

2025 ANNUAL REPORT

SBM OFFSHORE

TRUE.
BLUE.
TRANSITION.

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**

BORROWINGS

The movement in interest bearing borrowings is as follows:

	2025	2024
Non-current portion	7,632	8,112
Add: current portion	1,218	1,093
Remaining principal at 1 January	**8,850**	**9,206**
Additions	1,762	2,438
Redemptions	(1,610)	(2,988)
Transaction and amortized costs	74	38
Other movements	(36)	155
Total movements	**189**	**(356)**
Remaining principal at 31 December	**9,039**	**8,850**
Less: Current portion	(2,551)	(1,218)
Non-current portion	**6,488**	**7,632**
Transaction and amortized costs	360	434
Remaining principal at 31 December (excluding transaction and amortized costs)	**9,399**	**9,284**
Less: Current portion	(2,609)	(1,277)
Non-current portion	**6,790**	**8,007**

The additions in borrowings of US$1,762 million mainly relate to (i) drawdowns on project finance facilities for FPSO *ONE GUYANA* and *FPSO Alexandre de Gusmão*, (ii) drawdown on construction financing for FPSO *Jaguar*, (iii) full drawdown of the sale and leaseback financing agreement for *FPSO Cidade de Paraty* and (iv) drawdowns on the new RCF agreement and on the Company's SCF.

As announced on April 9, 2025, the Company has signed a non-recourse sale and leaseback financing agreement for *FPSO Cidade de Paraty* for the total amount of US$400 million and with a tenor of 8 years. The facility has been fully drawn as of April 24, 2025.

The redemptions are mostly related to (i) the non-recourse debt repayment schedules, (ii) the full repayment of the MPF facility, (iii) the repayment of the existing RCF agreement, (iv) the full repayment of the US private placement notes in relation to *FPSO Cidade de Anchieta* and (v) repayments on the Company's SCF.

On June 17, 2025, the Company repaid in full the US private placement notes in relation to *FPSO Cidade de Anchieta* for a total amount of US$101 million. The repayment was done in anticipation as the initial maturity date was on September 15, 2027.

For further disclosures about fair value measurement, the Company refers to note 4.3.27 Financial Instruments – Fair Values and Risk Management.

The Company has no 'off-balance sheet' financing through special purpose entities. All long-term debt is included in the consolidated statement of financial position.

The borrowings, excluding the amount of transactions and amortized costs, have the following forecast repayment schedule:

	31 December 2025	31 December 2024
Within one year	2,609	1,277
Between 1 and 2 years	1,664	754
Between 2 and 5 years	1,695	3,744
More than 5 years	3,431	3,509
Balance at 31 December	**9,399**	**9,284**

The increase in the current portion of the borrowings reflects the early sale of FPSO *ONE GUYANA* completed on February 4, 2026, ahead of the end of the maximum lease term in August 2027, which triggered the full repayment of the associated loan at the date of sale.

The borrowings by entity are as follows:

Loans and borrowings per entity

					Net book value at 31 December 2025			Net book value at 31 December 2024		
Entity name	Project name or nature of loan	% Ownership	% Interest[1]	Maturity	Non-current	Current	Total	Non-current	Current	Total
Project Finance facilities drawn										
SBM Baleia Azul S.à.r.l.	*FPSO Cidade de Anchieta*	100.00	5.50%	15-sep-27[2]	-	-	-	78	44	122
Alfa Lula Alto S.à.r.l.	*FPSO Cidade de Maricá*	61.00	5.60%	17-Dec-29	267	143	409	409	135	544
Beta Lula Central S.à.r.l.	*FPSO Cidade de Saquarema*	61.00	4.20%	15-Jun-30	477	120	597	598	114	712
Sonasing Xikomba Limited	*N'Goma FPSO*	60.00	4.05%	15-May-26	-	40	40	40	77	117
Mero 2 Owning B.V.	*FPSO Sepetiba*	51.00	4.15%	15-Mar-38	1,152	99	1,251	1,251	90	1,341
Tamandare Owning B.V.	*FPSO Almirante Tamandaré*	55.00	6.30%	15-Dec-38	1,348	76	1,424	1,407	90	1,497
Mero 4 Owning B.V.	*FPSO Alexandre de Gusmão*	55.00	6.80%	15-May-39	1,383	91	1,474	1,210	5	1,215
GY-DW-UK-IV Limited	*FPSO ONE GUYANA*	100.00	SOFR + 2.20%	31-Jul-27	-	1,739[3]	1,739	1,473	0	1,473
Senior secured notes										
Guara Norte S.à.r.l.	*FPSO Cidade de Ilhabela*	75.00	5.20%	15-Jun-34	565	55	620	620	52	672
Guaranteed project finance facilities drawn										
SBM SWISS WT SA	*FPSO Jaguar*	100.00	SOFR + 2.50%	30-Apr-27	990	(10)	980	461	(3)	458
Revolving credit facility										
SBM Holding Inc. S.A.	*Corporate Facility*	100.00	Variable	15-Apr-30	(3)	99	96	(0)	500	500
SBM Holding Inc. S.A.	*Fast4Ward® hull financing*	100.00	SOFR + 2.1%	24-Apr-25	-	-	-	(0)	89	89
Other										
Guara Norte Swiss Holding SA	*FPSO Cidade de Ilhabela*	100.00	7.47%	30-Jan-26	-	50	50	50	25	75
Tupi Nordeste S.à.r.l.	*FPSO Cidade de Paraty*	63.13	7.00%	15-Mar-33	309	49	358	-	-	-
Brazilian Deepwater Production B.V.	*FPSO Espirito Santo*	100.00	SOFR + 1.05%	31-Jan-29[2]	-	-	-	27	-	27
Brazilian Deepwater Production Contractors Ltd.	*FPSO Espirito Santo*	100.00	3.00%	31-Dec-28[2]	-	-	-	9	-	9
Other		100.00			-	-	-	0	-	0
Net book value of loans and borrowings					**6,488**	**2,551**	**9,039**	**7,632**	**1,218**	**8,850**

1 % interest per annum on the remaining loan balance.

2 The company has repaid this loan during 2025. This was done in anticipation of the initial maturity date.

3 The loan with a contractual maturity of 31 July 2027 has been reclassified from non–current to current liabilities. This classification reflects the contractual requirement for SBM to settle the loan in full on the date the FPSO sale transaction closes, which occurred in February 2026. As the repayment trigger is linked to the transaction date rather than the original maturity, the balance was reclassified to current liabilities.

For the project finance facilities, the operational vessels are mortgaged to the banks or to note holders.

The Company has available facilities resulting from the undrawn portions of (i) the Company's RCF, (ii) FPSO *Jaguar* project facility and (iii) short-term uncommitted credit lines and SCF.

Expiry date of the undrawn facilities and unused credit lines

	2025	2024
Expiring within one year	534	892
Expiring beyond one year	1,505	1,520
Total	**2,039**	**2,412**

REVOLVING CREDIT FACILITY (RCF)

The Company has available short-term credit lines and borrowing facilities resulting from the undrawn part of the RCF.

As announced on April 10, 2025, the Company has signed a US$1.1 billion unsecured RCF with a group of 13 international banks to refinance its existing US$1.0 billion RCF, which was due to expire in February 2026. The new RCF has a tenor of five years and two one-year extension options as well as an uncommitted option to increase the facility by up to US$500 million.

When needed, the RCF allows the Company to finance general corporate purposes and working capital needs during the construction of floating production solutions. Eligible green projects can be funded under a specific green tranche of US$100 million.

The pricing of the RCF is currently based on SOFR. The margin is adjusted in accordance with the applicable net leverage ratio, ranging from a minimum level of 0.70% p.a. (0.60% for the green tranche) to a maximum of 1.80% p.a. (1.70% for the green tranche). As of December 31, 2025, the Company has drawn US$100 million under the green tranche of RCF.

REVOLVING CREDIT FACILITY FOR MPF HULL FINANCING

As announced on December 15, 2023, the Company secured a US$210 million revolving credit facility for the financing of the construction of Fast4Ward® Multi-Purpose Floater (MPF) hulls. The pricing was based on SOFR and a margin, which was 1.90% per annum for the first 12 months and thereafter 2.10% per annum. This revolving credit facility was fully repaid and cancelled in April 2025.

SUPPLY CHAIN FINANCING

Starting April 2023, the Company secured short-term funds in the form of an uncommitted Supply Chain Financing (SCF) program to optimize working capital. The first SCF facility was signed in April 2023 for a notional amount of EUR50 million (or US$ equivalent). The interest is based on a reference rate, depending on the tenor and currency (such as Term SOFR for US$) of the individual utilizations. The margin is adjusted in accordance with the currency of the utilization, 0.85% p.a. for payables denominated in EUR and 0.95% p.a. in US$.

In 2024, the Company expanded its uncommitted SCF program to a total of US$260 million with margins ranging from 1.35% to 2.75%.

The Company has utilized the SCF facilities during the year with no outstanding balance as of December 31, 2025.

CIDADE DE ANCHIETA LOAN

On June 17, 2025, the Company repaid in full the US private placement notes in relation to *FPSO Cidade de Anchieta* for a total amount of US$101 million. The repayment was done in anticipation as the initial maturity date was on September 15, 2027.

COVENANTS

The following key financial covenants apply to the RCF, as agreed with the respective lenders on April 10, 2025, and, unless stated otherwise, relate to the Company's consolidated financial statements:

- **Solvency**: Consolidated IFRS Tangible Net Worth divided by Consolidated IFRS Tangible Assets must be > 25%, for which the calculation method in the new RCF remains the same as previously;

- **Interest Cover Ratio**: Consolidated Directional Underlying EBITDA divided by Consolidated Directional Net Interest Payable must be > 4.0, save that the Company may request that such ratio is reduced to 3.00:1.00 for a tested Measurement Period up to two times during the term of this Facility (provided that such requests do not apply to any two consecutive tested measurement periods). The calculation method for this ratio in the new RCF remains the same as previously;
- **Backlog Cover Ratio (BCR):** Consolidated Directional Backlog net present value (NPV) divided by the Consolidated Directional sum of outstanding principal amount of RCF loans and Other Borrowing Base Debt balance must be >1.50:1.00, which became a covenant in the new RCF, although the calculation method remains materially the same as previously.

For the purpose of covenants calculations, the following simplified definitions apply:

- **IFRS Tangible Net Worth:** Total equity (including non-controlling interests) of the Company in accordance with IFRS, excluding the marked-to-market valuation of currency and interest derivatives undertaken for hedging purposes by the Company through other comprehensive income, dividends declared, value of intangible assets and deferred taxes.
- **Consolidated IFRS Tangible Assets:** The Company's total assets (excluding intangible assets) in accordance with the IFRS consolidated statement of financial position less the marked-to-market valuation of currency and interest derivatives undertaken for hedging purposes by the Company through other comprehensive income.
- **Consolidated Directional Underlying EBITDA:** Consolidated profit of the Company adjusted for net interest payable, tax and depreciation of assets and impairments, any exceptional or extraordinary items, and by adding back (i) the annualized production EBITDA for units that started operations during the financial year, and (ii) the acquisition annualized EBITDA for units acquired during the financial year.
- **Consolidated Directional Net Interest Payable:** All interest and other financing charges paid up, payable (other than capitalized interest during a construction period and interest paid or payable between wholly owned members of the Company) or incurred by the Company, less all interest and other financing charges received or receivable by the Company, as per Directional reporting.
- **Consolidated Directional Backlog Net Present Value:** the net present value of the future contracted net cash after debt and tax service of a defined portfolio of projects under construction and operational offshore units in lease or maintenance program during the relevant calculation period.
- **Other Borrowing Base Debt:** sum of the total consolidated borrowings of the Company minus the principal amount of any loans outstanding and the principal amount of any financial indebtedness of the Company which is project debt.

Covenants

	2025	2024
IFRS Tangible Net Worth	5,726	5,282
Consolidated IFRS Tangible Assets	17,536	16,551
Solvency ratio	32.7%	31.9%
Adjusted (Directional) EBITDA	1,973	1,847
Consolidated Directional Net Interest Payable	244	271
Interest cover ratio	8.1	6.8
Backlog cover ratio	>1.5	n.a.[1]

1 For the year ended December 31, 2024, the Lease Backlog Cover Ratio (LBCR) was used to determine the maximum funding availability under the existing RCF, but it was not a covenant.

The Leverage ratio based on reported Directional figures, is used to determine the pricing only.

The Company monitors its financial and non-financial covenants for borrowings, which are included in the consolidated financial statements twice a year (as of 30 June and 31 December). None of the borrowings in the statement of financial position were in default as at the reporting date.

LEASE LIABILITIES

The lease liabilities mostly relate to the leasing of office buildings as of December 31, 2025.

The movement in the lease liabilities is as follows:

	2025	2024
Principal recognized at 1 January	**93**	**85**
Additions	27	26
Redemptions	(14)	(12)
Foreign currency variations	10	(6)
Other	0	1
Total movements	**22**	**9**
Remaining principal at 31 December	**115**	**93**
Of which		
Current portion	17	11
Non-current portion	98	82

The movements in lease liabilities over the period mainly related to an increase due to the lease extensions and new lease office contracts, mainly arising from the new lease agreement for office spaces in India beginning in September 2025 and new lease agreements on apartments in Guyana and foreign currency translations, partially offset by regular redemptions of the existing lease contracts.

The total cash outflow for leases in 2025 was US$17 million, which includes redemptions of principal and interest payments. Total interest paid for the period amounted to US$5 million.

4.3.24 PROVISIONS

The movement and type of provisions during the year 2025 are summarized as follows:

Provisions (movements)

	Demobilization	Warranty	Restructuring	Employee benefits	Other	Total
Balance at 1 January 2025	**112**	**118**	**1**	**22**	**313**	**565**
Arising during the year	-	66	(0)	3	(18)	51
Unwinding of interest	5	-	-	1	5	11
Utilized	(2)	(34)	(0)	(1)	(33)	(70)
Released to profit	(53)	(40)	(0)	(1)	(16)	(111)
Other movement	-	0	(0)	1	(1)	0
Balance at 31 December 2025	**61**	**111**	**0**	**25**	**249**	**447**
of which :						
Non-current portion	54	-	-	25	52	131
Current portion	7	111	0	-	197	315

Demobilization

The provision for demobilization relates to the costs for demobilization of the vessels and floating equipment at the end of the respective operating lease periods. The obligations are valued at net present value, and a yearly basis interest is added to this provision. The recognized interest is included in the line item 'Financial expenses' of the consolidated income statement (refer to note 4.3.9 Net Financing Costs).

The decrease in the provision for demobilization mainly relates to the sale of the semi-submersible production facility *Thunder Hawk* to the client, leading to the release of the existing demobilization provision and demobilization receivable