2023 ANNUAL REPORT

SBM OFFSHORE

The reconciliation of the net cash and cash equivalents as at December 31, 2023, with the corresponding amounts in the statement of financial position, is as follows:

Reconciliation of net cash and cash equivalents as at 31 December

in millions of US$	31 December 2023	31 December 2022
Cash and cash equivalents	543	683
Net cash and cash equivalents	**543**	**683**

4.2.6 GENERAL INFORMATION

SBM Offshore N.V. has its registered office in Amsterdam, the Netherlands, and is located at Evert van de Beekstraat 1-77, 1118 CL, Schiphol, the Netherlands. SBM Offshore N.V. is the holding company of a group of international marine technology-oriented companies. The Company globally provides services in the offshore oil and gas industry and alternative energy sources.

The Company is registered at the Dutch Chamber of Commerce under number 24233482 and is listed on the Euronext Amsterdam stock exchange.

The consolidated financial statements for the year ended December 31, 2023 comprise the financial statements of SBM Offshore N.V., its subsidiaries and interests in associates and joint ventures (together referred to as 'the Company'). They are presented in millions of US dollars, except when otherwise indicated. Figures may not add up due to rounding.

The consolidated financial statements were authorized for issue by the Supervisory Board on February 28, 2024.

4.2.7 ACCOUNTING PRINCIPLES

A. ACCOUNTING FRAMEWORK

The consolidated financial statements of the Company have been prepared in accordance with, and comply with, International Financial Reporting Standards ('IFRS') and interpretations adopted by the European Union, which were effective for the financial year beginning January 1, 2023, and also comply with the financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code.

The Company financial statements included in section 4.4 are part of the 2023 financial statements of SBM Offshore N.V.

New Standards, Amendments and Interpretations applicable as of January 1, 2023

The Company has adopted the following new standards as of January 1, 2023:

- IFRS 17 – 'Insurance Contracts';
- Amendments to IAS 8 – 'Definition of Accounting Estimates';
- Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies';
- Amendments to IAS 12 – 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction'; and
- Amendments to IAS 12 – 'International Tax Reform – Pillar Two Model Rules'.

IFRS 17 Insurance Contracts

IFRS 17 is the new accounting standard for insurance contracts covering recognition and measurement, presentation, and disclosure. This standard applies to all types of insurance contracts, regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features.

In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects.

The Company has made a thorough assessment of its transactions against the scope of IFRS 17 and concluded that, despite the fact it does have some transactions that may fall within the scope of IFRS 17, those transactions are either scoped out (such as warranties provided to its customers) or an accounting policy choice is available (e.g., fixed-fee service contracts). The Company has decided to apply the accounting policy option to not apply IFRS 17 where permitted.

Therefore, this new standard had no impact on the consolidated financial statements of the Company.

Definition of Accounting Estimates – Amendments to IAS 8
This amendment clarifies the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors in IAS 8. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendment had no impact on the consolidated financial statements of the Company.

Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2
These amendments provide guidance and examples to help entities applying materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful, by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments had a minor impact on the consolidated financial statements of the Company. The Company has performed a reassessment of its accounting policy disclosures against the amended guidance, which resulted in minor changes to the section on accounting policies.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12
This amendment aims to narrow the scope of the initial recognition exception ('IRE') provided in IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning liabilities.

The impact of the application of this amendment to IAS 12 relates to lease transactions in which the Company is the lessee, and for which the Company applied the initial recognition exemption.

This amendment resulted in the recognition of additional deferred tax assets and deferred tax liabilities on the balance sheet at January 1, 2023, of US$11 million and US$10 million respectively, with an insignificant net impact of less than US$1 million. Considering the materiality, the Company has recognized the impact fully in 2023.

Amendments to IAS 12 – 'International Tax Reform – Pillar Two Model Rules'
With regards to the amendments to IAS 12 on International Tax Reform – Pillar Two Model Rules the amendment:

- Provide a mandatory temporary exception to the requirements in IAS 12 to recognize and disclose information about deferred tax assets and liabilities arising from Pillar Two Model Rules.

The Company has been monitoring the accounting discussion around the recognition of deferred taxes arising from Pillar Two Model Rules and, following the amendment requirements, the Company did not recognize any deferred taxes in its financial statements 2023 related to potential impacts of top-up taxes arising from such legislation. The mandatory temporary exception applies immediately.

- Introduce new disclosure requirements, which are only applicable to annual financial statements commencing on or after January 1, 2023.

As the Company is within the scope of the Pillar Two legislation, the Company is in the process of assessing the applicable regulations and understanding the requirements. The EU has published the Directive (EU) 2022/2523, in the Official Journal of the EU, on December 22, 2022, aiming to ensure a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the EU, based on a system of two interlocked rules, together referred to also as the 'GloBE rules', through which an additional amount of tax (so-called 'Top-up Tax') should be collected when the effective tax rate in a given jurisdiction is below 15%. Following the EU Directive, the Dutch government issued its draft proposal of the Minimum Taxation Act 2024 in October 2022 for consultation, while on December 15, 2022, the Council of the European Union formally adopted the directive implementing the minimum taxation at EU level. On December 19, 2023 the Dutch Senate approved the Minimum Tax Act 2024. The measures are considered to be substantively enacted for financial statements ending after 19 December 2023. The main rule of the Minimum Tax Act 2024 (so-called Income Inclusion Rule or IIR) will become effective on or after December 31, 2023 with the backstop rule (so-called Undertaxed Profits Rule or UTPR)

becoming effective on or after December 31, 2024. On top of the IIR and UTPR, the jurisdictions that will implement an IIR are generally expected to also implement a Qualifying Domestic Minimum Top-up Tax or QDMTT.

The Company will be impacted by the GloBE rules, the result of the assessment of the expected impact is disclosed under 4.3.10 Income Tax Expense as per requirements of the issued IAS 12 amendment.

Standards and Interpretations not mandatorily applicable to the Company as of January 1, 2023

Standards and amendments published by the IASB and endorsed by the European Union
The following standards and amendments published by the IASB and endorsed by the European Union are not mandatorily applicable as of January 1, 2023:

- Amendments to IFRS 16 – 'Lease Liability in a Sale and Leaseback'; and
- Amendments to IAS 1 – 'Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants'.

The Company is currently assessing the impact of amendments issued, however the Company does not expect a material impact on the financial statements due to their future adoption.

Standards and amendments published by the IASB and not yet endorsed by the European Union
Other new standards and amendments have been published by the IASB but have not been endorsed yet by the European Commission. Early adoption is not possible until European Commission endorsement. Those which may be relevant to the Company are set out below:

- Amendments to IAS 7 and IFRS 7 – 'Disclosures: Supplier Finance Arrangements'; and
- Amendments to IAS 21 - Lack of exchangeability.

The Company does not expect a significant effect on the financial statements due to the adoption of the remaining amendments. Other standards and amendments are not relevant to the Company.

B. CRITICAL ACCOUNTING POLICIES

Critical accounting policies that involve a high degree of judgment or complexity, or areas where assumptions and estimates are material, are disclosed in the paragraphs below.

(a) Use of estimates and judgment

When preparing the financial statements, it is necessary for the Management of the Company to make estimates and certain assumptions that can influence the valuation of the assets and liabilities and the outcome in the income statement. The actual outcome may differ from these estimates and assumptions due to changes in facts and circumstances. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable.

Estimates:
Significant areas of estimation and uncertainty in applying accounting policies that have the most significant impact on amounts recognized in the financial statements are:

The measurement and recognition of revenues on construction contracts based on the input method:
Revenue of the Company is measured and recognized, based on the input method (i.e. costs incurred). Costs and revenue at completion are reviewed periodically throughout the life of the contract. This requires a large number of estimates, especially of the total expected costs at completion, due to the complex nature of the Company's construction contracts. Judgment is also required for the accounting of contract modifications and claims from clients where negotiations or discussions are at a sufficiently advanced stage. Costs and revenue (and the resulting gross margin) at completion reflect, at each reporting period, the Management's current best estimate of the probable future benefits and obligations associated with the contract. The policy for measurement of transaction price, including variable considerations (i.e. claims, performance-based incentives), is included below in the point (d) Revenue.

In case a contract meets the definition of an onerous contract as per IAS 37, provisions for anticipated losses are made in full in the period in which they become known.