

2025 ANNUAL REPORT

SBM OFFSHORE

TRUE.
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Directional net financing costs totaled US$(304) million in 2025, compared with US$(314) million in the year-ago period. This improvement of 3% mainly resulted from (i) lower interest expense on the project loans for FPSOs *Liza Destiny* and *Prosperity* following purchase of the units by the client, (ii) gains on forward currency contracts, (iii) higher interest income on cash and short-term investments, (iv) the scheduled amortization of project loans for the fleet under operations, (v) lower interest on the Company's RCF and (vi) the 13.5% divestment ownership interest in *FPSO Sepetiba* to CMFL completed in October 2024. This was partially offset by (vii) additional interest expense generated by the new construction financing of FPSO *Jaguar* in 2025, (viii) the new sale and leaseback financing agreement for *FPSO Cidade de Paraty*, (ix) increased financing to fund the construction of *FPSO Almirante Tamandaré*, *FPSO Alexandre de Gusmão* and FPSO *ONE GUYANA* during the period and (x) the amortization of the *ONE GUYANA* project financing transaction costs up to the expected purchase of the unit in early 2026.

The Directional effective tax rate increased to 25% versus 10% in the year-ago period. The increase is primarily driven due to the impact of the sale of FPSO *Unity* and FPSO *Prosperity* in 2024 and the corresponding recognition of the margin on the sale of these assets, which was not followed by the respective extent of corporate tax expense.

As a result, the Company recorded a Directional net profit of US$677 million, or US$3.91 per share, a 25% and 23% decrease respectively, when compared with the Directional net profit of US$907 million, or US$5.08 per share, in the previous year.

STATEMENT OF FINANCIAL POSITION – DIRECTIONAL

in millions of US$	2025	2024
Directional total equity	2,536	2,002
Directional net debt[1]	5,651	5,719
Directional cash and cash equivalents	891	606
Directional total assets	11,656	10,815
Solvency ratio[2]	32.7	31.9

1 Directional net debt is calculated as Directional total borrowings (including lease liabilities) less Directional cash and cash equivalents.
2 Solvency ratio is calculated in accordance with the definition provided in section 4.3.23 Borrowings and lease liabilities - Covenants

Directional total equity increased by US$534 million from US$2,002 million at December 31, 2024 to US$2,536 million at December 31, 2025. This increase is driven by (i) the positive net result over the period and (ii) the increase of the hedging reserve, partially offset by (iii) the dividends distributed to the shareholders of EUR150 million (equivalent to US$170 million[3]) and (iv) the cumulative share repurchase amount of EUR154 million, equivalent to US$174 million[4] (2024: EUR102 million, equivalent to US$102 million) in relation to:

- The EUR65 million share repurchase program effective from August 8, 2024 and fully completed on April 23, 2025; and
- The EUR141 million share repurchase program effective from April 24, 2025, which is expected to be completed by February 26, 2026.

In line with the progress of the share repurchase program, the Company cancelled 5,000,000 ordinary shares on November 3, 2025, representing 2.8% of the Company's issued share capital. The total and final number of shares to be cancelled will be determined upon completion of the share repurchase program.

The movement in the hedging reserve was mainly caused by (i) the increase in marked-to-market value of forward currency contracts, driven by the depreciation of the US$ exchange rate versus the hedged currencies (especially EUR and BRL), partially offset by (ii) the negative impact of the marked-to-market value of interest rate swaps due to decreasing US$ market interest rates.

It should be noted that under Directional policy, historically the contribution to profit and equity of the FPSOs program under construction has mainly materialized in the operating phase at the Company's share of ownership in lessor-related SPVs, in line with the generation of associated operating cash flows which is also applicable to FSO *Chalchi*. With regards to FPSO *Jaguar* and FPSO *GranMorgu* which, contrary to the other FPSOs under construction, are classified as construction contracts falling solely in the scope of IFRS 15, their contribution to profit and equity will largely materialize in the coming years during the construction period both under IFRS and Directional reporting principles.

3 Based on the EUR/US$ exchange rate on May 6, 2025. Dividends were paid in euro.
4 Based on the 2025 annual average EUR/US$ exchange rate.

Directional net debt slightly decreased by US$(68) million from US$5,719 million at December 31, 2024 to US$5,651 million at December 31, 2025. While the Turnkey (as a result of recent Sale and Operate contracts) and the Lease and Operate segments generated strong operating cash flows, the Company (i) implemented of a new financing tool with the sale and leaseback financing agreement for *FPSO Cidade de Paraty* fully drawn during the period, (ii) continued to draw on project finance facilities for *FPSO Alexandre de Gusmão* and FPSO *ONE GUYANA* to finalize the related investment in growth and (iii) implemented the construction financing for FPSO *Jaguar*. These were partially offset by (iv) the scheduled repayment of non-recourse project debt, (v) the full repayment of the MPF facility, (vi) the partial repayment of the RCF, (vii) the full repayment of the US private placement notes in relation to *FPSO Cidade de Anchieta* and (viii) the strong return to shareholders.

More than two thirds of the Company's Directional debt, as of December 31, 2025, consisted of non-recourse project financing (US$5.3 billion) in special purpose investees. The remainder (US$1.1 billion) comprised (i) the construction financing for FPSO *Jaguar* which will be repaid following completion of construction, and (ii) the Company's new RCF, which was drawn for US$100 million as at December 31, 2025. Directional cash and cash equivalents amounted to US$891 million (December 31, 2024: US$606 million) and lease liabilities totaled US$115 million (December 31, 2024: US$93 million).

Directional net debt is reconciled to IFRS figures as follows:

	Notes	FY 2025	FY 2024
Total Borrowings and lease liabilities	4.3.23	9,155	8,943
Less: Cash and cash equivalents	4.3.21	(1,086)	(806)
Net debt	**4.3.27**	**8,068**	**8,137**
Impact of lease accounting treatment	4.3.2	-	-
Impact of consolidation methods	4.3.2	(2,418)	(2,418)
Directional net debt		**5,650**	**5,719**

Directional total assets increased to US$11.7 billion as at December 31, 2025, compared with US$10.8 billion at year-end 2024, following (i) the investments in property, plant and equipment for FPSOs under construction during the period net of depreciation of the period on FPSOs under operation, (ii) the investments in multi-purpose floater hulls and related equipment under construction for use in future projects, (iii) the increase of contract assets and receivables mostly related to FPSO projects under construction at the end of the year and (iv) net cash generation.

Directional cash from operating activities for the period was positive at US$1,166 million. This reflected strong cash flows generated by the fleet under operations and the positive Turnkey cash flows benefiting mostly from client milestone payments on Sale and Operate model FPSO projects.

The relevant covenants (solvency ratio, interest cover ratio and backlog cover ratio) applicable for the Company's RCF, drawn for c. US$100 million as at year-end 2025, were all met at December 31, 2025. For more detailed information on covenants, please refer to section 4.3.23 Borrowings and Lease Liabilities. In line with previous years, the Company had no off-balance sheet financing.

CASH FLOW / LIQUIDITIES – DIRECTIONAL

Directional cash and undrawn committed credit facilities amount to US$2,396 million at December 31, 2025, of which US$505 million is considered as pledged to specific project debt-servicing related to FPSO *Jaguar,* or otherwise restricted in its utilization.