2025 ANNUAL REPORT

SBM OFFSHORE

TRUE.
BLUE.
TRANSITION.

The non-current assets by country are analyzed as follows:

Geographical information (non-current assets by country)

	31 December 2025		31 December 2024	
	IFRS	DIR	IFRS	DIR
Brazil	10,820	5,827	6,726	5,998
Guyana / Suriname	24	1,753	18	1,634
Mexico	4	170	0	23
Switzerland	97	97	120	120
Monaco	66	66	60	60
Angola	14	56	159	106
Netherlands	40	40	33	33
France	14	14	12	12
Equatorial Guinea	-	-	24	47
The United States of America	-	-	18	18
Other	219	222	189	169
Total	**11,299**	**8,247**	**7,358**	**8,220**

RELIANCE ON MAJOR CUSTOMERS

Under IFRS, three customers represent more than 10% of the consolidated revenue each. Total revenue from these major customers amounts to US$5,292 million, for US$2,685 million, US$1,807 million and US$620 million respectively (included in both segments). In 2024, two customers accounted for more than 10% of the consolidated revenue for a total of US$3,966 million, for US$2,249 million and US$1,716 million, respectively (included in both segments).

Under Directional reporting, three customers represent more than 10% of the consolidated revenue each. Total revenue from these three major customers amounts to US$4,476 million, for US$2,567 million, US$1,289 million and US$620 million respectively (included in both segments). In 2024, the revenue related to two major customers was US$5,142 million, for US$3,728 million and US$1,414 million, respectively (included in both segments).

4.3.3 REVENUE

The Company's revenue mainly originates from construction contracts and lease and operate contracts. Revenue originating from construction contracts is presented in the Turnkey segment while revenue from lease and operate contracts is presented in the Lease and Operate segment. Around 42% of the Company's 2025 Lease and Operate revenue is made of charter rates related to lease contracts, while the remaining amount originates from operating contracts. The Company recognizes most of its revenue (i.e. around 98%) over time.

The Company's policy regarding revenue recognition is described in further detail in note 4.2.7 B. Critical Accounting Policies – (d) Revenue. For the disaggregation of total revenue by country and by segment, please refer to Geographical Information under note 4.3.2 Operating Segments and Directional Reporting.

The Company's construction contracts can last for several years, depending on the type of product, scope and complexity of the project, while the Company's Lease and Operate contracts are generally multiple-year contracts. As a result, the Company has (partially) outstanding performance obligations to its clients (unsatisfied performance obligations) at December 31, 2025. These unsatisfied performance obligations relate to:

- Ongoing construction contracts, including the construction of vessels under finance leases that still need to be completed;
- Ongoing multiple-year operating contracts. Note that for this specific disclosure on unsatisfied performance obligations, the lease component of the Lease and Operate contracts is excluded (this component being described in further detail in notes 4.3.13 Property, Plant and Equipment and 4.3.15 Finance Lease Receivables). As noted, some contracts include (performance) bonuses when earned or penalties incurred under the Company's Lease and Operate contracts. The net amount of performance-related payments for 2025 increased to US$127 million (2024: US$22 million). This increase is mostly related to the prior year temporary shutdown of three units.

The following table presents the unsatisfied performance obligations as at December 31, 2025 (in billions of US$):

Unsatisfied performance obligations related to	2025	2024
Construction contracts including finance leases	4.3	7.0
Operating contracts	15.8	15.4
Total	**20.1**	**22.4**

The unsatisfied performance obligations for the committed construction contracts mostly relate to two major construction FPSO contracts and one FSO. Revenue related to these construction contracts is expected to be recognized over the coming three years in line with the construction progress on these projects.

The unsatisfied performance obligations for the operating contracts relate to (i) the Company's vessels leased to clients where the Company is the operator (both operating and finance lease contracts) and (ii) three operating contracts for operating services on a vessel that is owned by the client. The operating contracts end between 2026 and 2050. The Company will recognize the unsatisfied performance obligation over this period in line with the work performed.

With regard to future demobilization performance obligations, the Company will be compensated by clients through existing contractual arrangements during the decommissioning period either based on a specific day-rate or based on agreed scope of work and associated costs incurred. The total amount expected to be received depends on the expected duration of decommissioning and the agreed scope of work.

The Company can agree on various payment arrangements which generally reflect the progress of delivered performance obligations. However, if the Company's delivered performance obligation exceeds installments invoiced to the client, a contract asset is recognized. If the installments invoiced to the client exceed the work performed, a contract liability is recognized.

As a result of various commercial discussions with clients, the Company recognized revenue amounting to US$2 million in 2025 (2024: US$28 million) originating from performance obligations satisfied in previous periods.

Lease revenue recognized for leases where the Company is the lessor, for both operating and finance leases, relates to fixed and variable lease payments. Most of the Company's revenue from lease contracts is based on fixed day-rates. To the extent that lease payments are dependent on an index or a rate, changes are excluded from the measurement of the lease receivable. The impact related to a change in index or a rate is recognized in the consolidated income statement from the date the change occurs.

CONTRACT BALANCES

The table below sets out the contract balances for the years 2025 and 2024:

	Notes	31 December 2025	31 December 2024
Current contract liability	*4.3.25*	343	31
Non-current contract liability	*4.3.25*	30	28
Total contract liabilities		**373**	**59**
Current contract assets		946	6,809
Total contract assets		**946**	**6,809**

Contract assets

The contract asset balance decreased to US$946 million at December 31, 2025, compared with US$6,809 million at December 31, 2024. This is related to (i) the finalization of the construction of FPSOs *Almirante Tamandaré*, *Alexandre de Gusmão* and *ONE GUYANA* during the period, as the contract assets related to these units were reclassified to finance lease receivables (refer to note 4.3.15 Finance Lease Receivables) and (ii) the progress on projects under construction transferred to contract liability during the period partially offset by (iii) the progress made during the period on the construction of FPSO *Jaguar* and FSO *Chalchi*.

Regarding information about expected credit losses recognized for contract assets, refer to note 4.3.27 Financial Instruments – Fair Values and Risk Management.

Contract liabilities

The contract liabilities balance has increased to US$373 million at December 31, 2025, compared with US$59 million at December 31, 2024. This relates to contracts for which the total installments invoiced exceed the revenue recognized over time, mostly arising from the projects under construction. Contract liabilities are reported in trade and other payables (refer to note 4.3.25 Trade and Other Payables).

Non-current contract liabilities totaled US$30 million as at December 31, 2025 (December 31, 2024: US$28 million), and mostly relate to future demobilization performance obligations associated with expected demobilization costs in finance lease contracts.

The Company recognized revenue of US$23 million during the period which was included in the contract liabilities as per December 31, 2024.

4.3.4 OTHER OPERATING INCOME AND EXPENSE

	2025	2024
Gains from sale of financial participations and property, plant and equipment	28	32
Other operating income	20	2
Total other operating income	**48**	**34**
Other operating expenses	(25)	(5)
Total other operating expense	**(25)**	**(5)**
Total	**23**	**29**

In 2025, total other operating income and expense is mainly driven by:

- The US$28 million net gain arising from the *Thunder Hawk* sale completed during the period and associated derecognition of the demobilization receivable and demobilization provision;
- The partial release of a reimbursable grant, considering the Company's reassessment in 2025 indicating that the applicable metrics that trigger the repayment of the grant will no longer be fully met; and
- The full divestment of the lease and operating entities of the *FPSO Aseng* to GEPetrol completed in December 2025 with a loss of US$(20) million included in the line 'Other operating expenses'.

For clarification, the completion of the Share Purchase Agreements with MISC Berhad during the first half-year of 2025 had no impact on 'Other operating income/(expense)' in the period. The acquisition of the interests in the entities related to *FPSO Espirito Santo* was accounted for directly in equity as a transaction with a non-controlling interest while the full divestment of the lease and operating entities of *FPSO Kikeh* had a nil impact on the EBITDA.

For comparison, in 2024 total other operating income and expense included a net gain in a total of US$32 million arising from the acquisition of interests held by Sonangol, related to FPSOs *N'Goma*, *Saxi Batuque* and *Mondo*, and from the divestment in the parent company of the Paenal shipyard in Angola.