

Annual report 2024  
Bluewater Holding B.V.

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## Director's report

Bluewater Holding B.V. (the "Company") is the holding company of a group of companies (together referred to as the "Group" or "Bluewater" and individually as "Group entities"), primarily engaged in the supply of services and products to the 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 and manages the construction of single point mooring systems ("SPMs"). Bluewater has an FPSO fleet consisting of 5 high specification FPSOs that are or will be operated under medium- to long-term service agreements or bareboat charter agreements with reputable oil companies. Currently, Bluewater has FPSOs in operation on the UK Continental Shelf. The Company's immediate parent is Bluewater Offshore Production Systems Ltd., of which all shares are ultimately controlled by the Jacaranda Trust, an irrevocable discretionary trust constituted under the laws of Jersey.

### Business performance

The net result after tax for the year 2024 amounted to a profit of U.S.\$2.5 million compared to a profit of U.S.\$12.7 million for the year 2023 (comparative figures presented in the following sections have been restated to reflect the correction of error as disclosed in Note 2 to the consolidated financial statements). EBITDA for the year 2024 was U.S.\$60.5 million compared to U.S.\$79.6 million for the year 2023. The financial results of 2024 were mainly impacted by the following items:

The SPM division generated U.S.\$8.0 million EBITDA in the year ended December 31, 2024 compared to U.S.\$9.9 million EBITDA in the year ended December 31, 2023. In the year 2024 as well as the year 2023, main contributors to the SPM EBITDA are EPC projects. In 2024, EBITDA was mainly driven by one EPC project with a significant EBITDA outlook. This project accelerated during the year resulting in a higher EBITDA contribution. In the year 2024 most projects reached final completion.

The EBITDA for the FPSO division amounted to U.S.\$72.5 million for the year 2024 compared to U.S.\$89.5 million for the year 2023. EBITDA decreased by U.S.\$17.0 million compared to the year 2023.

In June 2024 the contract for the FPSO Aoka Mizu with the customer was amended to gradually reduce the facility fee as from June 2024. This resulted in U.S.\$5.9 million lower facility fee compared with the year 2023.

The tariff income of FPSO Aoka Mizu slightly decreased with U.S.\$1.5 million mainly as the result of a lower average oil price in 2024 compared to 2023.

Tariff income of the FPSO Bleo Holm decreased with U.S.\$5.5 million. This is mainly due to a combination of anticipated declining production and maintenance work carried out in the last quarter of 2024.

EBITDA of the FPSO Haewene Brim decreased with U.S.\$2.9 million compared to the year 2023. The facility fee for the FPSO Haewene Brim is more dependent on production levels as contractual day rates gradually decrease over time. In 2024 as well in 2023 the FPSO Haewene Brim faced several technical issues, resulting in tariff income below expectations. At this moment of writing, production of FPSO Haewene Brim is back at anticipated levels.

The lay-up cost of the two FPSOs held for conversion decreased with U.S.\$0.2 million in 2024. Finally, the net tender costs increased with U.S.\$1.2 million in 2024 compared to the year 2023. This was the result of significantly increased tender activities. The tender cost and pre-FEED studies have been partly paid by several clients.

During the year 2024, unallocated expenses amounted to U.S.\$20.0 million, compared to U.S.\$19.7 million unallocated expenses for the year 2023. Overhead recovery mainly decreased due to lower project activity in 2024. Effective January 2025, the Company closed the Defined Benefit plan for new participants and transitioned existing participants to a Defined Contribution plan. This transition had a one-time impact on the Defined Benefit provision on the balance sheet as of December 31, 2024. This adjustment resulted in a one-time gain of U.S.\$5.9 million (Note 22), which had a positive impact on the unallocated overhead expenses.

Depreciation and amortization expenditure in the year of 2024 amounted to U.S.\$25.9 million compared to U.S.\$32.5 million in the year 2023. Depreciation expenditures of the FPSOs decreased with U.S.\$6.8 million. This was mainly driven by a reassessment of the residual value and useful lifetime of all FPSOs. As a result, U.S.\$5.8 million lower depreciation expenses were recorded for FPSO Aoka Mizu in 2024 compared to 2023. The useful lifetime now aligns with the expected prospect. Amortization costs and the IFRS 16 related lease depreciation increased with U.S.\$0.2 million.

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Finance expenses were U.S.\$5.2 million lower compared to the previous year, at U.S.\$30.1 million in the year 2024 versus U.S.\$35.3 million in the year 2023. The interest costs of the unsecured bond decreased with U.S.\$4.8 million in the year 2024. The outstanding amount under the unsecured bond is U.S.\$160.0 million compared to U.S.\$200.0 million at the end of the year 2023. The amortization costs of the bond decreased with U.S.\$0.6 million in 2024 versus 2023. The RCF interest increased with U.S.\$0.1 million from U.S.\$0.2 million in the year 2023 to U.S.\$0.3 million in the year 2024. The amortization costs of the RCF decreased with U.S.\$0.2 million compared to the year 2023. Unutilized ongoing fees of the RCF decreased with U.S.\$0.1 million at U.S.\$0.5 million in the year 2023 to U.S.\$0.4 million in the year 2024. The RCF mainly remained undrawn during the year. Finally, other interest costs increased by U.S.\$0.7 million in the year 2024 compared to the year 2023.

Currency exchange results were U.S.\$2.2 million positive in the year 2024 compared to U.S.\$3.4 million negative in the year 2023. The increase in the value of the U.S. Dollar against the Euro and the volatility of the Pound Sterling has led to positive exchange results in the year 2024. The currency exchange rate moved from USD/EUR 1.11 and USD/GBP 1.27 at the beginning of the year to USD/EUR 1.04 and USD/GBP 1.25 at the end of the year 2024. Bluewater is exposed to fluctuations in foreign currency exchange rates, because a portion of its expenses and financial indebtedness is denominated in currencies that are different from Bluewater's revenues. The Company only hedges part of the currency exposure.

The U.S.\$4.3 million tax expense in 2024 mainly relates to a U.S.\$3.7 million decrease of the Deferred Tax Assets. Delays in contracting new projects restricts the utilization of tax losses carried forward, which is one of the elements of the Group's deferred tax assets. Furthermore U.S.\$0.6 million income tax expense has been recognized in relation to foreign taxes.

### **Financial position**

Total assets amounted to U.S.\$493.4 million at 31 December 2024 (2023: U.S.\$517.1 million), a decrease of U.S.\$23.7 million compared to 2023. Total non-current assets decreased by U.S.\$29.5 million to U.S.\$405.5 million, mainly as a result of depreciation charges of Property, plant and equipment. The current assets increased, driven amongst others, by U.S.\$5.8 million by an increased amount of Cash and cash equivalents. The cash position is high due to project related advance payments received, which are reflected under contract liabilities. The increase of cash was partly offset by a decrease of trade and other receivables and contract assets compared to 2023. Total liabilities decreased by U.S.\$26.5 million. This is mainly the result of redemption of the Unsecured Bond by U.S.\$40.0 million and repayment of outstanding RCF of U.S.\$5.0 million in 2024. These decreases were partly offset by an increase of U.S.\$23.5 of the Contract liabilities. The Company's equity amounts to U.S.\$243.7 million as per December 31, 2024 (2023: U.S.\$240.8 million) a decrease of U.S.\$2.9 million compared to 2023. This U.S.\$2.9 million is mainly the net gain of U.S.\$2.5 million in 2024. In 2024 Group's management identified errors in relation to calculation of Lease liabilities and the associated Right-of-use assets.

### **Cash flow statement**

In 2024, net operating cash flow amounted to U.S.\$73.9 million positive (2023: U.S.\$20.0 million positive). The increase in cash flow is mainly driven by reduction of working capital. Net cash outflow from investing activities was U.S.\$0.6 million in 2024, compared to cash inflow of U.S.\$0.1 million in 2023. The increase in investments is mainly related to the purchase of office- and ICT equipment. Net cash outflow from financing activities amounted U.S.\$49.2 million in the twelve months period ending 31 December 2024, mainly driven by redemption of the Unsecured Bond. Cash and cash equivalents increased in 2024 and amounted to U.S.\$44.9 million at 31 December 2024 (2023: U.S.\$21.7 million).

### **Other developments**

Bluewater is in negotiation with its current client for the contract amendment and extension for the FPSO Aoka Mizu on its current location. Both parties have the intention to extend oil production as long as reasonably possible and convenient to both parties to ensure a smooth transition from current client and subsequent new contract party.

In March 2025 Bluewater raised additional Working capital facilities in the form of a U.S.\$ 35 million Term loan under the current RCF documentation. The Term loan has a tenor of nearly 2 years without redemption during this period.

Bluewater is in negotiation with a client for the signing of an EPC contract of an ammonia buoy for a customer in the Middle East. The contract value is around USD 10 million. This could enable Bluewater to demonstrate the use of oil & gas technology into new fuel applications.

## Outlook

The outlook for the year 2025 looks promising for the Company. With the oil prices currently hovering around a range of U.S.\$ 70 – 75, there are multiple interests in both assets held for conversion by Bluewater. The interest of our clients in the SPM segment is also slowly recovering.

FPSO Haewene Brim is currently producing on the Pierce field after a period of technical issues including problems with the leg connections to the buoy. Mid February 2024 one of its mooring lines was successfully repaired, allowing the restart of production. One more mooring line, not critical to the integrity of the mooring system, is expected to be fixed later in 2025. The vessel is under contract until the end of 2026. Given the Gas export and lifetime extension program management expects the FPSO Haewene Brim will be able to produce for years to come after 2026.

The contract for the FPSO vessel Aoka Mizu has an undefined end date with a 180-day cancellation period that can be invoked by both Bluewater and the customer. Bluewater is in negotiation with client for the contract amendment and extension for the FPSO Aoka Mizu on its current location. Both parties have the intention to extend oil production as long as reasonably possible and convenient to both parties. Management expects the vessel to maintain economically viable production up to the first half of 2026. In 2023 a Memorandum of Understanding (MoU) was signed with an undisclosed client for the possible charter of the FPSO Aoka Mizu. For this client Bluewater has completed a Definition Study in 2024 followed by a FEED, which is currently ongoing and expected to result in Final investment decision (FID) mid 2025. Management aims for a seamless transition between contracts.

Bluewater has amended and extended the Bareboat Charter contract ('BBC') with its customer for the FPSO vessel Bleo Holm. The BBC comprises a firm lease period till September 30, 2026 with an option for an extension into 2027. Management thus expects production to remain economically viable until at least Q3 2026, with an outlook for 2027 and beyond. Management expects production to remain economically viable at least for the period currently under contract.

## Investments

The Company is currently in discussion on new investments for FPSO related projects. However, none of these discussions have reached a level that contract signing is imminent in the near future.

## Financing

The Company has been able to amend its Revolving Credit facility to extend into 2025 and previous round of debt refinancing of the unsecured bond loan took place in November 2022. Post balance sheet date, the Company improved its available working capital per March 2025 by adding an additional U.S.\$ 35.0 million term loan with nearly a 2-year tenor till November 1, 2026 under the existing RCF documentation. Given the current business outlook and the liquidity forecast, Bluewater expects to have sufficient funds to continue its operations for the coming years.

## Work force

The Company will continue to employ temporary staff to be able to cooperate with the current levels of work. This flexible non-core work force will enable Bluewater to adapt its staffing to the required workload. Furthermore, there are no significant changes to be expected in the permanent work force.

## Research & Developments

Bluewater will continue to explore new ways to generate energy, as the company has done in the past. Bluewater also cooperate with other companies in research and developments projects.

## Risk management

The Offshore Energy industry and the execution of the Company's strategy expose the Company to a number of business risks. The paragraph below summarizes identified main risks and the Company's response to them.

Compliance risk: [Financial reporting](#)

The Group operates in different parts of the world, sometimes differing in accounting policies and local reporting requirements. This exposes the Company to the risk of reporting figures that are not in line with the Group's IFRS framework, which may lead to an impact on reported figures. To mitigate this risk Bluewater depends on the local advisors for tax and reporting guidelines.

Strategic risk: [Crude oil price dependency](#)

Whilst the oil price has recovered during the past years and signals of an upturn of the industry are positive, dependency on the oil price remains an inherent Company risk. The Company continues to be mindful of this dependency over the long-term, where a negative development with delays or cancellations of planned investments could lead to a severe effect on Company's new order intake.

Although the Company's business model allows for a stable cash flow from the Floating Production segment, cost optimization and de-risking remain a priority for the Company in order to offer highly competitive solutions to our clients. To drive better and faster performance, the Company is undertaking multiple initiatives in relation to digitalization and standardization, along with early engagement with clients and partnering in the supply chain.

Strategic risk:

Climate Change

Bluewater could face the impact of an accelerated energy transition driven by, among other things, climate change. The Company may miss business opportunities if it does not succeed in (i) developing competitive technologies and (ii) enhancing the energy efficiency of its existing offerings. The Company regularly updates its strategy in light of the evolution of the energy landscape.

Operational risk:

Project execution risk

Inherent project execution risks require continuous oversight and control. This inherent risk exists due to a combination of geopolitical country risk, challenging regulatory environment, technical risk (such as related to technical specifications and harsh environments), asset integrity risks and third party management risks leading to potential negative impact on people, reputation, cost, schedule and environment.

Managing project execution risk is part of Bluewater's core competence and embedded in Bluewater's business processes and ways of working. Proper business case analysis, suitable project management capabilities and capacities combined with Bluewater's professional ways of working, processes and procedures mitigate project execution risk. Additional risk mitigating measures are in place related to knowledge and understanding of the countries of project execution and delivery.

Operational risks

Cyber Security Risks and data protection

In order to carry out its activities, Bluewater relies on information and data, much of which is confidential or proprietary, that is stored and processed in electronic format. Potential intrusion into the Company's data systems hosted on servers and offshore equipment may affect office activities and offshore operations. Secondary risks include theft of proprietary and confidential information, with potential loss of competitiveness and business interruption.

Given the evolving nature of cyber security threats, this requires continuous focus. There is a dedicated ongoing improvement campaign in order to reduce the risk profile through investments in hardware, software and training. The ability of the IT architecture and associated processes and controls to withstand cyber-attacks and meet recognised standards is periodically subject to independent testing and audits.

Financial risk:

Access to capital

Access to multiple sources of debt and funding is necessary in order to guarantee a sustainable growth of Bluewater's leased FPSO fleet and SPM projects. Changing global attitudes toward energy, and the growing importance of ESG matters have influenced the financing of Companies. Failure to obtain such financing could hamper growth for the Company and ultimately prevent it from taking on new projects that could adversely affect the Company's business results and financial condition.

The Company maintains an adequate capital structure and cash at hand. The Company has access to a Revolving Credit Facility ("RCF") and both the cash and the RCF can be used to finance

investments in new projects. From a long-term perspective, adequate access to debt funding is secured through the unsecured bond.

Financial risk:

Absence of prolongation on leases of FPSOs

Bluewater is dependant on clients for the prolongation of FPSO lease contracts. Failure to prolong these leases would hamper the ability of Bluewater for growth of its business and to attract new financing. Management is continuously monitoring the tenor of these leases and looking for ways to prolong the multiyear nature of the leases.

Financial risk:

Covenants

Financial covenants need to be met with the Company's RCF and unsecured Bond lenders. Failure to maintain financial covenants may adversely affect the Company's ability to finance its activities.

The Revolving Credit Facility ("RCF") and unsecured Bond terms contain a set of financial covenants. The Company aims to have sufficient headroom in relation to the financial ratios. The covenants are monitored continuously, with a short-term and a long-term horizon.

Compliance Risk:

Changes in applicable Laws and Regulations

Bluewater's activities are carried out in compliance with Laws and Regulations valid in the relevant territory, including international protocols or conventions, which apply to the specific segment of operation. Changes to such regulatory frameworks, including changes in enforcement strategies by local regulators if not properly identified and implemented, may expose the Company to fines, sanctions or penalties. Moreover, changes to the applicable 'local content' requirements may expose the Company to additional costs or delays and affect the proposed execution methods for projects.

Rigorous, continuous monitoring of applicable laws and regulations is constantly carried out by relevant functions within Bluewater and substantive changes are brought to the attention of Management. Compliance is enforced across all the various operating segments within the Company.

A possible financial impact of the above recognized risks and uncertainties cannot be calculated because this impact is dependent on many factors both individually and in combination with each other. None of the relevant risks and uncertainties described above influenced the (financial) performance of the financial year 2024 significantly and therefore no remedial measures to the risk management system were necessary. It is not possible to estimate the possible consequences of significant risks that may materialize in the future and that may not be controlled by our risk management system.

### **Company Appetite for Risks**

The Risk Appetite Statement 2024 describes the boundaries within which Bluewater is willing to take risks in pursuit of its strategic objectives. Both the Management and Supervisory Board review the Risk Appetite Statement annually to ensure that the Company maintains the balance between risk and reward, relative to potential opportunities.

The underlying risk appetite metrics and boundary thresholds include sections on financial, strategic, operational and technological risks. The Management and Supervisory Board Audit and Finance Committee reviews these regularly. The Company has two explicit 'zero tolerance' criteria:

#### **In relation to Safety Management:**

Bluewater has zero tolerance for harm to people or for damage to its assets or the environment in the execution of its activities.

#### **In relation to Compliance:**

Bluewater has zero tolerance for non-compliance with any applicable law and regulation, including but not limited to the Bluewater Anti Bribery & Corruption Policy. The Company will not work with business partners, contractors, vendors and clients whose decision makers/company executive leaders do not share the same (core) values and fundamental business

principles as Bluewater.

The most significant elements of the Company's Risk Appetite Statement are:

- Bluewater has no appetite for excessive commercial risk-taking in Turnkey, nor in its Lease and Operate segment. Prospects within the acceptability range shall be subject to detailed risk analysis and an individual business case.
- Bluewater has limited appetite to engage with vendors that rate unsatisfactory as a result of detailed financial health checks
- Bluewater is cautious in managing risk in pursuit of any non-traditional FPSO-related commercial opportunities in the oil segment. Every proposal in this segment is subject to a detailed risk analysis and robust business case.
- Bluewater is cautious in managing risk related to pre-completion funding of its projects. The Company manages its financial risks in order to provide adequate shareholder returns whilst at the same time ensuring that it maintains sufficient liquidity to fund new investments to secure profitable growth.
- Bluewater is cautious in managing risk related to client counterparty.
- Bluewater is cautious in managing risk from operations, such as those related to its resource capacity to execute projects.
- Bluewater is cautious in managing risk related to adoption of new technologies.

### **Sustainable development**

Bluewater is firmly committed to the goal of achieving a more sustainable society with a lower carbon footprint. At the same time we recognise the reality that our turnover will continue to be largely generated from the offshore energy industry. In this reality Bluewater acknowledges and assumes its responsibility and has dedicated itself to making its activities more sustainable by using its unique innovative offshore technology and expertise.

Bluewater's contribution to the energy transition involves on the one hand improving the sustainability of its existing products and operations and on the other hand intensifying its focus on renewable solutions. Bluewater also aims to contribute to the energy transition by means of developing new product market combinations which are based on our technology and competence.

From 2020 onwards Bluewater has been publishing an ESG report covering its approach towards environmental, social and governance matters, on an annual basis. The ESG report transparently, thoroughly and comprehensively describes Bluewater's ESG-related efforts and contributions towards achieving a more sustainable society.

### **Corporate governance**

In 2016, the Company constituted a Supervisory Board, comprising of 3 members. Chairman is Mr. P.R.M. van Binsbergen. The Supervisory Board is there to advise and supervise the Management of the Company. The sole statutory director of the Company is Mr. H.J. Heerema. As of January 27, 2014, the Company is listed on the Nordic ABM and as such no longer classifies as a Public Interest Entity under Dutch law as of this date.

The management acknowledges the importance of diversity in both the Management Board and the Supervisory Board. The Management Board now consists of 6 men and the Supervisory Board of 3 men. The target is to have a minimum of 30% women and 30% men on each the Management Board and the Supervisory Board. The members of the Management Board and the Supervisory Board have a diverse mix of knowledge, skills and expertise, in line with the required profiles. Currently both the Management Board and Supervisory Board are 100% male. In succession planning, the relevant diversity aspects are taken into consideration. Ultimately the most qualified candidate will be nominated for appointment. To reach the diversity targets for future internal candidates for the Management Board and the Supervisory Board, the relevant diversity aspects shall be considered and taken into account of recruitment, talent management, appointment to roles, retention of employees, succession planning, training and development. The target has not yet been achieved in this year as at the time of an appointment of a new Management Board member this year, there were no suitable female candidates.

### **Financial instruments**

With most of its revenue in US dollars, Bluewater is exposed to currency exchange fluctuations. In addition, Bluewater is exposed to the risk of fluctuations of the value of financial instruments due to changes in the market rate of interest. Bluewater uses (in the normal course of business) various types of financial instruments with the objective to minimize currency risk. Procedures and policies are in place to control risks related to financial instruments, including a clear

segregation of duties between operating, settlement, accounting and controlling of all financial instruments used. Bluewater's management is involved in the risk management process. Bluewater attempts to minimize the counterparty credit risk associated with the financial instruments used by selecting counterparties that it believes to be creditworthy.

### **Going concern assumption, uncertainties and risks**

In order to assess the appropriateness of the going concern assumption, Management has made an effort to assure that Bluewater's outlook remains sufficiently stable.

Bluewater's previous round of debt refinancing took place in November 2022. In November 2024, the current RCF facility has been amended and extended by one year, with one out of in total two banks leaving the RCF facility. Post balance sheet date, Bluewater improved its available working capital per March 2025 by adding new financiers to the RCF facility with an U.S.\$ 35.0 million term loan with nearly a 2-year tenor till November 2026 under the existing RCF documentation. Management deems the current financing arrangements to be adequate to maintain liquidity for the foreseeable future. The redemption and alternatively in full or in part of the U.S.\$ 100.0 million bullet of the Nordic Bond in November 2026 is to a large extent subject to the expected prolongation of the current 3 FPSOs under contract or new lease contracts for these 3 FPSOs and or the 2 other FPSOs currently actively being marketed.

The conflict between Russia and Ukraine that started early 2022 resulted in sanctions against Russia. The Management of Bluewater has assessed the impact on the business and the Company. Management considers that this conflict brings upward pressure on oil and gas price action, leading to higher tariff income for the Company. During 2024 Bluewater had limited exposure in Russia. At the start of 2024 Bluewater was awarded with a SPM contract for the delivery of buoys that will allow export of oil from Kazakhstan via Russia to the West. For this Bluewater obtained temporary regulatory approval under a specific available derogation in the applicable EU regulations, before being able to execute this contract. An extension of this temporary regulatory approval has been requested in a timely manner. Bluewater is carefully reviewing its contracts taking due consideration of active and any newly announced sanctions and ensures that at all times, Bluewater complies with applicable sanction and export control laws and regulations.

Maintaining operational excellence, adhering to high safety standards and experiencing no supply chain disruptions, Management also considers that Bluewater's project execution risk was and remains low. Progress on current SPM related work-in-hand was and remains steady without any notable setbacks.

Prospective developments for Bluewater's operational FPSO vessels are in various stages, namely:

- The FPSO vessel Haewene Brim is currently producing on the Pierce field. In February 2024 the first of two mooring line connections in need of repairs was successfully repaired, allowing reversing of disconnect activities. Restart of production followed in April 2024. The last mooring line, not critical to the integrity of the mooring system, is expected to be fixed later in 2025. The vessel is under contract until the end of 2026. A further multiyear tenor extension of the lease contract is expected thereafter.
- The contract for the FPSO vessel Aoka Mizu has an undefined end date with a 180-day cancellation period that can be invoked by both Bluewater and the client. Bluewater is in negotiation with client to extend oil production as long as reasonably possible. If client succeeds to extend its production license before the end of May 2025, Management expects the vessel to maintain economically viable production up to the first half of 2026. In October 2023 a Memorandum of Understanding (MoU) was signed with another client for the possible charter of the Aoka Mizu. The MoU comprise a Definition Study and FEED. Further it sets out the conditions under which a contract may be executed. At this moment in time the FEED study is ongoing and expected to be completed in April 2025 followed by a Final Investment Decision (FID) by client mid 2025. The FID, subsequent conversion and lease of the Aoka Mizu are considered of high importance for the mid-long and long future of Bluewater.
- Bluewater has an amended Bareboat Charter contract ('BBC') with its customer for the FPSO vessel Bleo Holm. The firm lease period currently runs until September 30, 2026 with an expressed interest for further prolongation. Management thus expects production to remain economically viable until at least Q3 2026, with an outlook for 2027.
- The two FPSO vessels Munin and Glas Dowr are both in lay-up and are generating more interest from the market, so far tangibly resulting in multiple pre-FEED studies being awarded in 2024. Management expects the pre-FEED study for Glas Dowr to result in a FEED for Glas Dowr in 2025. The further development of these pre-FEED and FEED studies into FID, conversion and lease for both FPSOs are considered of high importance.

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for the mid-long and long future of Bluewater.

From the start of 2025, oil prices have been floating around the U.S.\$75 price level, followed by a slight decline to around U.S.\$70 in March and until the signing of the financial statements. The market outlook is that the oil price will remain near this level for the foreseeable future indicating continuation of a positive market situation.

Reflecting on the abovementioned as well as regulatory and other market developments, Management is not of the opinion that there is increased estimation uncertainty or alteration to the bandwidth it applies for making reasonable assumptions. Management also did not experience any degradation in the quality or flow of information it has to its disposal in making estimations and assumptions.

Given the current business outlook and the liquidity forecast, Bluewater expects to be in compliance with its covenants under the existing loan agreements (Revolving Credit Facility and unsecured bond) and to have sufficient funds to continue its operations for at least the coming 12 months. The financial statements have therefore been prepared on a going concern basis of accounting.

For the mid-long term, the repayment of the bond end of 2026 and or refinancing thereof is to a large extent subject to the prolongation of the current lease contract of the 3 FPSOs and foreseen new multiyear tenor contracts.

### **Research and development**

Bluewater focuses its research and development activities on technology that is integrated in our FPSO and SPM businesses. We have an in-house design and engineering team consisting of engineers trained in a number of disciplines. We also access new sources of information or technology by entering into strategic alliances with equipment manufacturers, oil and gas companies, universities or by participating in joint industry programs. While the market for our products and services is subject to continuous technological changes, development cycles from initial conception through introduction can extend over several years. Our efforts have resulted in the development of a number of inventions, new processes and techniques, many of which have been incorporated as improvements to our product lines. Our research and development activity has led to a number of patents or patent applications, principally in the area of SPM systems. During 2024 and 2023, our research and development expenditures were U.S.\$8.9 million and U.S.\$5.6 million, respectively. In 2024 Bluewater significantly increased its research and development activities related to sustainable energy. We expect to expend substantial amounts on research and development in future periods.

Hoofddorp, March 26, 2025

President and CEO:

H.J. Heerema

Supervisory Board:

P.R.M. van Binsbergen

## Report by the Audit Committee

As of January 1, 2017 the tasks of the Financial Accounting Supervision Committee ("FASC") have been assumed by the Audit Committee ("AC") which is a committee within the Supervisory Board currently consisting of one member of the Supervisory Board. As of January 27, 2014 the Company is listed with issued bonds on the Nordic ABM of the Oslo Stock Exchange which is a non-EU regulated exchange and as such the Company no longer classifies as a Public Interest Entity under Dutch law as of this date.

### Activities

The AC was involved in performing reviews focused on operations, risk management, internal controls and financial reporting. All these reviews are focused on whether sufficient checks and balances are in place and working in order to have consistent overview on the Company's activities and the related reliable financial reporting outcomes. Particular attention was paid to the Company's risks in relation to large contracts and projects, including project management, legal and finance. Other activities of the year included Operations, ICT and Enterprise Risk Management, the Company's policies with regard to anti-bribery and corruption (ABC policy) and compliance in general with rules and regulations. The AC also exchanged information about its activities and findings with Deloitte, the Company's external auditors and had separate meetings with the auditors, also without the presence of the Company's management to facilitate free and open discussions. Furthermore, the AC attended meetings in which the audit plan, management letter and final audit findings were discussed. Specific accounting issues and tax positions of the Company were on the agenda. The AC reports to the shareholder of the Company.

### Governance and risks

The Company has an Enterprise Risk Management system in place to ensure adequate monitoring of performance and risks. One of the main risks is not being compliant with rules and regulations and the ABC policy. Also during 2024 this has been a key area of attention, including the possible advanced ICT threats. Management believes that measures taken and planned are adequate to ensure compliance with applicable laws and regulations in the countries in which the Company operates. The AC is actively involved in monitoring the adherence to the ABC policy as well as in evaluating the risk assessment process in general and in setting priorities.

### Future developments

The AC will continue to critically assess the Company's risks and controls in order to monitor the strength of risk management. Additionally, the AC will continue to closely monitor the Company's efforts in enhancing control activities around strategy, financing the Company and refining the loans, reemployment of the assets (long-term contracts FPSOs), project management, lessons learned, compliance with rules and regulations and compliance with ABC legislation. The AC encourages management in its efforts to strengthen the governance structure of the Company and to implement new activities, such as the improvement of the internal ABC control system and the introduction of external independent audits on foreign agents, to further mitigate industry-specific risks.

## Consolidated income statement

For the year ended

In thousands of U.S. \$

### Operating activities

	Note	December 31, 2024	December 31, 2023 (Restated)*
Revenue	7	270,588	292,386
Raw materials, consumables used and other operating costs		(164,081)	(159,026)
Employee benefits expense	8	(45,972)	(53,716)
<b>Results before interest, tax, depreciation and amortisation (EBITDA)</b>	5	60,535	79,644
Depreciation and amortization expense	12/13/14	(25,885)	(32,655)
<b>Results from operating activities (EBIT)</b>	6	34,650	46,989
Finance income		89	158
Finance expense		(30,114)	(35,254)
Currency exchange results		2,166	(3,446)
<b>Net finance expense</b>	10	(27,859)	(38,542)
<b>Profit before income tax</b>		6,791	8,447
Income tax (expense)/benefit	11	(4,254)	4,216
<b>Profit for the year</b>		2,537	12,663

\* The comparative information has been restated as a result of correction of errors. See note 2.

## Consolidated statement of comprehensive income

For the year ended

*In thousands of U.S. \$*

December 31, 2024      December 31, 2023  
(Restated)\*

	<i>Note</i>	December 31, 2024	December 31, 2023 (Restated)*
<b>Profit for the year</b>		2,537	12,663
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to consolidated income statement:</i>			
Re-measurement of defined benefit obligation	22	1,151	(2,650)
Deferred tax on re-measurement of defined benefit obligation	15	(297)	684
		854	(1,966)
<i>Items that may be reclassified subsequently to consolidated income statement:</i>			
Exchange differences on translating foreign operations		(512)	1,776
<b>Other comprehensive income/(loss), net of tax</b>		342	(190)
<b>Total comprehensive income for the period</b>		2,879	12,473

\* The comparative information has been restated as a result of correction of errors. See note 2.

## Consolidated statement of financial position

(after appropriation of result)

<i>In thousands of U.S.\$</i>	<i>Note</i>	<i>December 31, 2024</i>	<i>December 31, 2023 (Restated)*</i>
<b>Assets</b>			
Property, plant and equipment	12	291,314	313,090
Right-of-use assets	13	11,846	15,282
Intangible assets	14	518	898
Deferred tax assets	15	101,848	105,752
<b>Total non-current assets</b>		<u>405,526</u>	<u>435,022</u>
Inventories	16	1,513	1,540
Trade and other receivables	17	33,084	46,209
Contract assets	18	5,688	10,291
Prepayments for current assets		2,717	2,308
Cash and cash equivalents	19	44,919	21,720
<b>Total current assets</b>		<u>87,921</u>	<u>82,068</u>
<b>Total assets</b>	6	<u>493,447</u>	<u>517,090</u>
<b>Equity</b>			
Issued share capital		104	110
Share premium		2,997,233	2,997,233
Translation reserve		(11,200)	(10,694)
Other reserves		259	454
Employee benefits reserve		(18,650)	(19,504)
Accumulated deficit		(2,724,071)	(2,726,803)
<b>Total equity attributable to equity holder of the Company</b>		<u>243,675</u>	<u>240,796</u>
<b>Liabilities</b>			
Loans and borrowings	20	111,884	146,408
Lease liabilities	21	11,464	14,978
Employee benefits	22	6,389	14,044
<b>Total non-current liabilities</b>		<u>129,737</u>	<u>175,430</u>
Loans and borrowings	20	40,000	44,697
Lease liabilities	21	2,960	2,980
Trade and other payables	23	48,185	47,794
Contract liabilities	24	28,890	5,393
<b>Total current liabilities</b>		<u>120,035</u>	<u>100,864</u>
<b>Total liabilities</b>	6	<u>249,772</u>	<u>276,294</u>
<b>Total equity and liabilities</b>		<u>493,447</u>	<u>517,090</u>

\* The comparative information has been restated as a result of correction of errors. See note 2.

## Consolidated statement of changes in equity

### Attributable to shareholder of the Company

<i>In thousands of U.S.\$</i>	<b>Issued Share Capital</b>	<b>Share premium</b>	<b>Translation reserve</b>	<b>Other reserves</b>	<b>Employee benefits reserve (IAS 19)</b>	<b>Accumulated deficit</b>	<b>Total equity</b>
<b>Balance at January 1, 2023, as previously reported</b>	<b>107</b>	<b>2,997,233</b>	<b>(12,467)</b>	<b>649</b>	<b>(17,538)</b>	<b>(2,736,215)</b>	<b>231,769</b>
Impact of correction of errors (note 2)	-	-	-	-	-	(3,446)	(3,446)
<b>Balance at January 1, 2023, as restated*</b>	<b>107</b>	<b>2,997,233</b>	<b>(12,467)</b>	<b>649</b>	<b>(17,538)</b>	<b>(2,739,661)</b>	<b>228,323</b>
Profit for the period	-	-	-	-	-	12,663	12,663
Movement in legal reserves	-	-	-	(195)	-	195	-
Foreign currency translation differences	3	-	1,773	-	-	-	1,776
Movement employee benefits reserve net of tax (IAS 19)	-	-	-	-	(1,966)	-	(1,966)
Total comprehensive income	3	-	1,773	(195)	(1,966)	12,858	12,473
<b>Balance at December 31, 2023</b>	<b>110</b>	<b>2,997,233</b>	<b>(10,694)</b>	<b>454</b>	<b>(19,504)</b>	<b>(2,726,803)</b>	<b>240,796</b>
<i>In thousands of U.S.\$</i>	<b>Issued Share Capital</b>	<b>Share premium</b>	<b>Translation reserve</b>	<b>Other reserves</b>	<b>Employee benefits reserve (IAS 19)</b>	<b>Accumulated deficit</b>	<b>Total equity</b>
<b>Balance at January 1, 2024</b>	<b>110</b>	<b>2,997,233</b>	<b>(10,694)</b>	<b>454</b>	<b>(19,504)</b>	<b>(2,726,803)</b>	<b>240,796</b>
Profit for the period	-	-	-	-	-	2,537	2,537
Movement in legal reserves	-	-	-	(195)	-	195	-
Foreign currency translation differences	(6)	-	(506)	-	-	-	(512)
Movement employee benefits reserve net of tax (IAS 19)	-	-	-	-	854	-	854
Total comprehensive income	(6)	-	(506)	(195)	854	2,732	2,879
<b>Balance at December 31, 2024</b>	<b>104</b>	<b>2,997,233</b>	<b>(11,200)</b>	<b>259</b>	<b>(18,650)</b>	<b>(2,724,071)</b>	<b>243,675</b>

\* The comparative information has been restated as a result of correction of errors. See note 2.

The other reserves contain a legal reserve for U.S.\$259 thousand (December 31, 2023: U.S.\$454 thousand) which is related to internally generated capitalized expenses for computer software reported under the intangible assets.

No dividends have been distributed in 2024 and 2023.

## Consolidated statement of cash flows

<i>In thousands of U.S. \$</i>	<i>Note</i>	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities</b>			
Profit for the year		2,537	12,663
<b>Adjustments for:</b>			
Depreciation of property, plant and equipment	12	22,474	29,317
Depreciation of right-of-use assets	13	3,031	2,956
Amortization of intangible assets	14	380	382
Net interest expense / (income)	10	30,025	35,096
Income tax expense / (benefit)	11	4,254	(4,216)
Movement provision for doubtful debtors	25	180	(70)
Defined benefits costs	22	(1,790)	3,606
Currency exchange results		(2,166)	685
Change in inventories		27	(95)
Change in trade and other receivables	17, 25	12,945	(2,354)
Change in contract assets	18	4,603	24,625
Change in prepayments for current assets		(149)	1,191
Change in employee benefits reserve	22	(5,865)	(3,208)
Change in trade and other payables		1,283	(46,977)
Change in contract liabilities		25,507	(5,332)
Interest paid		(24,949)	(28,220)
Income tax paid		(602)	(448)
Other gains and losses		1,190	386
Net cash from operating activities		<b>72,915</b>	<b>19,987</b>
<b>Cash flows used in investing activities</b>			
Payments for property, plant and equipment	12	(705)	(27)
Interest received	10	89	158
Payments for intangible assets		-	(16)
Net cash (used in) / from investing activities		<b>(616)</b>	<b>115</b>
<b>Cash flows from financing activities</b>			
Proceeds from loans and borrowings	20	20,000	15,000
Redemption of loans and borrowings	20	(65,000)	(50,000)
Repayment of lease liabilities		(2,969)	(3,598)
Debt arrangement and waiver fees paid		(286)	(198)
Net cash used in financing activities		<b>(48,255)</b>	<b>(38,796)</b>
Translation effect on cash		(845)	(583)
Net increase / (decrease) in available cash and cash equivalents		<b>23,199</b>	<b>(19,277)</b>
Cash and cash equivalents at the beginning of the year		<b>21,720</b>	<b>40,997</b>
Cash and cash equivalents at the end of the year	19	<b>44,919</b>	<b>21,720</b>

# Notes to the consolidated financial statements

## 1. General information

### Reporting entity

Bluewater Holding B.V. (the "Company") is domiciled in the Netherlands. The address of the Company's registered office is Taurusavenue 46, 2132 LS Hoofddorp. The Company is registered at the Chamber of Commerce in the Netherlands: 34130587. The consolidated financial statements of the Company as at and for the year ended December 31, 2024 comprise the Company and its subsidiaries (together referred to as the "Group" or "Bluewater" and individually as "Group entities"). The Group is primarily engaged in the supply of services and products to the oil industry. The Company's immediate parent is Bluewater Offshore Production Systems Ltd., of which all shares are ultimately controlled by the Jacaranda Trust, an irrevocable discretionary trust constituted under the laws of Jersey.

### Activities

Bluewater is 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 and 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 of 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.

### Reporting period

The reporting period in the financial statements is a 12-month period.

## 2. Application of new and revised International Financial Reporting Standards (IFRS)

### Correction of errors

In the course of preparation of these financial statements, the Group management identified errors in the consolidated financial statements for the previous years in relation to calculation of interest expense on and remeasurement of lease liabilities.

As a result, as at December 31, 2023, lease liabilities were understated by U.S.\$5.7 million, right-of-use assets were understated by U.S.\$1.8 million, and accumulated deficit was overstated by U.S.\$3.9 million. Finally, unrecognized tax losses carry forward was understated with U.S.\$1.0 million.

The depreciation expense and interest expense for the year ended December 31, 2023 were understated by U.S.\$0.1 million and U.S.\$0.3 million, respectively.

The following table summarises the impact of the prior period error on the Group's financial statements.

## Consolidated statement of financial position

	December 31, 2023		
	As previously reported	Adjustments	As restated
<i>In thousands of U.S. \$</i>			
<b>Assets</b>			
Right of use assets	13,474	1,808	15,282
<b>Total non-current assets</b>	<b>433,214</b>	<b>1,808</b>	<b>435,022</b>
<b>Total assets</b>	<b>515,282</b>	<b>1,808</b>	<b>517,090</b>
<b>Equity</b>			
Accumulated deficit	(2,722,900)	(3,903)	(2,726,803)
<b>Total equity attributable to equity holder of the Company</b>	<b>244,699</b>	<b>(3,903)</b>	<b>240,796</b>
<b>Liabilities</b>			
Lease liabilities (non-current portion)	9,457	5,521	14,978
<b>Total non-current liabilities</b>	<b>169,909</b>	<b>5,521</b>	<b>175,430</b>
Lease liabilities	2,790	190	2,980
<b>Total current liabilities</b>	<b>100,674</b>	<b>190</b>	<b>100,864</b>
<b>Total liabilities</b>	<b>270,583</b>	<b>5,711</b>	<b>276,294</b>
<b>Total equity and liabilities</b>	<b>515,282</b>	<b>1,808</b>	<b>517,090</b>

## Consolidated income statement

	2023		
	As previously reported	Adjustments	As restated
<i>In thousands of U.S. \$</i>			
<b>Operating activities</b>			
Depreciation and amortization expense	(32,541)	(114)	(32,655)
<b>Results from operating activities (EBIT)</b>	<b>47,103</b>	<b>(114)</b>	<b>46,989</b>
Finance expense	(34,911)	(343)	(35,254)
<b>Net finance expense</b>	<b>(38,199)</b>	<b>(343)</b>	<b>(38,542)</b>
<b>Profit before income tax</b>	<b>8,904</b>	<b>(457)</b>	<b>8,447</b>
<b>Profit for the year</b>	<b>13,120</b>	<b>(457)</b>	<b>12,663</b>

The restatement had no material impact on the Group's consolidated statement of comprehensive income and consolidated statement of cash flows for the year 2023. The error has not been deemed to be material, but has been adjusted retrospectively for comparison purposes.

### Impact of the initial application of the new and amended IFRS Standards that are effective for the current year

In the current year, the Group has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) and adopted by the EU that are mandatorily effective in the EU for an accounting period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements:

Amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-Current	<p>The Group has adopted the amendments to IAS 1, published in January 2020, for the first time in the current year.</p> <p>The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.</p> <p>The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement'</p>
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Related to auditor's report

dated 26 March 2025

to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

**Amendments to IAS 1  
Presentation of  
Financial Statements –  
Non-current Liabilities  
with Covenants**

The Group has adopted the amendments to IAS 1, published in November 2022, for the first time in the current year.

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

**Amendments to IFRS 16  
Leases – Lease Liability  
in a Sale and Leaseback**

The Group has adopted the amendments to IFRS 16 for the first time in the current year.

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 Revenue from Contracts with Customers to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15 is a lease liability.

A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.

**Amendments to IAS 7  
Statement of Cash Flows  
and IFRS 7 Financial**

The Group has adopted the amendments to IAS 7 and IFRS 7 titled Supplier Finance Arrangements for the first time in the current year. The amendments were issued by the IASB in May 2023. The amendments to IAS 7 state that an entity is required to disclose

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dated 26 March 2025

Instruments: Disclosures titled Supplier Finance Arrangements information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 is amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk. The amendments contain specific transition provisions for the first annual reporting period in which the group applies the amendments. Under the transitional provisions an entity is not required to disclose:

- comparative information for any reporting periods presented before the beginning of the annual reporting period in which the entity first applies those amendments
- the information otherwise required by IAS 7:44H(b)(ii)–(iii) as at the beginning of the annual reporting period in which the entity first applies those amendments.

#### New and revised IFRS Standards adopted by the EU in issue but not yet effective

At the date of authorization of these financial statements, the Group has not applied the following revised IFRS Accounting Standard that has been issued and adopted by the EU but is not yet effective in the EU:

Amendments to IAS 21 <i>The Effects of Changes in Foreign Exchange Rates</i>	Lack of Exchangeability	Effective from 1 January 2025
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Management does not expect that the adoption of the amendments to the existing Standards listed above will have a material impact on the financial statements of the Group in future periods.

#### New and revised IFRS Standards issued by the IASB but not yet adopted by the EU

The following amendments to the existing IFRS standards have not been endorsed for use in the EU yet and could not therefore be adopted by the Group:

(The effective dates stated below are for IFRS as issued by IASB. EU is expected to approve the amendments with the same effective dates.)

IFRS 18	Presentation and Disclosures in Financial Statements	Effective from 1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	Effective from 1 January 2027
Amendments to IFRS 9 <i>Financial Instruments</i> and IFRS 7 <i>Financial Instruments: Disclosures</i>	Amendments to the Classification and Measurement of Financial Instruments	Effective from 1 January 2026
Amendments to IFRS 9 <i>Financial Instruments</i> and IFRS 7 <i>Financial Instruments: Disclosures</i>	Contracts Referencing Nature- dependent Electricity	Effective from 1 January 2026
Amendments to IFRS 10 <i>Consolidated Financial Statements</i> and IAS 28 <i>Investments in Associates and Joint Ventures</i>	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Effective date has been removed temporarily by the IASB.
Annual Improvements to IFRS Accounting Standards (Volume 11)	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	Effective from 1 January 2026

Management is currently considering whether the adoption of the IFRS 18 will have a material impact on the financial statements of the Group in future periods.

Management does not expect that the adoption of the other new standards and amendments to the existing standards listed above will have a material impact on the financial statements of the Group in future periods.

### **3. Material accounting policy information**

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities.

#### **(a) Statement of compliance**

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and interpretations adopted and endorsed by the European Union.

#### **(b) Basis of preparation**

These consolidated financial statements are presented in thousands of US dollars, which is Company's functional currency. All financial information presented has been rounded to the nearest thousand. The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are stated at fair value, as explained in the accounting policies below.

The preparation of financial statements in conformity with IFRSs 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 financial statements are:

#### **Valuation of FPSOs**

The management of the Group conducts an analysis of impairment indicators based on both external and internal factors, which are reflected in the management's long-term financial plan.

If impairment indicators are identified for a particular vessel, an impairment test is conducted to determine the recoverable amount being the higher of fair value less costs of disposal (FVLCD) and value in use (VIU).

Key areas of estimation uncertainty in the business plan and impairment models include the likelihood of securing contracts with potential customers, extension of existing contracts, expected contract terms, day rates, forecasted oil and gas prices, oil field productivity, residual values, and discount rates.

The analysis was conducted for five FPSOs with the carrying amount of U.S.\$287.6 million. As a result of analysis, no impairment indicators were identified and no impairment was recognized in the consolidated financial statements.

Given the inherent uncertainty in the business plan assumptions, future changes in key inputs could impact the impairment assessment, potentially leading to a material change in the recoverable amount of these FPSOs and affecting the Group's valuation of these assets in future financial statements.

#### **Realization of deferred tax assets**

The Group has recognized deferred tax assets to the extent that it is probable that future taxable profits will be available against which unused tax losses, tax credits and deductible temporary differences can be utilized. As the future is uncertain, management has a horizon anticipated of future cash flows over the coming 7 years. Given the cycles in the oil market in general, this is currently management's best estimate of the coming profit making years given the level of uncertainty. Based on the fiscal profit forecast management recorded a valuation allowance related to the increased fiscal depreciation after 2031 – presented under disclosure note 15. The fiscal profit forecast entails various assumptions of which the key assumptions are listed below:

- Extensions of the contract periods for the FPSOs currently operating under contract. For the Haewene Brim, Management expects a multiple year extension after December 31, 2026. For Aoka Mizu this is until the end of the forecast period with a limited conversion period after the current contract. Management expects the vessel to maintain economically viable production at current field up to the first half year of 2026.
- Redeployment of the two vessels that are currently classified as 'FPSOs held for conversion' resulting in fiscal profits as from the year 2027.
- Assumed inflow of SPM project revenues based on various tenders and opportunities within the market.

Due to the uncertainty associated with the realizable amount of tax losses carried forward, there is a possibility that, when future taxable profits turn out lower than expected, it may take a longer time before the deferred tax assets are completely realized or that additional valuation allowances are required.

- If the forecasted horizon (currently 7 years) had been 1 year shorter (6 years) as at December 31, 2024 the recognized deferred tax assets would be approximately U.S.\$15.5 million lower.
- If the forecasted horizon (currently 7 years) had been 1 year longer (8 years) as at December 31, 2024 the recognized deferred tax assets would be U.S.\$10.4 million higher.
- If the two vessels that are currently classified as 'FPSOs held for conversion' will be redeployed one year later than currently assessed plus SPM will equal the average SPM income from the past 5 years, the recognized deferred tax assets as at December 31, 2024 would be approximately U.S.\$11.5 million lower.
- Worst case scenario the recognized deferred tax assets as at December 31, 2024 would be approximately U.S.\$14.6 million lower. In this scenario both "FPSOs held for conversion" will be redeployed one year later than currently assessed plus the anticipated conversion and production thereafter of FPSO Aoka Mizu delays with one year. EBITDA from SPM division remains at average over the past 5 years. Conversions are eliminated in this scenario.

#### **Changes in accounting estimate**

In 2024 Bluewater analysed the economic remaining useful lifetime and residual value of all FPSOs. Following this assessment:

- The useful life of FPSO Aoka Mizu has been increased from 8.5 years to 16 years, useful life of FPSO Bleo Holm has been decreased to 3 years and 9 months as from January 1, 2024.
- The residual values of all FPSOs have been increased within a range of U.S.\$12.5 million and U.S.\$15.5 million.

In accordance with IAS 8, the company has accounted for this change in remaining useful lifetime and residual values as a change in accounting estimate which is accounted on a prospective basis as from FY2024.

As a result of change in estimate, the depreciation charge for the period ended December 31, 2024 and the future depreciation charge decrease with approximately U.S.\$7.6 million per annum.

#### **Going concern assumption, uncertainties and risks**

In order to assess the appropriateness of the going concern assumption, Management has made an effort to assure that Bluewater's outlook remains sufficiently stable.

Bluewater's previous round of debt refinancing took place in November 2022. In November 2024, the current RCF facility has been amended and extended by one year, with one out of in total two banks leaving the RCF facility. Post balance sheet date, Bluewater improved its available working capital per March 2025 by adding new financiers to the RCF facility with an U.S.\$ 35.0 million term loan with nearly a 2-year tenor till 1 November 2026 under the existing RCF documentation. Management deems the current financing arrangements to be adequate to maintain liquidity for the foreseeable future. The redemption and alternatively in full or in part of the U.S.\$ 100.0 million bullet of the Nordic Bond in November 2026 is to a large extent subject to the expected prolongation of the current 3 FPSOs under contract or new lease contracts for these 3 FPSOs and or the 2 other FPSOs currently actively being marketed.

The conflict between Russia and Ukraine that started early 2022 resulted in sanctions against Russia. The Management of Bluewater has assessed the impact on the business and the Company. Management considers that this conflict brings upward pressure on oil and gas price action, leading to higher tariff income for the Company. During 2024 Bluewater had limited exposure in Russia. At the start of 2024 Bluewater was awarded with a SPM contract for the delivery of buoys that will allow export of oil from Kazakhstan via Russia to the West. For this Bluewater obtained temporary regulatory approval under a specific available derogation in the applicable EU regulations, before being able to execute this contract. An extension of this temporary regulatory approval has been requested in a timely manner. Bluewater is carefully reviewing its contracts taking due consideration of active and any newly announced sanctions and ensures that at all times, Bluewater complies with applicable sanction and export control laws and regulations.

Maintaining operational excellence, adhering to high safety standards and experiencing no supply chain disruptions, Management also considers that Bluewater's project execution risk was and remains low. Progress on current SPM related work-in-hand was and remains steady without any notable setbacks.

Prospective developments for Bluewater's operational FPSO vessels are in various stages, namely:

- The FPSO vessel Haewene Brim is currently producing on the Pierce field. In February 2024 the first of two mooring line connections in need of repairs was successfully repaired, allowing reversing of disconnect activities. Restart of production followed in April 2024. The last mooring line, not critical to the integrity of the mooring system, is expected to be fixed later in 2025. The vessel is under contract until the end of 2026. A further multiyear tenor extension of the lease contract is expected thereafter.
- The contract for the FPSO vessel Aoka Mizu has an undefined end date with a 180-day cancellation period that can be invoked by both Bluewater and the client. Bluewater is in negotiation with client to extend oil production as long as reasonably possible. If client succeeds to extend its production license before the end of May 2025, Management expects the vessel to maintain economically viable production up to the first half of 2026. In October 2023 a Memorandum of Understanding (MoU) was signed with another client for the possible charter of the Aoka Mizu. The MoU comprise a Definition Study and FEED. Further it sets out the conditions under which a contract may be executed. At this moment in time the FEED study is ongoing and expected to be completed in April 2025 followed by a Final Investment Decision (FID) by client mid 2025. The FID, subsequent conversion and lease of the Aoka Mizu are considered of high importance for the mid-long and long future of Bluewater.
- Bluewater has an amended Bareboat Charter contract ('BBC') with its customer for the FPSO vessel Bleo Holm. The firm lease period currently runs until September 30, 2026 with an expressed interest for further prolongation. Management thus expects production to remain economically viable until at least Q3 2026, with an outlook for 2027.
- The two FPSO vessels Munin and Glas Dowr are both in lay-up and are generating more interest from the market, so far tangibly resulting in multiple pre-FEED studies being awarded in 2024. Management expects the pre-FEED study for Glas Dowr to result in a FEED for Glas Dowr in 2025. The further development of these pre-FEED and FEED studies into FID, conversion and lease for both FPSOs are considered of high importance for the mid-long and long future of Bluewater.

From the start of 2025, oil prices have been floating around the U.S.\$75 price level, followed by a slight decline to around U.S.\$70 in March and until the signing of the financial statements. The market outlook is that the oil price will remain near this level for the foreseeable future indicating continuation of a positive market situation.

Reflecting on the abovementioned as well as regulatory and other market developments, Management is not of the opinion that there is increased estimation uncertainty or alteration to the bandwidth it applies for making reasonable assumptions. Management also did not experience any degradation in the quality or flow of information it has to its disposal in making estimations and assumptions.

Given the current business outlook and the liquidity forecast, Bluewater expects to be in compliance with its covenants under the existing loan agreements (Revolving Credit Facility and unsecured bond) and to have sufficient funds to continue its operations for at least the coming 12 months. The financial statements have therefore been prepared on a going concern basis of accounting.

For the mid-long term, the repayment of the bond end of 2026 and or refinancing thereof is to a large extent subject to the prolongation of the current lease contract of the 3 FPSOs and foreseen new multiyear tenor contracts.

### **(c) Basis of consolidation**

The financial information relating to Bluewater Holding B.V. is included in the consolidated financial statements. In accordance with article 2:402 of the Dutch Civil Code, the company financial statements only contain an abridged income statement. The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries.

#### **(i) Subsidiaries**

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that currently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

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When the Group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable IFRS Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

**(ii) Transactions eliminated on consolidation**

Intercompany balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

**(d) Foreign currency**

**(i) Foreign currency transactions and balances**

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date. The resulting exchange gains and losses are recorded under financial income and expense in the consolidated statement income and comprehensive income.

**(ii) Foreign operations**

The assets and liabilities of foreign operations are translated into US dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated into US dollars at exchange rates at the dates of the transactions. Gains and losses resulting from the translation are recorded in shareholder's equity, as translation reserve. When a foreign operation is disposed of, in part or in full, the relevant amount in the translation reserve is transferred to consolidated income statement.

Foreign exchange gains and losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised directly in other comprehensive income and accumulated in the translation reserve.

**(e) Financial instruments**

**(i) Non-derivative financial instruments**

Non-derivative financial instruments comprise investments in equity securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured at amortized cost.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

*Other*

Other non-derivative financial instruments are measured at amortized cost using the effective interest method, less any impairment losses.

**(ii) Derivative financial instruments**

*Financial instruments at fair value through consolidated income statement*

Bluewater uses derivative financial instruments such as forward contracts to hedge its risks associated with foreign currency fluctuations.

Such financial instruments are initially recorded in the consolidated statement of financial position as either an asset or a liability measured at fair value. Changes in the derivative instrument's fair value are recognised in consolidated income statement, unless specific hedge accounting criteria are met. All derivative financial instrument valuations are determined in part by reference to published price quotations in an active market. These quotations consist of currency exchange rates, interest rates, and discount rates. Attributable transaction costs are recognised in consolidated income statement when incurred.

#### *Cash flow hedges*

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised directly in other comprehensive income and accumulated in the hedging reserve to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in consolidated income statement.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in equity remains there until the forecasted transaction occurs. When the hedged item is a non-financial asset, the amount recognised in equity is transferred to the carrying amount of the asset when it is recognised. In other cases the amount recognised in equity is transferred to consolidated income statement in the same period that the hedged item affects the consolidated income statement.

#### **(iii) Share capital**

##### *Ordinary shares*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

##### *Dividends*

The terms and conditions of the current corporate credit facility restricts the payment of dividends.

##### *Other reserves*

The other reserves contain a legal reserve which is related to internally generated capitalized expenses for computer software reported under the intangible assets.

#### **(f) Property, plant and equipment**

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, borrowing costs paid during construction and attributable overhead.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item only if it is probable that future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the consolidated income statement as incurred.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Depreciation is recognised in the consolidated income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, taking into account its residual value. Depreciation of assets starts when they are available for their intended use.

The estimated useful lives for the categories of property, plant and equipment are as follows:

• hulls	20-25 years
• swivel stack / turret	15-20 years
• machinery and process equipment	3-10 years
	(In case of long-term contracts longer than 10 years, these items are fully depreciated over the contract duration. For shorter term contracts, a decision is made as to the applicable useful life).
• office equipment	4 years
• other	4-10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date. The change in remaining useful lifetime and residual values are accounted for on a prospective basis (note 2 (b)).

'FPSOs held for conversion' and 'FPSO under construction' are depreciated, based on an assumed remaining economic lifetime. Upon conversion new assessment is made on the expected remaining useful life of converted FPSO. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within the consolidated income statement.

**(g) Intangible assets**

**(i) Research and development**

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the consolidated income statement when incurred.

Development expenditure is capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalized includes the cost of materials and direct labour, borrowing costs paid during development and attributable overhead costs.

Capitalized development expenditure is measured at cost less accumulated amortization and accumulated impairment losses. Amortization is recognised in the consolidated income statement on a straight-line basis from the date they are available for use, over the estimated useful lives of intangible assets not exceeding 20 years.

**(ii) Software costs**

Capitalized expenditures related to the acquisition and development of software are measured at cost less accumulated amortization and accumulated impairment losses. Amortization is recognised in the consolidated income statement from the date the software is available for use, over the estimated useful lives of the software of 5 years.

Configuration and customisation costs incurred in implementing Software-as-a-Service (SaaS) or Platform-as-a-Service (PaaS) arrangements are expensed, unless the criteria for recognising a separate asset are met.

**(h) Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

**(i) Construction contracts**

Construction contracts are measured at cost plus profit recognised to date less progress billings and recognised losses. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity.

If payments received from customers exceed the income recognised, then the difference is presented under contract liabilities in the consolidated statement of financial position.

**(j) Impairment**

The carrying amounts of financial assets and assets that are subject to amortization or depreciation are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. For the purpose of impairment testing, assets are grouped together at the lowest level for which there are separately identifiable cash flows (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated

recoverable amount. Impairment losses are recognised in the consolidated income statement. Impairment losses recognised in prior periods are reversed if there has been a change in the estimates used to determine the recoverable amount, except for assets with indefinite useful lives.

**(k) Employee benefits**

**(i) Defined contribution plans**

Obligations for contributions to defined contribution pension plans in the United Kingdom are recognised as an employee benefit expense in the consolidated income statement when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

**(ii) Defined benefit plans in the Netherlands**

Provisions for pension obligations are established for benefits payable in the form of retirement and surviving dependant pensions. The funds are valued every year by professionally qualified independent actuaries. The obligations and costs of pension benefits are determined using the projected unit credit method. The projected unit credit method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

The pension obligation is measured at the present value of estimated future cash flows using a discount rate that is similar to the interest rate of Dutch bonds, where the currency and terms of the bond are consistent with the currency and estimated terms of the defined benefit obligation.

The liability recognised in the consolidated statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of the plan assets.

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is reflected immediately in the consolidated statement of financial position with a charge or credit recognised in employee benefits reserve in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the consolidated income statement.

**(l) Provisions**

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. No provision for the costs of demobilization of FPSOs at the end of the lease period is accounted for, if the lease contract provides for reimbursement of such costs by the lessee.

**(m) Revenue**

**(i) Service agreements and/or operating lease arrangements for FPSOs**

Revenues under service agreements and/or lease arrangements are recognised when the FPSO is made available to the lessee and the fee is due in accordance with the lease contract. Income under the lease agreements for the FPSOs comprises, depending on the vessel, the following:

- A facility fee representing a prescribed fee for the lease period. This fee may be increased or decreased based on actual availability of the FPSO, including an allowance for planned maintenance downtime, versus pre-determined thresholds.
- A tariff payment based on both production and oil price with a minimum day rate and an oil production related payment with a maximum amount.
- A facility fee representing a prescribed fee for the lease period. This fee may be increased or decreased based on actual availability of the FPSO, including an allowance for planned maintenance downtime, versus pre-determined thresholds.
- Oil and gas production tariff based on contractual tariffs per actual unit of production.
- A fee for operating the FPSO.

Where applicable, lease revenues are recognised on a straight-line basis over the minimal non-cancellable lease term.

**(ii) Construction contracts**

Contract revenue from construction (design, engineering and project management) of SPMs and auxiliary equipment includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably. As soon as the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognised in the consolidated income statement in proportion to the stage of completion of the contract.

The stage of completion is measured by the labour and material cost incurred as a percentage of total estimated labour and material cost for each contract, unless the physical progress significantly differs. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in the consolidated income statement.

**(n) Government grants**

Government grants that compensate Bluewater for expenses incurred are recognised in the consolidated income statement on a systematic basis in the same periods in which the expenses are recognised, provided there is reasonable assurance that Bluewater will comply with the conditions attached to the grant and the grants will be received.

**(o) Finance income and expenses**

Finance income comprises interest income on funds invested, changes in the fair value of financial assets at fair value through the consolidated income statement and gains on hedging instruments that are recognised in the consolidated income statement. Interest income is recognised as it accrues in the consolidated income statement, using the effective interest method.

Finance expenses comprise interest expense on borrowings, interest expense on lease liabilities, unwinding of the discount on provisions, changes in the fair value of financial assets at fair value through the consolidated income statement, impairment losses recognised on financial assets and losses on hedging instruments that are recognised in the consolidated income statement. Borrowing costs are recognised in the consolidated income statement using the effective interest method, except for borrowing costs that qualify for capitalization. Foreign currency gains and losses are reported on a net basis.

**(p) Income tax**

The income tax charge is based on the tax regime applicable to the various group companies in the countries in which they are legally seated. These tax regimes charge income taxes based on operating profits or on the basis of other criteria as agreed upon by the Group in specific tax rulings. Deferred taxation is considered in accounting for the income tax charge for the year.

Deferred income taxes are accounted for using the balance sheet method. Deferred income taxes are provided for temporary differences between the tax bases of assets or liabilities and their reported amounts in the consolidated financial statements. Future tax benefits attributable to these differences, if any, are recognised to the extent that realization of such benefits is probable. Deferred tax assets for tax losses carry forward are recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Company is at the head of a fiscal unity with several Dutch subsidiaries. Corporate income tax payable or receivable by the Company is not allocated to the individual subsidiaries.

**(q) Leases**

**The Group as a lessee**

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease

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payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient.

#### **The Group as lessor**

The Group enters into lease agreements as a lessor with respect to equipment under medium- and long-term service contracts and bareboat contracts.

Leases for which the Group is a lessor are classified as operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

#### **(r) Principles for preparation of the consolidated cash flow statement**

The cash flow statement is prepared according to the indirect method.

The funds in the cash flow statement consist of cash and cash equivalents. Cash equivalents can be considered to be highly liquid investments.

Cash flows in foreign currencies are translated at an estimated average rate. Exchange rate differences concerning finances are shown separately in the cash flow statement.

Corporate income taxes, issuance of share capital, interest received and dividends received are presented under the cash flow from operating activities. Interest paid are presented under the cash flow from operating activities and dividends paid are presented under the cash flow from financing activities.

### **4. Financial risk management**

In the normal course of business Bluewater uses various types of financial instruments based on financial policies and procedures as agreed by Bluewater's management. Financial instruments, other than derivatives, comprise accounts receivable, cash, deposits, long-term and short-term loans and accounts payable. Bluewater also uses derivative transactions; including principally forward rate currency contracts, with the purpose to manage currency risk arising from Bluewater's operations and sources of finance.

Bluewater has procedures and policies in place to control risks related to financial instruments. These policies and procedures include a clear segregation of duties between operating, settlement, accounting and controlling of all financial instruments used. The spread of Bluewater's activities limits the exposure to concentrations of credit or market risk. Bluewater's management is involved in the risk management process. Bluewater attempts to minimize the counterparty credit risk associated with the financial instruments used by selecting counterparties that it believes to be creditworthy.

#### **Credit risk**

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Bluewater attempts to minimize its credit risk as much as possible by thoroughly reviewing risks associated with contracts and negotiating bank or parent company guarantees from customers. Additionally, milestone payments are negotiated on lump-sum contracts and outstanding receivables are actively managed in order to minimize the number of days outstanding.

#### **Liquidity risk**

Bluewater has organized its liquidity management centrally, in order to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

#### **Currency risk**

Bluewater is exposed to currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of Group entities. Bluewater uses forward exchange contracts to hedge its currency risk. When necessary, forward exchange contracts are rolled over at maturity.

#### **Capital risk management**

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of: debt including the borrowings (note 20), lease liabilities (note 21), cash and cash equivalents (note 19) and equity attributable to the shareholder of Bluewater. The Group's goal is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the capital structure and return on capital, including the cost of capital and the associated risks.

#### Climate Change risk

Bluewater could face the impact of an accelerated energy transition driven by, among other things, climate change. The Company may miss business opportunities if it does not succeed in (i) developing competitive technologies and (ii) enhancing the energy efficiency of its existing offerings. The Company regularly updates its strategy in light of the evolution of the energy landscape.

#### 5. Non-IFRS financial performance measures

Bluewater uses certain non-IFRS financial performance measures in its financial statements and for the calculation of certain financial covenant ratios as required under its financing agreements. The definitions and calculation of some of these non-IFRS financial performance measures are as follows:

- EBITDA: defined as operating result before depreciation, amortization, finance expense and taxes.
- Interest bearing debt: defined as the amended corporate credit facility net of debt arrangement fees plus the senior secured project finance facility net of debt arrangement fees and debt service reserve account plus the unsecured bond net of debt arrangement fees and debt service reserve account.

In thousands of U.S. \$	2024	2023
<b>EBITDA</b>	60,535	79,644
<b>External interest bearing debt</b>		
Current portion of bank loans	-	4,697
Unsecured bond	111,884	146,408
Current portion of unsecured bond	40,000	40,000
Interest bearing debt	<u>151,884</u>	<u>191,105</u>

#### 6. 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 Bluewater's risks and rates of return are affected primarily by differences in services and products produced. Additionally, information is reported geographically.

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 head office expenses, investments and related revenue and income tax assets and liabilities. For both presented periods there are no inter-segment revenues. The presentation of revenues by geographical segments is determined by the client's country of domicile. No revenues were generated and no assets are located in the Company's country of domicile.

Business segments	FPSO		SPM		Consolidated	
	2024	2023 (Restated)	2024	2023 (Restated)	2024	2023 (Restated)
<i>In thousands of U.S. \$</i>						
Total segment revenue	217,051	219,384	53,537	73,002	270,588	292,386
Total cost of operations	(144,568)	(129,887)	(45,516)	(63,135)	(190,084)	(193,022)
Unallocated expense					(19,969)	(19,720)
EBITDA	72,483	89,497	8,021	9,867	60,535	79,644
Depreciation and amortization	(21,812)	(28,566)	(4,073)	(4,089)	(25,885)	(32,655)
Results from operating activities (EBIT)	50,671	60,931	3,948	5,778	34,650	46,989
Net finance expense					(27,859)	(38,542)
Income tax benefit					(4,254)	4,216
Result for the period					<u>2,537</u>	<u>12,663</u>

Business segments <i>In thousands of U.S. \$</i>	FPSO		SPM		Consolidated	
	2024	2023 (Restated)	2024	2023 (Restated)	2024	2023 (Restated)
Segment assets	353,311	369,627	37,770	40,813	391,081	410,440
Unallocated assets					102,366	106,650
Total assets					<u>493,447</u>	<u>517,090</u>
Segment liabilities	177,501	223,325	72,271	52,969	249,772	276,294
Capital expenditure	-	-	705	27	705	27

There are no unallocated capital expenditures in 2024 and 2023.

Geographical segments	Revenues		Assets		Capital expenditures	
	2024	2023 (Restated)	2024	2023 (Restated)	2024	2023 (Restated)
Europe	235,602	272,747	384,587	366,460	705	27
Americas	94	322	754	896	-	-
Asia	29,980	16,561	107,922	149,521	-	-
Africa	4,911	2,756	184	213	-	-
Total	<u>270,588</u>	<u>292,386</u>	<u>493,447</u>	<u>517,090</u>	<u>705</u>	<u>27</u>

The geographical segments refer to the countries of origin of Bluewater's customers and assets. Several major customers in the FPSO and SPM segment have been identified, that each contributes to 10 percent or more of total revenues individually. In 2024, revenues from two such major customers amounted to U.S.\$107.0 million and U.S.\$85.0 million. In 2023, revenues from three such major customers amounted to U.S.\$99.4 million, U.S.\$91.6 million and U.S.\$31.2 million.

## 7. Revenue recognition

The Group derives all of its revenue from contracts with customers over time. There was no revenue recognised in 2024 from performance obligations satisfied in previous periods.

### Assets and liabilities related to contracts with customers.

The Group has recognised the following assets and liabilities related to contracts with customers:

<i>In thousands of U.S. \$</i>	Notes	2024	2023
Current contract assets	18	5,688	10,291
Current contract liabilities	24	28,890	5,393

Construction contracts are measured at cost plus profit recognized to date less progress billings and recognized losses. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity.

If payments received from customers exceed the income recognized, then the difference is presented under contract liabilities in the consolidated statement of financial position.

### Significant changes in contract assets and liabilities

In 2024, there are no material changes in the contract assets or contract liabilities. All changes are related to project receivables and liabilities for the ongoing contracts.

### Revenue recognised in relation to contract liabilities

The contract liability of prior year amounting to U.S.\$ 5.4 million has been recognised in the income statement of the current year. The total amount of contract revenue for the year amounts to U.S.\$ 53.5 million. U.S.\$ 41.0 million of this revenue is related to construction contracts and U.S.\$ 12.5 million is related to other contracts.

<i>In thousands of U.S. \$</i>	2024	2023
As at January 1	5,393	10,725
Invoiced amounts	69,149	71,763 Deloitte Accountants B.V. For identification purposes only. Related to auditor's report dated 26 March 2025

Revenue recognised		(45,652)	(77,095)
As at December 31		28,890	5,393

#### Contract revenue allocated to the remaining performance obligations

The contract revenue allocated to the performance obligations that is unsatisfied, amounts to U.S.\$74.4 million as per December 31, 2024 (December 31, 2023: U.S.\$18.2 million). Management expects that the full amount of the contract revenue allocated to the unsatisfied contracts as of the year ended 2024 will be recognised as contract revenue during the next reporting period.

#### Assets recognised from costs to fulfil a contract

In addition to the contract balances disclosed above, the Group has also recognised an asset in relation to costs to fulfil a contract. If the Company's delivery performance obligation exceeds the invoiced instalment to the client, this will be recognised as a Contract asset.

<i>In thousands of U.S.\$</i>	<i>Note</i>	<b>2024</b>	<b>2023</b>
Asset recognised from costs incurred to fulfil a contract at December 31	18	5,688	10,291

Amounts relating to contract assets are balances due from customers under construction contracts that arise when the Group receives payments from customers in line with a series of performance related milestones. The Group will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade debtors at the point at which it is invoiced to the customer.

#### 8. Employee benefits expense

<i>In thousands of U.S.\$</i>	<b>2024</b>	<b>2023</b>
Wages and salaries	32,622	33,225
Pension costs defined contribution plans in the United Kingdom	416	419
Pension costs defined benefit plans in the Netherlands	(705)	4,413
Other social security contributions	3,912	3,652
	<b>36,245</b>	<b>41,709</b>
Personnel from agencies	9,727	12,007
	<b>45,972</b>	<b>53,716</b>

The average number of full-time employees (fte's) during the year 2024 was 507.7 (2023: 493.3), divided over the following departments:

	<b>2024</b>	<b>2023</b>
Engineers	191.6	188.7
Sales	16.9	16.4
Crew	191.6	182.9
General and administrative	107.6	105.3
	<b>507.7</b>	<b>493.3</b>
Personnel from agencies	65.2	77.8

The average number of fte's working outside the Netherlands in 2024 was 238.1 (2023: 227.7).

#### 9. Research and development expense

Total net research and development expenditures in 2024 amounted to U.S.\$8.9 million (2023: U.S.\$5.6 million). These net expenditures include government grants related to research and development activities amounting to U.S.\$0.5 million (2023: U.S.\$1.5 million).

## 10. Net finance expense

<i>In thousands of U.S. \$</i>	2024	2023
Interest income	89	158
<b>Finance income</b>	<b>89</b>	<b>158</b>
Interest expense	(29,178)	(34,196)
Interest expense on lease liabilities	(936)	(1,058)
<b>Finance expense</b>	<b>(30,114)</b>	<b>(35,254)</b>
Currency exchange results	2,166	(3,446)
<b>Currency exchange results</b>	<b>2,166</b>	<b>(3,446)</b>
<b>Net financing costs</b>	<b>(27,859)</b>	<b>(38,542)</b>

## 11. Income tax benefit

The breakdown of income tax benefit is as follows:

<i>In thousands of U.S. \$</i>	2024	2023
Current period taxes	(570)	(460)
Adjustments in respect of prior years	-	816
Change in deferred tax asset	(3,684)	3,860
<b>Total income tax benefit</b>	<b>(4,254)</b>	<b>4,216</b>

Current period taxes mainly relate to the movement in the employee benefit reserve.

The reconciliation of the income tax benefit at statutory tax rates to the effective income tax is as follows:

<i>In thousands of U.S. \$</i>	2024	2023
Profit before income taxes	6,791	8,447
Income tax using the Company's domestic tax rate	25.8%	(1,752)
Difference between statutory tax rate and tax ruling	(17.4%)	1,182
Taxes related to prior years	-	(9.7%)
Change in unrecognized deferred tax assets	10.2%	(697)
Origination and reversal of temporary differences	44.0%	(2,987)
<b>Total income tax (expense)/ benefit</b>	<b>62.6%</b>	<b>(4,254)</b>

The effective tax rate of 62.64% (2023: -49.91%) for financial statement purposes differs from the statutory tax rate, mainly driven by temporary differences in fiscal and commercial book value of Bluewater's FPSOs. Additionally, some group companies have significant tax losses carried forward, for which no (full) deferred tax asset is recognised (see note 15). Consequently, Bluewater's taxable result may differ from the operating result.

## 12. Property, plant and equipment

<i>In thousands of U.S. \$</i>	<b>FPSOs</b>	<b>FPSOs held for conversion</b>	<b>Office equipment</b>	<b>Total</b>
<b>Cost:</b>				
As at January 1, 2024	1,482,118	552,563	11,980	2,046,661
Additions	-	-	705	705
Translation result	-	-	(10)	(10)
As at December 31, 2024	<b>1,482,118</b>	<b>552,563</b>	<b>12,675</b>	<b>2,047,356</b>
<b>Accumulated depreciation and impairment losses:</b>				
As at January 1, 2024	1,322,548	403,102	7,921	1,733,571
Depreciation for the year	10,610	10,860	1,004	22,474
Translation result	-	-	(3)	(3)
As at December 31, 2024	<b>1,333,158</b>	<b>413,962</b>	<b>8,922</b>	<b>1,756,042</b>
Net book value	<b>148,960</b>	<b>138,601</b>	<b>3,753</b>	<b>291,314</b>
 <b>In thousands of U.S. \$</b>				
<b>Cost:</b>				
As at January 1, 2023	1,482,118	552,563	11,995	2,046,676
Additions	-	-	27	27
Disposals	-	-	(69)	(69)
Translation result	-	-	27	27
As at December 31, 2023	<b>1,482,118</b>	<b>552,563</b>	<b>11,980</b>	<b>2,046,661</b>
<b>Accumulated depreciation and impairment losses:</b>				
As at January 1, 2023	1,305,988	391,409	6,906	1,704,303
Depreciation for the year	16,560	11,693	1,064	29,317
Disposals	-	-	(69)	(69)
Translation result	-	-	20	20
As at December 31, 2023	<b>1,322,548</b>	<b>403,102</b>	<b>7,921</b>	<b>1,733,571</b>
Net book value	<b>159,570</b>	<b>149,461</b>	<b>4,059</b>	<b>313,090</b>

No interest was capitalized for the periods ended December 31, 2024 and 2023.

Bluewater has two FPSOs held for conversion or in lay-up kept in the category 'FPSOs held for conversion' for the period ended December 31, 2024 (December 31, 2023: two FPSOs). Starting from January 1, 2016 all 'FPSOs held for conversion' are depreciated, based on an assumed remaining economic lifetime of 20 – 25 years.

At December 31, 2024 properties with a carrying amount of U.S.\$149.0 million (2023: U.S.\$159.6 million) are subject to a registered debenture to secure bank loans.

### 13. Right-of-use assets

The Company leases assets including buildings and vehicles. The average lease term for vehicles is 4-5 years. The lease term for the main property is 15 years starting October 1, 2014.

*In thousands of U.S. \$*

#### Cost

As at January 1, 2024  
Additions  
Disposals  
Translation result  
As at December 31, 2024

	Property	Vehicles	Office equipment	Total
As at January 1, 2024	27,407	777	743	28,927
Additions	-	371	-	371
Disposals	-	(173)	-	(173)
Translation result	(1,500)	(51)	(43)	(1,594)
As at December 31, 2024	25,907	924	700	27,531

#### Accumulated depreciation

As at January 1, 2024  
Charge for the year  
Disposals  
Translation result  
As at December 31, 2024

As at January 1, 2024	12,619	476	550	13,645
Charge for the year	2,697	196	138	3,031
Disposals	-	(146)	-	(146)
Translation result	(778)	(29)	(38)	(845)
As at December 31, 2024	14,538	497	650	15,685

#### Carrying amount

As at December 31, 2024

As at December 31, 2024	11,369	427	50	11,846
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*In thousands of U.S. \$*

#### Cost

As at January 1, 2023 – as restated  
Additions  
Disposals  
Translation result  
As at December 31, 2023

	Property	Vehicles	Office equipment	Total
As at January 1, 2023 – as restated	25,667	945	717	27,329
Additions	754	125	-	879
Disposals	-	(322)	-	(322)
Translation result	986	29	26	1,041
As at December 31, 2023	27,407	777	743	28,927

#### Accumulated depreciation

As at January 1, 2023 – as restated  
Charge for the year  
Disposals  
Translation result  
As at December 31, 2023

As at January 1, 2023 – as restated	9,598	506	387	10,491
Charge for the year	2,593	218	145	2,956
Disposals	-	(265)	-	(265)
Translation result	428	17	18	463
As at December 31, 2023	12,619	476	550	13,645

#### Carrying amount

As at December 31, 2023

As at December 31, 2023	14,788	301	193	15,282
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Amounts recognised in profit and loss:

<i>In thousands of U.S. \$</i>	2024	2023 (Restated)
Depreciation expense on right-of-use assets	3,031	2,956
Interest expense on lease liabilities	936	1,058
Expense relating to leases of low value assets	-	-

At December 31, 2024, the Group is not committed to short-term leases (December 31, 2023: nil). The total cash outflow for leases amounts to U.S.\$3.9 million (2023: U.S.\$3.6 million).

## 14. Intangible assets

The movement of intangible assets is as follows:

<i>In thousands of U.S.\$</i>	<b>Software costs</b>	<b>Total</b>
<b>Cost:</b>		
As at January 1, 2024	1,924	1,924
As at December 31, 2024	1,924	1,924
<b>Accumulated amortization and impairment losses:</b>		
As at January 1, 2024	1,026	1,026
Amortization for the year	380	380
As at December 31, 2024	1,406	1,406
Net book value as at December 31, 2024	518	518
<i>In thousands of U.S.\$</i>	<b>Software costs</b>	<b>Total</b>
<b>Cost:</b>		
As at January 1, 2023	1,908	1,908
Additions	16	16
As at December 31, 2023	1,924	1,924
<b>Accumulated amortization and impairment losses:</b>		
As at January 1, 2023	644	644
Amortization for the year	382	382
As at December 31, 2023	1,026	1,026
Net book value as at December 31, 2023	898	898

## 15. Deferred tax assets

At December 31, 2024, the deferred tax assets comprise of tax losses carry forward (TLCF), temporary valuation differences for property plant and equipment (PPE), unused tax credit and temporary valuation differences for pensions (pension). The movements during the years 2024 and 2023 are as follows:

<i>In thousands of U.S.\$</i>	<b>TLCF</b>	<b>PPE</b>	<b>Unused Tax Credit</b>	<b>Pension</b>	<b>Total</b>
As at January 1, 2024	25,829	53,033	23,266	3,624	105,752
<b>Recognised in OCI</b>	-	-	-	(220)	(220)
<b>Recognised in income statement</b>	<b>(4,906)</b>	<b>(2,089)</b>	<b>5,067</b>	<b>(1,756)</b>	<b>(3,684)</b>
Change in unrecognized deferred tax assets	(4,750)	5,809	-	(1,756)	(697)
Realization of temporary valuation differences	(156)	(7,898)	5,067	-	(2,987)
As at December 31, 2024	<b>20,923</b>	<b>50,944</b>	<b>28,333</b>	<b>1,648</b>	<b>101,848</b>
As at January 1, 2023	25,514	53,300	19,055	3,522	101,391
<b>Recognised in OCI</b>	-	-	-	<b>507</b>	<b>507</b>
<b>Recognised in income statement</b>	<b>315</b>	<b>(267)</b>	<b>4,211</b>	<b>(405)</b>	<b>3,854</b>
Change in unrecognized deferred tax assets	494	7,497	5,160	-	13,151
Realization of temporary valuation differences	(179)	(7,764)	(949)	(405)	(9,297)
As at December 31, 2023	<b>25,829</b>	<b>53,033</b>	<b>23,266</b>	<b>3,624</b>	<b>105,752</b>

The deferred tax assets relate to the group companies in the Netherlands. The tax loss carry-forward exists due to operational losses in prior years. Due to the transfer of the vessels from the Curacao NV's to Dutch BV's a tax rejuvenation has taken place. The book result on this transfer has been compensated by Tax Losses Carried Forward while a higher tax book value generates higher fiscal depreciation in the future. The Group also recognizes deferred tax assets for deductible temporary differences arising from interest expense carry forwards subject to earnings stripping limitations.

Additionally, since the impairment on the book value of the FPSO Glas Dowr cannot be taken into account from a tax perspective, the higher tax book value will generate higher fiscal depreciation in the future resulting in an increase of the deferred tax assets. Bluewater has analysed the future realization of the remaining losses carried forward as well as the temporary difference in book value, considering Bluewater's history of earnings, projected earnings based on current contracts as well as future contracts, the applicable tax rate, the new rules regarding limitation of deductibility of interest and the maximum carry forward period of the tax losses.

The group has recognized deferred tax assets to the extent that it is probable that future taxable profits will be available against which unused tax losses, tax credits and deductible temporary differences can be utilized. As the future is uncertain, management has a horizon anticipated of future cash flows over the coming 7 years. Given the cycles in the oil market in general, this is currently management's best estimate of the coming profit making years given the level of uncertainty. Based on this analysis, Bluewater concluded that it is probable that an estimated amount resulting from temporary differences resulting in a deferred tax asset of U.S.\$80.0 million will be fully realized. As of December 31, 2024, no portion of the total deferred tax balance is expected to be realized within one year (December 31, 2023: U.S.\$10.0 million).

At December 31, 2024 Bluewater has Tax Losses Carried Forward in the Netherlands of a total nominal amount of U.S.\$123.7 million (December 31, 2023: U.S.\$98.4 million). As of January 1, 2022 expiration of existing loss carry forward is no longer applicable. An amount of U.S.\$50.9 million (2023: nil) of Tax Losses Carried Forward has not been recognised as part of deferred tax assets as it is not probable that this amount can be utilized within 7 years.

At December 31, 2024 Bluewater has temporary differences related to property plant and equipment in the Netherlands. Due to the fact that part of these differences can only be utilized in 2031 and beyond, these differences are not valued. Regarding the temporary valuation differences for the property, plant and equipment an amount of U.S.\$42.8 million (December 31, 2023: U.S.\$79.1 million) has not been valued as a deferred tax asset on the statement of financial position date.

At December 31, 2024 Bluewater has loss carry forwards in the United Kingdom that do not expire of a total nominal amount of U.S.\$ 69.3 million (GBP 55.3 million) (2023: U.S.\$70.3 million (GBP 55.3 million)), resulting from trading losses incurred. Based on new secured commitments, Bluewater does consider it probable that tax losses for an amount of U.S.\$1.2 million will be realized. Accordingly, Bluewater has recognised a deferred tax asset related to these losses to an amount of U.S.\$0.3million (December 31, 2023: U.S.\$0.4 million).

## 16. Inventories

Inventories comprise a stock buoy and stock items available for sale to third parties or for use in future SPM or FPSO conversion projects.

## 17. Trade and other receivables

<i>In thousands of U.S.\$</i>	2024	2023
Trade debtors	19,105	22,942
Other receivables	5,746	15,986
Affiliated receivables	8,233	7,281
	<hr/>	<hr/>
	33,084	46,209

The cumulative adjustment of the net realizable value of doubtful debtors amounting to U.S.\$2.7 million (2023: U.S.\$2.5 million) has been deducted from trade debtors. The directors consider that the carrying amount of trade and other receivables approximates to their fair value.

## 18. Contract assets

In thousands of U.S. \$	2024	2023
Costs incurred plus profits recognised to date	699,331	658,282
Progress billings	<u>(722,533)</u>	<u>(653,384)</u>
	<u>(23,202)</u>	<u>4,898</u>
Amounts due from customers under construction contracts	5,688	10,291
Amounts due to customers under construction contracts	24 <u>(28,890)</u>	<u>(5,393)</u>
	<u>(23,202)</u>	<u>4,898</u>

The cost incurred includes the amount of recognised profits or losses to date.

## 19. Cash and cash equivalents

In thousands of U.S. \$	2024	2023
Bank balances	44,860	21,519
Deposits	59	201
Cash and cash equivalents in the statement of cash flows	<u>44,919</u>	<u>21,720</u>

The total amount of outstanding guarantees at December 31, 2024 is U.S.\$3.3 million (December 31, 2023: U.S.\$22.3 million). Cash collateral for bank guarantees outstanding kept in restricted accounts amounted to nil at December 31, 2024 (December 31, 2023: U.S.\$ nil). Furthermore, cash and cash equivalents include an amount of U.S.\$0.2 million (December 31, 2023: U.S.\$0.2 million) of restricted accounts which are not directly available for use.

## 20. Loans and borrowings

In thousands of U.S. \$	2024	2023
<b>Non-current liabilities</b>		
Unsecured bond	111,884	146,408
	<u>111,884</u>	<u>146,408</u>
<b>Current liabilities</b>		
Current portion of bank loans	-	4,697
Current portion of bonds	40,000	40,000
	<u>40,000</u>	<u>44,697</u>

### Terms and debt repayment schedule

Terms and conditions of outstanding loans were as follows:

In thousands of U.S. \$	Nominal Currency	interest rate	Year of Maturity	2024	2024
Unsecured bond	USD	Fixed 12%	2026	151,884	151,884
Total interest-bearing liabilities				<u>151,884</u>	<u>151,884</u>

In thousands of U.S. \$	Nominal Currency	interest rate	Year of Maturity	2023	2023
Revolving Credit Facility	USD	SOFR + 4.2%	2024	29,697	4,697
Unsecured bond	USD	Fixed 12%	2026	186,408	186,408
Total interest-bearing liabilities				<u>216,105</u>	<u>191,105</u>

### Revolving credit facility

Effective December 17, 2018 the Company entered a U.S.\$220.0 million Revolving Credit Facility as last amended on December 17, 2023. The facility is provided by Deloitte Accountants B.V. for identification purposes only. Related to auditor's report dated 26 March 2025.

November 15, 2024. The amendments reduced the Facility Amount to U.S.\$15 million and extended the Final Maturity Date, with amended the financial covenants. Uncommitted ancillary facility remains on U.S.\$92.5 million for guarantees. Interest on the U.S.\$15.0 million Revolving Credit Facility is 3-months USD SOFR plus 4.2% margin per annum and the Final Maturity Date is November 15, 2025. U.S.\$0.3 million of debt arrangement fees has been amortized as finance expenses in 2024 (2023: U.S.\$0.5 million). U.S.\$0.3 million is capitalized as per December 31, 2024 to be amortized until November 15, 2025. As per December 31, 2024 the Revolving credit facility was undrawn. FPSOs Aoka Mizu, Haewene Brim and Bleo Holm provide collateral for this facility.

#### **Unsecured bond**

Effective November 10, 2022 the Company issued a U.S.\$240.0 million unsecured bond with a fixed interest rate of 12% per year and a maturity date of November 10, 2026. U.S.\$5.5 million of debt arrangement fees has been amortized as finance expenses in 2024 (2023: U.S.\$6.1 million). The amount of the unsecured bond as per December 31, 2024 amounting to U.S.\$ 151.9 million is the net balance of the U.S.\$160 million unsecured bond loan and the current balance of unamortized borrowing costs of U.S.\$8.1 million (December 31, 2023: U.S.\$ 186.4 million was the net balance of the U.S.\$200 million unsecured bond loan and the current balance of unamortized borrowing costs of U.S.\$13.6 million). During 2024, the Company has made partial redemption amounting to U.S.\$40 million (2023: U.S.\$40 million).

#### **21. Lease liabilities**

Lease liabilities included in the consolidated statement of financial position:

##### **Analysed as:**

<i>In thousands of U.S.\$</i>	<b>2024</b>	<b>2023 (Restated)</b>
Non-current	11,464	14,978
Current	2,960	2,980
<b>Total lease liabilities</b>	<b>14,424</b>	<b>17,958</b>

##### **Maturity analysis:**

<i>In thousands of U.S.\$</i>	<b>2024</b>	<b>2023 (Restated)</b>
Year 1	2,960	2,980
Year 2	3,026	3,020
Year 3	2,911	3,084
Year 4	3,089	2,955
Year 5	2,438	3,189
Onwards	-	2,730
<b>Total lease liabilities</b>	<b>14,424</b>	<b>17,958</b>

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function. Lease liabilities increased during the period is mainly caused by new additions and lease amendments of U.S.\$0.1 million and repayments of U.S.\$3.9 million (2022: U.S.\$3.6 million).

Property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

#### **22. Employee benefits**

##### **Modification of the defined benefit plan and transition to a defined contribution plan**

During 2024, the Group revised its employee benefits structure. Previously, the group companies in the Netherlands operated a defined benefit plan under which employees were entitled to post-retirement yearly instalments amounting to 1.83% of the average salary, subject to a deductible of approximately EUR 18.8 thousand and a maximum of EUR 107.4 thousand, for each year of service until the retirement age of 68.

As of January 2025, the defined benefit plan has been closed to future accruals for active participants. The unconditional indexations will continue to be granted to active participants in the Defined benefit plan for as long as they remain in active

service. These changes have led to a Past Service Credit amounting to U.S.\$5.9 million. Under this revised structure:

- Existing employees who were previously enrolled in the defined benefit plan were transitioned to a defined contribution plan. Acquired rights under the defined benefit plan as per December 31, 2024 were retained.
- No new employees will be added to the defined benefit plan.
- The Company will not make any further contributions to the defined benefit plan beyond those required for past service obligations.
- Newly hired employees will be enrolled in the defined contribution plan with contribution of a fixed percentage of their salaries in line with the new policy.

The closed defined benefit plan will continue to be accounted for in accordance with IAS 19 – Employee Benefits: The Company will continue to recognize:

- Service costs for existing participants.
- The defined benefit obligation with actuarial remeasurements conducted periodically and resulting gains/losses recognized in other comprehensive income.

The transition to the defined contribution plan does not impact the existing defined benefit obligations as at December 31, 2024 but will result in a change in future pension cost structure.

The defined contribution plan will be recognized on an ongoing basis as an expense in the period in which employees render services, with no further obligations beyond the fixed contributions.

#### Defined benefit plan structure prior to modification

The liabilities and expenses arising from the plan are as follows:

<i>In thousands of U.S.\$</i>	<b>2024</b>	<b>2023</b>
Present value of funded obligations	(88,810)	(95,783)
Fair value of plan assets	82,421	81,739
<b>Net liability arising from defined benefit obligation</b>	<b>(6,389)</b>	<b>(14,044)</b>

The plan is subject to the regulations as stipulated in the Pensions Act (in Dutch: 'Pensioenwet'). In the Pensions Act the plan needs to be fully funded and needs to be operated outside Bluewater by a separate legal entity. The plan has been insured by a third-party insurance company. Consequently, most of the risks associated with the plan have been transferred to this third-party insurance company and the funding requirements are determined by the third-party insurance company. The insurance company guarantees that all pension entitlements that have been accrued until December 31, 2024 are paid to the pension plan participants and is responsible for operating the plan in accordance with the pension agreement. The insurance company is also responsible for the investment policy with regard to the assets. The plan assets are deemed to be equal to the accrued pensions and the discount rate used to calculate the present value of the plan assets is equal to the discount rate used to calculate the projected benefit obligation.

Bluewater has no additional responsibilities for the governance of the pension plan. The risks associated with the plan that remain with Bluewater are limited to salary risk, risk of individual value transfers and the risk of default by the insurance company.

#### Movement in the present value of the defined benefit obligations in the Netherlands

<i>In thousands of U.S.\$</i>	<b>2024</b>	<b>2023</b>
Defined benefit obligations at beginning of period	95,783	77,868
Current service costs	3,653	3,108
Past service costs	(5,908)	-
Interest expense	3,359	3,322
Benefits payment from plan	(1,357)	(1,249)
Effect of changes in demographic assumptions	152	(185)
Effect of changes in financial assumptions	(879)	10,071
Effect of experience adjustments	(481)	(308)
Translation result	(5,512)	3,156
<b>Defined benefit obligations at December 31</b>	<b>88,810</b>	<b>95,783</b>

### Movement in the present value of plan assets

<i>In thousands of U.S. \$</i>	<b>2024</b>	<b>2023</b>
Fair value of plan assets at beginning of period	81,739	64,222
Interest income	2,933	2,862
Employer contributions	4,100	6,340
Benefit payments from plan	(1,357)	(1,249)
Administrative expenses paid from plan assets	(39)	(38)
Re-measurements on plan assets	33	6,938
Translation result	(4,988)	2,664
Fair value of plan assets at December 31	<b>82,421</b>	<b>81,739</b>

### Expense recognised in the consolidated income statement and comprehensive income

<i>In thousands of U.S. \$</i>	<b>2024</b>	<b>2023</b>
Current service costs	3,653	3,108
Past service costs	(5,908)	-
Interest expense on obligation	3,359	3,322
Interest (income) on plan assets	(2,933)	(2,862)
Administrative expenses and taxes	39	38
Defined benefits costs included in the consolidated income statement	(1,790)	3,606
Effect of changes in demographic assumptions	152	(185)
Effect of changes in financial assumptions	(879)	10,071
Effect of experience adjustments	(481)	(308)
Re-measurements on plan assets (excluding interest income)	(33)	(6,938)
Defined benefits cost in other comprehensive income	(1,241)	2,640
Total defined benefit cost recognised in the consolidated income statement and comprehensive income	<b>(3,031)</b>	<b>6,246</b>

### Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	<b>2024</b>	<b>2023</b>
Discount rate at December 31	3.60%	3.60%
Future salary increases	2.50%	2.70%
Future pension increases	2.00%	2.20%
Inflation	2.00%	2.20%

The duration of the liabilities is approximately 19.0 years (2023: 20.0 years) based on the discount rate above. The sensitivity of the main driver which is the discount rate can be displayed as follows:

	Basis scenario	Scenario with increased assumption	Scenario with decreased assumption
Discount rate	3.60%	3.85%	3.35%
Benefit obligation	88,810	84,877	93,006
Service cost at beginning of year	-	-	-

The Group's subsidiaries should fund the cost of the entitlements expected to be earned on a yearly basis. Employees pay no additional fund. The residual contribution (including back-service payment) is paid by the entities of the Group. The funding requirements are based on a local actuarial measurement framework. In this framework the discount rate is set on a risk-free rate. Furthermore, premiums are determined on a current salary base. Additional liabilities stemming from past service due to salary increases (back-service liabilities) should be paid immediately to the plan. Apart from paying the costs of the entitlements the Group's subsidiaries are not liable to pay additional contributions in case the plan does not hold sufficient assets. In that case the plan should take other measures to restore its solvency such as a reduction of the entitlements of the plan members.

The average duration of the benefit obligation at the end of the reporting period is 19.0 years (2023: 20.0 years). This number can be subdivided into the duration related to:

- Active members: 21.3 years (2023: 22.6 years)
- Deferred members: 21.5 years (2023: 21.9 years)
- Retired members: 9.8 years (2023: 10.0 years)

The Group companies in the United Kingdom sponsor defined contribution plans based on local practice and regulations. The contributions relating to these plans are charged to income in the year to which they relate. For the years 2024 and 2023 contributions charged to income amount to U.S.\$416 thousand and U.S.\$419 thousand respectively.

### 23. Trade and other payables

<i>In thousands of U.S.\$</i>	2024	2023
Trade payables	21,166	26,436
Accrued expenses	17,358	10,355
Accrued interest	2,745	3,384
Related party Aurelia Energy N.V.	4,603	4,620
Related party Supernova Ireland B.V.	12	13
Wages taxes and social securities	2,301	2,986
	<hr/>	<hr/>
	48,185	47,794

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 30 days. For most suppliers no interest is charged on the trade payables for the first days from the date of the invoice. The directors consider the carrying amount of trade payables approximates to their fair value.

### 24. Contract liabilities

Contract liabilities classified as current liability consists of instalments invoiced for construction contracts exceeding cost incurred.

<i>In thousands of U.S.\$</i>	2024	2023
<b>Current contract liabilities</b>		
Billings in excess of contract liabilities	28,890	5,393
Current contract liabilities	<hr/>	<hr/>
	28,890	5,393

### 25. Financial risk management

#### Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reported date was:

<i>In thousands of U.S.\$</i>	Carrying amount	
	2024	2023
Cash and cash equivalents	44,919	21,720
Trade and other receivables	33,084	46,209
	<hr/>	<hr/>
	78,003	67,929

The maximum exposure to credit risk for trade debtors at the reporting date by geographic region was:

<i>In thousands of U.S.\$</i>	Carrying amount	
	2024	2023
Europe	10,843	19,862
Asia	6,768	2,445
Africa	1,494	564
North America	-	61
South America	-	10
	<hr/>	<hr/>
	19,105	22,942
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	dated 26 March 2025	

Several major customers in the FPSO and SPM segment have been identified, that each contributes to 10 percent or more of total trade debtors individually. In 2024, trade debtors from four such major customers amounted to U.S.\$5.6 million, U.S.\$5.2 million, U.S.\$2.4 million and U.S.\$2.2 million. In 2023, trade debtors from three such major customers amounted to U.S.\$6.3 million, U.S.\$ 5.5 million and U.S.\$3.4 million.

### Impairment losses

The ageing of trade debtors at the reporting date was:

<i>In thousands of U.S.\$</i>	<b>Gross 2024</b>	<b>Provision 2024</b>	<b>Gross 2023</b>	<b>Provision 2023</b>
Current 0 - 30 days	9,686	-	18,940	-
Past due 31 – 60 days	2,289	-	2,156	-
Past due 61 - 90 days	5,332	-	340	-
Past due 91 – 180 days	175	-	354	-
More than 180 days	4,294	2,671	3,643	2,491
<b>Total</b>	<b>21,776</b>	<b>2,671</b>	<b>25,433</b>	<b>2,491</b>

The movement in the allowance for impairment in respect of trade debtors during the year was as follows:

<i>In thousands of U.S.\$</i>	<b>2024</b>	<b>2023</b>
Balance at beginning of period	2,491	2,561
Additions	180	-
Settlement release	-	(70)
Impairment loss recognised	-	-
<b>Balance at December 31</b>	<b>2,671</b>	<b>2,491</b>

Based on past experience, Bluewater believes that no further impairment allowance is necessary in respect of past due trade debtors. The allowance accounts in respect of trade debtors are used to record impairment losses unless Bluewater is satisfied that no recovery of the amount owing is possible; at that point the amount considered irrecoverable is written off against the financial asset directly.

### Liquidity risk

Effective December 17, 2018, Bluewater has entered into a Revolving Credit Facility as last amended on November 15, 2024, with this U.S.\$ 15 million Facility it can access the capital needs to meet fluctuations in liquidity by drawing funds under this facility. Below are the contractual maturities of financial liabilities:

#### December 31, 2024

<i>In thousands of U.S.\$</i>	<b>Carrying amount</b>	Contractual cash flows	<b>1 year</b>	<b>2 – 5 years</b>	<b>More than 5 years</b>
<b>Non-derivative financial liabilities</b>					
Secured bank loans	-	-	-	-	-
Lease liabilities	14,424	16,489	3,722	12,767	-
Unsecured U.S.\$160.0 million bond issue	151,884	191,200	58,000	133,200	-
Trade and other payables	48,185	48,185	48,185	-	-
<b>Total</b>	<b>214,493</b>	<b>255,874</b>	<b>109,907</b>	<b>145,967</b>	<b>-</b>

#### December 31, 2023 (Restated)

<i>In thousands of U.S.\$</i>	<b>Carrying amount</b>	Contractual cash flows	<b>1 year</b>	<b>2 – 5 years</b>	<b>More than 5 years</b>
<b>Non-derivative financial liabilities</b>					
Secured bank loans	4,697	5,041	5,041	-	-
Lease liabilities	17,958	22,804	3,970	15,822	3,012
Unsecured U.S.\$200.0 million bond issue	186,408	254,000	62,800	191,200	-
Trade and other payables	47,794	47,794	47,794	-	-
<b>Total</b>	<b>256,857</b>	<b>329,639</b>	<b>119,605</b>	<b>207,022</b>	<b>3,012</b>

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## Cash flow hedges

As per December 31, 2024 and December 31, 2023 there are no forward exchange contracts accounted for as cash flow hedges.

## Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2023. The capital structure of the Group consists of net debt (borrowings disclosed in note 20 and lease liabilities disclosed in note 21 less cash and cash equivalents disclosed in note 19) and equity of the Group (comprising issued capital, reserves, retained earnings). The Group is subject to externally imposed capital requirements regarding to Unsecured bond and the Revolving Credit Facility.

## Gearing ratio

<i>In thousands of U.S. \$</i>	2023	
	2024	(Restated)
Debt	166,308	209,063
Cash and cash equivalents	(44,919)	(21,720)
Net debt	121,389	187,343
Equity	243,675	240,796
Net debt to equity ratio	49.8%	77.8%

Debt is defined as long-and short-term borrowings and lease liabilities (excluding derivatives and financial guarantee contracts).

## Exposure to currency risk

Bluewater's revenues are primarily denominated in Pound sterling and, to a lesser extent, USD, Euro and Norwegian krone. In 2024, approximately U.S.\$122.0 million (2023: U.S.\$117.5 million) of Bluewater's revenues was denominated in Pound sterling, approximately U.S.\$60.5 million (2023: U.S.\$48.5 million) was denominated in Euro and approximately U.S.\$ nil (2023: U.S.\$-0.2 million) was denominated in Norwegian krone. Bluewater's expenses are denominated primarily in U.S. dollars and to a lesser degree, Euro, Pound sterling and several other currencies. Bluewater is exposed to fluctuations in foreign currency exchange rates, because a portion of its expenses and financial indebtedness is denominated in currencies that are different from Bluewater's revenues. Bluewater's policy is to match, through our FPSO service agreements, the revenues in a particular currency with its operating costs in that currency, thereby minimizing the risk associated with fluctuations in foreign currency exchange rates. Bluewater also matches its indebtedness denominated in U.S. dollars with its revenues denominated in U.S. dollars. Bluewater purchases foreign currency exchange contracts from financial institutions to the extent of any residual exposure. Bluewater manages its outstanding currency exposure on a regular basis and nets these exposures across its operations as a group. Gains and losses related to specific currency transactions are recognised as part of its income from financing activities.

In the years 2024 and 2023 Bluewater entered into foreign currency exchange contracts in relation to projects to hedge against the risk of fluctuations in foreign currency exchange rates for expenditures in currencies other than the project currency. Bluewater may designate certain foreign currency exchange contracts as cash flow hedges. For such contracts designated and that qualify as cash flow hedges gains and losses related to project specific currency transactions are recognised as part of the hedging reserve.

The following significant exchange rates applied during the year:

USD	Average rate		Reporting date mid-spot rate	
	2024	2023	2024	2023
EUR 1	1.0856	1.0800	1.0409	1.1052
GBP 1	1.2809	1.2407	1.2544	1.2715

## Sensitivity analysis

At December 31, 2024 there were no outstanding hedge contracts.

## Interest rate risk

### Profile

Most of the Group indebtedness consists of the unsecured bond and is expected to continue to be outstanding. Beside the Unsecured Bond the Group has a corporate bank facility. This loan bear interest at rates typically expressed as a margin over the appropriate interbank rate.

At the reporting date the interest rate profile of the Group's notional interest-bearing financial instruments was as follows:

<i>In thousands of U.S.\$</i>	<b>Notional amounts</b>	
	<b>2024</b>	<b>2023</b>
Fixed rate financial liabilities	160,000	200,000
Variable rate financial liabilities	-	4,697

### Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial liabilities at fair value through the consolidated income statement, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect the consolidated income statement.

### Cash flow sensitivity analysis for variable rate instruments

At the reporting date, the Group had no variable rate financial liabilities and therefore, a change in interest rates would not affect the consolidated income statement.

### Fair values versus carrying amounts

The fair values of financial assets and liabilities are not materially different from the carrying amounts, except for the fair value of the unsecured bond with a notional amount of U.S.\$160.0 million, which amounts to U.S.\$ 162.3 million as per December 31, 2024 (the fair value of the unsecured bond with a notional amount of U.S.\$200.0 million amounts to U.S.\$200.5 million as per December 31, 2023).

Bluewater uses the following fair value hierarchy for financial instruments that are measured at fair value in the consolidated statement of financial position: the fair value of financial assets that are traded on an active liquid market are determined with reference to the quoted market price (level 1), fair values of forward exchange contracts, interest rate swaps and interest rate caps are based on quotes from banks (level 2). Bluewater does not use pricing models to determine fair values (level 3).

## 26. Operating leases

### Leases as lessor

Bluewater leases its FPSOs under medium- and long-term service contracts and bareboat contracts with lease terms between one and six years. The lessee does not have an option to purchase the property at the expiry of the lease period. Maturity analysis of operating lease payments excluding any tariff payments dependent on actual production under the Bareboat Charter ('BBC'):

<i>In thousands of U.S.\$</i>	<b>2024</b>	<b>2023</b>
Year 1	29,570	44,640
Year 2	18,595	9,170
Year 3	-	7,345
Year 4	-	-
Year 5	-	-
	<b>48,165</b>	<b>61,155</b>

During 2024, the Group reported in income statement lease income on operating leases of U.S.\$77.0 million (2023: U.S.\$92.6million) including any tariff payments dependent on actual production under the BBC.

## 27. Commitments and contingencies

### Claims and suits

From time to time, the Company is subject to various claims arising out of the ordinary course of business. In 2021, an affiliate of Company received a claim letter in the amount of U.S.\$ 10.7 million from a client, claiming an alleged breach of contract. This claim has been fully rejected by the Company as the Company considers this claim lacks legal basis. Since May 2022 no further developments have taken place. Management considers the claim as closed and no cash out is expected from this.

### Purchase commitments

As per December 31, 2024, Bluewater has entered into purchase commitments for SPM projects of U.S.\$23.8 million (December 31, 2023: U.S.\$1.9 million).

## 28. Related parties

### Key management personnel compensation

Key management personnel compensation comprises:

<i>In thousands of U.S.\$</i>	<b>2024</b>	<b>2023</b>
Short-term employee benefits	2,523	3,144
Post-employment benefits	159	179
	<b>2,682</b>	<b>3,323</b>

In 2024 an amount of U.S.\$105 thousand (2023: U.S.\$109 thousand) for the remuneration of the Supervisory Board members and audit committee of the legal entity is included in the consolidated income statement of the Company.

### Outstanding balances on related parties

The following table provides balances with related parties outstanding at the reporting date:

	<b>Amounts owed by related parties</b>		<b>Amounts owed to related parties</b>	
	<b>December 31, 2024</b>	<b>December 31, 2023</b>	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Aurelia Energy N.V.	-	-	4,603	4,620
Aurelia Holding N.V.	1,280	1,176	-	-
Bluewater Oil and Gas Investment Ltd.	1,500	1,484	-	-
Galaxy Energy B.V.	122	108	-	-
Supernova Energy B.V.	5,293	4,481	-	-
Supernova Ireland B.V.	-	-	12	13
Supernova Holding B.V.	38	32	-	-
	<b>8,233</b>	<b>7,281</b>	<b>4,615</b>	<b>4,633</b>

## 29. Subsequent events

Post balance sheet date, the Company improved its available working capital per March 2025 by adding an additional U.S.\$ 35.0 million term loan with nearly a 2-year tenor till November 1, 2026 under the existing RCF documentation. Apart from this, there were no events after the reporting date that would require adjustment of financial position or special disclosure.

## 30. Group entities

### Significant subsidiaries

The consolidated financial statements integrally include the financial statements of the Company and the group companies listed below, which are economically and organizationally linked to the Company. Bluemar Lda., in which the Company has a 49% ownership interest, is fully consolidated because this subsidiary is fully controlled by the Company based on a Deloitte Accountants B.V.

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shareholder agreement. Except for Bluemar Lda, all subsidiaries are wholly owned. No non-controlling interests is recorded for Bluemar Lda, due to the fact this entity has a negative equity value as at balance sheet date.

Name	Legal seat
Bluemar Lda.	Luanda, Angola
Bluewater (Aoka Mizu) B.V.	Hoofddorp, the Netherlands
Bluewater (Bleo Holm) B.V.	Hoofddorp, the Netherlands
Bluewater (Dili) Unipessoal, Ltda.	Dili, Timor Leste
Bluewater do Brasil Serviços de Energia Ltda.	Rio de Janeiro, Brasil
Bluewater Energy Contractors B.V.	Hoofddorp, the Netherlands
Bluewater Energy Services B.V.	Haarlemmermeer, the Netherlands
Bluewater Floating Production B.V.	Hoofddorp, the Netherlands
Bluewater (Floating Production) Ltd.	London, United Kingdom
Bluewater (Glas Dowr) B.V.	Hoofddorp, the Netherlands
Bluewater (Glas Dowr) N.V.	Willemstad, Curaçao
Bluewater (Haewene Brim) B.V.	Hoofddorp, the Netherlands
Bluewater International B.V.	Hoofddorp, the Netherlands
Bluewater International Holdings B.V.	Hoofddorp, the Netherlands
Bluewater International US Inc.	Humble, Texas, United States of America
Bluewater Lancaster Production (UK) Ltd.	London, United Kingdom
Bluewater (Munin) B.V.	Hoofddorp, the Netherlands
Bluewater Offshore Productions Systems Nigeria Ltd.	Lagos, Nigeria
Bluewater Services International Private Ltd.	Republic of Singapore
Bluewater Services (UK) Ltd.	London, United Kingdom
Bluewater Technical Support N.V.	Willemstad, Curaçao
Bluewater Tidal Energy Ltd.	London, United Kingdom
Pierce Production Company Ltd.	London, United Kingdom

## Company income statement

For the year ended

	December 31, 2024	December 31, 2023 (Restated)*
<i>In thousands of U.S. \$</i>		
Company result after taxes	2,763	2,415
Result from investments	(226)	10,248
<b>Profit for the period</b>	<b>2,537</b>	<b>12,663</b>

\* The comparative information has been restated as a result of correction of errors. See note 2.

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

## Company statement of financial position

(After appropriation of result)

		December 31, 2024	December 31, 2023	
				(Restated)*
<i>In thousands of U.S. \$</i>				
<b>Assets</b>				<b>Note</b>
	Financial assets	3	610,131	585,015
	Deferred tax assets	4	<u>101,556</u>	105,304
<b>Total non-current assets</b>			<u>711,687</u>	<u>690,319</u>
	Trade and other receivables		800	292
	Receivables due from related parties	5	119,746	94,510
	Prepayments for current assets		-	-
	Cash and cash equivalents		<u>42,936</u>	<u>20,594</u>
<b>Total current assets</b>			<u>163,482</u>	<u>115,396</u>
<b>Total assets</b>			<u>875,169</u>	<u>805,715</u>
<b>Equity</b>				
	Issued share capital		104	110
	Share premium		2,997,233	2,997,233
	Translation reserve		(11,200)	(10,694)
	Other reserves		259	454
	Employee benefits reserve		(18,650)	(19,504)
	Accumulated deficit		<u>(2,724,071)</u>	<u>(2,726,803)</u>
<b>Total equity attributable to equity holder of the Company</b>		6	<u>243,675</u>	<u>240,796</u>
<b>Liabilities</b>				
	Loans and borrowings	7	<u>111,884</u>	<u>146,408</u>
<b>Total non-current liabilities</b>			<u>111,884</u>	<u>146,408</u>
	Loans and borrowings	7	40,000	44,697
	Trade and other payables	8	479,610	373,814
<b>Total current liabilities</b>			<u>519,610</u>	<u>418,511</u>
<b>Total liabilities</b>			<u>631,494</u>	<u>564,919</u>
<b>Total equity and liabilities</b>			<u>875,169</u>	<u>805,715</u>

\* The comparative information has been restated as a result of correction of errors. See note 2.

## Notes to the company financial statements

### 1. Basis of preparation

The company financial statements are prepared in accordance with the option provided in section 2:362 (8) of the Dutch Civil Code in which is stated that the principles for the recognition and measurement of assets and liabilities and the determination of the result of the company financial statements are the same as those applied for the consolidated financial statements. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs) and interpretations adopted and endorsed by the European Union as described on pages 15 to 25 of this report. Participations in group companies in which significant influence is exercised on the business and financial policy, are valued under the net equity value, but not lower than nil. If the net asset value is negative, the participating interest is valued at nil. This likewise takes into account other long-term interests that should effectively be considered part of the net investment in the participating interest.

In accordance with Article 2:402 of the Dutch Civil Code, the company income statement is presented in an abbreviated form.

### 2. Correction of errors

In the course of preparation of these financial statements, the Company management identified errors in the financial statements for the previous years in relation to calculation of interest expense on and remeasurements of lease liabilities in participations.

As a result, as at December 31, 2023, Company's financial assets were overstated by U.S.\$3.9 million and accumulated deficit was understated by U.S.\$3.9 million.

The result from investments for the year ended December 31, 2023 were overstated by U.S.\$0.5 million.

The following table summarises the impact of the prior period error on the Company's financial statements.

#### Company statement of financial position

	December 31, 2023		
	As previously reported	Adjustments	As restated
<i>In thousands of U.S.\$</i>			
<b>Assets</b>			
Financial assets	588,918	(3,903)	585,015
<b>Total non-current assets</b>	<b>694,222</b>	<b>(3,903)</b>	<b>690,319</b>
<b>Total assets</b>	<b>809,618</b>	<b>(3,903)</b>	<b>805,715</b>
<b>Equity</b>			
Accumulated deficit	(2,722,900)	(3,903)	(2,726,803)
<b>Total equity attributable to equity holder of the Company</b>	<b>244,699</b>	<b>(3,903)</b>	<b>240,796</b>
<b>Total equity and liabilities</b>	<b>809,618</b>	<b>(3,903)</b>	<b>805,715</b>

#### Company income statement

	2023		
	As previously reported	Adjustments	As restated
<i>In thousands of U.S.\$</i>			
Result from investments	10,705	(457)	10,248
<b>Profit for the period</b>	<b>13,120</b>	<b>(457)</b>	<b>12,663</b>

### 3. Financial assets

*In thousands of U.S. \$*

Investments in group companies

	2024	2023 (Restated)
	610,131	585,015
	<u>610,131</u>	<u>585,015</u>

The investments in group companies are specified as follows:

*In thousands of U.S. \$*

Bluewater Floating Production B.V.  
Bluewater International B.V.  
Bluewater Energy Services B.V.  
Bluewater Services (UK) Ltd.

	2024	2023 (Restated)
Bluewater Floating Production B.V.	544,978	502,141
Bluewater International B.V.	7,422	1,230
Bluewater Energy Services B.V.	21,606	47,019
Bluewater Services (UK) Ltd.	36,125	34,625
	<u>610,131</u>	<u>585,015</u>

The movement in the investments in group companies is as follows:

*In thousands of U.S. \$*

Opening balance as reported  
Result for the year  
Capital contribution  
Dividend distribution  
Other movements  
Currency differences  
As at December 31

	2024	2023 (Restated)
Opening balance as reported	585,015	601,535
Result for the year	(226)	10,248
Capital contribution	25,000	-
Dividend distribution	-	(26,580)
Other movements	854	(1,964)
Currency differences	(512)	1,776
As at December 31	<u>610,131</u>	<u>585,015</u>

Other movements contain the movement in employee benefits reserve (IAS 19). For details, reference is made to the statement of changes in equity in the consolidated financial statements.

#### 4. Deferred tax assets

At December 31, 2024, the deferred tax assets comprise of tax losses carry forward (TLCF), temporary valuation differences for property plant and equipment (PPE), unused tax credit and temporary valuation differences for pensions (pension). The movements during the years 2024 and 2023 are as follows:

In thousands of U.S.\$	Unused				Total
	TLCF	PPE	Tax Credit	Pension	
As at January 1, 2024	25,381	53,033	23,266	3,624	105,304
<b>Recognised in OCI</b>	-	-	-	(220)	(220)
<b>Recognised in income statement</b>	(4,750)	(2,089)	5,067	(1,756)	(3,528)
Change in unrecognized deferred tax assets	(4,750)	5,809	-	(1,756)	(697)
Realization of temporary valuation differences	-	(7,898)	5,067	-	(2,831)
As at December 31, 2024	<b>20,631</b>	<b>50,944</b>	<b>28,333</b>	<b>1,648</b>	<b>101,556</b>
As at January 1, 2023	24,887	53,300	19,055	3,522	100,764
<b>Recognised in OCI</b>	-	-	-	507	507
<b>Recognised in income statement</b>	494	(267)	4,211	(405)	4,033
Change in unrecognized deferred tax assets	494	7,497	5,160	-	13,151
Realization of temporary valuation differences	-	(7,765)	(949)	(405)	(9,118)
As at December 31, 2023	<b>25,381</b>	<b>53,033</b>	<b>23,266</b>	<b>3,624</b>	<b>105,304</b>

The deferred tax assets relate to the group companies in the Netherlands. The tax loss carry-forward exists due to operational losses in prior years. Due to the transfer of the vessels from the Curacao NV's to Dutch BV's a tax rejuvenation has taken place. The book result on this transfer has been compensated by Tax Losses Carried Forward while a higher tax book value will generate higher fiscal depreciation in the future. Bluewater has analysed the future realization of the remaining losses carried forward as well as the temporary difference in book value, considering Bluewater's history of earnings, projected earnings based on current contracts as well as future contracts, the applicable tax rate, the new rules regarding limitation of deductibility of interest and the maximum carry forward period of the tax losses. Based on this analysis, Bluewater concluded that it is probable that an estimated amount resulting from temporary differences resulting in a deferred tax asset of U.S.\$80.0 million will be fully realized.

As of December 31, 2024, no portion of the total deferred tax balance is expected to be realized within one year (December 31, 2023: U.S.\$10.0 million).

At December 31, 2024 Bluewater has Tax Losses Carried Forward in the Netherlands of a total nominal amount of U.S.\$128.8 million (December 31, 2023: U.S.\$98.4 million). As of January 1, 2022 expiration of existing loss carry forward is no longer applicable.

At December 31, 2024 Bluewater has temporary differences related to property plant and equipment in the Netherlands. Due to the fact that these differences can only be utilized in 2029 and beyond, these differences are not valued. Regarding the temporary valuation differences for the property, plant and equipment an amount of U.S.\$42.8 million (2023: U.S.\$79.1 million) has not been valued as a deferred tax asset on the statement of financial position date.

#### 5. Receivables due from related parties

The receivables due from related parties are mainly related to the Group companies: Bluewater (Glas Dowr) B.V., Bluewater (Munin) B.V., Bluewater International B.V., Bluewater Offshore Productions Systems Nigeria Ltd., Bluemar Lda, and Supernova Energy B.V. For the affiliate receivables there is no interest charged.

#### 6. Equity attributable to equity holder of the Company

For details of the shareholder's equity, reference is made to the statement of changes in equity in the consolidated financial statements.

#### Share capital

The authorized share capital consists of 500,000 ordinary shares, of which 100,001 shares are issued, outstanding and fully paid as at December 31, 2024. The shares have a par value of EUR 1 each (approximately U.S.\$1.04). The holders of the shares are entitled to receive dividends as declared and are entitled to voting rights.

**Other reserves contain the following reserves:**

**Translation reserve**

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

**Other reserves**

The other reserves contains a legal reserve which is related to internally generated capitalized expenses for computer software reported under the intangible assets.

**Employee benefits reserve (IAS 19)**

The employee benefits reserve reflects the cumulative change in the defined benefit obligation and plan assets resulting from Bluewater's defined benefit pension plan. Such cumulative changes mainly result from actuarial gains and losses.

**Appropriation of result for the financial year 2023**

The annual report 2023 was adopted in the general meeting of shareholders held on March 18, 2024. The general meeting of shareholders has determined the appropriation of result in accordance with the proposal being made to that end.

**Proposed appropriation of the result for the year 2024**

Management proposes to allocate the net profit for the year of U.S.\$2.5 million to the accumulated deficit. This has been reflected in the accompanying financial statements.

## 7. Loans and borrowings

*In thousands of U.S. \$*

### Non-current liabilities

Unsecured bond

	2024	2023
Unsecured bond	111,884	146,408
	<u>111,884</u>	<u>146,408</u>

### Current liabilities

Current portion bank loans

	-	4,697
Current portion of unsecured bonds	<u>40,000</u>	<u>40,000</u>
	<u>40,000</u>	<u>44,697</u>

The movement in the non-current liabilities is as follows:

*In thousands of U.S. \$*

Opening balance

	2024	2023
Opening balance	160,000	200,000
Reclassified to current liabilities	(40,000)	(40,000)
Total outstanding non-current liabilities	<u>120,000</u>	<u>160,000</u>
Debt arrangement fees	(8,116)	(13,592)
As at December 31	<u>111,884</u>	<u>146,408</u>

Debt arrangement fees amounting to U.S.\$20.5 million for the bond issued in 2022 have been capitalized. As per December 31, 2024 U.S.\$8.1 million is capitalized as unamortized borrowing costs in relation to the bond (December 31, 2023: U.S.\$13.6 million).

## 8. Trade and other payables

*In thousands of U.S. \$*

Affiliate payables

	2024	2023
Affiliate payables	476,658	369,986
Other payables	2,952	3,828
	<u>479,610</u>	<u>373,814</u>

The affiliate payables are mainly related to the Group companies: Bluewater Floating Production B.V., Bluewater Energy Services B.V., Bluewater (Aoka Mizu) B.V., Bluewater (Bleo Holm) B.V., Bluewater (Haewene Brim) B.V., Bluewater Energy Contractors B.V., Bluewater Floating Production B.V. and Bluewater Services (UK) Ltd. For the affiliate payables there is no interest charged.

## 9. Joint and Several liability

The Company has assumed joint and several liability for all legal transactions carried out by the following consolidated group companies:

Name	Legal seat	Percentage of ownership
Bluewater Floating Production B.V.	Hoofddorp, the Netherlands	100%
Bluewater International B.V.	Hoofddorp, the Netherlands	100%

At the date of signing these accounts, the known potential amount under these guarantees amounted to nil.

Bluewater Holding B.V. provided a letter to its subsidiary Bluewater Energy Services B.V. in which is confirmed that Bluewater Holding B.V. will provide financial support to its subsidiary (if deemed necessary) that allows its subsidiary to operate on a continued basis for a period of not less than 12 months from the date of approval of the statutory financial statements for the year ended December 31, 2024.

## 10. Taxation

The Company is joint and severally liable for the corporate income taxes of the fiscal unity.

## **11. Remuneration of directors**

In accordance with Article 2:383 of the Dutch Civil Code, the remuneration of the only statutory director is not presented.

## **12. Audit fees**

The following fees relating to services provided by Deloitte Accountants B.V. are charged to the Company, its subsidiaries and other companies that are fully consolidated, as defined in Article 2:382a of the Dutch Civil Code: 2024 and 2023 U.S.\$0.5 million and U.S.\$0.5 million, respectively. Additionally, no audit fees were charged by other foreign Deloitte network auditors in relation to 2024 and 2023 statutory financial statements of foreign subsidiaries. Fees for non-audit services amounted to U.S.\$ nil in 2024 and U.S.\$22 thousand in 2023.

## **Other information**

### **Statutory rules concerning appropriation of the result**

The Articles of Association provide that the result for the year is subject to the disposition to be decided upon at the annual General Meeting of Shareholders.

### **Branches**

The Company has a branch in United Arabic Emirates and tax registrations in Norway and Kuwait for the purpose of project executions.

### **Independent auditor's report**

The independent auditor's report is set out on the next pages.

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders and the supervisory board of Bluewater Holding B.V.

### **Report on the audit of the financial statements for the year ended 31 December 2024 included in the annual report**

#### **Our opinion**

We have audited the financial statements for the year ended 31 December 2024 of Bluewater Holding B.V., based in Hoofddorp, the Netherlands. The financial statements comprise the Consolidated Financial Statements and the Company Financial Statements.

In our opinion:

- The accompanying Consolidated Financial Statements give a true and fair view of the financial position of Bluewater Holding B.V. as at 31 December 2024, and of its result and its cash flows for the year ended 31 December 2024 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.
- The accompanying Company Financial Statements give a true and fair view of the financial position of Bluewater Holding B.V. as at 31 December 2024, and of its result for the year ended 31 December 2024 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The Consolidated Financial Statements comprise:

1. The Consolidated Statement of Financial Position as at 31 December 2024.
2. The following statements for 2024: the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, and the Consolidated Statement of Cash Flows.
3. The Notes to the Consolidated Financial Statements comprising material accounting policy information and other explanatory information.

The Company Financial Statements comprise:

1. The Company Statement of Financial Position as at 31 December 2024.
2. The Company Income Statement for the year ended 31 December 2024.
3. The notes to the Company Financial Statements comprising a summary of the accounting policies and other explanatory information.

#### **Basis for our opinion**

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Bluewater Holding B.V. in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

### Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at USD 2.9 million (FY2023: USD 3.9 million), which is based on 5% of EBITDA (2023: 5% of EBITDA). We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the supervisory board that misstatements in excess of USD 145 thousand (2023: USD 195 thousand), which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

### Scope of the group audit

Bluewater Holding B.V. is at the head of a group of entities. The financial information of this group is included in the Consolidated Financial Statements of Bluewater Holding B.V.

Our group audit mainly focused on significant group entities that are (i) of individual significance to the group, or (ii) that, due to their specific nature or circumstance, are likely to include significant risks of material misstatement in the group financial statements.

We have performed audit procedures ourselves at group entities and we have performed specific audit procedures at other entities. This resulted in an audit coverage of 97% of consolidated assets and 97% of consolidated revenues. We did not make use of other (component) auditors.

By performing the procedures mentioned above at group entities, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion on the Consolidated Financial Statements.

### Audit approach fraud risks

#### *Description*

In accordance with Dutch Standards on Auditing, we are responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatements, whether due to fraud or error. Inherent to our responsibilities for the audit of the financial statements, there is an unavoidable risk that material misstatements go undetected, even though the audit is planned and performed in accordance with Dutch law.

The risk of undetected material misstatements due to fraud is even higher, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Also, we are not responsible for the prevention and detection of fraud and non-compliance with all laws and regulations. Our audit procedures differ from a forensic or legal investigation, which often has a more in-depth character.

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the company and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control and how the supervisory board exercises oversight, as well as the outcomes.

We refer to the management board report for management's (fraud) risk assessment and Audit Committee report in which the supervisory board reflects on this (fraud) risk assessment.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as among others the code of conduct, whistle blower procedures and incident registration. We evaluated the design and the implementation of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

Following these procedures, and the presumed risk under the prevailing auditing standards, we considered the fraud risks in relation to management override of controls to be applicable to our audit. Below we have summarised our related audit procedures for this fraud risk.

#### *Management override of controls*

We have identified the inherent risk that management is in a unique position to perpetrate fraud because of management's ability to manipulate accounting records by overriding controls and more specifically:

- Journal entries and other manual adjustments made during the preparation of the financial statements.
- The use of estimates, including high level of judgement and assumptions subject to management bias.
- Significant transactions outside the normal course of business for the group.

During our audit, we have:

- Evaluated the design and implementation of the relevant internal controls mitigating the risk of management override of controls.
- Performed journal entry testing audit procedures, using selected criteria of investigation, for journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.

- Evaluated whether the judgments and decisions made by management in making the accounting estimates included in the financial statements indicate a possible bias that may represent a risk of material misstatement due to fraud. Management insights, estimates and assumptions that might have a major impact on the financial statements are disclosed in note 3 of the financial statements. Reference is made to the section 'Our key audit matters'.
- Performed a retrospective review of management judgments and assumptions related to significant accounting estimates reflected in prior year financial statements.
- Evaluated whether the business rationale of the significant transactions suggests that they may have been entered into to engage in fraudulent financial reporting or to conceal misappropriation of assets.

Based on our audit procedures performed, we did not identify instances or suspicions of fraud due to management override of controls.

#### *Additional fraud related procedures*

In addition to the procedures summarised above related to the identified significant fraud risk, we have also:

- Considered available information and made inquiries with Group management, those charged with governance and others within the group, including but not limited to the finance and legal department.
- Evaluated whether the selection and application of accounting policies by the group, particularly those related to subjective measurements and complex transactions, may be indicative of fraudulent financial reporting.
- Incorporated elements of unpredictability in our audit in the selection of the nature, timing and extent of our audit procedures.
- Considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud.

This did not lead to indications for fraud potentially resulting in material misstatements.

#### **Audit approach compliance with laws and regulations**

We assessed the laws and regulations relevant to the entity through discussion with management, and through reading minutes and reports of management meetings. As a result of our risk assessment procedures, and while realising that the effects from non-compliance could considerably vary, we considered the following laws and regulations: (corporate) tax law, the requirements under the International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and Part 9 of Book 2 of the Dutch Civil Code with a direct effect on the financial statements as an integrated part of our audit procedures, to the extent material for the financial statements.

We obtained sufficient appropriate audit evidence regarding provisions of those laws and regulations generally recognised to have a direct effect on the financial statements.

Apart from these, the entity is subject to other laws and regulations, including export restrictions, where the consequences of non-compliance could have a material effect on amounts and/or disclosures in the financial statements, for instance, through imposing fines or litigation. In addition, we considered major laws and regulations applicable to companies with listed bonds. We have reviewed the company's anti-bribery and corruption procedures, including the review of new contracts with external agents.

Our procedures are more limited with respect to these laws and regulations that do not have a direct effect on the determination of the amounts and disclosures in the financial statements.

Compliance with these laws and regulations may be fundamental to the operating aspects of the business, to the entity's ability to continue its business, or to avoid material penalties (e.g., compliance with the terms of operating licenses and permits or compliance with environmental regulations) and therefore non-compliance with such laws and regulations may have a material effect on the financial statements. Our responsibility is limited to undertaking specified audit procedures to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements. Our procedures are limited to (i) inquiry of management, the supervisory board and others within the entity as to whether the entity is in compliance with such laws and regulations and (ii) inspecting correspondence, if any, with the relevant licensing or regulatory authorities to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements.

Naturally, we remained alert to indications of (suspected) non-compliance throughout the audit.

Finally, we obtained written representations that all known instances of (suspected) fraud or non-compliance with laws and regulations have been disclosed to us.

### **Audit approach going concern**

The financial statements have been prepared on a going concern basis. In assessing the appropriateness of applying the going concern assumption, we have performed the following specific audit procedures:

We have obtained and evaluated management's assessment of the entity's ability to continue as a going concern. As part of our assessment we have obtained an understanding of the process management followed to make its assessment.

We evaluated and challenged the budget and forecast of the Group for the next 7 years (FY2025-FY2031), including key assumptions such as tender opportunities, forecasted revenues and EBITDA. Furthermore, we have evaluated the liquidity and covenant compliance for a period of 12 months after the date of signing our auditor's report. We further read minutes of the meetings of management, shareholders and those charged with governance.

We have evaluated the adequacy of the going concern disclosure on page 9 in the financial statements.

Finally, we obtained written representations that the financial statement disclosure includes all known information which is deemed relevant for our assessment with respect to the group's ability to continue as a going concern.

### **Our key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the supervisory board. The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of FPSOs	
Description	How the key audit matter was addressed in the audit
Property, plant and equipment include Floating Production Storage and Offloading units ('FPSOs') for a total amount of USD 287.6 million as at 31 December 2024, which represents approx. 58% of the consolidated statement of financial position.	<p>In our audit, we have evaluated management's assessment of impairment indicators and evaluated the impairment testing of the vessels for which impairment indicators were identified.</p>
Negative changes in the business environment such as a decrease in the level of investments by oil & gas companies as a result of the energy transition could affect Bluewater's ability to find a customer for the two FPSOs which are currently in lay-up and/or to extend contracts of the three operational FPSOs.	<p>Our audit procedures related to the projected cash flows, valuation assumptions and discount rates used by management included the following, among others:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding of management's process and related internal controls over the impairment tests and tested design and implementation of controls relevant to our audit.</li> <li>• We evaluated management's ability to accurately forecast by comparing actual results to management's historical forecasts, external valuation reports and information included in the company's internal communications to the management board and the supervisory board.</li> <li>• We tested the key inputs included in the business model of the Company to the existing or potential contracts with customers and observable market data.</li> <li>• We evaluated sensitivities in management's projections that could cause a substantial change to the impairments recorded, and or cause headroom to change in an impairment.</li> <li>• With the assistance of our fair value specialists, we evaluated the reasonableness of the weighted average cost of capital, including testing the source information underlying the determination of the discount rates, testing the mathematical accuracy of the calculations, and developing a range of independent estimates and comparing those to the discount rates selected by management.</li> </ul>
In line with IAS 36, Bluewater's management prepares an annual assessment of impairment indicators at the end of the reporting period in order to assess whether there is any indication that the FPSOs may be impaired or that a reversal of a previously recognised impairment is deemed necessary. In assessing whether there is any indication that an asset may be impaired or that the reversal of an impairment is deemed necessary, management has considered external sources of information (two external valuation reports for the determination of the fair market value of the FPSOs), internal sources of information and other assumptions to estimate future market and economic conditions.	Furthermore, we have assessed the adequacy of the disclosures regarding the valuation of these property, plant and equipment (note 3 to the consolidated financial statements).
This area is relevant to our audit as the determination whether these FPSOs are not carried at more than their recoverable amounts is subject to significant management judgment.	

<p><b>Observation</b>            Our audit procedures are deemed appropriate and sufficient to conclude that no impairment loss or reversal should be recognised. Our procedures did not result in any reportable matters with respect to the valuation of the FPSOs.</p>	
<p><b>Valuation of deferred tax assets</b></p>	
<p><b>Description</b></p> <p>Bluewater Holding B.V. recognised deferred tax assets to the extent that it is probable that future taxable profits will be available against which unused tax losses, tax credits and deductible temporary differences can be utilised. Based on the fiscal profit forecast, recognised deferred tax assets as at 31 December 2024 amounting to USD 101.8 million.</p> <p>Negative changes in the (business) environment such as a decrease in the level of investments by oil &amp; gas companies as a result of the energy transition and the success of commercial activities, as disclosed in the paragraph 'Going concern assumption, uncertainties and risks' included in the Director's report, could affect Bluewater's ability to recover the deferred tax assets.</p> <p>Under EU-IFRS, the carrying amount of deferred tax assets should be reviewed at the end of each reporting period.</p> <p>The valuation of deferred tax assets is significant to our audit because of the related complexity of the valuation process, which involves significant management estimates about the expected future market and economic conditions.</p>	<p><b>How the key audit matter was addressed in the audit</b></p> <p>In our audit approach, we have evaluated the assumptions and methodologies used by Bluewater and the compliance with IAS12. In particular, we have assessed the recoverability of the deferred tax assets by reviewing (fiscal) profitability, management's forecasts and local tax developments.</p> <p>We have verified that the projections used are based on internally approved budgets. Furthermore, we have performed several substantive audit procedures, including back testing of estimates of last year based on actual results and challenging the assumptions underlying the projections with supporting evidence or our knowledge of Bluewater.</p> <p>We have also performed sensitivity/scenario analyses as part of our substantive audit procedures.</p> <p>Furthermore, we have assessed the adequacy of the disclosures regarding the valuation of deferred tax assets and income tax benefit (note 11 and note 15 to the consolidated financial statements, respectively).</p> <p><b>Observation</b>            Within the context of our audit on the financial statements as a whole and based on the materiality applied, we conclude that the management estimates about recoverability of the deferred tax assets are reasonable and within an acceptable range.</p>

## Report on the other information included in the annual report

The annual report contains other information, in addition to the financial statements and our auditor's report thereon.

The other information consists of:

- Director's report.
- Other Information as required by Part 9 of Book 2 of the Dutch Civil Code.

- Report by the Audit Committee.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements.
- Contains all the information regarding the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the Director's report in accordance with Part 9 of Book 2 of the Dutch Civil Code, and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

## **Description of responsibilities regarding the financial statements**

### **Responsibilities of management and the supervisory board for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, Management is responsible for such internal control as Management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, Management should prepare the financial statements using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the Company's financial reporting process.

### **Our responsibilities for the audit of the financial statements**

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material misstatements, whether due to fraud or error, during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Concluding on the appropriateness of Management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identified during our audit.

We provide the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the supervisory board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Amsterdam, 26 March 2025

Deloitte Accountants B.V.

Signed on the original: R.M. Smit