



2024 ANNUAL REPORT



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4 FINANCIAL INFORMATION 2024

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.

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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 Company'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.