

2025 ANNUAL REPORT

SBM OFFSHORE

TRUE.
BLUE.
TRANSITION.

Legal reserve for capitalized development expenditure

	2025	2024
Balance at 1 January	166	142
Additions	34	33
Disposals	-	(4)
Amortization	(5)	(5)
Foreign currency variation	0	(0)
Other movements	(148)	(0)
Balance at 31 December	**46**	**166**

'Other movements' in 2025 mainly relate to the reclassification of costs capitalized during the design and implementation of the new global ERP system, as disclosed in 4.3.14 Intangible Assets.

The legal reserve for 'investees equity non-distributable' and 'capitalized development expenditure' are formed by withdrawal from the distributable retained earnings. In the event of depreciation or impairment, the capitalized development expenditure will be reduced by adding it to the retained earnings reserves in the amount of the depreciation or impairment.

If either the currency translation reserve or the cash flow hedging reserve has a negative balance, distributions from the retained earnings cannot be made to the Company's shareholders equivalent to the amount of that negative balance.

Statutory reserve
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 (2024: 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 were to 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.

Retained earnings
The 'Retained earnings' also includes the 'IFRS 2 share-based payments' amounting to US$32 million (2024: US$25 million). The 'IFRS 2 share-based payments' granted but still unvested are non-distributable by nature.

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 relates to the statutory reserves). For more information on the dividends on common shares, reference is made to note 4.3.12 Dividends paid and proposed.

For an explanation of the shareholders' equity, reference is made to note 4.2.4 Consolidated Statement of Changes in Equity and note 4.3.22 Equity Attributable to Shareholders.

PROPOSED APPROPRIATION OF RESULT

With the approval of the Supervisory Board, it is proposed that the result shown in SBM Offshore N.V. income statement be appropriated as follows (in US$):

Appropriation of result

	2025
Profit/(Loss) attributable to shareholders	922
In accordance with note 4.7.1 to be transferred to the 'Retained earnings'	922
At the disposal of the General Meeting	**-**

It is proposed that US$100 million[17] of retained earnings is distributed among the shareholders. Please refer to note 4.3.33 Events After End of Reporting Period.