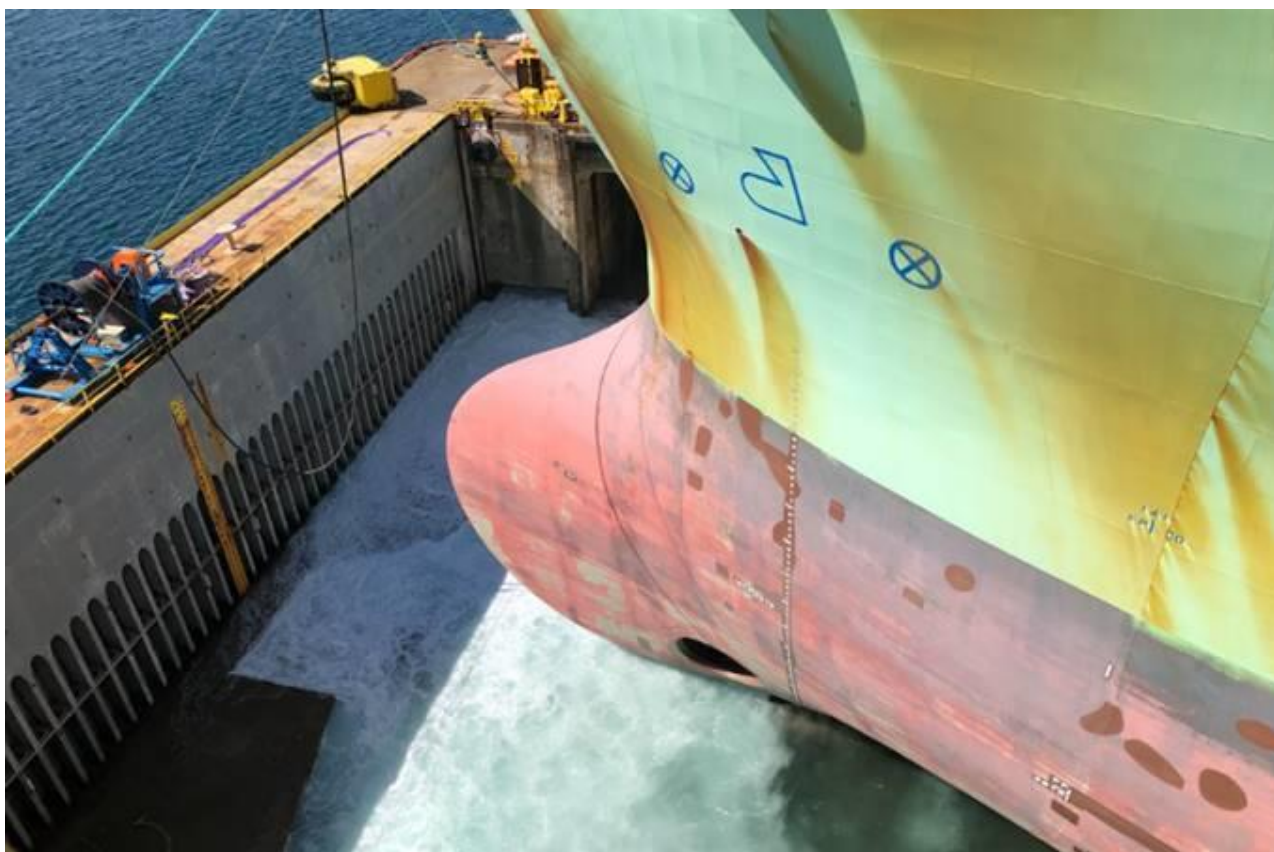


Aurelia Energy N.V.

Quarterly report

For the period ended June 30, 2023



FPSO Haewene Brim

Results and main developments for the six months ended June 30, 2023

Second quarter results

The net result after tax for the six-month period ended June 30, 2023 amounted to a profit of U.S.\$5.1 million compared to a profit of U.S.\$21.4 million for the six-month period ended June 30, 2022. EBITDA for the six-month period ended June 30, 2023 was U.S.\$40.1 million compared to U.S.\$50.9 million for the six-month period ended June 30, 2022. The financial results for the first half-year of 2023 were mainly impacted by the following items:

The SPM division generated U.S.\$2.7 million EBITDA in the second quarter of 2023, resulting in U.S.\$4.4 million EBITDA for the six-month period ended June 30, 2023 compared to U.S.\$3.4 million EBITDA for the six-month period ended June 30, 2022. In both the first six-months of 2023 as well as the first six-months of 2022 contributors to the SPM EBITDA are several EPC projects. In the first six-months of 2023 the progress on the projects developed as planned.

The EBITDA for the FPSO division in the second quarter of 2023 amounted to U.S.\$23.7 million, resulting in U.S.\$44.2 million EBITDA for the six-month period ended June 30, 2023 compared to U.S.\$50.1 million EBITDA for the six-month period ended June 30, 2022. The U.S.\$5.9 million decrease in EBITDA compared to the first six-months of 2023 was mainly driven by a U.S.\$6.4 million decrease in EBITDA for the FPSO Aoka Mizu. The tariff income of FPSO Aoka Mizu decreased as a result of a lower average oil price in the first six-months of 2023 compared to the first six-months of 2022. This decrease in EBITDA was partly offset by a U.S.\$4.2 million increase in EBITDA for the FPSO Bleo Holm. The contract with client is to a larger extent tariff driven and has a base rate during maintenance periods. Production in the first six-months of 2023 was on a higher level compared with the same period in 2022 due to repair and maintenance of the vessel in 2022. Production of FPSO Bleo Holm resumed on May 13, 2022. EBITDA for FPSO Haewene Brim decreased with U.S.\$2.9 million as a result of a decrease in the facility fee which is related to the new POSA, a lack of tariff income in the first quarter and lagging production level in the second quarter of 2023. During the ramp up of the gas export on the Pierce field in January, a technical issue was discovered. This issue was remedied by the end of the first quarter, unforeseen consequences have resulted in a lower production than expected during the second quarter. Currently the production is back on anticipated levels. Finally the FPSO tender costs were U.S.\$0.6 million higher in the first six-months of 2023 compared to the first six-months of 2022. Tender activities increased significantly as from early 2023, which already resulted in several pre-FEEDS contracts paid by clients.

During the first half-year of 2023, unallocated expenses amounted to U.S.\$8.3 million, compared to U.S.\$2.5 million unallocated expenses for the first half-year of 2022. Main contributor to the decreased overhead recovery was the decreased project activity and lower utilisation of engineering and project management staff.

Depreciation and amortization expenditure in the first half-year of 2023 amounted to U.S.\$16.3 million compared to U.S.\$16.8 million for the first half-year of 2022. This U.S.\$0.5 million decrease was driven by a U.S.\$0.6 million decrease in depreciation costs of FPSO Haewene Brim, being now fully depreciated to residual value. Amortization costs amounted to U.S.\$0.2 million for the first half-year of 2023 as well as the first six months of 2022.

Finance expenses were U.S.\$3.3 million higher compared to the previous year, at U.S.\$18.1 million versus U.S.\$14.8 million for the first half-year of 2022. Increased finance costs are driven by the Unsecured Bond which was issued by the company, effective November 10, 2022. The interest costs of the unsecured bond increased with U.S.\$3.9 million in the first half-year of 2023. Amortized debt arrangement fees for the Bond increased with U.S.\$0.7 million, at U.S.\$3.1 versus U.S.\$2.4 million for the first six months of 2023. The RCF interest expense decreased with U.S.\$1.0 million, from U.S.\$1.0 million in the first half-year of 2022 to nil in the first half-year of 2023. The RCF remained undrawn during the first six months of 2023. Amortization cost of the debt arrangement fees for the RCF decreased with U.S.\$0.5 million and other finance expenses increased with U.S.\$0.2 million compared with the first half year of 2022.

Currency exchange results were U.S.\$2.4 million negative in the first half-year of 2023 compared to U.S.\$5.2 million positive in the first half-year of 2022. The decrease in the value of the Euro against the U.S. Dollar and the volatility of the Pound Sterling has led to negative exchange results in the first half-year of 2023. The currency exchange rate moved from

EUR/USD 1.07 and GBP/USD 1.20 at the beginning of the year to EUR/USD 1.08 and GBP/USD 1.26 at the end of the first half-year of 2023. Because the Company's revenues are primarily denominated in U.S. dollar and a part of the expenses are in EUR and GBP, the Company is exposed to fluctuations in foreign currency exchange rates. The Company hedges part of the currency exposure.

Income tax income for the first half-year of 2023 amounted to U.S.\$1.6 million income tax expense versus U.S.\$3.1 million income tax expense for the first half-year of 2022. The U.S.\$1.6 million income tax income in the first half-year of 2023 mainly relates to an increase of the deferred tax assets of U.S.\$1.8 million. This increase was partly offset by U.S.\$0.2 million income tax expense in relation to accrued foreign tax. The U.S.\$1.8 million increase of the deferred tax assets is the result of additional tax losses carry forward in combination with an increase related to "earning stripping" rules.

Other developments

In the second quarter of 2023 Bluewater has been rewarded with a pre-FEED study contract with a value of GBP 1.4 million from a client for the FPSO Aoka Mizu.

In the second quarter of 2023 Bluewater has been rewarded with a pre-FEED study contract with a value of USD 1.4 million from a client for the FPSO Glas Dowl.

In the second quarter of 2023 Bluewater has been rewarded with three study contracts with a value of USD 0.7 million from clients for a Turret Mooring System, a Single Point Mooring system and a FPSO relocation study.

General information

Aurelia Energy N.V. (“the Company”) is the holding company of the Bluewater group (Bluewater), a specialized service provider to, and operator in, the offshore oil industry. Bluewater designs, develops, owns and operates floating production storage and offloading units (“FPSOs”), provides auxiliary equipment and services to FPSOs and designs, develops, performs project management and constructs single point mooring systems (“SPMs”).

An FPSO is a type of floating production unit used by oil companies to produce, process, store and offload hydrocarbons from offshore fields. FPSOs are either newly built or converted tankers upon which production equipment is mounted. The fluids (oil, gas and water) are processed on board the FPSO vessel, and the treated crude oil is stored before being exported to an off take system utilizing shuttle tankers. Bluewater’s fleet of FPSOs is involved in the production, rather than the exploration or drilling phase of oil field development. The FPSOs are leased to oil companies under medium- and long-term service contracts or bareboat contracts.

SPMs are used to transfer fluids to and from a floating production unit, an offshore storage vessel or shuttle tanker while securing the unit, vessel or tanker to the ocean floor. Most SPMs consist of an anchoring system that is connected to the ocean floor and a fluid transfer system that permits the transfer of fluids between fixed and rotating parts of the mooring system. SPMs are generally developed and constructed for oil companies and contractors.

Revenues are earned from day rates consisting of a fixed facility fee and a compensation for operating the FPSO pursuant to leases with oil companies, supplemented from time to time with fees based on volumes of produced barrels of oil. Additionally, revenues are earned on a lump-sum or reimbursable basis from the design, engineering, procurement and management services that are provided in the various FPSO and SPM projects being managed.

FPSO and SPM projects are being managed from the initial design and engineering phase to final installation. Further, Bluewater engages subcontractors in the fabrication of FPSOs, SPMs and auxiliary equipment.

Condensed consolidated interim income statement

For the period ended June 30, 2023

<i>In thousands of U.S.\$</i>	<i>Note</i>	June 30, 2023	June 30, 2022
Operating activities			
Revenues	1	142,267	328,297
Raw materials, consumables used and other operating costs		(75,233)	(240,617)
Employee benefits expense		(26,760)	(36,788)
EBITDA		40,274	50,892
Depreciation and amortization expense	2	(16,279)	(16,840)
Results from operating activities (EBIT)		34,995	34,052
Finance income		60	39
Finance expenses		(18,185)	(14,798)
Currency exchange results		(2,374)	5,198
Net finance expense		(20,499)	(9,561)
Profit before income tax		3,496	24,491
Income tax (expense)/ benefit		1,587	(3,097)
Profit for the period		5,083	21,394

The profit for the period is fully attributable to the shareholder.

The interim financial statements have not been audited

Condensed consolidated interim statement of financial position

<i>In thousands of U.S.\$</i>			June 30, 2023	December 31, 2022
	Note			
Assets				
Property, plant and equipment	2		327,732	342,373
Right-of-use assets	3		14,619	15,706
Intangible assets			1,072	1,264
Deferred tax assets			103,227	101,391
Total non-current assets			446,650	460,734
Inventories			1,445	1,445
Trade and other receivables			37,229	44,405
Contract assets			20,081	34,916
Prepayments for current assets			4,539	3,499
Cash and cash equivalents			63,918	41,008
Total current assets			127,212	125,273
Total assets			573,862	586,007
Equity				
Issued share capital			170,000	170,000
Share premium			198,568	198,568
Translation reserve			(12,720)	(14,251)
Other reserves			649	649
Employee benefits reserve			(18,217)	(17,538)
Accumulated deficit			(95,884)	(100,967)
Total equity attributable to equity holder of the Company			242,396	236,461
Liabilities				
Loans and borrowings	4		163,407	180,315
Lease liabilities	3		10,652	11,753
Employee benefits			13,328	13,646
Total non-current liabilities			187,387	205,714
Loans and borrowings	4		40,000	40,000
Lease liabilities	3		2,839	2,082
Trade and other payables, including derivatives			91,143	91,025
Contract liabilities			10,097	10,725
Total current liabilities			144,079	143,832
Total liabilities			331,466	349,546
Total equity and liabilities			573,862	586,007

The interim financial statements have not been audited

Condensed consolidated interim statement of changes in equity

In thousands of U.S.\$

	Issued Share Capital	Share Premium	Translation reserve	Other reserves	Employee benefits reserve (IAS 19)	Accumulated deficit	Total equity
Balance at January 1, 2023	170,000	198,568	(14,251)	649	(17,538)	(100,967)	236,461
Profit for the period	-	-	-	-	-	5,083	5,083
Movement employee benefits re- serve net of tax (IAS 19)	-	-	-	-	(679)	-	(679)
Foreign currency translation differ- ences	-	-	1,531	-	-	-	1,531
Total comprehensive income	-	-	1,531	-	(679)	5,083	5,935
Balance at June 30, 2023	170,000	198,568	(12,720)	649	(18,217)	(95,884)	242,396

The interim financial statements have not been audited

Condensed consolidated interim statement of cash flows

<i>In thousands of U.S.\$</i>	June 30, 2023	June 30, 2022
Net cash from (used in) operating activities	46,410	53,220
Net cash from (used in) investing activities	46	(85)
Net cash from (used in) financing activities	(21,786)	(36,347)
Translation effect on cash	(1,760)	(5,057)
Net increase / (decrease) in available cash and cash equivalents	22,910	11,731
Cash and cash equivalents at the beginning of the period	41,008	53,667
Cash and cash equivalents at the end of the period	63,918	65,398

The interim financial statements have not been audited

Notes to the unaudited condensed consolidated interim financial statements

Reporting entity

Aurelia Energy N.V. (“the Company”) has its legal seat in Willemstad (Curaçao). The unaudited condensed consolidated interim financial statements of the Company as at and for the period ended June 30, 2023 comprise the Company and its subsidiaries (together referred to as “the Group” or “Bluewater” and individually as “Group entities”) and the Group’s interest in jointly controlled entities.

Statement of compliance

The unaudited condensed consolidated interim financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards (IFRS) as applied in the most recent annual financial statements.

Basis of preparation

These unaudited condensed consolidated interim financial statements are presented in thousands of US dollars, which is the Company’s functional currency. All financial information presented has been rounded to the nearest thousand. The unaudited condensed consolidated interim financial statements have been prepared using accounting policies consistent with the recognition and measurement criteria of the International Financial Reporting Standards (IFRS) as applied in the most recent annual financial statements. The information furnished in the unaudited condensed consolidated interim financial statements includes normal recurring adjustments and reflects all adjustments which are, in the opinion of management, necessary for fair presentation of such financial statements. Although the Company believes that the disclosures are adequate to make the information presented not misleading, it is suggested that these unaudited condensed consolidated interim financial statements be read in conjunction with the audited financial statements and the notes thereto for the year ended December 31, 2022.

The preparation of these unaudited condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the unaudited condensed consolidated interim financial statements are:

- Revenue recognition on construction contracts based on the percentage of completion method;
- Estimation of the anticipated useful life and future revenues earned with the FPSOs, which along with the discount rate, is the basis for the recoverable amounts of FPSOs;
- Estimation of the realizable amount of tax losses carried forward;
- Potential impact of claims and litigation.

1. Segment information

The disclosure of segment information is consistent with the internal reports in order to assess each segment's performance and to allocate resources to them. Internal reporting is primarily based on business segments since the Company's risks and rates of return are affected primarily by differences in services and products produced.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly employee benefits expense, head office expenses, investments and related revenue and income tax assets and liabilities. For both presented periods there are no inter segment revenues.

	FPSO		SPM		Consolidated	
<i>In thousands of U.S.\$</i>	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Total segment revenue	96,082	86,978	46,186	241,319	142,268	328,297
Total cost of operations	(51,859)	(36,909)	(41,815)	(237,959)	(93,674)	(274,868)
Unallocated income/ (expenses)					(8,320)	(2,537)
EBITDA	44,223	50,069	4,371	3,360	40,274	50,892
Depreciation and amortization	(14,282)	(14,866)	(1,997)	(1,974)	(16,279)	(16,840)
Results from operating activities (EBIT)	29,941	35,203	2,374	1,386	23,995	34,052
Net finance costs					(20,499)	(9,561)
Income tax benefit/ (expense)					1,587	(3,097)
Result for the period					5,083	21,394
Segment assets	410,023	440,107	59,540	72,003	469,563	512,110
Unallocated assets					104,299	99,898
Total assets					573,862	612,008
Segment liabilities	229,804	255,996	101,662	128,516	331,466	384,512
Capital expenditure	-	-	14	67	14	67

There are no unallocated capital expenditures in 2022 and 2023.

2. Property, plant and equipment

In thousands of U.S.\$

Cost:

	FPSOs	FPSOs held for conversion	Office equipment	Total
As at January 1, 2023	1,482,118	552,563	11,995	2,046,676
Additions	-	-	14	14
Translation result	-	-	24	24
As at June 30, 2023	1,482,118	552,563	12,033	2,046,714

Accumulated depreciation and impairment losses:

As at January 1, 2023	1,305,988	391,409	6,906	1,704,303
Depreciation for the period	8,280	5,847	535	14,662
Translation result	-	-	17	17
As at June 30, 2023	1,314,268	397,256	7,458	1,718,982
Net book value	167,850	155,307	4,575	327,732

As of June 30, 2023, an amount of U.S.\$101,481 (June 30, 2022: U.S.\$101,481) relating to capitalized interest is included in the historical cost value of the FPSOs, FPSOs held for conversion and FPSO under construction. During the periods ended June 30, 2023 and 2022 no interest was capitalized. Depreciation of right of use assets amounted U.S.\$1,429 thousand and amortization of intangible assets amounted U.S.\$188 thousand for the first half-year of 2023.

3. Leases

The Company leases assets including buildings, vehicles and office equipment. Information about leases for which the Company is a lessee is presented below.

Right-of-use assets

Cost

<i>In thousands of U.S.\$</i>	Property	Vehicles	Office equipment	Total
As at January 1, 2023	24,802	943	716	26,461
Additions	-	91	-	91
Disposals	-	(158)	-	(158)
Translation result	474	16	12	502
As at June 30, 2023	25,276	892	728	26,896

Accumulated depreciation

<i>In thousands of U.S.\$</i>				
As at January 1, 2023	9,833	535	387	10,755
Charge for the year	1,241	116	72	1,429
Disposals	-	(129)	-	(129)
Translation result	203	12	7	222
As at June 30, 2023	11,277	534	466	12,277

Carrying amount

<i>In thousands of U.S.\$</i>				
As at June 30, 2023	13,999	358	262	14,619

Lease liabilities

Lease liabilities included in the consolidated interim statement of financial position:

<i>In thousands of U.S.\$</i>	June 30, 2023	December 31, 2022
Non-current liabilities		
Lease liabilities	10,652	11,753
Current liabilities		
Lease liabilities	2,839	2,082

4. Loans and borrowings

In thousands of U.S.\$

Non-current liabilities

Unsecured bond

**June 30, December 31,
2023 2022**

163,407 180,315

163,407 180,315

Current liabilities

Current portion Unsecured bond

40,000 40,000

40,000 40,000

The amount of the Unsecured bond as per June 30, 2023 amounting to U.S.\$163.4 million is the net balance of the U.S.\$220.0 million unsecured bond loan, the current portion of U.S.\$40.0 million and the current balance of unamortized borrowing costs of U.S.\$16.6 million. The available RCF of U.S.\$30.0 million remained undrawn in the first six-months of 2023.