



2024 ANNUAL REPORT



TRUE.
BLUE.
TRANSITION.

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

4 FINANCIAL INFORMATION 2024

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