

2025 ANNUAL REPORT

SBM OFFSHORE

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 2024	**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**
Cash flow hedges							
Change in fair value	327	(91)	-	-	-	-	236
Deferred tax on cash flow hedges	(45)	15	-	-	-	-	(30)
Transfer to financial income and expenses	1	(12)	-	-	-	-	(11)
Transfer to construction contracts and property, plant and equipment	(4)	-	-	-	-	-	(4)
Transfer to operating profit and loss	(18)	-	-	(1)	-	-	(19)
IFRS 2 share-based payments							
IFRS 2 vesting costs for the year	-	-	-	-	23	-	23
IFRS 2 vested share-based payments	0	(0)	-	-	(20)	-	(20)
Actuarial gain/(loss) on defined benefit provision							
Change in defined benefit provision due to changes in actuarial assumptions	-	-	1	-	-	-	1
Foreign currency variations							
Foreign currency variations	-	-	(0)	(3)	3	0	0
Mergers and acquisitions	-	0	0	2	-	-	2
Other movements							
Reclassification						-	-
Balance at 31 December 2025	**111**	**176**	**12**	**(72)**	**32**	**26**	**286**

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 decreased fair value of interest rate swaps mainly arises from decreasing US$ market interest rates whereas the increased fair value of forward currency contracts is mainly driven by the depreciation 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 Continuiteït 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, 2025 is US$4,406 million, out of which US$1,750 million relates to legal reserves and US$26 million relates to the statutory reserves (December 31, 2024: Total equity of US$3,619 million out of which US$1,921 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 2025	31 December 2024
Borrowings	6,488	7,632
Lease liabilities	98	82
Total Non-current portion of Borrowings and lease liabilities	**6,587**	**7,714**
Borrowings	2,551	1,218
Lease liabilities	17	11
Total Current portion of Borrowings and lease liabilities	**2,568**	**1,229**