



2023 ANNUAL REPORT

BM
OFFSHORE



2 PERFORMANCE REVIEW AND IMPACT

2.1.10 ENERGY TRANSITION

MANAGEMENT APPROACH

Key elements that enable SBM Offshore's success in the energy transition area are:

- The emissionZERO® program, explained in section 2.1.7.
- Product development for floating offshore wind, wave and other alternative energies.
- Technology development supporting these product developments, (see more detail in section 2.1.9).

Product development for new products to support the energy transition is addressed through SBM Offshore's Floating Production Systems and New Energies and Services business units, in collaboration with the Technology Department. An important step in this process is the development of concepts, prototypes and pilot projects, which can also be undertaken as co-development projects with partners and/or customers. SBM Offshore monitors its commercial pipeline to allow it to achieve its 2030 ambition.

With this management approach to energy transition, SBM Offshore is addressing the significant risks of oil price dependency, portfolio risks and climate change, described in section 1.4.2.

SBM Offshore reports in line with the EU taxonomy regulation and leverages the framework to set targets for, and report on, the energy transition. Disclosures are found in section 5.1.2.

2023 PERFORMANCE

SBM Offshore has made the following achievements in 2023:

- The three Provence Grand Large floating foundations were successfully installed. These units stand tall as global pioneers, utilizing SBM Offshore's tension leg floater, developed in collaboration with IFP Energies Nouvelles.
- SBM Offshore signed a Partnership Agreement with Mitsubishi Heavy Industries Ltd. (MHI) that will offer a CO₂ capture solution for FPSOs. The agreement follows a successful engineering and design study conducted by both companies demonstrating the technical feasibility and commercial readiness of CO₂ capture technology offshore. The technology can reduce CO₂ emissions from overall FPSO operations by an estimated 70%, by capturing CO₂ from onboard gas turbines. The solution is being developed as part of SBM Offshore's emissionZERO® program using Fast4Ward® principles.
- SBM Offshore has made partnerships to pursue FOW opportunities globally. The Renewables Project Development organization formalized a new joint venture with DP Energy to develop the 300MW to

400MW Nova East Wind project offshore Canada. In addition to Nova East Wind, the portfolio of projects under development by SBM Offshore also includes 2 x 100MW Llŷr, 60MW Cademo and 1,000MW North Channel Wind projects, with further development opportunities under investigation.

- The seawater intake riser program, bringing cold water from deep in the ocean to the FPSO to cool FPSO systems and reduce energy use, moved to phase 3 of project development with a client.
- SBM Offshore has invested 52.3% of the total 2023 Group Technology R&D budget in EU-Taxonomy-eligible¹³ renewable energy technology and product development. This includes further development of the next generation of Tension-Leg Platform (TLP) floater design, Wave Energy Converter products as well as studies in floating solar, energy storage and hydrogen and ammonia for offshore applications.
- WEC S3® achieved a major milestone with the start of fabrication of its first full-scale section. Once completed, it will be tested in the WEC test facility at SBM Offshore's R&D Laboratory in Carros, France.
- SBM Offshore continues to work on projects that address emissions reduction along the lifecycle of its business, as part of its emissionZERO® portfolio (see section 2.1.7).

The revenues, CAPEX and OPEX associated with these projects and initiatives add to EU-Taxonomy-eligible business, as reported in section 5.1.5. SBM Offshore's commitments should lead to higher revenues from eligible business in the future, with 2023 R&D investment already reflected in the EU-Taxonomy-eligible OPEX KPI stated. Above-mentioned R&D investments are visible in the OPEX KPI reported. These activities support the mitigation of and/or adaptation to climate change impacts.

FUTURE

SBM Offshore will continue to build upon these achievements and is looking to develop from renewable energy pilots to commercial scale energy infrastructure, as well as increasing its role in the supply chain, with the aim of creating more value. Floating Offshore Wind will remain a market that is going to take time to mature.

2.1.11 MARKET POSITIONING

MANAGEMENT APPROACH

Market positioning is about having a global presence, adapting to market developments and engaging in emerging markets. The size of the business, new business development and sustainability benchmarks are seen as strong indicators of a successful management approach. Examples of metrics are the performance of the fleet, the revenue backlog, the number of projects won, the new

¹³ Based on 2023 eligibility KPI definitions explained in section 5.1.5.