

2025 ANNUAL REPORT

SBM OFFSHORE

TRUE.
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Regarding loans to joint ventures and associates, the maximum exposure to credit risk is the carrying amount of these instruments. As the counterparties of these instruments are joint ventures, the Company has visibility over the expected cash flows and can monitor and manage credit risk that mainly arises from the joint venture's final client.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and abnormal conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

In 2025, the Company again conducted various liquidity scenarios, financial stress tests and sensitivity analyses. The conclusion remained that the Company's lease portfolio and the existing financing facilities and overall financing capacity are sufficient to ensure that the Company will continue as a going concern in the foreseeable future and it can sustain future growth plans. Furthermore, under its Lease and Operate contractual arrangements with clients, the Company has considerable time under charters in which to deal with disruptions from events outside the Company's control, thus providing it with considerable financial protection.

Liquidity is monitored using rolling forecasts of the Company's liquidity reserves, based on expected cash flows. Flexibility is secured by maintaining availability under committed credit lines.

The table below analyses the Company's non-derivative financial liabilities, derivative financial liabilities and derivative financial assets in relevant maturity groupings, based on the remaining period at the statement of financial position date until the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. The future interest cash flows for borrowings and derivative financial instruments are based on the SOFR 3-month rates as at the reporting date.

Liquidity risk 2025

	Note	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
31 December 2025					
Borrowings	4.3.23	3,624	6,671	4,409	14,704
Lease liabilities	4.3.23	20	52	62	135
Derivative financial liabilities	4.3.20	31	23	3	57
Derivative financial assets	4.3.20	(206)	(226)	(160)	(592)
Trade and other payables	4.3.25	1,266	-	-	1,266
Total		**4,735**	**6,520**	**4,314**	**15,570**

Liquidity risk 2024

	Note	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
31 December 2024					
Borrowings	4.3.23	1,112	8,096	5,048	14,256
Lease liabilities	4.3.23	10	30	31	71
Derivative financial liabilities	4.3.20	215	74	-	289
Derivative financial assets	4.3.20	(186)	(313)	(321)	(820)
Trade and other payables	4.3.25	1,088	-	-	1,088
Total		**2,239**	**7,886**	**4,759**	**14,884**

Capital risk management

The Company's objectives when managing its capital structure are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to optimize the Company's cost of capital while ensuring diversification of sources of external funds.

The Company mainly uses its corporate revolving credit facility (RCF, US$1.1 billion) and supply-chain financing (SCF, US$260 million) to bridge financing requirements on projects under construction.