



## 2024 ANNUAL REPORT



TRUE.  
BLUE.  
TRANSITION.

1.3.3 STRATEGIC PRIORITIES

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

DRIVE EXCELLENCE

SBM Offshore understands its customers’ needs and consistently delivers on its promise to provide competitive

and high-performance solutions, with unwavering commitment to health, safety and protection of the environment.

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

DECARBONIZE AND DIVERSIFY

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

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

GROW ECONOMIC VALUE

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

1.3.4 VALUE CREATION

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

ORGANIZATION MODEL

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

Ocean Infrastructure

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

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

Win and Grow

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

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

Global Resources and Services (GR&S)

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

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

# 1 BUSINESS ENVIRONMENT

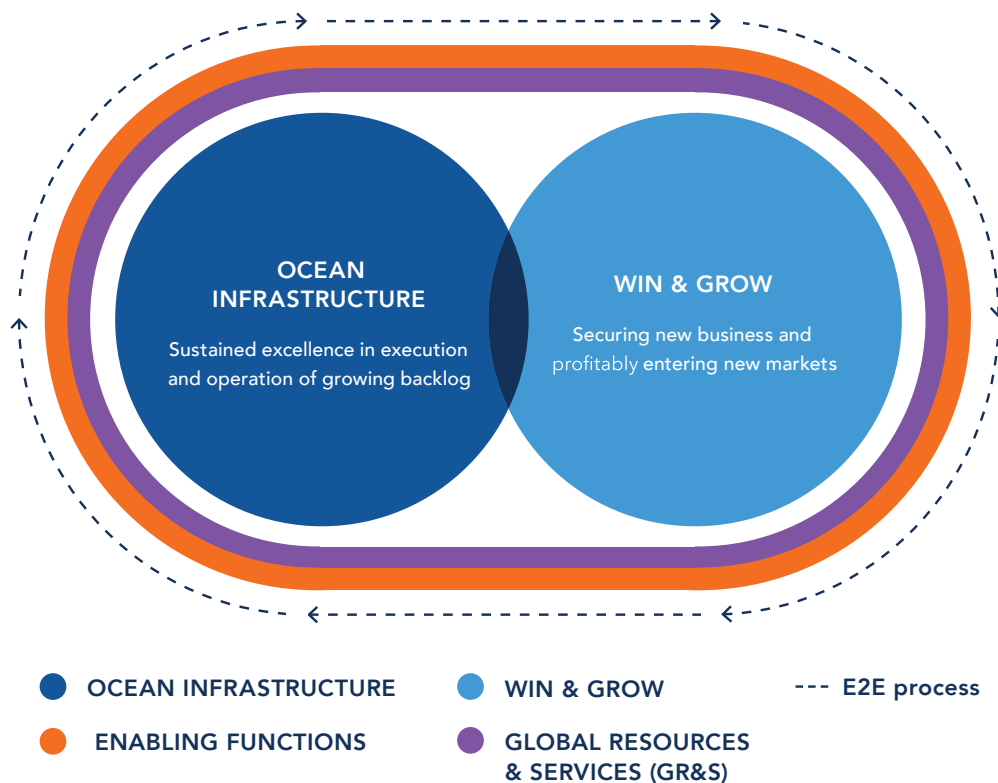
## Enabling Functions

The Enabling Functions ensure business delivery through the provision of expertise, solutions, infrastructure and systems. Enabling Functions SBMs:

- Are the engine behind all major groups of people and services;

- Drive excellence by leveraging the expertise of a diverse workforce and digital technologies;
- Unite and finely tune SBM Offshore's expertise and services to ensure seamlessly excellent end-to-end service.

## ORGANIZATION MODEL



## BUSINESS MODEL

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

### Product development

SBM Offshore engages in innovation, research and development (R&D) and product development activities with the objective of:

- Developing new technologies and products to capture opportunities in the blue economy;
- Lowering the carbon footprint of SBM Offshore's products and fleet operations;
- Improving SBM Offshore's competitiveness by identifying, developing and offering new technologies and products.

### Business development

SBM Offshore prioritizes early engagement with clients. Its business development activities focus on driving sustainable business growth and ensuring a profitable

backlog for current and new products and services.

SBM Offshore ensures optimum results for clients by offering various financing models:

- Under a lease and operate contract, the facility is sold to asset-specific companies to charter the asset for the client throughout its lifecycle. The project debt-financing is arranged at the asset-specific company level and SBM Offshore's Revolving Credit Facility is generally used to cover working capital requirements during construction.
- Under a build-operate-transfer (BOT) model, SBM Offshore builds and commissions the unit and leases and operates it for a defined period (the start-up phase) before sale to the client.
- Under a sale and operate contract, the transfer of ownership to the client occurs at the end of the construction period.
- Under a direct sale, the construction is financed by the client, and a margin is generated from the turnkey sale.

Project execution

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

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

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

Service delivery

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

Recycling

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

VALUE CREATION MODEL

