



2024 ANNUAL REPORT



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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 1,798,914⁴ 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

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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

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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 Continuïteit 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