

2025 ANNUAL REPORT

SBM OFFSHORE

TRUE.
BLUE.
TRANSITION.

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.