

BW OFFSHORE

Half-year report 2024

Condensed Interim Consolidated Financial Information



Highlights

- EBITDA of USD 163 million and operating cashflow of USD 198 million for the first half-year
- Net profit of USD 66 million for the first half-year
- Barossa project progressing on schedule
- Sale of the FPSO Polvo to BW Energy completed and receipt of USD 20 million final payment
- Recycling of the FPSO Petróleo Nautipa in compliance with Hong Kong Convention
- Sale of shares in BW Energy to BW Group for USD 176 million
- BW Catcher FPSO contract extended beyond fixed term
- Equity ratio of 30.4% and USD 728 million in available liquidity
- Completion of FEED work on the Sakarya project
- Full-year 2024 EBITDA expectation raised to USD 305–315 million

Half-year in brief

FINANCIALS

EBITDA for the period was USD 162.9 million (USD 139.9 million)¹, reflecting consistent high commercial fleet uptime and additional contribution of USD 16 million from Front-End, Engineering and Design (FEED) work related to the Sakarya project.

Depreciation was USD 88.4 million (USD 91.9 million).

Operating profit for the first half-year was USD 72.8 million (USD 55.4 million).

Net financial expense was USD 3.7 million (USD 20.9 million). The decrease mainly reflects a reduction in net interest-bearing debt and a positive impact from interest rate swaps.

Share of profit from equity accounted investments was USD 1.9 million (USD 0.3 million). In January 2024, all shares in BW Energy Limited were sold at a price of NOK 32 per share, resulting in total proceeds of USD 176.4 million.

Tax expense was USD 5.0 million (USD 6.1 million).

Net profit for the period was USD 66.0 million (USD 28.7 million).

On 30 June 2024, total equity was USD 1 230.5 million (USD 1 150.3 million) and the equity ratio was 30.4% (31.9%). As a result of strong cash generation from the fleet, combined with freeing up liquidity from the sale of BW Energy shares in 2024, the Company was net cash positive USD 29.0 million (net interest-bearing debt of USD 347.6 million) by 30 June 2024. Available liquidity was USD 728.5 million, excluding consolidated cash from BW Ideol and including USD 267.8 million undrawn under the corporate loan facility.

Net cash inflow from operating activities was USD 198.1 million of which USD 83.0 million was prepayment from Santos related to the contract for BW Opal (USD 212.4 million) in the first half-year. Net cash inflow from investment activities

was USD 0.2 million (outflow USD 278.1 million), reflecting the net impact of capital expenditures for the Barossa project and proceeds from the divestment of FPSOs and BW Energy shares. Net cash outflow from financing activities was USD 111.3 million (inflow USD 59.5 million). The variance primarily relates to effects from changes in net interest-bearing debt.

FPSO OPERATIONS

The Company delivered a weighted average fleet uptime of 99.5% in the first six months. At the end of June 2024, the FPSO fleet consisted of three operational units.

In April, FPSO Petróleo Nautipa was divested for recycling in compliance with the Hong Kong convention.

In May, BW Offshore received the remaining USD 20 million plus interest for the sale of FPSO Polvo to BW Energy, thereby completing the transaction.

FPSO PROJECTS

BW Offshore continues to progress the Barossa project according to schedule at the integration yard in Singapore. As of end July 2024, the project was approximately 86% completed. All 16 topside modules have been lifted onto the FPSO, representing an important project milestone. Integration work is well underway and pre-commissioning and commissioning activities have started to ramp up.

In the third quarter, BWO completed Front-End Engineering Design (FEED) work and early engineering related to the Sakarya redeployment project. The work generated an EBITDA contribution of USD 16.0 million in the first half of 2024 and a further approximately USD 10 million is expected to be recognised in the third quarter. Sakarya is set to progress as a local-content-oriented project in Turkey with limited scope for BW Offshore to provide further value-added services meeting own return requirements.

OFFSHORE FLOATING WIND

BW Offshore is engaged in the energy transition by developing clean energy production solutions, applying its offshore engineering and operations capabilities to drive future value creation through its ownership in BW Ideol. BW Ideol is a global leader in offshore floating wind technology and co-development with more than 13 years of experience from design, execution and development of floating wind projects based on proprietary and patented Damping Pool® technology and engineering capabilities. During the first half of 2024, discussions with external investors continued regarding the long-term financing of BW Ideol's growth strategy.

In April, BW Ideol introduced a standardised floating foundation for mass production based on the Damping Pool® patent. The scalable design is optimised for all metocean conditions found in the main floating wind markets and compatible with all 15 MW+ wind turbines currently available, in addition to being easily scalable for 20+ MW units. The Buchan Offshore Wind project off Scotland, in which BW Ideol holds 33%, recently submitted its onshore scoping report to the

Aberdeenshire Council. The report details the planned onshore elements and the approach to Environmental Impact Assessment for the 1 GW floating offshore wind development, as part of the process towards a future final investment decision.

CORPORATE MATTERS

The Board of Directors has declared a quarterly cash dividend of USD 0.06 per share. The shares will trade ex-dividend from 3 September 2024. Shareholders recorded in VPS following the close of trading on Oslo Børs on 4 September 2024 will be entitled to the distribution payable on or around 11 September 2024.

During the first half of 2024, BW Offshore repurchased bonds for cancellation, with an aggregate principal amount of USD 35.8 million, of its Convertible Bond due in 2024, at an average price of 98% of par value. The principal amount outstanding under the bond loan following cancellation was USD 156.8 million. BW Offshore plans to redeem the convertible bond upon maturity by the end of 2024.

RISK

BW Offshore is exposed to operational and financial risks (including currency risk, interest rate risk, credit risk and liquidity risk). The most important operational risk factors relate to FPSO operations and project execution, which could lead to accidents and oil spills into the environment if not managed properly. The overall financial risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the BW Offshore Group's financial performance. More information can be found in the 2023 Annual Report and Sustainability Statement.

In the second half of the year, BW Offshore will continue to prioritise the safe and efficient progression of the Barossa project.

OUTLOOK

BW Offshore expects that the fleet will continue to generate significant cash flows in the time ahead, supported by the USD 5.4 billion firm contract backlog at the end of June 2024, including the Barossa contract. BW Offshore expects to report an EBITDA in the range USD 305–315 million for 2024, an increase from previous range of USD 290–310 million.

Growing energy demand and geopolitical conflicts continue to support high oil and gas prices and drive interest in developing new infrastructure-type FPSO projects with long production profiles, low break-even costs and focus on lower emissions. Increased project complexity, combined with higher construction costs, necessitates financial structures with significant dayrate prepayments during the construction period for new lease and operate projects. Alternatively, oil and gas majors may finance and own FPSOs, relying on FPSO specialists for the design, construction and installation scope, combined with operation and maintenance services. BW Offshore is well positioned to offer both solutions.

In recent years, the number of sanctioned FPSO projects have lagged market expectations due to the above-mentioned challenges. Consequently, there is a growing number of projects at various stages of maturity, reflecting a pent-up demand for FPSOs. This is reflected in increased FEED and tendering activity and an expectation that a number of potential FPSO projects in which BW Offshore is engaging with will reach a final investment decision over the next 18 to 36

months. It is also expected that this dynamic combined with the high levels of competence required will result in better risk-reward and improved margins for FPSO companies going forward.

BW Offshore continues to selectively evaluate new projects that meet required return targets, offer contracts with no residual value risk after firm period and provide a financeable structure with strong national or investment-grade counterparties.

The Company is also actively applying its offshore engineering and operational capabilities to drive future value creation within the energy transition by developing low-carbon and clean energy production solutions. This includes exploring new ventures that target significant

market opportunities emerging within gas-to-power, ammonia and carbon capture, as well as combining FPSO and floating offshore wind capabilities to grow in new, adjacent areas. BW Offshore maintains a disciplined approach with selective and diligent allocation of capital.

Bermuda, 29 August 2024

Sign
Mr Andreas Sohmen-Pao
Chairman

Sign
Ms Rebekka Glasser Herlofsen
Director

Sign
Mr Maarten R Scholten
Director

Sign
Mr René Kofod-Olsen
Director

Sign
Mr Kees van Seventer
Director

Declaration of the Board

We confirm to the best of our knowledge that the Condensed Interim Consolidated Financial Information for the six months ending 30 June 2024 has been prepared in accordance with IAS 34 “Interim Financial Reporting” and gives a true and fair view of BW Offshore Limited’s consolidated assets, liabilities, financial position and income statement as a whole. We also confirm to the best of our knowledge that the Financial Summary includes a fair review of important events that arose during the first six months of 2024, and their impact on the Condensed Interim Consolidated Financial Information, and accounts properly for the principal risks and uncertainties for the remaining six months of the financial year, as well as major related parties’ transactions.

Bermuda, 29 August 2024

Sign
Mr Andreas Sohmen-Pao
Chairman

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Ms Rebekka Glasser Herlofsen
Director

Sign
Mr Maarten R Scholten
Director

Sign
Mr René Kofod-Olsen
Director

Sign
Mr Kees van Seventer
Director

Condensed interim consolidated financial statements

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Condensed consolidated statement of income

(Unaudited figures in USD million)

	Note	1H 2024	1H 2023	FY 2023
Revenue	2,3	320.5	332.4	659.2
Operating expenses		(157.6)	(192.5)	(353.7)
Operating profit before depreciation, amortisation, impairment and sale of assets		162.9	139.9	305.5
Depreciation	5	(88.4)	(91.9)	(182.1)
Amortisation	6	(2.8)	(2.6)	(5.1)
Impairment vessels and other assets	5	1.1	(5.1)	(5.1)
Net gain/(loss) on sale of tangible fixed assets		–	15.1	24.7
Operating profit/(loss)		72.8	55.4	137.9
Interest income		8.6	4.0	9.2
Interest expense		(22.1)	(25.2)	(49.5)
Fair value gain/(loss) on financial instruments	4	5.6	(11.0)	10.9
Other financial items		4.2	11.3	(13.4)
Net financial items		(3.7)	(20.9)	(42.8)
Share of profit/(loss) of equity-accounted investees	12	1.9	0.3	18.2
Profit/(loss) before tax		71.0	34.8	113.3
Income tax expense		(5.0)	(6.1)	(15.7)
Net profit/(loss) for the period		66.0	28.7	97.6

	Note	1H 2024	1H 2023	FY 2023
Net profit/(loss) for the period attributable to				
Shareholders of the parent		66.2	30.5	100.4
Non-controlling interests		(0.2)	(1.8)	(2.8)
Net profit/(loss) for the period		66.0	28.7	97.6
Earnings per share				
Basic earnings/(loss) per share in USD net		0.37	0.17	0.56
Diluted earnings/(loss) per share (USD) net		0.34	0.17	0.52

Condensed consolidated statement of comprehensive income

(Unaudited figures in USD million)

	1H 2024	1H 2023	FY 2023
Profit/(loss) for the period	66.0	28.7	97.6
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit liability (asset)	-	-	(0.1)
Equity Investments at FVOCI – net change in fair value	-	-	(0.4)
	-	-	(0.5)
Items that are or may be reclassified subsequently to profit or loss:			
Foreign operations – foreign currency translation differences	(3.1)	2.3	3.7
Equity-accounted investees – share of OCI	14.4	1.5	(3.9)
Cash flow hedges – effective portion of changes in fair value	(0.5)	2.8	4.9
	10.8	6.6	4.7
Other comprehensive income for the period, net of tax	10.8	6.6	4.2
Total comprehensive income for the period	76.8	35.3	101.8
Total comprehensive income attributable to			
Shareholders of the parent	78.7	35.8	104.2
Non-controlling interests	(1.9)	(0.5)	(2.4)
Total comprehensive income for the period	76.8	35.3	101.8

Condensed consolidated statement of financial position

(Unaudited figures in USD million)

	Note	30.06.2024	30.06.2023	31.12.2023
ASSETS				
Vessels	<u>5</u>	2 969.3	2 520.9	2 833.5
Other property, plant & equipment	<u>5</u>	2.4	4.8	2.8
Right-of-use assets	<u>5</u>	24.0	17.3	13.8
Intangible assets and goodwill	<u>6</u>	84.0	87.5	87.8
Equity-accounted investees		235.4	359.9	384.8
Deferred tax assets		61.6	61.6	61.6
Derivatives		28.9	36.6	37.7
Other non-current assets		11.6	11.0	12.3
Non-current assets		3 417.2	3 099.6	3 434.3
Inventories		3.7	3.8	3.7
Trade and other current assets		181.2	207.8	152.4
Finance lease receivables		-	49.6	-
Derivatives		-	1.7	1.7
Cash and cash equivalents		448.0	224.1	361.0
Assets held for sale		-	15.0	-
Current assets		632.9	502.0	518.8
Total assets		4 050.1	3 601.6	3 953.1

	Note	30.06.2024	30.06.2023	31.12.2023
EQUITY				
Shareholders' equity	<u>8</u>	1 057.2	953.1	1 005.6
Non-controlling interests	<u>8</u>	173.3	197.2	189.7
Total equity		1 230.5	1 150.3	1 195.3
LIABILITIES				
Interest-bearing long-term debt	<u>9</u>	207.7	280.9	290.7
Finance liability related to Barossa lease		1 196.2	789.2	1 022.1
Pension obligations		1.8	4.0	4.5
Other non-current liabilities	<u>10</u>	976.6	766.0	918.9
Long-term lease liabilities		17.1	10.2	9.4
Derivatives		-	-	1.5
Deferred tax liabilities		12.1	18.5	15.6
Non-current liabilities		2 411.5	1 868.8	2 262.7
Current tax liabilities		14.3	10.5	18.4
Interest-bearing short-term debt	<u>9</u>	211.3	290.8	242.5
Trade and other payables		178.0	257.7	229.5
Derivatives		0.1	19.3	2.1
Short-term lease liabilities		4.4	4.2	2.6
Current liabilities		408.1	582.5	495.1
Total equity and liabilities		4 050.1	3 601.6	3 953.1

Condensed consolidated statement of changes in equity

(Unaudited figures in USD million)

	Share capital	Share premium	Treasury share reserve	Currency translation reserve	Hedging reserve	Equity component of convertible notes	Other elements	Shareholders' equity	Non-controlling interests	Total equity
Equity at 1 January 2024	92.5	1 095.5	(10.1)	(24.8)	0.4	49.8	(197.7)	1 005.6	189.7	1 195.3
Profit/(loss) for the period	-	-	-	-	-	-	66.2	66.2	(0.2)	66.0
Other comprehensive income	-	-	-	(1.4)	(0.5)	-	14.4	12.5	(1.7)	10.8
Dividends	-	-	-	-	-	-	(27.2)	(27.2)	-	(27.2)
Share-based payment	-	-	-	-	-	-	0.8	0.8	-	0.8
Other items	-	-	-	-	-	(0.7)	-	(0.7)	-	(0.7)
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	(3.0)	(3.0)
Transactions with non-controlling interests	-	-	-	-	-	-	-	-	(11.5)	(11.5)
Total equity at 30 June 2024	92.5	1 095.5	(10.1)	(26.2)	(0.1)	49.1	(143.5)	1 057.2	173.3	1 230.5
Equity at 1 January 2023	92.5	1 095.5	(10.1)	(28.4)	(4.1)	50.7	(257.6)	938.5	212.6	1 151.1
Profit/(loss) for the period	-	-	-	-	-	-	30.5	30.5	(1.8)	28.7
Other comprehensive income	-	-	-	1.3	2.5	-	1.5	5.3	1.3	6.6
Dividends	-	-	-	-	-	-	(21.6)	(21.6)	-	(21.6)
Share-based payment	-	-	-	-	-	-	1.1	1.1	-	1.1
Other items	-	-	-	-	-	(0.7)	-	(0.7)	-	(0.7)
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	(3.4)	(3.4)
Transactions with non-controlling interests	-	-	-	-	-	-	-	-	(11.5)	(11.5)
Total equity at 30 June 2023	92.5	1 095.5	(10.1)	(27.1)	(1.6)	50.0	(246.1)	953.1	197.2	1 150.3

Condensed consolidated statement of cash flows

(Unaudited figures in USD million)

	1H 2024	1H 2023	FY 2023
Cash flows from operating activities			
Profit/(loss) before taxes	71.0	34.8	113.3
<i>Adjustments for:</i>			
Depreciation and amortisation	91.2	94.5	187.2
Impairment	(1.1)	5.1	5.1
Change in fair value of derivatives	(5.6)	11.0	(10.9)
Unrealised currency exchange loss/(gain)	(4.7)	(10.3)	8.1
Add back of net interest expense	13.5	21.2	40.3
Share of loss/(profit) of equity-accounted investees	(1.9)	(0.3)	(18.2)
Loss/(gain) on disposal of property, plant & equipment	-	(15.1)	(24.7)
Share-based payment expense	0.8	1.1	1.4
<i>Change in:</i>			
Instalment on financial lease	-	-	5.0
Inventories	-	2.9	3.0
Trade and other receivables	7.3	24.7	79.9
Trade and other payables	(22.8)	(25.6)	(46.1)
Other balance sheet items and items related to operating activities	(8.5)	(27.5)	(35.0)
Deferred revenues	71.1	105.4	265.1
Cash generated from operating activities	210.3	221.9	573.5
Taxes paid	(12.2)	(9.5)	(14.8)
Net cash from operating activities	198.1	212.4	558.7

	1H 2024	1H 2023	FY 2023
Cash flows from investing activities			
Interest received	10.1	4.0	10.0
Proceeds from disposal of property, plant & equipment	29.9	155.9	200.6
Proceeds from sale of investments	176.4	-	0.5
Investment in associated companies	(10.8)	(28.6)	(49.5)
Investment in subsidiary	-	-	(4.0)
Investment in property, plant & equipment and intangible assets	(205.4)	(409.4)	(804.5)
Net cash from/(used in) investing activities	0.2	(278.1)	(646.9)
Cash flows from financing activities			
Proceeds from loans and borrowings	62.6	274.7	911.9
Proceeds from sale of non-controlling interest	-	-	18.9
Paid dividend and redemption	(14.5)	(15.0)	(29.7)
Interest paid	(4.9)	(5.4)	(19.7)
Repayment of loans and borrowings	(89.0)	(147.2)	(589.7)
Repurchase of convertible notes	(35.1)	(31.8)	(41.2)
Payment of lease liabilities	(3.2)	(3.1)	(6.3)
Dividends paid	(27.2)	(12.7)	(25.3)
Net cash from/(used in) financing activities	(111.3)	59.5	218.9
Net change in cash and cash equivalents	87.0	(6.2)	130.7
Cash and cash equivalents at beginning of period	361.0	230.3	230.3
Cash and cash equivalents at end of period	448.0	224.1	361.0

Notes to the condensed interim consolidated financial statements

(Figures in brackets refer to corresponding figures for 2023)

NOTE 1 Organisation and basis of preparation

REPORTING ENTITY

BW Offshore Limited (hereafter 'BW Offshore' or 'the Company') is incorporated and domiciled in Bermuda. The Company is listed on Oslo Stock Exchange, a stock exchange operated by Euronext. These condensed interim consolidated financial statements ('interim financial statements') as at and for the six months ended 30 June 2024 comprise the Company and its subsidiaries (together referred to as 'the Group'). The Group builds, owns and operates Floating, Production, Storage and Offloading (FPSO) vessels. The Group also does strategic investments to capture energy transition opportunities.

BASIS OF ACCOUNTING

These interim financial statements for the six months ended 30 June 2024 have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2023 ('last annual financial statements'). They do not include all the information and disclosures required for a complete set of financial statements prepared in accordance with IFRS Standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

These interim financial statements were authorised for issue by the Company's Board of Directors on 29 August 2024.

The interim financial statements are unaudited.

As a result of rounding differences, numbers and or percentages may not add up to the total.

USE OF JUDGEMENTS AND ESTIMATES

In preparing these interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

CHANGE IN ACCOUNTING POLICY

The accounting policies adopted in the preparation of these condensed interim consolidated financial statements are consistent with those followed in the preparation of BW Offshore's annual consolidated financial statements for the year ended 31 December 2023.

NOTE 2 Operating segments

The Group's activities are construction and lease and operation of FPSOs, as well as offshore floating wind.

The Group identifies segments on the basis of those components of the Group that are regularly reviewed by the Senior Management team. The reported measure of segment profit is net operating profit (EBIT). Deferred tax assets and non-current financial assets are not allocated to the segments. Operating segment disclosures are consistent with the information reviewed by the Senior Management team.

Segment performance for the first half-year 2024 and 2023 is presented below:

1H 2024				
USD MILLION	FPSO	Floating wind	Eliminations	Total
Revenues	318.6	1.8	-	320.4
Other revenue	-	0.1	-	0.1
Revenues inter-segment	-	-	-	-
Total revenues	318.6	1.9	-	320.5
Operating expenses	(137.0)	(7.1)	-	(144.1)
Administrative expenses	(13.5)	-	-	(13.5)
Operating profit / (loss) before depreciation/amortisation, impairment and sale of assets	168.1	(5.2)	-	162.9
Depreciation, amortisation and impairment	(86.1)	(4.0)	-	(90.1)
Profit/(loss) from sale of fixed assets	-	-	-	-
Operating profit/(loss)	82.0	(9.2)	-	72.8
Capital expenditure	242.3	1.3	-	243.6
Total assets for reportable segments	3 833.3	130.8	-	3 964.1
Assets not allocated to segments				86.0
Consolidated total assets				4 050.1
Total liabilities for reportable segments	2 768.4	24.5	(8.6)	2 784.3
Liabilities not allocated to segments				35.3
Consolidated total liabilities				2 819.6

1H 2023				
USD MILLION	FPSO	Floating wind	Eliminations	Total
Revenues	329.7	2.1	-	331.8
Other revenue	(0.1)	0.7	-	0.6
Revenues inter-segment	-	-	-	-
Total revenues	329.6	2.8	-	332.4
Operating expenses	(167.6)	(8.2)	-	(175.8)
Administrative expenses	(16.7)	-	-	(16.7)
Operating profit / (loss) before depreciation/amortisation, impairment and sale of assets	145.3	(5.4)	-	139.9
Depreciation, amortisation and impairment	(91.9)	(7.7)	-	(99.6)
Profit/(loss) from sale of fixed assets	15.1	-	-	15.1
Operating profit/(loss)	68.5	(13.1)	-	55.4
Capital expenditure	359.5	0.5	-	360.0
Total assets for reportable segments	3 392.4	127.2	-	3 519.6
Assets not allocated to segments				82.0
Consolidated total assets				3 601.6
Total liabilities for reportable segments	2 396.7	22.3	(4.6)	2 414.4
Liabilities not allocated to segments				36.9
Consolidated total liabilities				2 451.3

Non-current assets by region

USD MILLION	30.06.2024	30.06.2023	31.12.2023
Americas	141.2	189.4	165.9
Europe/Africa	873.9	1 022.9	948.3
Asia and the Pacific	2 064.7	1 418.2	1 823.6
Total non-current assets ¹	3 079.8	2 630.5	2 937.8

¹ Excluding deferred tax assets, derivatives equity accounted investments and other non-current assets

NOTE 3 Revenue

The Group generates revenue primarily from rendering of services on operating FPSOs and chartering of FPSOs to its customers. The Group recognises most of its revenue over time.

USD MILLION	FPSO			Floating wind			Total		
	1H 2024	1H 2023	FY 2023	1H 2024	1H 2023	FY 2023	1H 2024	1H 2023	FY 2023
Revenue streams									
Revenue from contracts with customers	146.4	140.5	275.6	1.8	2.1	3.9	148.2	142.6	279.5
Leasing revenue	172.2	189.2	376.6	-	-	-	172.2	189.2	376.6
Other revenue	-	(0.1)	1.1	0.1	0.7	2.0	0.1	0.6	3.1
Total revenue	318.6	329.6	653.3	1.9	2.8	5.9	320.5	332.4	659.2
Revenues by geographic areas¹									
Americas	54.7	54.5	110.7	-	-	0.3	54.7	54.5	111.0
Europe/Africa	263.1	271.2	533.8	1.8	2.8	5.4	264.9	274.0	539.2
Asia and the Pacific	0.8	3.9	8.8	0.1	-	0.2	0.9	3.9	9.0
Total revenue	318.6	329.6	653.3	1.9	2.8	5.9	320.5	332.4	659.2

¹ For the FPSO segment, the classification of revenue per region is determined by where the FPSO operate, while the classification in the floating offshore wind segment is based on the geographic location of the customer.

CONTRACT BALANCES

The following table provides information about receivables and contract assets.

USD MILLION	1H 2024	1H 2023	FY 2023
Receivables included in trade and other current assets	143.4	135.6	93.2
Contract assets included in trade and other current assets	13.6	26.9	18.2

The majority of the Group's contracts consist of a lease for the FPSO as well as an operating agreement. The Group has assessed the underlying risk profile to be equal.

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date.

NOTE 4 Gain/ (loss) on financial instruments

USD MILLION	1H 2024	1H 2023	FY 2023
Gain/(loss) on interest rate swaps	(2.1)	(12.1)	(13.6)
Gain/(loss) on forward exchange contracts	(0.3)	(5.8)	(3.0)
Gain/(loss) on cross-currency swaps	(5.6)	(8.9)	4.7
Swaps settled	12.1	15.3	23.1
Gain/(loss) on other financial instruments	1.5	0.5	(0.3)
Net gain/(loss) on financial instruments	5.6	(11.0)	10.9

NOTE 5 Property, plant and equipment

USD MILLION	Vessels in operation	Vessels under construction	Other property, plant & equipment	Right-of-use assets	Total
Balance at 1 January 2024	1 010.2	1 823.3	2.8	13.8	2 850.1
Additions	0.4	227.5	-	14.3	242.2
Exchange differences	-	-	-	(0.2)	(0.2)
Disposals	(9.1)	-	-	-	(9.1)
Current year depreciation	(84.1)	-	(0.4)	(3.9)	(88.4)
Reversal of impairment	1.1	-	-	-	1.1
Balance at 30 June 2024	918.5	2 050.8	2.4	24.0	2 995.7

USD MILLION	Vessels in operation	Vessels under construction	Vessels available for projects	Other property, plant & equipment	Right-of-use assets	Total
Balance at 1 January 2023	1 208.7	1 097.0	88.6	8.5	21.1	2 423.9
Additions	12.3	319.4	27.3	0.6	-	359.6
Exchange differences	-	-	-	-	0.1	0.1
Disposals	(13.2)	-	(115.4)	-	-	(128.6)
Reclassified to held-for-sale	(15.0)	-	-	-	-	(15.0)
Current year depreciation	(83.2)	-	(0.5)	(4.3)	(3.9)	(91.9)
Impairment	(5.1)	-	-	-	-	(5.1)
Balance at 30 June 2023	1 104.5	1 416.4	(0.0)	4.8	17.3	2 543.0

Capital expenditures for the first half-year of 2024 are mainly related to investments in BW Opal.

In April 2024, Petr leo Nautipa was sold for USD 9.9 million. The vessel was classified as held for sale at the end of the first quarter of 2024. As the consideration is higher than the current net book value, the Group has consequently recorded a reversal of impairment loss of USD 1.1 million.

In May 2024, the Group received the remaining USD 20 million plus interest for the sale of FPSO Polvo to BW Energy, thereby completing the transaction.

The level of depreciation depends on the estimated useful life of the different components of the vessels and the residual value at the end of the useful life. The estimated useful life used for depreciation is based on experience and knowledge of the vessels owned by the Group.

Except for the reversal of impairment related to the sale of Petr leo Nautipa, no other impairment triggers were identified for the first half-year of 2024.

NOTE 6 Intangible assets and goodwill

USD MILLION	Software	R&D	Technology	Goodwill	Total intangible assets
Balance at 1 January 2024	0.5	5.5	53.6	28.2	87.8
Additions	0.1	1.3	–	–	1.4
Exchange differences	–	(0.2)	(1.4)	(0.8)	(2.4)
Current year amortisation	(0.1)	(0.5)	(2.2)	–	(2.8)
Balance at 30 June 2024	0.5	6.1	50.0	27.4	84.0

USD MILLION	Software	R&D	Technology	Goodwill	Total intangible assets
Balance at 1 January 2023	0.2	4.1	56.3	27.4	88.0
Additions	–	0.4	–	–	0.4
Exchange differences	–	0.1	1.1	0.5	1.7
Current year amortisation	–	(0.4)	(2.2)	–	(2.6)
Balance at 30 June 2023	0.2	4.2	55.2	27.9	87.5

Technology and Goodwill on the balance sheet relate to BW Ideol.

NOTE 7 Leases

THE GROUP AS A LESSOR

Operating lease

The BW Opal lease contract is preliminary assessed to be an operating lease. The contract has a firm period of 15 years plus 10 years of options.

All other FPSOs owned at the end of the reporting period are on firm operating lease contracts.

Future minimum payments receivable under non-cancellable operating lease contracts are as follows:

USD MILLION	1H 2024	1H 2023	FY 2023
Not later than one year	241.9	263.9	252.6
Later than one year and not later than five years	784.5	807.0	785.5
Later than five years	1 937.0	2 071.6	1 978.9
Total amount	2 963.4	3 142.5	3 017.0

NOTE 8 Capital and reserves

The number of issued shares was 184 956 320 on 30 June 2024 (184 956 320). There were 214 000 000 authorised shares at 30 June 2024 (214 000 000). The Company held a total of 4 141 437 treasury shares on 30 June 2024. Consequently, the number of outstanding shares was 180 814 883.

Cash dividend for Q4 2023 was paid in March 2024 with USD 0.088 per share. Cash dividend for Q1 2024 was paid in June 2024 with USD 0.0625 per share.

NON-CONTROLLING INTERESTS

In 2017, BW Offshore Limited issued preference shares with a preferential dividend right to ICBC Financial Leasing Co., Ltd. (ICBCL) for a subscription price of USD 275 million. The Company plans to redeem the preference shares in full over an estimated term of 12 years. The investment by ICBCL is presented as a non-controlling interest in the statement of the financial position of BW Offshore. As of 30 June 2024, preference shares for an amount of USD 126 million was outstanding.

BW Offshore's ownership in BW Ideol Group is 64%. The remaining 36% of the investment is presented as non-controlling interests in the consolidated statement of the financial position of the Company.

NOTE 9 Interest-bearing debt

The Group had the following long-term interest-bearing debt:

USD MILLION	30.06.2024	30.06.2023	31.12.2023
USD 295 million Corporate Facility	(1.7)	–	48.0
USD 672.5 million Corporate facility	–	–	–
Convertible bonds	–	190.8	–
USD 800 million Catcher Facility	–	85.7	–
USD 200 million Catcher Facility	113.1	–	141.5
BWO05 – NOK 900 million bond	–	–	–
BWO06 – NOK 1 000 million Bond	92.8	–	97.4
Other facilities	3.5	4.4	3.8
Total long-term debt	207.7	280.9	290.7

The Group had the following short-term interest-bearing debt:

USD MILLION	30.06.2024	30.06.2023	31.12.2023
USD 295 million Corporate Facility	(0.6)	–	(0.6)
USD 672.5 million Corporate facility	–	92.0	–
Convertible bonds	153.8	(0.6)	184.9
USD 800 million Catcher Facility	–	113.9	–
USD 200 million Catcher Facility	56.5	–	56.6
BWO05 – NOK 900 million bond	–	83.7	–
BWO06 – NOK 1 000 million Bond	(0.2)	–	(0.2)
Other facilities	1.8	1.8	1.8
Total short-term debt	211.3	290.8	242.5

INSTALMENT OVERVIEW

The following table sets out the maturity profile of the Group's interest-bearing debt based on contractual undiscounted payments.

USD MILLION	Q3 24	Q4 24	Q1 25	Q2 25	2024	2025	2026-2028	Beyond 2029	Total
USD 295 million Corporate Facility	-	-	-	-	-	-	-	-	-
Convertible bonds	-	156.8	-	-	156.8	-	-	-	156.8
USD 200 million Catcher Facility	14.3	14.3	14.3	14.3	28.6	57.2	85.6	-	171.4
BWO06 – NOK 1 000 million bond ¹	-	-	-	-	-	-	93.1	-	93.1
Other facilities	0.4	0.4	-	-	0.8	1.8	2.7	-	5.3
Total	14.7	171.5	14.3	14.3	186.2	59.0	181.4	-	426.6

¹ Bond loan illustrated at swapped USD/NOK rate

COVENANTS

The USD 295 million Revolving Corporate Facility and the USD 200 million Catcher Loan Facility are subject to certain covenants, including minimum book equity of 25% of total assets, debt to EBITDA of maximum 5.5, minimum USD 75.0 million of available liquidity and interest coverage ratio of minimum 3.0.

The bond loan is subject to certain covenants, including minimum book equity of 25% of total assets and minimum USD 75 million of available liquidity including undrawn amounts available for utilisation by the Company.

As per end of the first half-year 2024, the Company is in compliance with all covenants.

NOTE 10 Other non-current liabilities

Other long-term liabilities comprise of upfront payments related to charter contracts. Payments received under operating leases are recognised as operating revenue on a straight-line basis over the lease term. This implies that there might be significant timing differences between cash flows and recognised revenue from a particular lease. The Group will receive approximately USD 1 billion in total advance lease payments during the construction period of the Barossa project.

NOTE 11 Capital commitments

Total unrecognised contractual capital commitments at 30 June 2024 amounted to USD 715.2 million (USD 791.5 million). This is mainly related to the Barossa project and operation.

NOTE 12 Related parties

On 7 March 2024, BW Offshore Limited approved a new Long-Term Incentive Programme (LTIP). The programme is a combination of Share Options and Restricted Share Unit (RSUs).

The total number of options awarded under the LTIP for 2024 is 800 000 where each option will give the holder the right to acquire one BW Offshore share.

	Number of instruments
CEO Marco Beenen	300 000
CFO Ståle Andreassen	100 000
CCO Rune Bjorbekk	100 000
COO Kei Ikeda	100 000
CSO Anders Platou	100 000
General Counsel Magda Vakil	100 000
Total share options awarded in 2024	800 000

The strike price is NOK 29.85 and is calculated as the volume-weighted average share price five trading days prior to the grant date, plus a premium of 15.76 per cent (corresponding to a 5 per cent increase annually over three years). The options have a vesting period of three years, followed by a three-year exercise period. The options will expire six years after the award date.

For 2024, a total of 115 534 RSUs has been rewarded to 19 employees. The RSUs will be settled in shares following a three-year vesting period from the grant date.

NOTE 13 Subsequent events

There are no subsequent events.

Key figures

	Note	1H 2024	1H 2023	FY 2023
EBITDA-margin	<u>1</u>	50.8%	42.1%	46.3%
Equity ratio	<u>2</u>	30.4%	31.9%	30.2%
Return on equity	<u>3</u>	11.0%	7.7%	11.1%
Return on capital employed	<u>4</u>	7.8%	5.8%	7.2%
Net interest-bearing debt (USD million)	<u>5</u>	(29.0)	347.6	172.2
Cash flow per share (USD)	<u>6</u>	1.07	1.15	3.02
EPS – basic (USD)	<u>7</u>	0.37	0.17	0.56
EPS – diluted (USD)	<u>7</u>	0.34	0.17	0.52
Shares – end of period (million)		180.8	180.8	180.8
Share price (NOK)		30.8	26.2	22.4
Market cap (NOKm)		5 560	4 737	4 054
Market cap (USDm)		521	422	399

NOTES TO KEY FIGURES AND DEFINITION OF ALTERNATIVE PERFORMANCE MEASURES

1 Earnings before interest, taxes, depreciation and amortisation / Operating revenues

2 Equity / Total assets

3 Annualised net profit / Equity previous period (adjusted for preference shares)

4 EBIT (annualised) / Capital employed previous period

5 Interest bearing debt – cash and cash equivalents

6 Net cash flow from operating activities / Number of shares (weighted average)

7 Parent net profit / Number of shares end of period (adjusted for treasury shares)

BW Offshore discloses alternative performance measures in addition to those required by IFRS, as the Company believes these provide useful information regarding BW Offshore's historical financial performance.

Alternative Performance Measures (APMs)

The Group discloses alternative performance measures in addition to those required by IFRS, as the Company believes these provide useful information to management, investors and security analysts regarding BW Offshore's historical financial performance.

EBIT

EBIT, as defined by the Group, means earnings before interest and tax.

EBITDA

EBITDA, as defined by the Group, means EBIT excluding depreciation and amortisation, impairment and disposal and gain from the sale of tangible fixed assets. EBITDA may differ from similarly titled measures from other companies.

USD MILLION	1H 2024	1H 2023	FY 2023
Revenue	320.5	332.4	659.2
Operating expenses	(157.6)	(192.5)	(353.7)
Operating profit before depreciation, amortisation, impairment and sale of assets (EBITDA)	162.9	139.9	305.5
Depreciation	(88.4)	(91.9)	(182.1)
Amortisation	(2.8)	(2.6)	(5.1)
Impairment	1.1	(5.1)	(5.1)
Net gain/(loss) on sale of tangible fixed assets	-	15.1	24.7
Operating profit/(loss) (EBIT)	72.8	55.4	137.9

CAPITAL EXPENDITURES

Capital expenditures mean investments in vessels, intangible assets and property and other equipment, including capitalised interest. Capital expenditure may differ from investment in operating fixed assets and intangible assets presented in the consolidated statement of cash flows, as capital expenditure may also contain non-cash transactions.

USD MILLION	1H 2024	1H 2023	FY 2023
Vessels and other property, plant & equipment	227.9	359.6	767.7
Intangible assets	1.4	0.4	2.4
Total capital expenditures	229.3	360.0	770.1
Change in working capital	(23.9)	49.4	34.4
Investment in operating fixed assets and intangible assets	205.4	409.4	804.5

NET INTEREST-BEARING DEBT

Net interest-bearing debt is defined as short-term and long-term interest-bearing debt less cash and cash equivalents.

USD MILLION	1H 2024	1H 2023	FY 2023
Long-term interest-bearing debt	207.7	280.9	290.7
Short-term interest-bearing debt	211.3	290.8	242.5
Cash and cash equivalents	(448.0)	(224.1)	(361.0)
Net interest-bearing debt	(29.0)	347.6	172.2

ORDER BACKLOG

Order backlog is defined as the aggregated revenue backlog from firm contracts and probable options.

EQUITY RATIO

Equity ratio is an indicator of the relative proportion of equity used to finance the Group's assets, defined as total equity divided by total assets.

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