

2025 ANNUAL REPORT

SBM OFFSHORE

TRUE.
BLUE.
TRANSITION.

1.3.3 STRATEGIC PRIORITIES

SBM Offshore's strategy and capabilities come together to define the strategic priorities guiding daily operations towards longer-term goals.

DRIVE EXCELLENCE

SBM Offshore understands its customers' needs and strives to consistently deliver on its promise to provide competitive and high-performing solutions with unwavering dedication to health, safety and protection of the environment.

Target Excellence	Preserving life and protection of the environment by delivering on No Harm, No Defects, No Leaks.
Execution Excellence	Consistently delivering high-quality, high-performance products and services, on time and on budget.
Enterprise Excellence	Providing efficient and effective people, processes, tools, governance and controls to enable the business.

DECARBONIZE AND DIVERSIFY

SBM Offshore seeks to play a constructive role and contribute to the energy transition. This means advancing the decarbonization journey and diversifying with the aim of unlocking new markets. SBM Offshore aspires to achieve net zero by 2050, with intermediary targets for 2030 to reach carbon neutrality in scope 1 and 2 emissions and significantly reduce the carbon intensity for scope 3 downstream leased assets.

At the same time, SBM Offshore explores new ocean infrastructure solutions and develops strategic partnerships to expand into attractive growth sectors.

GROW ECONOMIC VALUE

SBM Offshore focuses on maximizing value from its existing backlog, while expanding it through both traditional and new business opportunities and ensuring responsible development and more sustainable growth. By accurately estimating costs and maintaining robust gross margins, SBM Offshore balances risk and profitability through the business lifecycle, all while fostering a culture of financial discipline, cash focus and cost awareness. Through these efforts, SBM Offshore consistently delivers competitive, attractive returns for its shareholders.

1.3.4 VALUE CREATION

Sharing experience for a better blue tomorrow is the basis for long-term stakeholder value. Value is defined by the associated benefits for SBM Offshore's stakeholders and ESG contributions. Sustained value capture is enabled by SBM Offshore's organization model and business model, and is supported by six business topics and six material topics.

ORGANIZATION MODEL

SBM Offshore's organization model represents the internal mechanisms through which SBM Offshore creates value. Business activities are organized to maximize financial and societal value, benefiting SBM Offshore's stakeholders.

Ocean Infrastructure

A cash-generating platform that delivers the contractual backlog, comprising SBM Offshore's operating fleet and turnkey projects. Ocean Infrastructure SBMers:

- drive excellence by providing competitive, high-quality and high-performing products and services;
- grow economic value by being technically and commercially responsible.

Win and Grow

An opportunity-generating platform, dedicated to maintaining a competitive influx of new prospects and businesses, developing innovative execution models and contributing to the energy transition. Win and Grow SBMers:

- unlock new markets for SBM Offshore;
- progress decarbonization and diversify by exploring new partnerships and ocean infrastructure solutions.

Global Resources and Services (GR&S)

GR&S power value creation through top-tier resources, services and processes, working transversely across multiple projects. GR&S SBMers:

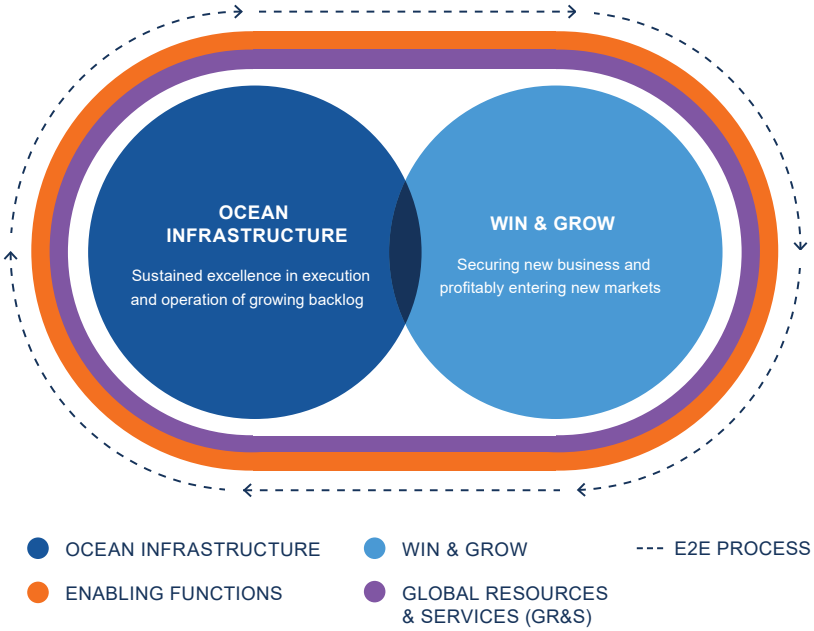
- provide expertise across the entire product lifecycle, ensuring clients are offered solutions and services that create value;
- drive excellence by ensuring competitive and high-quality services on time and on budget.

Enabling Functions

The Enabling Functions ensure business delivery through the provision of expertise, solutions, infrastructure and systems. Enabling Functions SBMers:

- drive excellence by leveraging the expertise of a diverse workforce and digital technologies;
- coordinate SBM Offshore's expertise to ensure seamless end-to-end solutions.

1 BUSINESS ENVIRONMENT



BUSINESS MODEL

SBM Offshore delivers value along the full lifecycle of clients' ocean infrastructure projects, from technology and business development, to execution, operations and responsible recycling.

Product development

SBM Offshore engages in innovation, research and development (R&D) and product development activities with the aim of:

- developing new technologies and products to capture opportunities in the blue economy;
- lowering the carbon footprint of SBM Offshore's products and fleet operations;
- improving SBM Offshore's competitiveness by identifying, developing and offering new technologies and products.

Business development

SBM Offshore prioritizes early engagement with clients. Its business development activities focus on driving sustainable business growth and ensuring a profitable backlog for current and new products and services. SBM Offshore ensures optimum results for clients by offering various financing models:

- Under a lease-and-operate contract, the facility is sold to asset-specific companies to charter and operate the asset for the client throughout its lifecycle. The project debt-financing is arranged at the asset-specific company level and SBM Offshore's Revolving Credit Facility is generally used to cover working capital requirements during construction.
- Under a build-operate-transfer (BOT) model, SBM Offshore builds and commissions the unit and leases and operates it for a defined period (the start-up phase) before sale to the client. After the sale, SBM Offshore may continue to operate the asset for a defined period under a separate operations and maintenance contract.
- Under a sale–and–operate contract, ownership of the asset is transferred to the client over the construction period. A turnkey gross margin is generated during construction, and SBM Offshore may continue to operate the asset for a defined period under a separate operations and maintenance agreement.
- Under a direct sale, the client finances the construction of the unit. A turnkey gross margin is generated during construction, similar to a sale–and–operate model. No operation and maintenance scope is included..

Project execution

After SBM Offshore is awarded a contract, the project execution phase begins, during which SBM Offshore executes Engineering, Procurement, Construction and Installation (EPCI). SBM Offshore delivers conceptual studies, basic design and detailed design through in-house engineering resources. Procurement of equipment and services represents a substantial part of the total cost of constructing a floating production system. SBM Offshore has an integrated supply chain, in line with its Fast4Ward principles, partnering with suppliers to execute projects.

While maintaining responsibility for delivery and project management, SBM Offshore outsources most construction activities and has agreements in place with yards that allow delivery of floating production systems through different execution models and local content requirements. The installation of floating facilities is carried out using specialized installation vessels and requires specific engineering expertise and project management skills.

SBM Offshore also provides services ranging from inspection and maintenance of terminals to digital asset-management services.

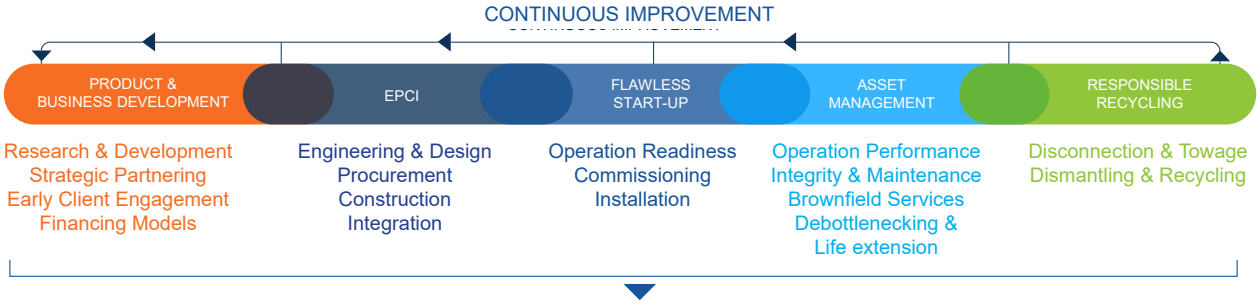
Asset management

SBM Offshore provides asset operation and maintenance services for its clients. Since uptime performance of the facility directly impacts production volumes, SBM Offshore pursues operational excellence, delivering value to clients. For FPSOs, these services can be based on fixed-lump-sum or reimbursable contracts.

Recycling

At the end of the asset lifecycle, facilities are decommissioned and recycled. For company-owned FPSOs, SBM Offshore manages the asset decommissioning, including disconnection from subsea production and mooring, and works with recycling facilities that have suitable infrastructure, an adequate management system and trained staff, to ensure that internationally-recognized regulations are followed.

VALUE CREATION MODEL



BUSINESS OUTPUT	
OPERATIONAL EXCELLENCE AND QUALITY	Safe and high-quality products and services
ENERGY TRANSITION	R&D expenditure on decarbonization
MARKET POSITION	Project and services contracts awards
INNOVATION	New market-ready innovative products and services
DIGITALIZATION	Enhanced operational efficiency and growth opportunities
ECONOMIC IMPACT	Directional Group EBITDA and Net cash backlog

SUSTAINABILITY IMPACT	
EMISSIONS	Scope 1, 2, 3 emissions
OUR PEOPLE	Employee Net Promoter Score
HEALTH, SAFETY AND SECURITY	TRIFR, FPI, Welfare and wellbeing
HUMAN RIGHTS	Social impact assessment and Local communities
ETHICS AND COMPLIANCE	Business compliance and No corruption cases
DECOMMISSIONING	Decommissioning plans