2024 ANNUAL REPORT

SBM OFFSHORE

TRUE.
BLUE.
TRANSITION.

1.5.2 WIN AND GROW

MARKET POSITIONING

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

The following achievements were made in 2024:

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

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

ENERGY TRANSITION

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

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

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

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

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

SBM Offshore recorded the following achievements in 2024:

Power

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

emissionZERO®

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

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

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

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

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

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

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

INNOVATION

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

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

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

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

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

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

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

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

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

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

DIGITALIZATION

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

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

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

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

Deployment achievements in 2024 have been:

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

To keep on the trajectory to achieve Excellence, SBM Offshore will continue to invest in:

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

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