement in interest bearing borrowings is as follows:

| | 2024 | 2023 |
|---|---|---|
| Non-current portion | 8,112 | 6,839 |
| Add: current portion | 1,093 | 1,678 |
| **Remaining principal at 1 January** | **9,206** | **8,517** |
| Additions | 2,438 | 3,943 |
| Redemptions | (2,988) | (2,999) |
| Transaction and amortized costs | 38 | (255) |
| Other movements | 155 | 0 |
| **Total movements** | **(356)** | **688** |
| **Remaining principal at 31 December** | **8,850** | **9,206** |
| Less: Current portion | (1,218) | (1,093) |
| **Non-current portion** | **7,632** | **8,112** |
| Transaction and amortized costs | 434 | 472 |
| **Remaining principal at 31 December (excluding transaction and amortized costs)** | **9,284** | **9,677** |
| Less: Current portion | (1,277) | (1,142) |
| **Non-current portion** | **8,007** | **8,535** |

The additions in borrowings of US$2,438 million relate mainly to drawdowns on (i) project finance facilities for FPSO *ONE GUYANA, FPSO Almirante Tamandaré* and *FPSO Alexandre de Gusmão*, (ii) the new construction financing for *FPSO Jaguar* completed in November 2024, and (iii) drawdowns on the Company's SCF and the short-term corporate FPSO construction facility.

Other movements are related to the recognition of the *FPSO N'Goma* project loan, following the increased ownership of the Company into Sonasing Xikomba Limited following completion of the Share Purchase Agreements with Sonangol as part of the Sonangol transaction.

As announced on November 21, 2024, the Company has secured the construction financing of *FPSO Jaguar* for a total of US$1.5 billion. As of December 31, 2024, the Company has drawdown US$480 million from the construction financing.

The redemptions are mostly related to (i) the full repayment of the FPSO *Prosperity* loan of US$979 million and the FPSO *Liza Destiny* loan of US$405 million, following the sale of the units to the client, (ii) the full repayment of US$250 million short-term corporate FPSO construction facility, (iii) repayments on the Company's SCF, (iv) partial repayment of the Revolving Credit Facility for MPF hull financing, and (v) the non-recourse debt repayment schedules.

For further disclosures about fair value measurement, the Company refers to note 4.3.27 Financial Instruments – Fair Values and Risk Management.

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.

The borrowings, excluding the amount of transaction and amortized costs, have the following forecast repayment schedule:

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Within one year | 1,277 | 1,142 |
| Between 1 and 2 years | 754 | 1,877 |
| Between 2 and 5 years | 3,744 | 3,237 |
| More than 5 years | 3,509 | 3,421 |
| **Balance at 31 December** | **9,284** | **9,677** |

The borrowings by entity are as follows:

**Loans and borrowings per entity**

| Entity name | Project name or nature of loan | % Ownership | % Interest[1] | Maturity | Net book value at 31 December 2024 Non-current | Current | Total | Net book value at 31 December 2023 Non-current | Current | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **Project Finance facilities drawn** | | | | | | | | | | |
| SBM Baleia Azul Sarl | *FPSO Cidade de Anchieta* | 100.00 | 5.50% | 15-Sep-27 | 78 | 44 | 122 | 122 | 41 | 163 |
| Alfa Lula Alto Sarl | *FPSO Cidade de Marica* | 61.00 | 5.60% | 17-Dec-29 | 409 | 135 | 544 | 544 | 128 | 672 |
| Beta Lula Central Sarl | *FPSO Cidade de Saquarema* | 61.00 | 4.20% | 15-Jun-30 | 598 | 114 | 712 | 712 | 108 | 820 |
| Sonasing Xikomba Limited | *FPSO N'GOMA* | 60.00[2] | 4.05% | 15-May-26 | 40 | 77 | 117 | - | - | - |
| Guyana Deep Water UK Limited | FPSO *Liza Destiny* | 100.00 | SOFR + 1.91% | 18-Dec-29 | - | - | - | 405 | 70 | 474 |
| Guyana Deep Water III UK Limited | FPSO *Prosperity* | 100.00 | SOFR + 1.86% | 29-Aug-25 | - | - | - | 951 | 87 | 1,038 |
| Mero 2 Owning B.V. | *FPSO Sepetiba* | 51.00 | 4.20% | 15-Mar-38 | 1,251 | 90 | 1,341 | 1,370 | 56 | 1,425 |
| **Senior secured notes** | | | | | | | | | | |
| Guara Norte Sarl | *FPSO Cidade de Ilhabela* | 75.00 | 5.20% | 15-Jun-34 | 620 | 52 | 672 | 672 | 48 | 720 |
| **Guaranteed project finance facilities drawn** | | | | | | | | | | |
| Tamandare Owning B.V. | *FPSO Almirante Tamandaré* | 55.00 | 5.70% | 15-Dec-38 | 1,407 | 90 | 1,497 | 920 | (10) | 911 |
| Guyana Deep Water IV UK Limited | FPSO *ONE GUYANA* | 100.00 | 5.10% | 31-jul-27 | 1,473 | 0 | 1,473 | 1,077 | (4) | 1,073 |
| Mero 4 Owning B.V. | *FPSO Alexandre de Gusmão* | 55.00 | 6.20% | 15-May-39 | 1,210 | 5 | 1,215 | 1,022 | (5) | 1,017 |
| SBM SWISS WT SA | *FPSO Jaguar* | 100.00 | SOFR + 2.50% | 30-Apr-27 | 461 | (3) | 458 | - | - | - |
| **Revolving credit facility** | | | | | | | | | | |
| SBM Holding Inc | *Corporate Facility* | 100.00 | Variable | 13-Feb-26 | (0) | 500 | 500 | - | 550 | 550 |
| SBM Holding Inc | *Fast4Ward® hull financing* | 100.00 | SOFR + 2.1% | 20-Jun-25 | (0) | 89 | 89 | 209 | (1) | 208 |
| **Other** | | | | | | | | | | |
| Guara Norte Swiss Holding SA | *FPSO Cidade de Ilhabela* | 100.00 | 7.90% | 31-Dec-27 | 50 | 25 | 75 | 75 | 25 | 100 |
| Brazilian Deepwater Production B.V. | *FPSO Espirito Santo* | 51.00 | SOFR + 1.05% | 31-Jan-29 | 27 | - | 27 | 25 | - | 25 |
| Brazilian Deepwater Production Contractors Ltd. | *FPSO Espirito Santo* | 51.00 | 3.00% | 31-Dec-28 | 9 | - | 9 | 8 | - | 8 |
| Other | | 100.00 | | | 0 | - | 0 | 0 | - | 0 |
| **Net book value of loans and borrowings** | | | | | **7,632** | **1,218** | **8,850** | **8,112** | **1,093** | **9,206** |

1 % interest per annum on the remaining loan balance.

2 Refer to note 4.3.30 Business combinations.

For the project finance facilities, the respective vessels are mortgaged to the banks or to note holders.

The Company has available facilities resulting from the undrawn portions of (i) the Company's RCF and the Revolving Credit Facility for MPF hull financing, (ii) FPSO *ONE GUYANA, FPSO Alexandre de Gusmão* and *FPSO Jaguar* project facilities, and (iii) short-term uncommitted credit lines and SCF.

**Expiry date of the undrawn facilities and unused credit lines**

| | 2024 | 2023 |
|---|---|---|
| Expiring within one year | 892 | 274 |
| Expiring beyond one year | 1,520 | 2,174 |
| **Total** | **2,412** | **2,448** |

## REVOLVING CREDIT FACILITY (RCF)

The RCF in place as of December 31, 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.

When needed, the RCF allows the Company to finance construction 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 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's own performance as measured and reported by Sustainalytics[5]. The mechanism does not qualify as a derivative as it arises from the Company's own performance, and its effect on the margin is fixed from the drawdown date until it is repaid. The Company's sustainability performance in 2024 has allowed the 0.05% margin decrease to remain applicable for 2024.

## 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 18 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.

## 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$) of the individual utilizations. The margin is adjusted in accordance with the currency of the utilization, 0.85% p.a. for payables denominated in EUR and 0.95% p.a. in US$.

During 2024, the Company has expanded its uncommitted SCF program to a total notional of US$260 million with margins ranging from 1.35% to 2.75%.

The Company has utilized the SCF facilities during the year with no outstanding balance as of December 31, 2024.

[5] Sustainalytics is a provider of Environmental, Social and Governance and Corporate Governance research and ratings.

## 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 and by deducting any other corporate borrowings. The actual availability under the RCF will be the lower of this amount and the applicable Facility Amount. As at December 31, 2024, additional headroom above the US$1 billion capacity under the RCF exceeded US$540 million.

For the purpose of covenants calculations, the following simplified definitions apply:

- **IFRS Tangible Net Worth:** Total equity (including non-controlling interests) of the Company in accordance with IFRS, excluding the marked-to-market valuation of currency and interest derivatives undertaken for hedging purposes by the Company through other comprehensive income, dividends declared, value of intangible assets and deferred taxes.
- **Consolidated IFRS Tangible Assets:** The Company's total assets (excluding intangible assets) in accordance with the IFRS consolidated statement of financial position less the marked-to-market valuation of currency and interest derivatives undertaken for hedging purposes by the Company through other comprehensive income.
- **Consolidated Directional Underlying EBITDA:** Consolidated profit of the Company adjusted for net interest payable, tax and depreciation of assets and impairments, any exceptional or extraordinary items, and by adding back (i) the annualized production EBITDA for units that started operations during the financial year, and (ii) the acquisition annualized EBITDA for units acquired during the financial year.
- **Consolidated Directional Net Interest Payable:** All interest and other financing charges paid up, payable (other than capitalized interest during a construction period and interest paid or payable between wholly owned members of the Company) or incurred by the Company, less all interest and other financing charges received or receivable by the Company, as per Directional reporting.

**Covenants**

| | 2024 | 2023 |
|---|---|---|
| IFRS Tangible Net Worth | 5,282 | 4,968 |
| Consolidated IFRS Tangible Assets | 16,551 | 16,606 |
| Solvency ratio | 31.9% | 29.9% |
| Adjusted (Directional) EBITDA | 1,847 | 1,609[1] |
| Consolidated Directional Net Interest Payable | 271 | 234 |
| Interest cover ratio | 6.8 | 6.9 |

1 Adjusted Directional EBITDA includes the annualized production EBITDA for FPSO Prosperity

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 statement continuously throughout the year. None of the borrowings in the statement of financial position were in default as at the reporting date.

### LEASE LIABILITIES

The lease liabilities mostly relate to the leasing of office buildings as of December 31, 2024.

The movement in the lease liabilities is as follows:

| | 2024 | 2023 |
|---|---|---|
| **Principal recognized at 1 January** | **85** | **46** |
| Additions | 26 | 55 |
| Redemptions | (12) | (18) |
| Foreign currency variations | (6) | 2 |
| Other | 1 | - |
| **Total movements** | **9** | **39** |
| **Remaining principal at 31 December** | **93** | **85** |
| Of which | | |
| Current portion | 11 | 11 |
| Non-current portion | 82 | 74 |

The movements in lease liabilities over the period mainly related to an increase due to the new Rotterdam office lease, the extension of lease contracts for other offices and regular redemptions and foreign currency translations.

The total cash outflow for leases in 2024 was US$18 million, which includes redemptions of principal and interest payments. Total interest for the period amounted to US$5 million.

## 4.3.24 PROVISIONS

The movement and type of provisions during the year 2024 are summarized as follows:

**Provisions (movements)**

| | Demobilization | Warranty | Restructuring | Employee benefits | Other | Total |
|---|---|---|---|---|---|---|
| **Balance at 1 January 2024** | **129** | **104** | **7** | **21** | **324** | **586** |
| Arising during the year | 6 | 52 | 0 | 2 | 6 | 67 |
| Unwinding of interest | 5 | - | - | 1 | 3 | 9 |
| Utilized | (29) | (18) | (9) | (1) | (7) | (63) |
| Released to profit | (1) | (22) | (0) | (0) | (13) | (37) |
| Other movement | 1 | 2 | 3 | (1) | (1) | 4 |
| **Balance at 31 December 2024** | 112 | 118 | 1 | 22 | 313 | 565 |
| of which : | | | | | | |
| Non-current portion | 101 | - | - | 22 | 258 | 380 |
| Current portion | 11 | 118 | 1 | - | 55 | 185 |

#### 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 4.3.9 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 outflows within one year are US$11 million, between one and five years US$50 million and US$51 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 2024, the decrease of the provision is explained by payments of settlement agreements to the affected employees.

**Other**
Other provisions mainly relate to planned local content penalty on construction projects and also include claims, regulatory fines related to operations, and onerous contracts. The decrease during 2024 is mostly attributable to the positive outcome of an existing claim with a third party.

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$1million.

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 (theincidental appeal). On May 25, 2023, the AFM filed its reply to the Company's appeal. The hearing of AFM's appeal and the Company's appeal took place before the CBb on September 19, 2024.

The CBb issued its decision on February 18, 2025 and dismissed the appeal of the AFM and partially granted the Company's incidental appeal. The CBb found that the Company failed only to promptly disclose inside information on one occasion. The fine has been further reduced to EUR675,000. The decision of the CBb is not open for appeal and therefore is final and binding upon the parties.

## 4.3.25 TRADE AND OTHER PAYABLES

**Trade and other payables (summary)**

| | *Notes* | 31 December 2024 | 31 December 2023 |
|---|---|---|---|
| Trade payables | | 237 | 254 |
| Accruals on projects and vessels | | 608 | 590 |
| Accruals regarding delivered orders | | 56 | 76 |
| Other payables | | 109 | 101 |
| Contract liability | *4.3.3* | 31 | 74 |
| Pension taxation | | 10 | 10 |
| Taxation and social security costs | | 86 | 89 |
| Current portion of deferred income | | 2 | 4 |
| Other non-trade payables | | 78 | 148 |
| **Total** | *4.3.27* | **1,216** | **1,347** |

'Trade payables' decreased mainly as a result of the acquisition of lease and operating entities related to FPSOs *N'Goma*, *Saxi Batuque* and *Mondo* (refer to note 4.3.30 Business Combinations for further details), partially offset by increased payments to suppliers on FPSOs under construction.

'Accruals on projects' increased mainly as a result of the acquisition of lease and operating entities related to FPSOs *N'Goma*, *Saxi Batuque* and *Mondo* (refer to note 4.3.30 Business Combinations for further details), higher accrued expenses on the two new awarded FPSOs EPC projects partially offset by lower accrued expenses on ongoing FPSO projects that are approaching completion.

The decrease in 'Accruals regarding delivered orders' is mainly due to the completion of FPSO *Prosperity* in 2023.

For 'Contract liability' refer to note 4.3.3 Revenue where the movement in current and non-current contract liabilities is detailed.

Payables related to 'Taxation and social security' concerns uncertain tax positions related mainly to various taxes other than corporate income tax.

'Other non-trade payables' include an interest payable and the short-term portion of the outstanding payments related to the Leniency Agreement and the settlement with the Brazilian Federal Prosecutor's Office (Ministério Público Federal). The long-term portion of the outstanding payments related to these agreements is presented in the line item 'Other non-current liabilities' in the Company's statement of financial position. The decrease compared to the prior year is mostly due to the reclassification to equity of the prepayment of US$52 million received from CMFL, following the 13.5% divestment in the special purpose companies of *FPSO Sepetiba* completed in October 2024.

The line item 'Other non-current liabilities' in the consolidated statement of financial position includes non-current contract liabilities of US$28 million, as detailed in note 4.3.3 Revenue.

The contractual maturity of the trade payables is analyzed in the liquidity risk section in 4.3.27 Financial Instruments – Fair Values and Risk Management.

## 4.3.26 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 December 31, 2024, relate to the *Thunder Hawk* semi-submersible platform, *FPSO Mondo* and *FPSO Saxi Batuque*. These were signed prior to 2010.

### BANK GUARANTEES

As of December 31, 2024, the Company has provided bank guarantees to unrelated third parties for an amount of US$541million (2023: US$361 million). No liability is expected to arise under these guarantees.

The Company holds in its favor US$827 million of bank guarantees from unrelated third parties. No withdrawal under these guarantees is expected to occur.

### COMMITMENTS

As at December 31, 2024, the significant remaining contractual commitments contracted but not yet recognized, for the acquisition of goods and services from suppliers for FPSO projects under construction and MPFs hulls for use in future FPSO projects, amounted to US$1,563 million (December 31, 2023: US$859 million). Significant contractual commitments for FPSO projects under construction mainly relate to ongoing activities on the construction of *FPSO Alexandre de Gusmão*, *FPSO Almirante Tamandaré*, FPSO *ONE GUYANA*, *FPSO Jaguar*, and the FSO for the Trion project

### CONTINGENT LIABILITY

As at December 31, 2024, the Company did not identify any contingent liabilities.

## 4.3.27 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

This note presents information about the Company's exposure to risk resulting from its use of financial instruments, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further qualitative disclosures are included throughout these consolidated financial statements.

### ACCOUNTING CLASSIFICATIONS AND FAIR VALUES

The Company uses the following fair value hierarchy for financial instruments that are measured at fair value in the statement of financial position, which require disclosure of fair value measurements by level:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- 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) (Level 2);
- Inputs for the asset or liability that are not based on observable market data (that is unobservable inputs) (Level 3).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

**Accounting classification and fair values**

| | | | 31 December 2024 | | 31 December 2023 | |
|---|---|---|---|---|---|---|
| | *Notes* | Fair value level | Total book value | Total fair value | Total book value | Total fair value |
| **Financial assets measured at amortized cost** | | | | | | |
| Finance lease receivables | *4.3.15* | 3 | 6,657 | 7,249 | 6,801 | 7,053 |
| Loans to joint ventures and associates | *4.3.16* | 3 | 6 | 6 | 41 | 42 |
| **Total** | | | **6,663** | **7,255** | **6,842** | **7,095** |
| **Financial liabilities measured at amortized cost** | | | | | | |
| US$ project finance facilities drawn | *4.3.23* | 2 | 9,173 | 9,228 | 9,543 | 9,604 |
| Lease liabilities | | 3 | 93 | 93 | 85 | 85 |
| Other debt | *4.3.23* | 2 | 111 | 110 | 134 | 133 |
| **Total** | | | **9,377** | **9,431** | **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.
- There are financial assets and financial liabilities measured at fair value, namely the interest rate swaps, forward currency contracts and commodity 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 December 31, 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 December 31, 2024, and December 31, 2023.

The effects of the foreign currency-related hedging instruments on the Company's financial position and performance including related information are included in the table below:

**Effect of the foreign currency, interest swaps, commodity contracts and related hedging instruments**

| | 2024 | 2023 |
|---|---|---|
| ***Foreign currency forwards*** | | |
| Carrying amount | (179) | 68 |
| Notional amount | (4,252) | (2,774) |
| Maturity date | 26-10-2025 | 14-8-2024 |
| Hedge ratio | 100% | 100% |
| Change in discounted spot value of outstanding hedging instruments since 1 January | (247) | 121 |
| Change in value hedged rate for the year (including forward points) | 247 | (121) |
| ***Interest rate swaps*** | | |
| Carrying amount | 369 | 248 |
| Notional amount | 7,767 | 8,043 |
| Maturity date | 7-5-2033 | 24-3-2033 |
| Hedge ratio | 97% | 95% |
| Change in discounted spot value of outstanding hedging instruments since 1 January | 121 | (214) |
| Change in value hedged rate for the year (including forward points) | (121) | 214 |
| ***Interest rate options*** | | |
| Carrying amount | 7 | - |
| Notional amount | 178 | - |
| Maturity date | 15-10-2041 | - |
| Hedge ratio | 61% | - |
| Change in discounted spot value of outstanding hedging instruments since 1 January | 7 | - |
| Change in value hedged rate for the year (including forward points) | (7) | - |
| ***Commodity contracts*** | | |
| Carrying amount | (1) | (1) |
| Notional amount | 20 | 62 |
| Maturity date | 23-3-2026 | 5-9-2024 |
| Hedge ratio | 100% | 100% |
| Change in discounted spot value of outstanding hedging instruments since 1 January | 1 | 1 |
| Change in value hedged rate for the year (including forward points) | (1) | (1) |

## MEASUREMENT OF FAIR VALUES

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

| | Level 2 and level 3 instruments | Level 3 instruments | |
|---|---|---|---|
| Type | Valuation technique | Significant unobservable inputs | Inter-relationship between significant unobservable inputs and fair value measurement |
| **Financial instrument measured at fair value** | | | |
| Interest rate swaps | Income approach – Present value technique | Not applicable | Not applicable |
| Commodity contracts | Income approach – Present value technique | Not applicable | Not applicable |
| Forward currency contracts | Income approach – Present value technique | Not applicable | Not applicable |
| **Financial instrument not measured at fair value** | | | |
| Loans to joint ventures and associates | Income approach – Present value technique | • Forecast revenues<br>• Risk-adjusted discount rate (5%-6%) | The estimated fair value would increase (decrease) if:<br>• the revenue was higher (lower)<br>• the risk-adjusted discount rate was lower (higher) |
| Finance lease receivables | Income approach – Present value technique | • Forecast revenues<br>• Risk-adjusted discount rate (4%-8%) | The estimated fair value would increase (decrease) if:<br>• the revenue was higher (lower)<br>• the risk-adjusted discount rate was lower (higher) |
| Loans and borrowings | Income approach – Present value technique | Not applicable | Not applicable |
| Other long-term debt | Income approach – Present value technique | Not applicable | Not applicable |

## DERIVATIVE ASSETS AND LIABILITIES DESIGNATED AS CASH FLOW HEDGES

The following table indicates the period in which the cash flows associated with the cash-flow hedges are expected to occur and the carrying amounts of the related hedging instruments. The amounts disclosed in the table are the contractual undiscounted cash flows. The future interest cash flows for interest rate swaps are estimated using the forward rates as at the reporting date.

**Cash flows**

| | Carrying amount | Less than 1 year | Between 1 and 5 years | More than 5 years | Total |
|---|---|---|---|---|---|
| **31 December 2024** | | | | | |
| Interest rate swaps (USD SOFR 3 Months) | 369 | 77 | 148 | 163 | 389 |
| Interest rate options (USD SOFR 3 Months) | 7 | - | - | 12 | 12 |
| Forward currency contracts | (179) | (135) | (65) | - | (200) |
| Commodity contracts | (1) | (1) | - | - | (1) |
| **31 December 2023** | | | | | |
| Interest rate swaps (USD SOFR 3 Months) | 248 | 22 | 104 | 129 | 255 |
| Interest rate options (USD SOFR 3 Months) | - | - | - | - | - |
| Forward currency contracts | 68 | 48 | 14 | - | 62 |

The following table indicates the period in which the cash flow hedges are expected to impact profit or loss and the carrying amounts of the related hedging instruments.

**Expected profit or loss impact**

| | Carrying amount | Less than 1 year | Between 1 and 5 years | More than 5 years | Total |
|---|---|---|---|---|---|
| **31 December 2024** | | | | | |
| Interest rate swaps (USD SOFR 3 Months) | 369 | 77 | 148 | 163 | 389 |
| Interest rate options (USD SOFR 3 Months) | 7 | - | - | 12 | 12 |
| Forward currency contracts | (179) | (135) | (65) | - | (200) |
| Commodity contracts | (1) | (1) | - | - | (1) |
| **31 December 2023** | | | | | |
| Interest rate swaps (USD SOFR 3 Months) | 248 | 22 | 104 | 129 | 255 |
| Interest rate options (USD SOFR 3 Months) | - | - | - | - | - |
| Forward currency contracts | 68 | 48 | 14 | - | 62 |

### Interest rate swaps

Gains and losses recognized in the hedging reserve in equity on interest rate swap contracts will be continuously released to the income statement until the final repayment of the hedged items (please refer to note 4.3.22 Equity Attributable to Shareholders).

### Interest rate options

Gains and losses recognized in the hedging reserve in equity on interest rate option contracts will be continuously released to the income statement until the final repayment of the hedged items (please refer to note 4.3.22 Equity Attributable to Shareholders).

### Forward currency contracts

Gains and losses recognized in the hedging reserve on forward currency contracts are recognized in the income statement in the period or periods during which the hedged transaction affects the income statement. This is mainly within 12 months of the statement of financial position date, unless the gain or loss is included in the initial amount recognized in the carrying amount of fixed assets, in which case recognition is over the lifetime of the asset. If the gain or loss is included in the initial amount recognized in the carrying amount of the cost incurred on construction contracts, the recognition is over time.

### Commodities

Gains and losses recognized in the hedging reserve on commodity contracts are recognized in the income statement in the period or periods during which the hedged transaction affects the income statement. If the hedged transaction subsequently results in the recognition of non-financial assets (such as inventory, asset under construction) or non-financial liability, the gain or loss is included in the initial cost or other carrying amount of the asset. In such case, this amount is recognized in profit or loss at the same time as the hedged item affects profit or loss.

## LOSS ALLOWANCE ON FINANCIAL ASSETS AND CONTRACT ASSETS

The movement of loss allowance during the year 2024 is summarized as follows:

| | Finance lease receivable | | Contract assets | | Trade receivables | | Other financial assets | |
|---|---|---|---|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 | **2024** | 2023 | **2024** | 2023 |
| **Opening loss allowance as at 1 January** | **(0)** | **(0)** | **(1)** | **(1)** | **(5)** | **(2)** | **(123)** | **(95)** |
| Increase in loss allowance recognized in profit or loss during the year | (0) | - | (2) | (1) | (1) | (3) | (5) | (28) |
| Receivables written off during the year as uncollectible | - | - | - | - | - | - | - | - |
| Unused amount reversed | **0** | **0** | **2** | **1** | **1** | **1** | **0** | **0** |
| **At 31 December** | **(0)** | **(0)** | **(0)** | **(1)** | **(4)** | **(5)** | **(128)** | **(123)** |

## FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks, market risks (including currency risk, interest rate risk and commodity risk), credit risksand liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company uses derivative financial instruments to hedge certain risk exposures. The Company buys and sells derivatives in the ordinary course of business and also incurs financial liabilities in order to manage market risks. All such transactions are carried out within the guidelines set in the Company policy. Generally, the Company seeks to apply hedge accounting in order to manage volatility in the income statement and statement of comprehensive income. The purpose is to manage the interest rate, currency and commodity price risk arising from the Company's operations and its sources of finance. Derivatives are only used to hedge closely correlated underlying business transactions.

The Company's principal financial instruments, other than derivatives, comprise trade debtors and creditors, bank loans, short-term facilities and overdrafts, cash and cash equivalents (including short-term deposits) and financial guarantees. The main purpose of these financial instruments is to finance the Company's operations. Trade debtors and creditors result directly from the business operations of the Company.

Financial risk management is carried out by a central treasury department under policies approved by the Management Board. Treasury identifies, evaluates and hedges financial risks in close co-operation with the subsidiaries and the Chief Financial Officer (CFO) during the quarterly Asset and Liability Committee. The Management Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity. It is, and has been throughout the year under review, the Company's policy that no speculation in financial instruments shall be undertaken. The main risks arising from the Company's financial instruments are market risk, liquidity risk and credit risk.

### Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and commodity prices, will affect the Company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

### Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from transactional currency exposures, primarily with respect to the euro, Singapore dollar, Chinese Yuan and Brazilian real. The exposure arises from sales or purchases in currencies other than the Company's functional currency. The Company uses forward currency contracts to eliminate the currency exposure once the Company has entered into a firm commitment of a project contract.

For foreign currency risk, the principal terms of the forward currency contract (notional and settlement date) and the future expense or revenue (notional and expected cash flow date) are identical. The Company has established a hedge ratio of 1:1 for all its hedging relationships.

The main Company's exposure to foreign currency risk is as follows based on notional amounts:

**Foreign exchange risk (summary)**

| | 31 December 2024 | | | | 31 December 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| in millions of local currency | EUR | SGD | BRL | CNY | EUR | SGD | BRL | CNY |
| Fixed assets | 213 | - | 851 | 32 | 158 | - | 277 | 26 |
| Current assets | 145 | 5 | 1,304 | 37 | 76 | 7 | 1,118 | 32 |
| Long-term liabilities | (190) | (0) | (1,063) | (22) | (136) | (0) | (622) | (18) |
| Current liabilities | (235) | (16) | (1,622) | (140) | (198) | (26) | (1,505) | (160) |
| **Gross balance sheet exposure** | **(68)** | **(12)** | **(530)** | **(93)** | **(100)** | **(19)** | **(731)** | **(120)** |
| Estimated forecast sales | - | - | - | - | 4 | - | - | - |
| Estimated forecast purchases | (1,688) | (764) | (3,053) | (4,836) | (1,242) | (222) | (2,617) | (1,800) |
| **Gross exposure** | **(1,755)** | **(776)** | **(3,583)** | **(4,929)** | **(1,338)** | **(241)** | **(3,348)** | **(1,920)** |
| Forward exchange contracts | 1,808 | 775 | 3,609 | 4,937 | 1,362 | 240 | 3,129 | 1,930 |
| **Net exposure** | **53** | **(1)** | **25** | **8** | **24** | **(1)** | **(219)** | **10** |

The increase of the BRL exposure results from the requirements of the Brazilian operations for the next three years. The increase of the EUR exposure is the result of (i) progress on *FPSO Sepetiba*, FPSO *ONE GUYANA, FPSO Almirante Tamandaré* and *FPSO Alexandre de Gusmão* and (ii) the increased exposure due to *FPSO Jaguar* and *GranMorgu FPSO*. The increase in CNY exposure results from the Company's increased presence in China for FPSO construction and hull preparation.

The estimated forecast purchases relate to project expenditure and overhead expenses for up to three years. The main currency exposures of overhead expenses and Brazilian operations are hedged at 100% for the coming year, between 66% and 100% for the year after, and between 33% and 100% for the subsequent year, depending on internal review of the foreign exchange market conditions.

**Foreign exchange risk (exchange rates applied)**

| | 2024 | 2023 | 2024 | 2023 |
|---|---|---|---|---|
| | Average rate | | Closing rate | |
| EUR 1 | 1.0824 | 1.0813 | 1.0389 | 1.1050 |
| SGD 1 | 0.7487 | 0.7445 | 0.7335 | 0.7573 |
| BRL 1 | 0.1865 | 0.2003 | 0.1617 | 0.2061 |
| CNY 1 | 0.1390 | 0.1413 | 0.1370 | 0.1407 |

The sensitivity on equity and the income statement resulting from a change of 10% of the US dollar's value against the following currencies at December 31, would have increased (decreased) profit or loss and equity by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis as for 2023.

**Foreign exchange risk (sensitivity)**

| | Profit or loss | | Equity | |
|---|---|---|---|---|
| | 10% increase | 10% decrease | 10% increase | 10% decrease |
| **31 December 2024** | | | | |
| EUR | 1 | (1) | (182) | 182 |
| SGD | 0 | (0) | (56) | 56 |
| BRL | (1) | 1 | (49) | 49 |
| CNY | 0 | (0) | (67) | 67 |
| **31 December 2023** | | | | |
| EUR | (0) | 0 | (139) | 139 |
| SGD | (0) | 0 | (17) | 17 |
| BRL | (0) | 0 | (50) | 50 |
| CNY | (0) | 0 | (26) | 26 |

As set out above, by managing foreign currency risk, the Company aims to reduce the impact of short-term market price fluctuations on the Company's earnings. Over the long-term however, permanent changes in foreign currency rates would have an impact on consolidated earnings.

### Interest rate risk

The Company's exposure to risk from changes in market interest rates relates primarily to the Company's long-term debt obligations with a floating interest rate. In respect of controlling interest rate risk, the floating interest rates of long-term loans are hedged by fixed rate swaps and options for the entire maturity period. The revolving credit facility is intended for the fluctuating needs of construction financing and bears interest at floating rates, which is also swapped for fixed rates when exposure is significant.

For interest rate risk, the principal terms of the interest rate swap or option (notional amortization, rate-set periods) and the financing (repayment schedule, rate-set periods) are identical. The Company has established a hedge ratio of 1:1, as the hedging layer component matches the nominal amount of the interest rate swap for all its hedging relationships.

At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments (excluding transaction costs) was:

**Interest rate risk (summary)**

| | 2024 | 2023 |
|---|---|---|
| **Fixed rate instruments** | | |
| Financial assets | 6,728 | 6,856 |
| Financial liabilities | (802) | (891) |
| **Total** | **5,926** | **5,964** |
| **Variable rate instruments (USD LIBOR 3 Months)** | | |
| Financial assets | - | 12 |
| Financial liabilities (SOFR) | (8,474) | (8,777) |
| Financial liabilities (future) (SOFR) | (1,652) | (1,670) |
| **Total** | **(10,126)** | **(10,435)** |

**Interest rate risk (exposure)**

| | 2024 | 2023 |
|---|---|---|
| Variable rate instruments (SOFR) | (10,126) | (10,435) |
| Less: Reimbursable items (SOFR) | 1,500 | 1,524 |
| Less: IRS contracts (SOFR) | 7,767 | 8,043 |
| **Exposure** | **(859)** | **(867)** |

**Interest rate risk (sensitivity)**

| | Profit or loss | | Equity | |
|---|---|---|---|---|
| | 100 bp increase | 100 bp decrease | 100 bp increase | 100 bp decrease |
| **31 December 2024** | | | | |
| Variable rate instruments (SOFR) | (9) | 9 | - | - |
| Interest rate swap (SOFR) | - | - | 356 | (356) |
| **Sensitivity (net)** | **(9)** | **9** | **356** | **(356)** |
| **31 December 2023** | | | | |
| Variable rate instruments (SOFR) | (9) | 9 | - | - |
| Interest rate swap (SOFR) | - | - | 404 | (404) |
| **Sensitivity (net)** | **(9)** | **9** | **404** | **(404)** |

The exposure of US$859 million is primarily arising from the residual exposure on the unhedged portion of project loan facilities for *FPSO Almirante Tamandaré, FPSO Alexandre de Gusmão* and FPSO *ONE GUYANA*. The interest rate exposure arising from these loans is mainly offset by the Cash and Cash Equivalents at December 31, 2024.

The sensitivity on equity and the income statement resulting from a change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown above. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis was performed on the same basis as for 2023.

At December 31, 2024, it is estimated that a general increase of 100 basis points in interest rates would decrease the Company's profit before tax for the year by approximately US$9 million (2023: decrease of US$8 million), mainly related to the residual interest rate exposure.

As set out above, the Company aims to reduce the impact of short-term market price fluctuations on the Company's earnings. Over the long term, however, permanent changes in interest rates could have an impact on consolidated earnings.

### Commodity risk

Commodity exposure is defined by the Company as the risk of realizing adverse effects on operating cash flows and future earnings resulting from movement in commodity prices. The Company establishes hedge strategies in order to limit their commodity risk exposure in the following commodities:

- Oil exposure is mostly associated with transportation fuels connected with the Company's prospective contract awards, construction contracts and future decommissioning.
- Aluminum, steel, copper and iron ore exposures arise from the construction, refurbishment, repair of the products embedded in the Company's prospective contract awards, construction contracts and operation contracts.

Incoming lease payments following the Company's contractual arrangements with its clients are not impacted by the oil price.

### Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's lease receivables, contract assets, other financial assets, trade and other receivables (including committed transactions), derivative financial instruments and cash and cash equivalents.

### Credit risk

| | 2024 | | 2023 | |
|---|---|---|---|---|
| Rating | Assets | Liabilities | Assets | Liabilities |
| AA | 18 | (23) | 32 | (9) |
| AA- | 101 | (99) | 173 | (54) |
| A+ | 262 | (127) | 180 | (31) |
| A | 48 | - | 30 | (3) |
| BBB | - | - | 1 | - |
| Non-investment grade | - | (17) | - | - |
| **Derivative financial instruments** | **429** | **(266)** | **416** | **(97)** |
| AAA | 278 | - | 153 | - |
| AA | - | - | 6 | - |
| AA- | 460 | - | 343 | - |
| A+ | 44 | - | 23 | - |
| A | 6 | - | 10 | - |
| Non-investment grade | 18 | - | 8 | - |
| **Cash and cash equivalents and bank overdrafts** | **806** | **-** | **543** | **-** |

The Company maintains and reviews its policy on cash investments and limits per individual counterparty are set to:
- BBB- to BBB+ rating: US$25 million or 10% of cash available.
- A- to A+ rating: US$75 million or 20% of cash available.
- AA- to AA+ rating: US$100 million or 20% of cash available.
- Above AA+ rating: no limit.

As per December 31, 2024, and December 31, 2023, cash investments below AA- rating do not exceed US$100 million per individual counterparty.

Cash held in banks rated AA- is mainly linked to cash pledged to loan reimbursements to those same banks. Cash held in banks rated A+ is mainly related to the Company's activities in Equatorial Guinea (US$40 million), where restrictions on currency flow apply. Cash held in banks rated below A- is mainly related to the Company's activities in Brazil (US$9 million) and countries with restrictions on currency flow.

Financial assets held by the Company other than derivatives and cash and cash equivalents are mostly related to debtors in the oil and gas industry.

For trade debtors and contract assets, the credit quality of each customer is assessed, taking into account its financial position, past experience and other factors. Bank or parent company guarantees are negotiated with customers. Individual risk limits are set based on internal or external ratings, in accordance with limits set by the Management Board. At December 31, 2024, there are three major customers in three countries that have an outstanding balance with a percentage over 10% each of the total of trade and other receivables (December 31, 2023: two major customers). Reference is made to note 4.3.19 Trade and Other Receivables for information on the distribution of the trade debtor balances by country and an analysis of the ageing of those amounts. At December 31, 2024, three major customers in three countries account for over 10% each of total recognized contract assets (December 31, 2023: two major customers in two countries).

For lease receivables and other financial assets, the credit quality of each counterpart is assessed, taking into account its credit agency rating when available or a comparable proxy. At December 31, 2024, there are two major customers in two countries that have an outstanding balance with a percentage over 10% each of the total of finance lease receivables (December 31, 2023: two major customers in two countries). The Company has concluded that these balances have low credit risk, as explained in 4.3.8 Net Impairment Gains/(Losses) on Financial and Contract Assets. Outstanding finance lease receivables are mostly graded at the equivalent between S&P ratings AAA and A (December 31, 2023: between AAA and BBB+). Furthermore, limited recourse project financing removes a significant portion of the credit risk on finance lease receivables.

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

### Liquidity risk

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

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

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

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

**Liquidity risk 2024**

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

**Liquidity risk 2023**

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

### Capital risk management

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

The Company mainly uses its corporate revolving credit facility (RCF, US$1 billion), supply-chain financing (SCF, US$260 million) and the revolving credit facility for MPF hulls (US$210 million) to bridge financing requirements on projects under construction, prior to putting a dedicated project finance facility in place. When a project finance facility is arranged and drawdowns have started, the RCF is repaid and a corporate guarantee from the Company is put in place for the construction period. When the project facility is drawn in full and the associated FPSO is producing, the corporate guarantee is recovered and the project finance becomes non-recourse debt.

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

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

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

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

**Capital risk management**

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

## Climate related risks

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

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

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

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

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

**Other risks**

With respect to controlling political risk, the Company has a policy of thoroughly reviewing risks associated with contracts, whether Turnkey or long-term leases. Where political risk cover is deemed necessary and available in the market, insurance is obtained.

## 4.3.28 LIST OF GROUP COMPANIES

In accordance with legal requirements, a list of the Company's entities that are included in the consolidated financial statements of SBM Offshore N.V. has been deposited at the Chamber of Commerce in Amsterdam.

## 4.3.29 INVESTMENT IN ASSOCIATES AND JOINT ARRANGEMENTS

The Company has several joint arrangements and associates:

| Entity name | Partners | Joint venture/ Associate | % of ownership | Country registration | 2024 main reporting segment | Project name |
|---|---|---|---|---|---|---|
| Malaysia Deepwater Floating Terminal (Kikeh) Ltd. | Malaysia International Shipping Corporation Behard | Joint venture | 49.00 | Malaysia | Lease & Operate | *FPSO Kikeh* |
| Malaysia Deepwater Production Contractors Sdn Bhd | Malaysia International Shipping Corporation Behard | Joint venture | 49.00 | Malaysia | Lease & Operate | *FPSO Kikeh* |
| Normand Installer S.A. | The Solstad group | Joint venture | 49.90 | Switzerland | Turnkey | Normand Installer |
| Ocean-Power AS | Agri AS; CapeOmega; Knatten I AS among others | Associate | 7.69 | Norway | Turnkey | Ocean Power |
| Ekwil S.A.S | Technip Energies | Joint venture | 50.00 | France | Turnkey | Ekwil |
| STS VOF | Technip Energies | Joint operation | 52.00 | Netherlands | Turnkey | GranMorgu FPSO |
| STS 58 B.V. | Technip Energies | Joint operation | 52.00 | Netherlands | Turnkey | GranMorgu FPSO |

The movements in investments in associates and joint ventures are as follows:

| | Note | 2024 | 2023 |
|---|---|---|---|
| **Investments in associates and joint ventures at 1 January** | | **288** | **290** |
| Share of profit of equity-accounted investees | *4.2.1* | 19 | 19 |
| Dividends | | - | (17) |
| Cash flow hedges | | (0) | (2) |
| Capital increase/(decrease) | | (225) | (0) |
| Foreign currency variations | | 0 | (0) |
| Reclassification to assets held for sale | | (60) | - |
| Other | | (1) | - |
| **Investments in associates and joint ventures at 31 December** | | **21** | **288** |

In 2024, the consolidated statement of comprehensive income included US$31 million of other comprehensive income from equity-accounted investees, mostly arising from adjustments following the reclassification of investees FPSOs *N'Goma*, *Saxi Batuque* and *Mondo* as subsidiaries and the disposal of Paenal (2023: US$(4) million).

**Share Purchase Agreements signed with Sonangol entities**

As announced on June 11, 2024, conditions precedent were completed for the two Share Purchase Agreements signed by the Company and its partner Sonangol EP in July 2023. for (i) the acquisition of Sonangol's equity shares in the lease and operating entities related to FPSOs *N'Goma*, *Saxi Batuque* and *Mondo*; and (ii) the full divestment to a Sonangol subsidiary of the Company's equity shares in the parent company of the Angolan based Paenal Yard. On the same date, the interests in which were classified as joint ventures (*N'Goma*, *Saxi Batuque* and *Mondo)* and associates (Paenal) were derecognized. Further information on the transaction is included in note 4.3.30 Business combinations.

### Classification as non-current assets held for sale

As announced on September 6, 2024, the Company and its partner MISC Berhad signed share purchase agreements for the full divestment to MISC Berhad of SBM Offshore's effective equity interest in the lease and operating entities of the *FPSO Kikeh* in Malaysia. The transaction was completed on January 31, 2025 following the completion of conditions precedent. As of December 31, 2024, the investments in both entities, which were previously accounted for as joint ventures according to IFRS 11 and included in the Company's Lease and Operate segment, are classified as non-current assets held for sale according to IFRS 5.

The following tables present the figures at 100%.

#### Information on significant joint ventures and associates – 2024

| Project name | Place of the business | Total assets | Non-current assets | Cash | Loans | Non-current liabilities | Current liabilities | Dividends paid | Revenue |
|---|---|---|---|---|---|---|---|---|---|
| Non material joint ventures/associates | | 76 | 41 | 25 | 23 | 18 | 18 | - | 1 |
| **Total at 100%** | | **76** | **41** | **25** | **23** | **18** | **18** | **-** | **1** |

#### Information on significant joint ventures and associates – 2023

| Project name | Place of the business | Total assets | Non-current assets | Cash | Loans | Non-current liabilities | Current liabilities | Dividends paid | Revenue |
|---|---|---|---|---|---|---|---|---|---|
| *FPSO N'Goma* | Angola | 668 | 302 | 211 | 190 | 152 | 85 | - | 39 |
| Angola operations | Angola | 225 | 2 | 20 | 29 | 27 | 203 | - | 291 |
| *FPSO Kikeh* | Malaysia | 153 | 89 | 4 | - | 10 | 28 | 35 | 71 |
| Angolan yard | Angola | 52 | (0) | 43 | 588 | 588 | 28 | - | 9 |
| Non material joint ventures/associates | | 70 | 48 | 8 | 109 | 104 | 15 | - | 0 |
| **Total at 100%** | | **1,167** | **441** | **286** | **917** | **880** | **359** | **35** | **410** |

The interest-bearing loans and other borrowings held by joint ventures and associates are as follows:

#### Information on loans and borrowings of joint ventures and associates

| | | | | Net book value at 31 December 2024 | | | Net book value at 31 December 2023 | | |
|---|---|---|---|---|---|---|---|---|---|
| Entity name | % Ownership | % Interest | Maturity | Non-current | Current | Total | Non-current | Current | Total |
| **US$ Project Finance facilities drawn:** | | | | | | | | | |
| Sonasing Xikomba Ltd[1] | 50.00 | 4.10% | 15-05-2026 | - | - | - | 117 | 73 | 190 |
| Normand Installer SA | 49.90 | 6.00% | 15-12-2026 | 5 | 6 | 11 | 11 | 6 | 16 |
| **Loans from subsidiaries of SBM Offshore N.V.**[2] | | | | 6 | - | 6 | 324 | - | 324 |
| **Loans from other shareholders of the joint ventures and associates** | | | | 6 | - | 6 | 368 | - | 368 |
| **Loans from other joint ventures** | | | | - | - | - | 266 | - | 266[3] |
| **Net book value of loans and borrowings** | | | | **18** | **6** | **23** | **1,086** | **79** | **1,164** |

1 Please refer to note 4.3.30 'Business Combinations'

2 Please refer to note 4.3.16 'Loans to joint-ventures and associates' for presentation of the carrying amount of these loans in the Company's Consolidated Statement of financial position.

3 Mainly loans from the joint ventures SBM Shipyard Ltd to the JV PAENAL - Porto Amboim Estaleiros Navais Ltda.

#### Aggregated information on joint ventures and associates

| | 2024 | 2023 |
|---|---|---|
| Net result at 100% | 28 | 2 |

**Reconciliation equity at 100 % with investment in associates and joint ventures**

| | 2024 | 2023 |
|---|---|---|
| Equity at 100% | 41 | (72) |
| Partner ownership | (20) | 193 |
| Share in negative net equity reclassification to loans to joint ventures and associates | - | 166 |
| **Investments in associates and joint ventures** | **21** | **288** |

## 4.3.30 BUSINESS COMBINATIONS

**Business Combination for Angolan FPSOs and Paenal Divestment**

As announced 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.), pending completion of conditions precedent.

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 the 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.

The consideration to be paid by AOSL in the amount of US$43 million upon completion of conditions precedent, was recognized by the Company as a receivable as of December 31, 2024. When calculating the goodwill arising from the linked transactions treated as a single business combination, the amount receivable from AOSL was deducted from the consideration paid to Sonangol to determine the total purchase consideration transferred. If the purchase by AOSL had been treated as a separate transaction, the Company would 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 | *FPSO Saxi-Batuque* | 90% | 10% | 100% |
| Sonasing Mondo Limited | *FPSO Mondo* | 90% | 10% | 100% |
| Sonasing Xikomba Limited | *N'Goma FPSO* | 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 transferred to AOSL, pending completion of the 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:

| 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 |
| Deferred Tax Liabilities | 25 |
| Trade and other payables | 286 |
| **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 |
|---|---|
| Cash consideration paid | 50 |
| Consideration receivable from AOSL | (43)[1] |
| **Consideration paid (net)** | **7** |
| Non-controlling interest | 178 |
| Fair value of previously held equity interest | 242 |
| Less: Fair value of acquired assets and liabilitites | (472) |
| **Goodwill/(gain on purchase)** | **(45)** |

1 Consideration to be paid by AOSL upon completion of conditions precedent.

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)', leading to a total impact of US$53 million.

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 the Company, 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 December 31, 2024, the acquired entities have contributed to the Company's consolidated total revenue an amount of approximately US$262 million and a positive net result of US$6 million.

If the acquisition had occurred on January 1, 2024, the contribution to consolidated total revenue and profit/(loss) in 2024 would have been US$488 million and US$35 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.), by a total amount of circa US$10 million, 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 (business combination and divestment) in the 2024 consolidated income statement is US$32 million, fully included in 'Other operating income/expense'.

In the 2024 consolidated cash flow statement, the acquisition from Sonangol generated net cash inflows totaling US$179 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.

## 4.3.31 INFORMATION ON NON-CONTROLLING INTERESTS

The Company has several jointly owned subsidiaries:

| Entity name | Partners | % of ownership | Country registration | 2024 main reporting segment | Project name |
|---|---|---|---|---|---|
| Aseng Production Company Ltd. | GE Petrol | 60.00 | Cayman island | Lease & Operate | *FPSO Aseng* |
| Gepsing Ltd. | GE Petrol | 60.00 | Cayman island | Lease & Operate | *FPSO Aseng / FPSO Serpentina* |
| Gepsing Ltd - Equatorial Guinea Branch | GE Petrol | 60.00 | Equatorial Guinea | Lease & Operate | *FPSO Aseng / FPSO Serpentina* |
| Brazilian Deepwater Production Ltd. | Malaysia International Shipping Corporation Behard | 51.00 | Bermuda | Lease & Operate | *FPSO Espirito Santo* |
| Brazilian Deepwater Production Contractors Ltd. | Malaysia International Shipping Corporation Behard | 51.00 | Bermuda | Lease & Operate | *FPSO Espirito Santo* |
| Brazilian Deepwater Production B.V. | Malaysia International Shipping Corporation Behard | 51.00 | The Netherlands | Lease & Operate | *FPSO Espirito Santo* |
| Operações Marítimas em Mar Profundo Brasileiro Ltda | Owned by Brazilian Deepwater Production Contractors (see information above) | 51.00 | Brazil | Lease & Operate | *FPSO Espirito Santo* |
| Alfa Lula Alto S.à.r.l. | Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha | 61.00 | Luxembourg | Turnkey | *FPSO Cidade de Marica* |
| Alfa Lula Alto Holding Ltd. | Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha | 61.00 | Bermuda | Lease & Operate | *FPSO Cidade de Marica* |
| Alfa Lula Alto Operações Marítimas Ltda. | Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha | 61.00 | Brazil | Lease & Operate | *FPSO Cidade de Marica* |
| Alfa Lula Alto S.à r.l. (Brazilian branche) | Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha | 61.00 | Brazil | Lease & Operate | *FPSO Cidade de Marica* |
| Beta Lula Central S.à.r.l. | Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha | 61.00 | Luxembourg | Turnkey | *FPSO Cidade de Saquarema* |
| Beta Lula Central Holding Ltd. | Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha | 61.00 | Bermuda | Lease & Operate | *FPSO Cidade de Saquarema* |
| Beta Lula Central Operações Marítimas Ltda. | Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha | 61.00 | Brazil | Lease & Operate | *FPSO Cidade de Saquarema* |
| Beta Lula Central S.à r.l. (Brazilian branche) | Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha | 61.00 | Brazil | Lease & Operate | *FPSO Cidade de Saquarema* |

| Entity name | Partners | % of ownership | Country registration | 2024 main reporting segment | Project name |
|---|---|---|---|---|---|
| Tupi Nordeste S.à.r.l. | Nippon Yusen Kabushiki Kaisha; Itochu Corporation | 63.13 | Luxembourg | Lease & Operate | *FPSO Cidade de Paraty* |
| Tupi Nordeste Operações Marítimas Ltda. | Nippon Yusen Kabushiki Kaisha; Itochu Corporation | 63.13 | Brazil | Lease & Operate | *FPSO Cidade de Paraty* |
| Tupi Nordeste Holding Ltd. | Nippon Yusen Kabushiki Kaisha; Itochu Corporation | 63.13 | Bermuda | Lease & Operate | *FPSO Cidade de Paraty* |
| Tupi Nordeste S.à r.l. (Brazilian branche) | Nippon Yusen Kabushiki Kaisha; Itochu Corporation | 63.13 | Bermuda | Lease & Operate | *FPSO Cidade de Paraty* |
| Guara Norte S.à.r.l. | Mitsubishi Corporation | 75.00 | Luxembourg | Lease & Operate | *FPSO Cidade de Ilhabela* |
| Guara Norte Holding Ltd. | Mitsubishi Corporation | 75.00 | Bermuda | Lease & Operate | *FPSO Cidade de Ilhabela* |
| Guara Norte Operações Marítimas Ltda. | Mitsubishi Corporation | 75.00 | Brazil | Lease & Operate | *FPSO Cidade de Ilhabela* |
| Guara Norte S.à r.l. (Brazilian branche) | Mitsubishi Corporation | 75.00 | Brazil | Lease & Operate | *FPSO Cidade de Ilhabela* |
| Mero 2 Operacoes Maritima Ltd. | Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha; China Merchants Financial Leasing | 51.00 | Brazil | Lease & Operate | *FPSO Sepetiba* |
| Mero 2 Operacoes Holding S.A. | Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha; China Merchants Financial Leasing | 51.00 | Switzerland | Lease & Operate | *FPSO Sepetiba* |
| Mero 2 Owning B.V. | Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha; China Merchants Financial Leasing | 51.00 | The Netherlands | Lease & Operate | *FPSO Sepetiba* |
| Mero 2 B.V. | Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha; China Merchants Financial Leasing | 51.00 | The Netherlands | Lease & Operate | *FPSO Sepetiba* |
| MERO 2 B.V. (Brazilian Branch) | Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha; China Merchants Financial Leasing | 51.00 | The Netherlands | Lease & Operate | *FPSO Sepetiba* |
| YTSM JV S.A. | CB&I Nederland B.V. | 70.00 | Switzerland | Lease & Operate | FPSO *ONE GUYANA* |
| Tamandare Owning B.V. | Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha | 55.00 | The Netherlands | Lease & Operate | *FPSO Almirante Tamandaré* |
| Tamandare B.V. | Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha | 55.00 | The Netherlands | Lease & Operate | *FPSO Almirante Tamandaré* |
| Tamandare Operations Holding S.A. | Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha | 55.00 | Switzerland | Lease & Operate | *FPSO Almirante Tamandaré* |
| Tamandaré Operações Marítimas Ltda. | Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha | 55.00 | Brazil | Lease & Operate | *FPSO Almirante Tamandaré* |
| MERO 4 Owning B.V. | Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha | 55.00 | The Netherlands | Lease & Operate | *FPSO Alexandre de Gusmão* |
| MERO 4 B.V. | Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha | 55.00 | The Netherlands | Lease & Operate | *FPSO Alexandre de Gusmão* |
| Mero 4 Operations Holding S.A. | Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha | 55.00 | Switzerland | Lease & Operate | *FPSO Alexandre de Gusmão* |
| Mero 4 Operações Marítimas Ltda. | Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha | 55.00 | Brazil | Lease & Operate | *FPSO Alexandre de Gusmão* |
| Sonasing Xikomba Ltd. | Sociedad Nacional de Combustiveis de Angola Empresa | 60.00[1] | Bermuda | Lease & Operate | *FPSO N'Goma* |

| Entity name | Partners | % of ownership | Country registration | 2024 main reporting segment | Project name |
|---|---|---|---|---|---|
| | Publica -Sonangol E.P.; Angola Offshore Services Limitada | | | | |
| NOVA EAST WIND INC. | Micantia Wind Inc - DP Global Energy Limited | 90.00 | Canada | Turnkey | Atlantic Canada |
| Tamandare BV (Brazilian Branch) | Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha | 55.00 | Brazil | Lease & Operate | *FPSO Almirante Tamandaré* |
| MERO 4 BV (Brazilian Branch) | Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha | 55.00 | Brazil | Lease & Operate | *FPSO Alexandre de Gusmão* |

1 Refer to note 4.3.30 Business combinations.

**Transactions with non-controlling interests**

The US$178 million reported in 4.2.4 Consolidated Statement of Changes in Equity corresponds to the recognition of non-controlling interests in the *FPSO N'Goma* entities upon the completion of the Sonangol transaction.

The US$238 million reported in 4.2.4 Consolidated Statement of Changes in Equity mainly relates to :

- Multiple equity contributions from the partners in the subsidiaries related to *FPSO Sepetiba*, *FPSO Alexandre de Gusmão* and *FPSO Almirante Tamandaré,* out of which US$196 million were cash transactions;
- The recognition of non-controlling interests upon the divestment of a 13.5% ownership interest in the special purpose companies related to the lease and operation of the *FPSO Sepetiba* to CMFL;
- Partially offset by US$(27) million reattribution of dividends from non-controlling interests over Sonasing Xikomba Ltd.

As announced on October 24, 2024, the Company completed the divestment of a 13.5% ownership interest in the special purpose companies related to the lease and operation of the *FPSO Sepetiba* to CMFL. This follows the announcement on February 10, 2022, of an agreement whereby CMFL would acquire its ownership interest upon completion of the *Sepetiba* project. The Company is operator of the FPSO and will remain the majority shareholder with 51% ownership interest.

As detailed in note 4.3.30 Business Combinations, in 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$27 million was reattributed in equity from non-controlling interests to retained earnings.

As announced on September 6, 2024, the Company and its partner MISC Berhad signed share purchase agreements for the total acquisition of MISC Berhad's entire effective equity interest in the lease and operating entities related to the *FPSO Espirito Santo* in Brazil. The transaction was completed on January 31, 2025 following the completion of conditions precedent and therefore did not impact non-controlling interests, as of December 31, 2024.

**Financial information on non-controlling interests (NCI)**

Included in the consolidated financial statements are the following items that represent the Company's interest in the revenues, assets and loans of the partially owned subsidiaries.

Figures are presented at 100% before elimination of intercompany transactions.

**2024**

| Project name | Place of business | Total assets | Non-current assets | Cash | Loans | Non-current liabilities | Current liabilities | Dividends to NCI | Revenue |
|---|---|---|---|---|---|---|---|---|---|
| *FPSO Aseng / FPSO Serpentina* | Equatorial Guinea | 149 | 24 | 66 | 0 | - | 54 | - | 91 |
| *FPSO Espirito Santo* | Brazil | 156 | 67 | 39 | 92 | 85 | 105 | - | 76 |
| *FPSO Cidade de Marica* | Brazil | 1,441 | 1,244 | 71 | 544 | 410 | 962 | 10 | 236 |
| *FPSO Cidade de Saquarema* | Brazil | 1,419 | 1,262 | 32 | 712 | 603 | 728 | 8 | 236 |
| *FPSO Cidade de Paraty* | Brazil | 929 | 773 | 20 | - | 2 | 907 | 32 | 170 |
| *FPSO Cidade de Ilhabela* | Brazil | 1,245 | 1,068 | 49 | - | 0 | 1,223 | 18 | 237 |
| *FPSO Sepetiba* | Brazil | 4,462 | 3,749 | 43 | 3,126 | 3,080 | 575 | - | 267 |
| *FPSO Almirante Tamandaré* | Brazil | 3,377 | 119 | 24 | 1,497 | 1,508 | 118 | - | (1,648) |
| *FPSO Alexandre de Gusmão* | Brazil | 2,343 | 87 | 25 | 1,215 | 1,359 | 147 | - | 717 |
| FPSO ONE GUYANA | Guyana | 236 | 0 | 0 | 75 | - | 188 | 5 | 515 |
| Non material NCI | | 25 | 5 | 2 | 3 | 3 | 9 | - | (0) |
| **Total 100%** | | **15,783** | **8,398** | **371** | **7,263** | **7,051** | **5,015** | **72** | **897** |

**2023**

| Project name | Place of business | Total assets | Non-current assets | Cash | Loans | Non-current liabilities | Current liabilities | Dividends to NCI | Revenue |
|---|---|---|---|---|---|---|---|---|---|
| *FPSO Aseng / FPSO Serpentina* | Equatorial Guinea | 118 | 41 | 23 | 0 | 0 | 33 | 8 | 104 |
| *FPSO Espirito Santo* | Brazil | 151 | 71 | 18 | 97 | 110 | 95 | - | 57 |
| *FPSO Cidade de Marica* | Brazil | 1,512 | 1,311 | 68 | 672 | 544 | 185 | 10 | 210 |
| *FPSO Cidade de Saquarema* | Brazil | 1,481 | 1,326 | 26 | 820 | 712 | 150 | 16 | 204 |
| *FPSO Cidade de Paraty* | Brazil | 985 | 826 | 9 | 20 | 3 | 71 | 26 | 168 |
| *FPSO Cidade de Ilhabela* | Brazil | 1,320 | 1,122 | 63 | 720 | 672 | 120 | 21 | 203 |
| *FPSO Sepetiba* | Brazil | 2,070 | 154 | 8 | 1,425 | 1,438 | 218 | - | 213 |
| *FPSO Almirante Tamandaré* | Brazil | 1,745 | 26 | 23 | 911 | 1,005 | 10 | - | 513 |
| *FPSO Alexandre de Gusmão* | Brazil | 1,815 | 0 | 27 | 1,017 | 1,134 | 36 | - | 773 |
| FPSO *ONE GUYANA* | Guyana | 237 | 12 | 0 | - | 2 | 196 | - | 752 |
| Non material NCI | | 18 | 4 | 2 | 3 | 2 | 5 | - | 0 |
| **Total 100%** | | **11,450** | **4,895** | **268** | **5,685** | **5,622** | **1,119** | **81** | **3,197** |

Reference is made to note 4.3.23 Borrowings and Lease Liabilities for a description of the bank interest-bearing loans and other borrowings per entity.

The risks associated with interests in subsidiaries, joint ventures and associates are described in section 4.3.27 Financial Instruments – Fair Values and Risk Management. The risks identified are deemed to be inherent to the operations of the Company as a whole and includes the risk profiles of interests in other entities.

Included in the consolidated financial statements are the following items that represent the aggregate contribution of the partially owned subsidiaries to the Company consolidated financial statements:

**Interest in non-controlling interest (summary)**

| | 2024 | 2023 |
|---|---|---|
| Net result | 61 | 123 |
| Accumulated amount of NCI | 2,225 | 1,797 |

**Reconciliation equity at 100 % with Non-controlling interests on partially owned subsidiaries**

| | 2024 | 2023 |
|---|---|---|
| Equity at 100% | 3,717 | 4,709 |
| Company ownership | (1,492) | (2,912) |
| **Accumulated amount of NCI** | **2,225** | **1,797** |

## 4.3.32 RELATED PARTY TRANSACTIONS

During 2024, the Company made equity contributions towards investees, related to *FPSO Almirante Tamandaré*, *FPSO Sepetiba* and *FPSO Alexandre de Gusmão* (combined US$251 million) projects. There were no other major related party transactions requiring additional disclosure in the consolidated financial statements.

For relations with Supervisory Board members, Management Board members and other key personnel, reference is made to note 4.3.6 Employee Benefit Expenses.

The Company has transactions with joint ventures and associates which are recognized as follows in the Company's consolidated financial statements:

**Related party transactions**

| | *Note* | 2024 | 2023 |
|---|---|---|---|
| Revenue | | 184 | 48 |
| Cost of sales | | (29) | (17) |
| Loans to joint ventures and associates | *4.3.16* | 6 | 41 |
| Trade receivables | | 12 | 125 |
| Trade payables | | 0 | 16 |

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.

Additional information regarding the joint ventures and associates is available in note 4.3.29 Investment in Associates and Joint Arrangements.

## 4.3.33 INDEPENDENT AUDITOR'S FEES AND SERVICES

Auditor fees, included in other operating costs, relate to services provided by Deloitte in 2024 and PwC in 2023. The Company's external auditor's fees for each respective year are as follows:

| in thousands of US$ | 2024 | 2023 |
|---|---|---|
| Audit of financial statements | 4,030 | 3,789 |
| *Out of which:* | | |
| *- invoiced by Deloitte Accountants B.V.* | 2,941 | - |
| *- invoiced by Deloitte network firms* | 1,089 | - |
| *- invoiced by PwC Accountants N.V.* | - | 2,367 |
| *- invoiced by PwC network firms* | - | 1,422 |
| Tax advisory services by Deloitte network firms | 17 | - |
| Tax advisory services by PwC network firms | - | 34 |
| Other assurance services by Deloitte network firms | 308 | - |
| Other assurance services by PwC network firms | - | 153 |
| **Total** | **4,355** | **3,976** |

Total audit fees increased mainly due to the new scope of the audit of financial statements following the award of new projects for the company and the increased regulatory environment relating to tax and CSRD.

In both 2024 and 2023, the other assurance services were mainly related to the review of the Company sustainability report. No other non-assurance services were conducted.

## 4.3.34 EVENTS AFTER END OF REPORTING PERIOD

### DIVIDEND AND SHARE REPURCHASE PROGRAM

After a review, the Company updated its shareholder return policy in 2024 as follows: 'The Company's shareholders return policy is to maintain a stable annual cash return to shareholders which grows over time, with flexibility for the Company to make such cash return in the form of a cash dividend and the repurchase of shares. Determination of the annual cash return is based on the Company's assessment of its underlying cash flow position. The Company prioritizes a stable cash distribution to shareholders and funding of growth projects, with the option to apply surplus capital towards incremental cash returns to shareholders.'

As a result, following review of its cash flow position and forecast, the Company intends to pay US$1.59 per share through a proposed US$155 million dividend[6] (EUR150 million equivalent or US$0.88 per share[7]) and US$150 million (EUR141 million equivalent) share repurchase program[8]. This represents an increase of 30% compared with 2024. The objective of the share buyback program would be to reduce share capital and provide shares for regular management and employee share programs (maximum US$25 million). Shares repurchased as part of the cash return will be cancelled.

### SBM OFFSHORE COMPLETES THE SHARE PURCHASE AGREEMENTS WITH MISC BERHAD

On January 31, 2025, the Company confirmed the completion of the transactions related to the Share Purchase Agreements announced on September 6, 2024, with its partner MISC Berhad for:

- The acquisition of MISC Berhad's entire effective equity interest in the lease and operating entities related to the *FPSO Espirito Santo* in Brazil; and
- The full divestment to MISC Berhad of the Company's effective equity interest in the lease and operating entities of the *FPSO Kikeh* in Malaysia.

This transaction furthers the Company's efforts to rationalize its portfolio to 'maintain focus and excellence' of operations.

[6] Equivalent of EUR150 million based on the EUR/US$ exchange rate on February 11, 2025. Dividends will be paid in euro provided that the minimum euro dividend shall amount to EUR150 million.
[7] Based on the number of shares outstanding at December 31, 2024. Dividend amount per share depends on number of shares entitled to dividend.
[8] Including maximum US$25 million for management and employee share programs.

The acquisition of the interests in the entities related to the *FPSO Espirito Santo* is accounted for as a transaction with a non-controlling interest in 2025. As of December 31, 2024, the equity interests held by the Company in the lease and operating entities of the *FPSO Kikeh* were classified as non-current assets held for sale.

### FPSO ALMIRANTE TAMANDARÉ PRODUCING AND ON HIRE

On February 19, 2025, SBM Offshore announced that *FPSO Almirante Tamandaré* was formally on hire as of February 16, 2025, after achieving first oil and the completion of a 72-hour continuous production test, leading to Final Acceptance by the customer (Petrobrás). Accordingly, as from that date, the lease of *FPSO Almirante Tamandaré* will commence and the contract asset related to this unit will be reclassified to finance lease receivables.

## 4.4 COMPANY FINANCIAL STATEMENTS

### 4.4.1 COMPANY BALANCE SHEET

**Company balance sheet**

| Before appropriation of profit | Notes | 31 December 2024 | 31 December 2023 |
|---|---|---|---|
| **ASSETS** | | | |
| Financial fixed assets | 4.5.1 | 3,592 | 3,701 |
| **Total fixed assets** | | **3,592** | **3,701** |
| Receivables | 4.5.2 | 33 | 44 |
| Cash and cash equivalents | 4.5.3 | 5 | 1 |
| **Total current assets** | | **38** | **45** |
| **TOTAL ASSETS** | | **3,630** | **3,746** |
| **EQUITY AND LIABILITIES** | | | |
| Equity attributable to shareholders | | | |
| Issued share capital | | 46 | 50 |
| Share premium reserve | | 1,007 | 1,007 |
| Treasury shares | | (31) | (26) |
| Legal reserves | 4.5.4 | 1,921 | 2,052 |
| Statutory reserves | 4.5.4 | 26 | 26 |
| Retained earnings | 4.5.4 | 499 | 133 |
| Profit of the year | 4.4.2 | 150 | 491 |
| **Shareholders' equity** | 4.5.4 | **3,619** | **3,733** |
| Other provisions | 4.5.5 | 1 | 1 |
| **Total provisions** | | **1** | **1** |
| Current liabilities | 4.5.6 | 9 | 12 |
| **Total current liabilities** | | **9** | **12** |
| **TOTAL EQUITY AND LIABILITIES** | | **3,630** | **3,746** |

## 4.4.2 COMPANY INCOME STATEMENT

**Company income statement**

| For the years ended 31 December | Note | 2024 | 2023 |
|---|---|---|---|
| Revenue | 4.5.7 | 5 | 4 |
| General and administrative expenses | 4.5.8 | (39) | (41) |
| **Operating profit/(loss) (EBIT)** | | **(34)** | **(37)** |
| Other operating expense | | 0 | - |
| Financial income | 4.5.9 | 1 | 2 |
| Financial expenses | 4.5.9 | (0) | 0 |
| **Profit/(Loss) before income tax** | | **(34)** | **(35)** |
| Income tax expense | 4.5.10 | (1) | (3) |
| Result of Group companies | 4.5.1 | 185 | 529 |
| **Profit/(Loss) after income tax** | | **150** | **491** |

## 4.4.3 GENERAL

The Company financial statements are part of the 2024 financial statements of SBM Offshore N.V. Reference is made to section 4.2.6 General Information for additional details on the Company.

SBM Offshore N.V. costs mainly comprise management activities and the cost of the headquarters office at Schiphol, of which part is recharged to Group companies.

### PRINCIPLES FOR THE MEASUREMENT OF ASSETS AND LIABILITIES AND THE DETERMINATION OF THE RESULT

The stand-alone financial statements were prepared in accordance with the statutory provisions of Part 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving'). SBM Offshore N.V. uses the option provided in section 2:362 (8) of the Dutch Civil Code in that the principles for the recognition and measurement of assets and liabilities and determination of result (hereinafter referred to as principles for recognition and measurement) of the separate financial statements of SBM Offshore N.V. are the same as those applied for the consolidated financial statements. These principles also include the classification and presentation of financial instruments, being equity instruments or financial liabilities. The consolidated financial statements are prepared according to the standards set by the International Accounting Standards Board and adopted by the European Union (referred to as EU-IFRS). Reference is made to the notes to the consolidated financial statements ('4.2.7 Accounting Principles') for a description of these principles.

Investments in group companies, over which control is exercised, are stated on the basis of the net asset value. In the event that 20% or more of the voting rights can be exercised, it may be assumed there is control.

Results on transactions, involving the transfer of assets and liabilities between SBM Offshore N.V. and its participating interests or between participating interests themselves, are not incorporated insofar as they are deemed to be unrealized.

Taxation information, including deferred tax assets and income tax expense, is presented in note 4.5.1.2 Deferred tax assets and 4.5.10 Income tax expense.

## 4.5 NOTES TO THE COMPANY FINANCIAL STATEMENTS

### 4.5.1 FINANCIAL FIXED ASSETS

#### 4.5.1.1 INVESTMENT IN GROUP COMPANIES

The movements in the item Investment in Group companies are as follows:

| | 2024 | 2023 |
|---|---|---|
| **Investments net value at 1 January** | **3,701** | **3,299** |
| Result of Group companies | 185 | 529 |
| Capital contributions | - | 0 |
| Capital repayments | - | (137) |
| Dividends received | (258) | (9) |
| Other changes[1] | (36) | 25 |
| Foreign currency variations | (0) | (7) |
| **Movements** | **(110)** | **402** |
| **Investments net value at 31 December** | **3,592** | **3,701** |

1 Mainly relates to Cash flow hedges and transaction with non-controlling interests (please refer to note 4.2.4 'Company's Consolidated Statement of changes in equity).

An overview of the information on principal subsidiary undertakings required under articles 2: 379 of the Dutch Civil Code is given below. The subsidiaries of SBM Offshore N.V. are the following (all of which are 100% owned):

- SBM Offshore Holding B.V., Amsterdam, the Netherlands
- SBM Holding Inc. S.A., Marly, Switzerland
- SBM Holding Luxembourg S.à.r.l, Luxembourg, Luxembourg
- SBM Schiedam B.V., Rotterdam, the Netherlands
- SBM Holland B.V., Rotterdam, the Netherlands
- FPSO Capixaba Holding B.V., 's-Gravenhage, the Netherlands

#### 4.5.1.2 DEFERRED TAX ASSETS

SBM Offshore N.V. is head of a fiscal unity in which all Dutch entities are included, except for the entities that are held by SBM Holding Inc. S.A. and the joint venture entities. For more details refer to note 4.4.3 General. The movement in deferred tax assets is as follows:

| | 2024 | 2023 |
|---|---|---|
| Deferred tax at 1 January | - | 3 |
| Deferred tax effect on unrecognized tax losses for current year | 1 | 2 |
| Provision for unrecognized losses carried forward (increase of valuation allowance) | (1) | - |
| Deferred tax effect on unrecognized tax losses in respect of prior year(s) | - | (5) |
| Foreign currency variations | - | 0 |
| **Movements** | **-** | **(3)** |
| **Deferred tax at 31 December** | **-** | **-** |

As of year-end 2024 the Company has re-assessed its recoverability of the deferred tax asset of the fiscal unity and increased the valuation allowance to cover the full deferred tax asset. As a result, no net deferred tax asset has been recognized (2023: nil).

### 4.5.2 RECEIVABLES

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Trade receivables | 0 | 0 |
| Amounts owed by Group companies | 31 | 42 |
| Other debtors | 2 | 2 |
| **Total** | **33** | **44** |

The receivables fall due in less than one year. The fair value of the receivables reasonably approximates the book value, due to their short-term character.

As at December 31, 2024, the Company has a receivable due from SBM Holding Inc. S.A. (the cash pool leader of SBM Offshore group) amounting to US$31 million (2023: US$ 42 million). The lending conditions applied to the outstanding amounts between the cash pool leader and the Company are as follows:

- Fixed fee: The cash pool leader charges a handling fee of 0.075% (2023: 0.075%) to the Company; and
- Interest rate: Any receivable and payable balance that is outstanding for more than 90 days is subject to an interest rate of 2.50% (2023: 3.00%). Depending on whether it is a receivable or a payable balance, it will be either in favor of the Company or in favor of the cash pool leader.

Intercompany receivable from group companies outside of the cash pool are free of interest. In respect of repayment, no formal agreements have been made.

## 4.5.3 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are at SBM Offshore N.V.'s free disposal.

## 4.5.4 SHAREHOLDERS' EQUITY

The shareholders' equity in the parent company financial statements equals the equity attributable to common shareholders presented in the consolidated financial statements, except for legal and statutory reserves. The currency translation reserve, cash flow hedging reserve, capitalized development expenditure and investees equity non-distributable reserve are legal reserves that are required by Dutch law. Furthermore, on the statutory reserves, pursuant to the Company's Articles of Association, a 'Protective Preference Shares' reserve is required to be maintained by the Company.

**Legal reserve**

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Investees equity non-distributable | 1,710 | 1,747 |
| Capitalized development expenditure | 166 | 142 |
| Translation reserve | (70) | (105) |
| Cash flow hedges | 115 | 268 |
| **Legal reserve at 31 December** | **1,921** | **2,052** |

The 'Investees equity non-distributable' legal reserve relates mainly to non-distributable profits generated by the co-owned entities (refer to note 4.3.29 Investment in Associates and Joint Arrangements and 4.3.31 Information on Non-controlling Interests). The agreed principle in the applicable shareholders' agreements is that the shareholders shall procure that any available reserves are distributable after paying any expenses due and taking into account co-owned entity and applicable legal requirements. However, as unanimous decision of shareholders agreements in most of the co-owned entities is required to distribute the profits generated, the equity of these entities is classified as a non-distributable reserve under Dutch guidelines for financial reporting. On a regular basis, the Company ensures that dividends are approved by the partners and distributed accordingly to the shareholders.

**Legal reserve for investees equity non-distributable**

| | 2024 | 2023 |
|---|---|---|
| Balance at 1 January | 1,747 | 1,609 |
| Movements in financial year | (37) | 138 |
| **Balance at 31 December** | **1,710** | **1,747** |

#### Legal reserve for capitalized development expenditure

| | 2024 | 2023 |
|---|---|---|
| Balance at 1 January | 142 | 109 |
| Additions | 33 | 38 |
| Disposals | (4) | - |
| Amortization | (5) | (5) |
| Foreign currency variation | (0) | 0 |
| Other movements | (0) | (0) |
| **Balance at 31 December** | **166** | **142** |

The legal reserve for 'investees equity non-distributable' and 'capitalized development expenditure' are formed by withdrawal from the distributable retained earnings. In the event of depreciation or impairment, the capitalized development expenditure will be reduced by adding it to the retained earnings reserves in the amount of the depreciation or impairment.

If either the currency translation reserve or the cash flow hedging reserve has a negative balance, distributions from the retained earnings cannot be made to the Company's shareholders equivalent to the amount of that negative balance.

#### Statutory reserve

The Management Board, with the approval of the Supervisory Board, has granted a call option to Stichting Continuïteit SBM Offshore to acquire a number of preference shares. As of October 1, 2022, and with reference to articles 5.5 and 5.6 of the Articles of Association of the Company, a 'Protective Preference Shares' reserve amounting to US$26 million (2023: US$26 million) was created at the expense of the share premium reserve at the level of the Company. If and when Stichting Continuiteït SBM Offshore were to exercise the call option to acquire preference shares, these preference shares may also be paid-up from the reserve of the Company. In addition to the legal reserves, distributions to the Company's shareholders are restricted to the amount of the statutory reserves.

#### Retained earnings

The 'Retained earnings' also includes the 'IFRS 2 share-based payments' amounting to US$25 million (2023: US$25 million). The 'IFRS 2 share-based payments' granted but still unvested are non-distributable by nature.

The Company's total equity, as at December 31, 2024, is US$3,619 million, out of which US$1,921 million relates to legal reserves and US$26 million relates to the statutory reserves (December 31, 2023: Total equity of US$3,733 million, out of which US$2,052 million relates to legal reserves and US$26 million relates to the statutory reserves). For more information on the dividends on common shares, reference is made to note 4.3.12 Dividends paid and proposed.

For an explanation of the shareholders' equity, reference is made to note 4.2.4 Consolidated Statement of Changes in Equity and note 4.3.22 Equity Attributable to Shareholders.

## PROPOSED APPROPRIATION OF RESULT

With the approval of the Supervisory Board, it is proposed that the result shown in SBM Offshore N.V. income statement be appropriated as follows (in US$):

#### Appropriation of result

| | 2024 |
|---|---|
| Profit/(Loss) attributable to shareholders | 150 |
| In accordance with note 4.7.1 to be transferred to the 'Retained earnings' | 150 |
| **At the disposal of the General Meeting** | **-** |

It is proposed that US$155 million of retained earnings is distributed among the shareholders. Please refer to note 4.3.34 Events After End of Reporting Period.

### 4.5.5 OTHER PROVISIONS

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$1million.

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, SBM Offshore 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 (theincidental appeal). On May 25, 2023, the AFM filed its reply to SBM Offshore's appeal. The hearing of AFM's appeal and SBM Offshore's appeal took place before the CBb on September 19, 2024.

The CBb issued its decision on February 18, 2025 and dismissed the appeal of the AFM and partially granted the Company's incidental appeal. The CBb found that the Company failed only to promptly disclose inside information on one occasion. The fine has been further reduced to EUR675,000. The decision of the CBb is not open for appeal and therefore is final and binding upon the parties.

**Other provisions**

| | 2024 | 2023 |
|---|---|---|
| Non-current | - | 1 |
| Current | 1 | - |
| **Total** | **1** | **1** |

### 4.5.6 CURRENT LIABILITIES

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Trade payables | 0 | 0 |
| Wage tax and social security costs | 0 | 0 |
| Income tax payables | 1 | - |
| Other liabilities | 8 | 12 |
| **Total** | **9** | **12** |

The current liabilities fall due in less than one year. The fair value of other current liabilities approximates the book value, due to their short-term character.

### 4.5.7 REVENUE

The revenue comprises management fees charged to Group company Single Buoy Moorings Inc. S.A. which is the main EPC contractor.

### 4.5.8 GENERAL AND ADMINISTRATIVE EXPENSES

| | 2024 | 2023 |
|---|---|---|
| Employee Benefits | (27) | (25) |
| Other costs | (12) | (16) |
| **Total** | **(39)** | **(41)** |

The employee benefits include the Management Board remuneration and recharge of other personnel costs at the headquarters, as well as share-based payments for the entire Group. For further details on the Management Board remuneration, reference is made to note 4.3.6 Employee Benefit Expenses.

The other costs include audit fees, legal, compliance, corporate governance and investor relation costs. For the audit fees reference is made to note 4.3.33 Independent Auditor's Fees and Services.

## 4.5.9 FINANCIAL INCOME AND EXPENSES

The financial income and expenses relate mainly to foreign currency results and interest charged to and by Group companies to SBM Offshore N.V.

## 4.5.10 INCOME TAX EXPENSE

The numerical reconciliation between the applicable and effective tax rate is as follows:

| | 2024 | 2023 |
|---|---|---|
| Result before tax of the Company for current year | (34) | (35) |
| **Corporate income tax against applicable rate (25.8%)** | **9** | **9** |
| Results allocated by the members to the Company for current year | (2) | (2) |
| Non-deductible costs | (6) | (5) |
| Adjustments in respect of prior year(s) | - | (0) |
| Profits from foreign operations | - | (0) |
| Other adjustments | (1) | - |
| Deferred tax effect on unrecognized tax losses for current year | (1) | (2) |
| Deferred tax effect on unrecognized tax losses in respect of prior year(s) | - | (3) |
| **Total corporate income tax** | **(1)** | **(3)** |
| **Effective corporate income tax rate** | **(3%)** | **(8%)** |

The Company is the head of the fiscal unity for the Dutch corporate income tax (refer to 4.5.11 Commitments and Contingencies), where the Company will bear the burden of the corporate income tax charge, based on the taxable income of the fiscal unity, taking into account the losses available for set-off from the previous financial years, exempt profit components and after the addition of non-deductible costs that are attributable to the Netherlands.

The applicable Dutch corporate income tax rate for taxable income up to EUR 200 thousand (2023: EUR 200 thousand) is 19% (2023: 19%) and 25.8% (2023: 25.8%) for profits that exceed EUR 200 thousand (2023: EUR 200 thousand). The effective corporate income tax rate for the current year is (3%) whereas the prior year rate was (8%). The variance in the effective corporate income tax rate compared with the prior year period is mainly due to the deferred tax effect on unrecognized tax losses recognized in 2023 for past years. In addition, the other adjustments for the current tax provision are in relation to the estimated impacts of top-up taxes arising under the GloBe rules.

## 4.5.11 COMMITMENTS AND CONTINGENCIES

### COMPANY GUARANTEES

SBM Offshore N.V. has issued a limited number of parent company guarantees with respect to long-term lease/operate contracts which have all been signed prior to 2010. Please refer to note 4.3.26 Commitments and Contingencies.

### FISCAL UNITY

SBM Offshore N.V. is head of a fiscal unity in which all Dutch entities are included, except for the entities that are held by SBM Holding Inc. S.A. and the joint venture entities. All tax liabilities and tax assets are transferred to the fiscal unity parent, however all members of the fiscal unity can be held liable for all tax liabilities concerning the fiscal unity.

Corporate income tax is levied at the head of the fiscal unity, based on the fiscal results allocated by the members to SBM Offshore N.V., taking into account an allocation of the benefits of the fiscal unity to the different members. The settlement amount, if any, is equal to the corporate income tax charge included in the Company income statement.

## 4.5.12 DIRECTORS' REMUNERATION

For further details on the Directors remuneration, reference is made to note 4.3.6 Employee Benefit Expenses of the consolidated financial statements.

## 4.5.13 NUMBER OF EMPLOYEES

There were no employees during the year under review (2023: none).

## 4.5.14 INDEPENDENT AUDIT FEES

For the audit fees relating to the procedures applied to SBM Offshore N.V. and its consolidated group entities by accounting firms and an external independent auditor, reference is made to note 4.3.33 Independent Auditor's Fees and Services of the consolidated financial statements.

## 4.5.15 EVENTS AFTER END OF REPORTING PERIOD

For information about the subsequent events, reference is made to section 4.3.34 Events After End of Reporting Period of the notes to the consolidated financial statements.

Schiphol, the Netherlands
February 19, 2025

**Management Board**
Øivind Tangen, Chief Executive Officer
Douglas Wood, Chief Financial Officer

**Supervisory Board**
Roeland Baan, Chair
Bernard Bajolet, Vice-Chair
Lucia de Andrade
Ingelise Arntsen
Allard Castelein
Denise Dettingmeijer
Patrick Jager

# 4.6 INDEPENDENT AUDITOR'S REPORT

To: The shareholders and the supervisory board of SBM Offshore N.V.

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS 2024 INCLUDED IN THE ANNUAL REPORT

### OUR OPINION

We have audited the financial statements 2024 of SBM Offshore N.V., based in Amsterdam (the "**Financial Statements**"). The Financial Statements comprise the consolidated and company financial statements.

In our opinion:

- the accompanying consolidated financial statements give a true and fair view of the financial position of SBM Offshore N.V. (the "**Company**") as at 31 December 2024, and of its result and its cash flows for 2024 in accordance with International Financial Reporting Standards as adopted by the European Union ("**EU-IFRS**") and with Part 9 of Book 2 of the Dutch Civil Code;
- the accompanying company financial statements give a true and fair view of the financial position of SBM Offshore N.V. as at 31 December 2024, and of its result for 2024 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

1. the consolidated statement of financial position as at 31 December 2024;
2. the following statements for 2024: the consolidated income statement, the consolidated statements of (i) comprehensive income and (ii) changes in equity and the consolidated cash flow statement; and
3. the notes comprising material accounting policy information and other explanatory information.

The company financial statements comprise:

1. the company balance sheet as at 31 December 2024;
2. the company income statement for 2024; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

### BASIS FOR OUR OPINION

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the Financial Statements' section of our report.

We are independent of SBM Offshore N.V. in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (Dutch Code of Ethics for Professional Accountants).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### INFORMATION IN SUPPORT OF OUR OPINION

We designed our audit procedures in the context of our audit of the Financial Statements as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

#### Materiality

Based on our professional judgment we determined the materiality for the Financial Statements as a whole at USD 28 million. The materiality is based on 9.9% of profit before tax. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the Financial Statements for qualitative reasons.

Component audits are performed using the materiality levels determined by the judgment of the group engagement team, considering materiality for the consolidated financial statements as a whole and the reporting structure of the Group. All component audits are performed using a component materiality of USD 19.8 million.

We agreed with the Supervisory Board that uncorrected misstatements with an impact on (i) profit before tax in excess of USD 3 million and (ii) presentation in excess of USD 10 million, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

**Scope of the group audit**

SBM Offshore N.V. is at the head of a group of companies. The financial information of this group is included in the consolidated financial statements of SBM Offshore N.V.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature, timing and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

The Financial Statements are a combination of:

- consolidated reporting entities, comprising the Group's operating subsidiaries, joint operations and centralized functions; and
- unconsolidated reporting entities, comprising operations structured under joint control with unrelated parties (joint ventures) and where the Group exercises significant influence (associates); all accounted for under the equity method.

In establishing the overall group audit strategy and plan, we determined the type of work that needed to be performed at the reporting entities by the group engagement team and by component auditors from other Deloitte member firms working under our instruction. Where the work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at those reporting entities so as to be able to conclude whether sufficient appropriate audit evidence has been obtained as a basis for our opinion on the Financial Statements as a whole. For each reporting entity we determined whether we required an audit of their complete financial information or whether other procedures would be sufficient.

All components have been audited on the basis of specific account balances audit instructions communicated by the group engagement team to local audit teams in Switzerland and Portugal. The account balances included in these instructions have enabled the group audit team to achieve the following coverage on the financial line items:

| Consolidated audit coverage | |
|---|---|
| **Audit coverage of revenue** | **89%** |
| **Audit coverage of total assets** | **99%** |
| **Audit coverage of profit before tax** | **95%** |

The Group's consolidation, Financial Statements disclosures and a number of specific items were audited by the group engagement team. These include e.g. impairment testing, audit of revenue from construction contracts, audit of provisions, general IT controls testing and the audit of tax positions. Specialists were involved among others in the areas of treasury, information technology, tax, accounting, and valuation. We conducted visits to the (auditors of the) following locations: (i) Switzerland, (ii) Monaco, (iii) Portugal and (iv) China. In addition, the group engagement team, among others, held audit planning calls with all the individual component auditors and participated at a minimum in the component auditor closing calls. For selected component auditors we conducted (remote) file reviews to evaluate the work performed and to assess their findings.

By performing the procedures mentioned above at components, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion on the consolidated financial statements.

## Audit approach fraud risks

**Description**

An auditor conducting an audit in accordance with Dutch Standards on Auditing is responsible for obtaining reasonable assurance that the Financial Statements as a whole are free from material misstatement, whether caused by fraud or error. Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatement of the Financial Statements may not be detected. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

We identified and assessed the risks of material misstatements of the Financial Statements due to fraud. During our audit we obtained an understanding of the Company and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control and how the Supervisory Board exercises oversight, as well as the outcomes.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as among others the code of conduct, whistle blower procedures and incident registration. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption in close co-operation with our forensic specialists. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We identified the following fraud risks:
1. Management override of controls
2. Revenue recognition Turnkey
3. Revenue recognition Lease & Operate
4. Risk of bribery and corruption

Below we have summarized our related procedures.

**Management override of controls**

We have identified the inherent risk that management is in a unique position to perpetrate fraud because of management's ability to manipulate accounting records by overriding controls and more specifically:
- journal entries and other manual adjustments made during the preparation of the Financial Statements;
- the use of estimates including high level of judgement and assumptions subject to management bias; and
- significant transactions outside the normal course of business for the group.

During our audit, we have:
a. evaluated the design and implementation of the relevant internal controls mitigating the risk of management override of controls in combination with the underlying general information technology controls and application controls; and
b. performed journal entry testing audit procedures, using selected criteria of investigation.

Based on our audit procedures performed, we did not identify instances or suspicions of fraud due to management override of controls.

**Revenue recognition – Turnkey**

We have identified the risk that the revenue recognition related to Turnkey (construction contracts) is materially misstated due to fraud, pinpointed to the estimates and judgments (measurement of progress, estimates of cost-to-complete and assessment of risks and contingencies) involved.

As part of our audit procedures, we have obtained an understanding of the control environment of the Company including an evaluation of the design and implementation of relevant internal controls mitigating the risk of material misstatement for Turnkey revenue. Project revenues are recognized over-time using the percentage of completion method.

When performing our substantive audit procedures, we have evaluated the main sources of estimates and judgements in the determination of the percentage of completion of each project in our scope by:

a. performing test of details on the cost incurred to ensure the accuracy and cut-off of the costs recognized per project;
b. evaluating management's estimate of costs-to-complete, which includes construction activities, engineering activities, offshore commissioning and installation, supply chain logistics, and any activities required to reach operational readiness, e.g. by obtaining audit evidence corroborating the relevant assumptions;
c. assessing the completeness, accuracy, and likelihood of occurrence of contingencies including risks and opportunities that may arise during the project lifecycle; and
d. evaluating the impact of budget variances and contracts modifications on the progress status of projects and the scope of work to be performed.

Based on our audit procedures performed, we did not identify instances or suspicions of fraud related to the Turnkey revenue recognition.

**Revenue recognition – Lease & Operate**

We have identified the risk that the revenue recognition related to Lease & Operate (finance lease contracts) is materially misstated due to fraud, pinpointed to significant new lease contracts and lease contract modifications and extensions.

As part of our audit procedures, we have obtained an understanding of the control environment of the Company, including an evaluation of the design and implementation of relevant internal controls mitigating the risk of material misstatement for Lease & Operate revenue recognition.

When performing our substantive audit procedures, we have evaluated new lease contracts and lease modifications and extensions by:

a. reviewing lease contracts and related accounting position papers with the assistance from financial accounting specialists;
b. performing substantive audit procedures on judgments made in determining and accounting for new contracts and contract extensions/modifications of the lease contracts in conjunction with our lease accounting specialists; and
c. testing journal entries for management override of controls; and
d. reviewing the revenue recognition method.

Based on our audit procedures performed, we did not identify instances or suspicions of fraud related to the Lease & Operate revenue recognition.

**Risk of bribery and corruption**

The Company operates in countries with elevated risks of bribery and corruption. Therefore, we have identified the risk of fraud due to bribery and corruption, pinpointed to counterparty risk on new customers, suppliers, joint venture partners and other related parties or intermediaries.

During the planning and interim phase of our audit, we have assessed the control environment including the design and implementation of relevant internal controls mitigating this risk. Further, during the final phase of our audit, we:

a. assessed internal controls related to reviewing of supplier and customers for high-risk individuals such as politically exposed parties;
b. held discussions with management and those charged with governance with regards to any identified or suspected potential frauds and/or non-compliance with laws and regulations;
c. assessed new customers, suppliers, joint venture partners and other related parties or intermediaries to identify potential politically exposed persons or sanctioned individuals;
d. assessed whether transactions with new customers or suppliers were agreed based on the arm's length principles;
e. assessed details of donations and operating expenses in relation to unusual recipients and contractors;
f. reviewed internal audit and whistle blowers reports to identify potential cases of suspected fraud or non-compliance;
g. assessed the presence of transactions with sanctioned parties or cash-restricted government entities and the compliance with laws and regulation of such transactions;
h. involved forensic specialists in assessing customers and suppliers for potential fraud risk characteristics, such as politically exposed persons; and
i. performed specific journal entry testing.

Based on our audit procedures performed, we did not identify instances or suspicions of fraud due to bribery and corruption.

**Additional procedures in relation to fraud risks**

In addition to the procedures summarized above related to the identified significant fraud risks, we also:

a. incorporated elements of unpredictability in our audit;
b. considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance;
c. considered available information and made enquiries of relevant executives , directors, internal audit, legal counsel and the Supervisory Board;
d. evaluated whether the selection and application of accounting policies by the group, particularly those related to subjective measurements and complex transactions, may be indicative of fraudulent financial reporting;
e. evaluated whether the judgments and decisions made by management in making the accounting estimates included in the Financial Statements indicate a possible bias that may represent a risk of material misstatement due to fraud. Management insights, estimates and assumptions that might have a major impact on the Financial Statements are disclosed in paragraph 4.2.7, B (a) 'Use of estimates and judgment' of the Financial Statements. We performed a retrospective review of management judgments and assumptions related to significant accounting estimates reflected in prior year financial statements; and
f. evaluated for significant transactions whether the business rationale of such transactions suggests that they may have been entered into to engage in fraudulent financial reporting or to conceal misappropriation of assets.

Based on our audit procedures performed, we did not identify any other fraud risks.

### Audit approach compliance with laws and regulations

**Description**

We are responsible for obtaining reasonable assurance that the Financial Statements, as a whole, are free from material misstatement, whether due to fraud or error taking into account the applicable legal and regulatory framework. However, we are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

We assessed the laws and regulations relevant to the Company through discussion with management, the Supervisory Board, the Management Board and others within the Company, reading minutes of the relevant management bodies and reports of internal audit.

We involved our forensic specialists in this evaluation.

As a result of our risk assessment procedures, and while realizing that the effects from non-compliance could considerably vary, we considered the following laws and regulations with a direct effect on the Financial Statements as an integrated part of our audit procedures, to the extent material for the Financial Statements: (i) tax law, (ii) the requirements under EU-IFRS and (iii) Part 9 of Book 2 of the Dutch Civil Code.

We obtained sufficient appropriate audit evidence regarding provisions of those laws and regulations generally recognized to have a direct effect on the Financial Statements.

Apart from these, SBM Offshore N.V. is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts and/or disclosures in the Financial Statements, for instance, through imposing fines or litigation.

Given the nature of SBM Offshore N.V.'s business and the complexity of these other laws and regulations, there is a risk of non-compliance with the requirements of such laws and regulations. In addition, we considered major laws and regulations applicable to listed companies.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the Financial Statements may not be detected, even though the audit is properly planned and performed in accordance with the auditing standards. In the context of laws and regulations, the potential effects of inherent limitations on the auditor's ability to detect material misstatements are greater for such reasons as the following:

- there are many laws and regulations, relating principally to the operating aspects of a company, that typically do not affect the Financial Statements and are not captured by the Company's information systems relevant to financial reporting; and
- non-compliance may involve conduct designed to conceal it, such as collusion, forgery, deliberate failure to record transactions, management override of controls or intentional misrepresentations being made to the auditor.

Whether an act constitutes non-compliance is ultimately a matter to be determined by a court or other appropriate adjudicative body.

**Our response**
Our procedures are more limited with respect to these laws and regulations that do not have a direct effect on the determination of the amounts and disclosures in the Financial Statements. Compliance with these laws and regulations may be fundamental to the operating aspects of the business, to SBM Offshore N.V.'s ability to continue its business, or to avoid material penalties (e.g., compliance with the terms of operating licenses and permits or compliance with environmental regulations) and therefore non-compliance with such laws and regulations may have a material effect on the Financial Statements.

Our responsibility is limited to undertaking specified audit procedures to help identify non-compliance with those laws and regulations that may have a material effect on the Financial Statements.

Our procedures are limited to (i) inquiry of management, the Supervisory Board, the Management Board and others within SBM Offshore N.V. as to whether SBM Offshore N.V. is in compliance with such laws and regulations and (ii) inspecting correspondence, if any, with the relevant licensing or regulatory authorities to help identify non-compliance with those laws and regulations that may have a material effect on the Financial Statements.

We remained alert to indications of (suspected) non-compliance throughout the audit.

Finally, we obtained written representations that all known instances of (suspected) fraud or non-compliance with laws and regulations have been disclosed to us.

### Audit approach going concern

**Description**
Management is responsible to assess the Company's ability to continue as a going concern and disclosing in the Financial Statements any events or circumstances that may cast significant doubt on the Company's ability to continue as a going concern.

As described in chapter 2.8 of the annual report the Management Board believes that no events or conditions, including those related to the macro-economic and geopolitical uncertainty, give rise to doubt about the ability of the Group to continue in operation in the next reporting period.

We are responsible for obtaining reasonable assurance that the Group is able to continue as a going concern.

**Our response**
In response, we:
- considered whether the Company's going concern assessment included all relevant information of which we were aware as a result of our audit and inquiring with management regarding management's assumptions underlying its going concern assessment;
- evaluated management's current operating plan including cash flows for at least 12 months from the date of preparation of the Financial Statements, considering current developments in the industry and all relevant information of which we were aware as a result of our audit;
- analysed whether the current and the required financing has been secured to enable the continuation of the entirety of the Company's operations, including compliance with relevant covenants; and
- performed inquiries of management.

Although there always remains an inherent level of uncertainty in relation to future events, we concur with management's application of the going concern assumption in preparing the Financial Statements.

### Our key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Supervisory Board. The key audit matters are not a comprehensive reflection of all matters discussed.

| Key audit matter | Audit work performed and our observations |
| --- | --- |
| **Revenue recognition related to construction contracts (Turnkey)**<br><br>SBM Offshore N.V. recognizes its revenue in the Turnkey pillar over-time following IFRS 15 – Revenue from Contracts with Customers. This is considered a complex accounting area and requires the following significant judgements:<br>• identification of performance obligations in the Company's complex construction contracts;<br>• determination whether the identified performance obligations are satisfied at a point-in-time or over-time;<br>• given that several significant identified performance obligations are satisfied over-time, the measurement of the costs-to-complete and the assumptions used to determine the percentage of completion are the most complex elements of the revenue recognition reporting process; and<br>• contract modifications and variable considerations, including the identification of uncertainties and related contingencies are additional elements increasing the complexity of the matter.<br><br>Given the significance of the amounts involved (USD 2.7 billion of Turnkey revenue and USD 6.8 billion of contract assets), the complex nature of the Company's construction contracts and the significant judgements and estimates, we considered this area to be a key audit matter. | We reviewed and assessed management's position and the application of IFRS 15 in respect to the method of revenue recognition as either point-in-time or over-time with the assistance of our financial accounting specialists.<br><br>We have gained an understanding of the business processes involved in revenue recognition, including the control environment and the relevant internal controls. We have tested the design and implementation of relevant internal controls in the recording process of project revenue and costs. Our procedures covered the controls on project forecasts, measurement of progress against the performance obligations and the recognition of revenue in the accounting records. Based on our work performed, we did not identify significant deficiency related to the design and the implementation of these controls.<br><br>Furthermore, we have performed substantive audit procedures on the management estimates relating to the construction contracts, including, but not limited to:<br>• look-back audit procedures on budget and forecast variance analysis;<br>• inquiries with project management on key assumptions;<br>• testing of journal entries for management override of controls;<br>• testing of costs incurred; and<br>• challenging the estimated costs-to-complete including completeness testing on contingencies identified, change orders and all other events affecting the progress of projects.<br><br>When performing our work, we have obtained audit evidence corroborating or contradicting management's assumptions and judgements allowing us to identify potential management bias.<br><br>Based on the validation of the key assumptions considered above, we have recalculated the percentage of completion used by management for each project in our scope.<br><br>Based on our audit procedures we did not identify material findings in the Turnkey revenue recognition. |
| **Impact of the application of Pillar II legislation**<br><br>As of 2024, SBM Offshore N.V. falls under the OECD Pillar Two rules, which impose a top-up tax on 'low-taxed' entities – those with an effective tax rate below 15%. The effective tax rate is assessed on a jurisdictional basis.<br><br>SBM Offshore N.V. has ceased to apply its decades-old Swiss tax rulings, initiating a transition process under Swiss law which has resulted in the recognition of a tax goodwill in 2023 for a transitory period. The amortization of this goodwill in 2024 creates a deferred tax expense. SBM Offshore N.V. considers this deferred tax expense to be a covered tax under the Pillar Two framework.<br>This complex tax accounting matter requires significant management judgment in the following areas:<br>• A potential risk arises from the fact that the current reporting and disclosure impact is on the basis of certain assumptions, which eventually might deviate from the | We reviewed management's assessments, consisting of multiple memoranda with underlying supporting documentation, of (i) the Pillar Two impact on the group and (ii) the business re-alignment under the existing Swiss tax regime (applicable to Swiss companies), resulting in a deferred tax asset relating to tax goodwill.<br><br>In addition, management has provided us with documentation outlining the quantification of the Pillar Two impact and valuation models that form the basis of the (gross) deferred tax asset relating to the goodwill. In this regard, we have obtained and/or have been provided insight in the relevant tax and legal documents.<br><br>During our audit, we involved tax and Pillar Two specialists from The Netherlands and Switzerland to assess and evaluate management's overall assessment. This included a review of the positions taken by management and their experts on corporate tax, the tax technical positions, the underlying |

| Key audit matter | Audit work performed and our observations |
|---|---|
| actual impact due to differences in interpretation, divergence in rules between jurisdictions and further guidance to be issued. SBM Offshore N.V. accounts for this risk in the Financial Statements by adjusting the valuation of the deferred tax asset accordingly. As the situation is still evolving, it leads to uncertainties of the financial impact in periods in which legislation will be in effect.<br>• The (commercial) uncertainties that could impact the Company's ability to generate sufficient future taxable profits.<br><br>Based on (i) the magnitude of the amounts involved, (ii) the complexity of the application of this new tax legislation, (iii) the uncertainty related to future decisions from relevant tax jurisdictions and (iv) the use of management judgement and assumptions, we deemed the impact of the Pillar II legislation a key audit matter. | calculations, supporting evidence and the associated disclosures.<br><br>We challenged management and their advisors on their underlying assumptions and tested various components included in their evaluation. In relation to management's advisors, we (i) assessed the competence and objectivity of these experts and (ii) acquired an understanding of the work conducted by these experts, in order to evaluate the appropriateness.<br><br>We assessed the measurement of the uncertainty and the modelling employed by management to establish the (net) deferred tax asset. We evaluated its recoverability by comparing forecasted taxable profits with the approved business plans for the upcoming years and tested whether the approach was consistent and challenged management on their assumptions. We also scrutinized the underlying assumptions ensuring all necessary elements in the forecast were addressed and reconciling taxable profits in accordance with the applicable tax regulations in Switzerland.<br><br>Based on our audit procedures, we did not identify any reportable matters in (i) management's assessment of the recoverability of the deferred tax asset related to the goodwill, (ii) the impact of the deferred tax expense under Pillar Two and (iii) the related disclosures. |

## REPORT ON THE OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The annual report contains other information (the "**Other Information**"). This includes all information in the annual report in addition to the Financial Statements and our auditor's report thereon.

Based on the following procedures performed, we conclude that the Other Information:
- is consistent with the Financial Statements and does not contain material misstatements; and
- contains all the information regarding the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the Other Information. Based on our knowledge and understanding obtained through our audit of the Financial Statements or otherwise, we have considered whether the Other Information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the Financial Statements.

Management is responsible for the preparation of the Other Information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code, and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS AND ESEF

### Engagement

We were appointed by the General Meeting held on 13 April 2023 and subsequently engaged by the Supervisory Board as auditor of SBM Offshore N.V. on 18 May 2024 as of the audit for the year 2024.

### No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

### European Single Electronic Format (ESEF)

SBM Offshore N.V. has prepared its annual report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (the "**RTS on ESEF**").

In our opinion, the annual report, prepared in XHTML format, including the (partly) marked-up consolidated financial statements, as included in the reporting package by SBM Offshore N.V. complies in all material respects with the RTS on ESEF.

Management is responsible for preparing the annual report including the Financial Statements in accordance with the RTS on ESEF, whereby management combines the various components into one single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package complies with the RTS on ESEF.

We performed our examination in accordance with Dutch law, including Dutch Standard 3950N 'Assurance-opdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument' (assurance engagements relating to compliance with criteria for digital reporting).

Our examination included amongst others:

- Obtaining an understanding of the Company's financial reporting process, including the preparation of the reporting package.
- Identifying and assessing the risks that the annual report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including:
  - obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance and the XBRL extension taxonomy files has been prepared in accordance with the technical specifications as included in the RTS on ESEF; and
  - examining the information related to the consolidated financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF.

## DESCRIPTION OF RESPONSIBILITIES REGARDING THE FINANCIAL STATEMENTS

### Responsibilities of management and the supervisory board for the financial statements

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the Financial Statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the Financial Statements using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern in the Financial Statements.

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

### Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material misstatements, whether due to fraud or error, during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the Financial Statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the Financial Statements, including the disclosures.
- Evaluating whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are responsible for planning and performing the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Financial Statements. We are also responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We bear the full responsibility for the auditor's report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identified during our audit. In this respect we also submit an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Supervisory Board, we determine the key audit matters: those matters that were of most significance in the audit of the Financial Statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Rotterdam, 19 February 2025

Deloitte Accountants B.V.
J.A. de Bruin

# 4.7 OTHER INFORMATION

## 4.7.1 APPROPRIATION OF RESULT

### ARTICLES OF ASSOCIATION GOVERNING PROFIT APPROPRIATION

With regard to the appropriation of result, article 29 of the Articles of Association states:

1. When drawing up the annual accounts, the Management Board shall charge such sums for the depreciation of SBM Offshore N.V.'s fixed assets and make such provisions for taxes and other purposes as shall be deemed advisable.
2. Any distribution of profits pursuant to the provisions of this article shall be made after the adoption of the annual accounts from which it appears that the same is permitted. The Company may make distributions to the Shareholders and to other persons entitled to distributable profits only to the extent that its shareholders' equity exceeds the sum of the amount of the paid and called up part of the share capital and the reserves which must be maintained under the law. A deficit may be offset against the statutory reserves only to the extent permitted by law, with the proviso that a deficit shall not be offset against the Protective Preference Shares Reserve.
3. a. The profit shall, if sufficient, be applied first in payment to the holders of Protective Preference Shares in accordance with subparagraph b. of this article 29 paragraph 3.
   b. For Protective Preference Shares paid-up in accordance with the provisions of article 5 paragraph 6, the payment shall be one thousand euro (EUR 1,000) for the aggregate outstanding Protective Preference Shares paid-up in accordance with the provisions of article 5 paragraph 6. In all other instances, the payment shall be a percentage of the compulsory amount paid on the Protective Preference Shares other than in accordance with article 5 paragraph 6 as at the commencement of the financial year for which the distribution is made. The percentage referred to above shall be equal to the average of the Euribor interest charged for loans with a term of twelve (12) months, as published by the administrator of EURIBOR, the European Money Markets Institute (EMMI) or any other person that takes over the administration of EURIBOR, or in absence of EURIBOR as benchmark, another interest benchmark that is officially determined, appointed or recommended as replacement of twelve (12) months EURIBOR by (i) the European Central Bank, or another supervising authority, or in absence of this, (ii) the EMMI, aforementioned or its legal successor(s) - weighted by the number of days for which this interest was applicable - during the financial year for which the distribution is made, increased by at most five hundred (500) basis points.
   c. If in the course of the financial year for which the distribution is made the compulsory amount to be paid on the Protective Preference Shares has been decreased or, pursuant to a resolution for additional payments, increased, then the distribution shall be decreased or, if possible, increased by an amount equal to the aforementioned percentage of the amount of the decrease or increase as the case may be, calculated from the date of the decrease or from the day when the additional payment became compulsory, as the case may be.
   d. If in the course of any financial year Protective Preference Shares have been issued, the dividend on Protective Preference Shares for that financial year shall be decreased proportionately up to the day of issue, with a part of a month to be regarded as a full month.
   e. If the profit for a financial year is being determined and if in that financial year one or more Protective Preference Shares have been cancelled , the persons who according to the shareholders' register referred to in article 12 at the time of such cancellation were recorded as the holders of these Protective Preference Shares, shall have an inalienable right to a distribution of profit as described hereinafter. The profit which, if sufficient, shall be distributed to such a person shall be equal to the amount of the distribution to which he would be entitled pursuant to the provisions of this paragraph if at the time of the determination of the profits he had still been the holder of the Protective Preference Shares referred to above, calculated on a time-proportionate basis for the period during which he held Protective Preference Shares in that financial year, with a part of a month to be regarded as a full month. In respect of an amendment of the provisions laid down in this paragraph, the reservation referred to in section 2:122 of the Dutch Civil Code is hereby explicitly made.
   f. If in any one financial year the profit referred to above in subparagraph a. is not sufficient to make the distributions referred to in this article, then the provisions of this paragraph and those laid down hereinafter in this article shall in the subsequent financial years not apply until the deficit has been made good.
   g. Further payment out of the profits on the Protective Preference Shares shall not take place.
4. The Management Board is authorized, subject to the approval of the Supervisory Board, to determine each year what part of the profits shall be transferred to the reserves, after the provisions of the preceding paragraph have been applied.
5. The residue of the profit shall be at the disposal of the General Meeting.
6. The General Meeting may only resolve to distribute any reserves, other than the Protective Preference Shares Reserve, upon the proposal of the Management Board, subject to the approval of the Supervisory Board.

## 4.7.2 CALL OPTION GRANTED TO STICHTING CONTINUÏTEIT SBM OFFSHORE (THE FOUNDATION)

The Management Board, with the approval of the Supervisory Board, has granted a call option to the Foundation to acquire a number of preference shares in the Company's share capital. The protective preference shares can be issued as a protective measure as described in note 2.1.8 Stichting Continuïteit SBM Offshore.

# 4 FINANCIAL INFORMATION 2024

## 4.8 KEY FIGURES

Key IFRS financial figures

| | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| Turnover (US$ million) | **4,784** | 4,963 | 4,913 | 3,747 | 3,496 |
| **Results (US$ million)** | | | | | |
| Net profit/(loss) | **211** | 614 | 555 | 472 | 327 |
| Dividend | **155**[1] | 150 | 197 | 178 | 165 |
| Operating profit (EBIT) | **928** | 1,145 | 1,020 | 734 | 605 |
| EBITDA | **1,041** | 1,239 | 1,209 | 823 | 1,043 |
| (Underlying) Profit attributable to shareholders[2] | **150** | 491 | 450 | 405 | 277 |
| Shareholders' equity at 31 December | **3,619** | 3,733 | 3,397 | 2,579 | 2,556 |
| Capital employed | **14,539** | 14,834 | 13,142 | 10,470 | 8,956 |
| Net debt | **8,137** | 8,748 | 7,881 | 6,681 | 5,209 |
| Capital expenditure | **129** | 179 | 151 | 49 | 75 |
| Depreciation, amortization and impairment | **113** | 94 | 189 | 88 | 439 |
| Number of employees (average) | **6,176** | 5,717 | 5,259 | 4,797 | 4,507 |
| Employee benefits | **995** | 842 | 740 | 669 | 614 |
| **Ratios (%)** | | | | | |
| Shareholders' equity / (total assets -/- current liabilities) | **25** | 26 | 28 | 26 | 30 |
| Current ratio (current assets / current liabilities) | **339** | 336 | 252 | 201 | 149 |
| Return on average capital employed | **6.3** | 8.2 | 8.6 | 7.6 | 8.1 |
| Return on average shareholders' equity | **4.1** | 13.8 | 15.1 | 15.8 | 10.5 |
| Operating profit (EBIT) / net turnover | **19.4** | 23.1 | 20.8 | 19.6 | 17.3 |
| Net profit/(loss) / net turnover | **4.4** | 12.4 | 11.3 | 12.6 | 9.4 |
| Net debt / total equity | **139** | 158 | 160 | 189 | 150 |
| Enterprise value / EBITDA | **12.9** | 10.5 | 10.1 | 12.5 | 9.3 |
| **Information per Share (US$)** | | | | | |
| Net profit/(loss)[3] | **0.84** | 2.74 | 2.53 | 2.18 | 1.00 |
| Dividend | **0.88**[4] | 0.83 | 1.10 | 1.00 | 0.89 |
| Shareholders' equity at 31 December | **20.52** | 20.66 | 18.80 | 14.28 | 13.55 |
| **Share price (EUR)**[5] | | | | | |
| - 31 December (2023: 29 December) | **16.96** | 12.45 | 14.66 | 13.10 | 15.57 |
| - highest close | **18.02** | 15.09 | 15.65 | 16.33 | 17.30 |
| - lowest close | **11.69** | 11.38 | 12.07 | 11.85 | 10.35 |
| Price / earnings ratio | **20.7** | 5.1 | 6.3 | 6.7 | 18.9 |
| Number of shares outstanding (x 1,000) | **176,361** | 180,671 | 180,671 | 180,671 | 188,671 |
| Market capitalization (US$ million) | **3,107** | 2,485 | 2,825 | 2,680 | 3,604 |
| Volume of traded shares (x 1,000) | **106,101** | 123,880 | 122,922 | 172,550 | 231,004 |
| New shares issued in the year (x 1,000) | **-** | - | - | - | - |

1 The dividend that will be proposed to the Annual General Meeting to be paid out in 2025.
2 Underlying applicable to 2020 and 2021.
3 Calculated based on weighted average shares outstanding during the year.
4 Based on the total amount of dividend divided by the number of shares outstanding.
5 Source: Euronext data on share prices, market capitalization and volume of traded shares.

**Key Directional financial figures**

| | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| **Directional Revenue (US$ million)** | **6,111** | 4,532 | 3,288 | 2,242 | 2,368 |
| Directional Lease and Operate revenue | **2,369** | 1,954 | 1,763 | 1,509 | 1,699 |
| Directional Turnkey revenue | **3,743** | 2,578 | 1,525 | 733 | 669 |
| | | | | | |
| **Directional EBIT (US$ million)** | **1,321** | 788 | 392 | 366 | 254 |
| Directional Lease and Operate EBIT | **709** | 633 | 484 | 452 | 438 |
| Directional Turnkey EBIT | **702** | 259 | (12) | (1) | (100) |
| Other | **(90)** | (104) | (80) | (85) | (83) |
| | | | | | |
| **Directional EBITDA (US$ million)** | **1,896** | 1,319 | 1,010 | 849 | 1,021 |
| | | | | | |
| **Directional Net Profit (US$ million)** | **907** | 524 | 115 | 122 | 39 |

CHAPTER 5

# ADDITIONAL INFORMATION


OUR FAMILY
OUR STRENGTH
OUR UNITY

# 5 ADDITIONAL INFORMATION

## 5.1 BUSINESS TOPICS DEFINITIONS

**Business Topics definitions**

| | |
|---|---|
| Energy transition | The activity of growing the New Energies business, decarbonization technologies and associated services, so as to maintain a leading market position throughout the energy transition, through portfolio management, sustainable development and adaptation to external trends. |
| Operational excellence and quality | Managing the integrity of assets to achieve safety, quality and uptime, including building a culture of continuous improvement, so as to achieve operational excellence and deliver projects and operations safely, on time and at high quality in all areas of SBM Offshore's business and supply chain. |
| Digitalization | Growth of digital solutions and services to support business objectives, at the same time managing associated risk [e.g. cybersecurity]. This entails the development of secure digital applications to generate new business, improve operational excellence and reduce cost base through process redefinition, IT integration, IT infrastructure and development of digital services. |
| Innovation | Activity of research and development into energy transition solutions or other business/ operations improvements related to SBM Offshore's mission – e.g. development of new technologies, particularly low and non-carbon technologies. |
| Market positioning | SBM Offshore's position in the market and global presence, engaging in emerging markets, adapting to present and future market developments and product differentiation. Market Positioning refers to the ability to feed stakeholder perception regarding a brand or product, relative to competitors. |
| Economic impact | Direct economic value generated by considering total lifecycle and operating costs, in order to be able to distribute to stakeholders, including employees, shareholders and capital providers and (local) suppliers. |

## 5.2 LIMITED ASSURANCE REPORT OF THE INDEPENDENT AUDITOR

### LIMITED ASSURANCE REPORT OF THE INDEPENDENT AUDITOR ON THE SUSTAINABILITY STATEMENT OF SBM OFFSHORE N.V.

To: The shareholders and supervisory board of SBM Offshore N.V.

#### OUR CONCLUSION

We have performed a limited assurance engagement on the (consolidated) sustainability statement for the year ended 31 December 2024 of SBM Offshore N.V. based in Amsterdam (the "**Company**") in chapter 3 of its Annual Report 2024 including the information incorporated in the sustainability statement by reference (the "**Sustainability Statement**").

Based on our procedures performed and the assurance evidence obtained, nothing has come to our attention that causes us to believe that the Sustainability Statement is not, in all material respects:

- prepared in accordance with the European Sustainability Reporting Standards (the "**ESRS**") as adopted by the European Commission and in accordance with the double materiality assessment process carried out by the Company to identify the information reported pursuant to the ESRS; and
- compliant with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (the "**Taxonomy Regulation**").

#### BASIS FOR OUR CONCLUSION

We have performed our limited assurance engagement on the Sustainability Statement in accordance with Dutch law, including Dutch Standard 3810N, 'Assurance-opdrachten inzake duurzaamheidsverslaggeving' (Assurance engagements relating to sustainability reporting) which is a specified Dutch standard that is based on the International Standard on Assurance Engagements (ISAE) 3000 (Revised) 'Assurance engagements other than audits or reviews of historical financial information'.

Our responsibilities in this regard are further described in the section 'Our responsibilities for the limited assurance engagement on the Sustainability Statement' of our report.

We are independent of SBM Offshore N.V. in accordance with de 'Wet toezicht accountantsorganisaties' (Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands.

Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (Dutch Code of Ethics for Professional Accountants).

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

#### EMPHASES OF MATTER

##### Emphasis on the most significant uncertainties affecting the quantitative metrics and monetary amounts

We draw attention to section 3.9 in the Sustainability Statement that identifies the quantitative metrics and monetary amounts that are subject to a high level of measurement uncertainty and discloses information about the sources of measurement uncertainty and the assumptions, approximations and judgements the Company has made in measuring these in compliance with the ESRS.

The comparability of sustainability information between entities and over time may be affected by the lack of historical sustainability information in accordance with the ESRS and by the absence of a uniform practice on which to draw, to evaluate and measure this information. This allows for the application of different, but acceptable, measurement techniques, especially in the initial years.

##### Emphasis on the double materiality assessment process

We draw attention to section 3.2 *Stakeholder Engagement* and 3.3 *Double Materiality Assessment* in the Sustainability Statement. This disclosure explains future improvements in the ongoing due diligence and double materiality assessment process, including robust engagement with affected stakeholders. Due diligence is an on-going practice that responds to and may trigger changes in the Company's strategy, business model, activities, business relationships, operating, sourcing and selling contexts. The double materiality assessment process may also be impacted in time by sector-specific standards to be adopted. The Sustainability Statement may not include every impact, risk and opportunity or additional entity-specific disclosure that each individual stakeholder (group) may consider important in its own particular assessment.

##### Emphasis on the use of third party information

We draw attention to section 3.9.1 in the Sustainability Statement that indicates that certain metrics and calculations are (partly) based on assumptions and sources from third parties. The assumptions and sources ("third-party information") used are disclosed in the basis of preparation of the respective metric. Validation of such third-party information and certifications is not common market practice.

Our conclusion is not modified in respect of these matters.

### Comparative information not subject to assurance procedures

The Sustainability Statement has been prepared in accordance with ESRS for the first time. As a consequence, the comparative information has not been subject to reasonable or limited assurance procedures. Our conclusion is not modified in respect of this matter.

### Limitations to the scope of our assurance engagement

In reporting forward-looking information in accordance with the ESRS, management of the Company is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Company. The actual outcome is likely to be different since anticipated events frequently do not occur as expected. Forward-looking information relates to events and actions that have not yet occurred and may never occur. We do not provide assurance on the achievability of this forward-looking information.

Our conclusion is not modified in respect of this matter.

### Responsibilities of management and the supervisory board for the Sustainability Statement

Management is responsible for the preparation of the Sustainability Statement in accordance with the ESRS, including the double materiality assessment process carried out by the company as the basis for the sustainability statement and disclosure of material impacts, risks and opportunities in accordance with the ESRS. As part of the preparation of the Sustainability Statement, management is responsible for compliance with the reporting requirements provided for in the Taxonomy Regulation.

Management is also responsible for selecting and applying additional entity-specific disclosures to enable users to understand the Company's sustainability-related impacts, risks or opportunities and for determining that these additional entity-specific disclosures are suitable in the circumstances and in accordance with the ESRS.

Furthermore, management is responsible for such internal control as it determines is necessary to enable the preparation of the Sustainability Statement that is free from material misstatement, whether due to fraud or error.

The supervisory board is responsible for overseeing the sustainability reporting process including the double materiality assessment process carried out by the Company.

### Our responsibilities for the limited assurance engagement on the Sustainability Statement

Our responsibility is to plan and perform the limited assurance engagement in a manner that allows us to obtain sufficient appropriate assurance evidence for our conclusion.

Our assurance engagement is aimed to obtain a limited level of assurance that the Sustainability Statement is free from material misstatements. The procedures vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

We apply the applicable quality management requirements pursuant to the 'Nadere voorschriften kwaliteitsmanagement' (regulations for quality management), and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and other relevant legal and regulatory requirements.

Our limited assurance engagement included among others:

- Performing inquiries and an analysis of the external environment and obtaining an understanding of relevant sustainability themes and issues, the characteristics of the Company, its activities and the value chain and its key intangible resources in order to assess the double materiality assessment process carried out by the Company as the basis for the Sustainability Statement and disclosure of all material sustainability-related impacts, risks and opportunities in accordance with the ESRS.
- Obtaining through inquiries a general understanding of the internal control environment, the Company's processes for gathering and reporting entity-related and value chain information, the information systems and the Company's risk assessment process relevant to the preparation of the Sustainability Statement and for identifying the Company's activities, determining eligible and aligned economic activities and prepare the disclosures provided for in the Taxonomy Regulation, without obtaining assurance information about the implementation, or testing the operating effectiveness, of controls.
- Assessing the double materiality assessment process carried out by the Company and identifying and assessing areas of the Sustainability Statement, including the disclosures provided for in the Taxonomy Regulation where misleading or unbalanced information or material misstatements, whether due to fraud or error, are likely

to arise ('selected disclosures'). Responsive to the risk analysis, we designed and performed further assurance procedures aimed at assessing that the sustainability statement is free from material misstatements.
- Considering whether the description of the double materiality assessment process in the Sustainability Statement made by management appears consistent with the process carried out by the Company.
- Determining the nature and extent of the procedures to be performed for the group components and locations. For this, the nature, size and/or risk profile of these components are decisive.
- Performing analytical review procedures on quantitative information in the Sustainability Statement, including consideration of data and trends in the information submitted for consolidation at corporate level.
- Assessing whether the Company's methods for developing estimates are appropriate and have been consistently applied for selected disclosures. We considered data and trends; however, our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate management's estimates.
- Analysing, on a limited sample basis, relevant internal and external documentation available to the Company (including publicly available information or information from actors throughout its value chain) for selected disclosures.
- Reading the other information in the annual report to identify material inconsistencies, if any, with the Sustainability Statement.
- Considering whether:
  - the disclosures addressing the reporting requirements provided for in the Taxonomy Regulation for each of the environmental objectives, (i) reconcile with the underlying records of the Company, (ii) are consistent or coherent with the Sustainability Statement and (iii) appear reasonable, in particular whether the eligible economic activities meet the cumulative conditions to qualify as aligned and whether the technical screening criteria are met; and
  - the key performance indicators disclosures have been defined and calculated (i) in accordance with the Taxonomy reference framework (as defined in Appendix 1 Glossary of Terms of the CEAOB Guidelines on limited assurance on sustainability reporting adopted on 30 September 2024), (ii) in compliance with the reporting requirements provided for in the Taxonomy Regulation, including the format in which the activities are presented.
- Considering the overall presentation, structure and the fundamental qualitative characteristics of information (relevance and faithful representation: complete, neutral and accurate) reported in the Sustainability Statement, including the reporting requirements provided for the Taxonomy Regulation.
- Considering, based on our limited assurance procedures and evaluation of the assurance evidence obtained, whether the Sustainability Statement as a whole is free from material misstatements and prepared in accordance with the ESRS.

Rotterdam, 19 February 2025

Deloitte Accountants B.V.

J.A. de Bruin

# 5 ADDITIONAL INFORMATION

## 5.3 Glossary

| Term | Definition |
|---|---|
| AGM | Annual General Meeting |
| AI | artificial intelligence |
| API | American Petroleum Institute |
| APM | alternative performance measure |
| bbl | barrels |
| boe | Barrel of Oil Equivalent |
| bopd | Barrels of Oil Per Day |
| BP | Basis for Preparation |
| CALM | Catenary Anchor Leg Mooring |
| CAPEX | Capital Expenditure |
| CBSC | Corporate and Business Solutions Center |
| CDP | Carbon Disclosure Project |
| CMFL | China Merchants Financial Leasing |
| CMHI | China Merchants Heavy Industry Co. Ltd. |
| CSRD | Corporate Sustainability Reporting Directive |
| DMA | Double Materiality Assessment |
| DNSH | Do No Significant Harm |
| EBIT | Earnings before Interest and Tax |
| EBITDA | Earnings before Interest, Taxes, Depreciation and Amortization |
| EPC | Engineering Procurement and Construction |
| EPCI | Engineering Procurement Construction and Installation |
| EPCIO | Engineering Procurement Construction, Installation and Operation |
| ERM | Enterprise Risk Management |
| ERP | Enterprise, Resource, Planning |
| ESG | Environmental, Social and Governance |
| ESRS | European Sustainability Reporting Standards |
| Euribor | Euro Interbank Offered Rate |
| FEED | Front-End Engineering and Design |
| FOW | Floating Offshore Wind |
| FPI | Fatalities and Permanent Impairment |
| FPSO | Floating Production Storage and Offloading |
| FSO | Floating Storage and Offloading |
| GEMS | Global Enterprise Management System |
| GHE | Gifts, Hospitality, and Entertainment |
| GHG | Greenhouse Gases |
| GJ | Gigajoules |
| GOV | Governance |
| GR&S | Global Resources and Services |

| Term | Definition |
|---|---|
| GRI | Global Reporting Initiative |
| GTS | Group Technical Standards |
| HR | Human Resources |
| HSS | Health, Safety and Security |
| HSSE | Health, Safety, Security and Environment |
| HSSEQS | Health, Safety, Security, Environment, Quality and Sustainability |
| IASB | International Accounting Standards Board |
| IBOR | Interbank Offered Rates |
| ICOFR | Internal Control Over Financial Reporting |
| IDE | Inclusion, Diversity and Equity |
| IEA | International Energy Agency |
| IFC | International Finance Corporation |
| IFRS | International Financial Reporting Standards |
| IFS | Industrial and Financial Systems |
| ILO | International Labour Organization |
| IM/CAPA | Incident Management/Corrective Action Preventive Action |
| IOGP | International Association of Oil and Gas Producers |
| IP | Intellectual Property |
| IPCC | Intergovernmental Panel on Climate Change |
| IPIECA | International Petroleum Industry Environmental Conservation Association |
| IPPF | International Professional Practices Framework |
| IRO | Impact, Risk and Opportunity |
| ISM | International Safety Management |
| ISO | International Organization for Standardization |
| ISPS | International Ship and Port Facility Security |
| JIP | Joint Industry Projects |
| JV | Joint Venture |
| KPI | Key Performance Indicator |
| LIBOR | London Interbank Offered Rate |
| LOPC | Loss of Primary Containment |
| LTI | Long-Term Incentive |
| LTIFR | Lost Time Injury Frequency Rate |
| LUCY | Let Us Connect You |
| MDR-A | Minimum Disclosure Requirement – Actions |
| MDR-M | Minimum Disclosure Requirement – Metrics |
| MDR-P | Minimum Disclosure Requirement – Policies |
| MDR-T | Minimum Disclosure Requirement – Targets |
| MHI | Mitsubishi Heavy Industries |

| Term | Definition |
| --- | --- |
| MNOPF | Merchant Navy Officers Pension Fund |
| MOPU | Mobile Offshore Production Unit |
| MPF | Multi-Purpose Floater |
| NGOs | Non-Governmental Organizations |
| NOx | Nitrous Oxides |
| NZE | Net Zero Emissions |
| O&G | Oil and gas |
| O&M | Operations and Maintenance |
| OECD | Organization for Economic Co-operation and Development |
| OIFR | Occupational Illness Frequency Rate |
| OMEA | Operations and Maintenance Enabling Agreement |
| OPEX | Operating Expenditure |
| PFC | Production Field Center |
| PSE | Process Safety Events |
| PSM | Process Safety Management |
| R&D | Research and Development |
| RAC | Risk Assurance Committee |
| RCF | Revolving Credit Facility |
| RCP | Representative Concentration Pathway |
| ROAE | Return on average equity |
| RP | Remuneration Policy |
| RSU | Restricted Share Unit |
| SASB | Sustainability Accounting Standards Board |
| SBM | Strategy and Business Model |
| SBTi | Science-Based Targets initiatives |
| SCF | Supply Chain Financing |
| SDG | United Nations Sustainable Development Goals |
| SIF | Serious Injuries and Fatalities |
| SOFR | Secured Overnight Financing Rate |
| SOx | Sulphur Oxides |
| SPM | Single Point Mooring |
| SPV | Special Purpose Vehicle |
| SRS | Single Reporting System |
| STI | Short-Term Incentive |
| SWS | Shangahi Waigaoquiao Shipbuilding |
| TCFD | Task Force on Climate-Related Financial Disclosures |
| TMS | Turret Mooring System |
| TRIFR | Total Recordable Injury Frequency Rate |
| TRL | Technology Readiness Level |
| TSC | Technical Screening Criteria |

| Term | Definition |
| --- | --- |
| UN | United Nations |
| WEC | Wave Energy Converter |
| XBRL | eXtensible Business Reporting Language |

# 5 ADDITIONAL INFORMATION

## 5.4 ADDRESSES AND CONTACT DETAILS

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### COLOPHON

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