CHAPTER 4

FINANCIAL INFORMATION 2024


ONE GUYANA

4 FINANCIAL INFORMATION 2024

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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.

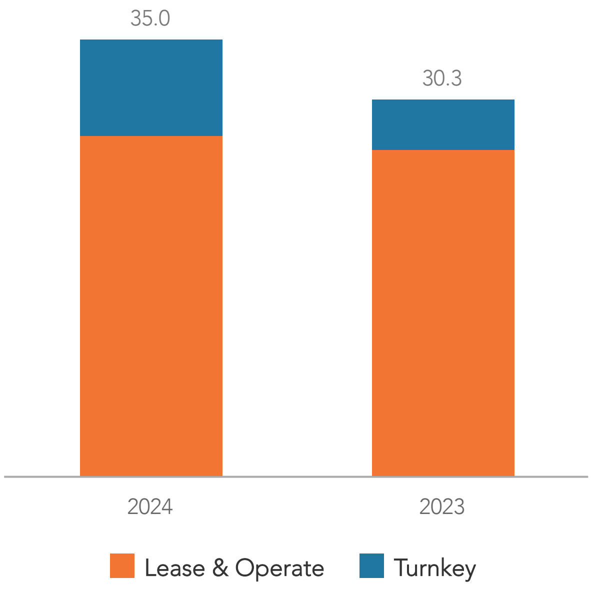
The pro-forma Directional backlog at the end of 2024 reflects the following key assumptions:

- 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:

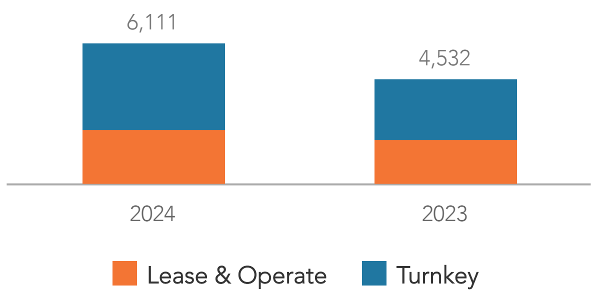
- The Company does not recognize any Directional revenue and Directional margin unless defined invoicing (if any) to the client occurs during the construction phase to cover specific construction work and/or services performed before the commencement of the lease. These upfront payments are recognized 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:

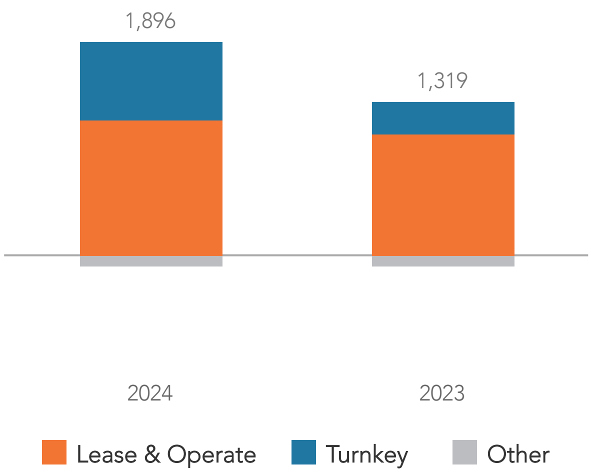
- (v) the sale of FPSO *Liza Unity* which occurred in November 2023;
- (vi) the completion of FPSO *Prosperity* during the last quarter of 2023 and of *FPSO Sepetiba* early January 2024; and
- (vii) a reduced level of progress during 2024 compared with 2023 on *FPSO Almirante Tamandaré* and *FPSO Alexandre 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.

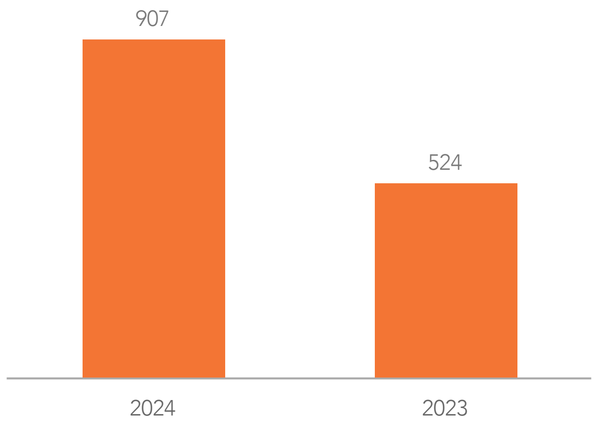
Directional Lease and Operate EBITDA increased from US$1,124 million in the year-ago period to US$1,261 million in the current period. This increase resulted from (i) the same drivers as for the Directional Lease and Operate revenue, (ii) the net gain arising from the acquisition of interests held by 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.

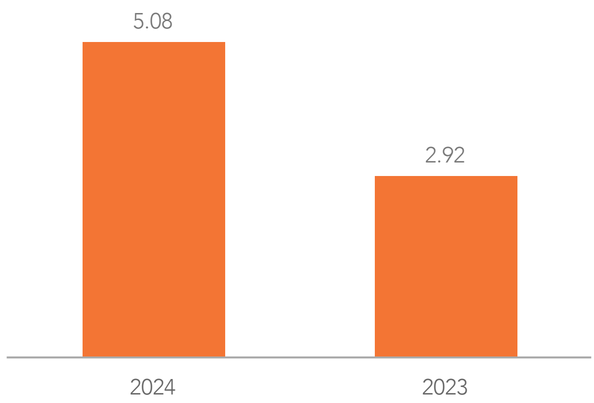
The other non-allocated costs charged to Directional EBITDA amounted to US$(89) million in 2024, a US$(13) million decrease compared with the US$(101) million in the year-ago period, which is mainly explained by the one-off impact of US$11 million of restructuring costs following the implementation of 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. 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. 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. 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. 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. 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. 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 • Risk-adjusted discount rate (5%-6%)	The estimated fair value would increase (decrease) if: • the revenue was higher (lower) • the risk-adjusted discount rate was lower (higher)
Finance lease receivables	Income approach – Present value technique	• Forecast revenues • Risk-adjusted discount rate (4%-8%)	The estimated fair value would increase (decrease) if: • the revenue was higher (lower) • 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) 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: • identification of performance obligations in the Company's complex construction contracts; • determination whether the identified performance obligations are satisfied at a point-in-time or over-time; • 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 • contract modifications and variable considerations, including the identification of uncertainties and related contingencies are additional elements increasing the complexity of the matter. 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. 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. Furthermore, we have performed substantive audit procedures on the management estimates relating to the construction contracts, including, but not limited to: • look-back audit procedures on budget and forecast variance analysis; • inquiries with project management on key assumptions; • testing of journal entries for management override of controls; • testing of costs incurred; and • challenging the estimated costs-to-complete including completeness testing on contingencies identified, change orders and all other events affecting the progress of projects. When performing our work, we have obtained audit evidence corroborating or contradicting management's assumptions and judgements allowing us to identify potential management bias. 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. Based on our audit procedures we did not identify material findings in the Turnkey revenue recognition.
Impact of the application of Pillar II legislation 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. 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. This complex tax accounting matter requires significant management judgment in the following areas: • 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. 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. 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. • The (commercial) uncertainties that could impact the Company's ability to generate sufficient future taxable profits. 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. 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. 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. 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