Aurelia Energy N.V.

Quarterly report

For the period ended September 30, 2024

FPSO Bleo Holm

Results and main developments nine-month period ended September 30, 2024

Third quarter results

The net result after tax for the nine-month period ended September 30, 2024 amounted to a loss of U.S.$12.7 million compared to a profit of U.S.$7.8 million for the nine-month period ended September 30, 2023. EBITDA for the nine-month period ended September 30, 2024 was U.S.$43.1 million compared to U.S.$57.2 million for the nine-month period ended September 30, 2023. The financial results for the nine months of 2024 were mainly impacted by the following items:

The SPM division generated a profit of U.S.$1.5 million EBITDA in the third quarter of 2024, resulting in U.S.$2.7 million EBITDA for the nine-month period ended September 30, 2024 compared to U.S.$4.1 million EBITDA for the nine-month period ended September 30, 2023. In both the first nine-months of 2024 as well as the first nine-months of 2023 contributors to the SPM EBITDA are several EPC projects. In the first nine-months of 2024 the progress on the projects developed as planned.

The EBITDA for the FPSO division in the third quarter of 2024 amounted to U.S.$18.0 million, resulting in U.S.$59.1 million EBITDA for the nine-month period ended September 30, 2024 compared to U.S.$66.1 million EBITDA for the nine-month period ended September 30, 2023. The U.S.$7.0 million decrease in EBITDA compared to the nine-months of 2024 was mainly driven by a U.S.$3.9 million decrease in EBITDA for the FPSO Aoka Mizu. In June 2024 the contract for the FPSO Aoka Mizu with the customer was amended to gradually reduce the facility fee as from June 2024. This resulted in U.S.$ 3.0 million lower facility fee compared with the same period in 2023. The tariff income of FPSO Aoka Mizu slightly decreased with U.S.$ 1.1 million as the result of a lower average oil price in the first nine-months of 2024 compared to the first nine-months of 2023. Tarif income of the FPSO Bleo Holm decreased with U.S.$3.7 million. This is mainly due to anticipated declining production. EBITDA for the FPSO Haewne Brim increased with U.S.$ 1.0 million compared with the first nine months of 2023. In 2023 as well in 2024 the FPSO Haewene Brim faced technical issues resulting in lower tariff income below expectations but production is now on anticipated levels. The scheduled repair of the last not critical mooring line is postponed to spring next year. Finally, the FPSO tender costs increased U.S.$0.6 million in the first nine-months of 2024 compared to the nine-months of 2023 as tender activities increased compared with the same period last year.

During the nine-month period ended September 30, 2024, unallocated expenses amounted to U.S.$18.7 million, compared to U.S.$13.0 million unallocated expenses for the nine-month period ended September 30, 2023. This mainly resulted from lower project activity and lower utilisation of engineering and project management staff in in the nine-months of 2024 compared to the nine-months of 2023.

Depreciation and amortization expenditure in the nine-month period ended September 30, 2024 amounted to U.S.$24.4 million which is equal to the nine-month period ended September 30, 2023. There were no material changes in the first six-months of 2024 compared with the same period in 2023.

Finance expenses were U.S.$3.6 million lower compared to the previous year, at U.S.$23.1 million versus U.S.$26.7 million for the nine-month period ended September 30, 2023. The finance costs are mainly driven by the Unsecured Bond which was issued by the company, effective November 10, 2022. The interest costs of the unsecured bond decreased with U.S.$3.6 million in the first nine-months of 2024, at U.S.$17.1 million versus U.S.$20.7 for the same period in 2023. Amortized debt arrangement fees for the Bond decreased with U.S.$0.4 million, at U.S.$4.2 versus U.S.$4.6 million for the first nine months of 2023. The RCF interest expense increased with U.S.$0.3 million, from nil in the first three quarters of 2023 to U.S.$ 0.3 million in the first nine months of 2024. Amortization cost of the debt arrangement fees for the RCF decreased with U.S.$0.1 million and other finance expenses increased with U.S.$0.2 million compared with the first nine months of 2023.

Currency exchange results were U.S.$1.7 million negative in the nine-month period ended September 30, 2024 compared to U.S.$2.2 million negative in the nine-month period ended September 30, 2023. The decrease in the value of the Euro against the U.S. Dollar and the volatility of the Pound Sterling has led to negative exchange results in the nine-month period ended September 30, 2024. The currency exchange rate moved from EUR/USD 1.07 and GBP/USD 1.27 at the beginning of the year to EUR/USD 1.12 and GBP/USD 1.34 at the end of the nine-month period ended September 30, 2024. Because the Company's revenues are primarily denominated in U.S. dollar and a part of the expenses are in EUR and GBP, the Company is exposed to fluctuations in foreign currency exchange rates. The Company only hedges part of the currency exposure.

Income tax expense for the nine-month period ended September 30, 2024 amounted to U.S.$6.6 million income tax expense versus U.S.$3.9 million income tax income for the nine-month period ended September 30, 2023. The U.S.$6.6 million income tax expense in the nine-month period ended September 30, 2024 mainly relates to a decrease of U.S.$6.2 million 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 groups deferred tax assets. Furthermore U.S.$0.4 million income tax expense has been accrued in relation to provisions for foreign taxes.

Other developments

On March 31, 2024 the Dutch competent authorities have decided to grant a permit, on an annual basis to be renewed as is the standard practice, for project execution for the engineering, procurement and construction for two Buoys for a client in Kazachstan. The contract value is EUR 80 million and delivery will take place in the last quarter of 2025.

On April 6, 2024 production resumed at the FPSO Haewene Brim after successful repair of the mooring system. Currently ramp-up is finished and the FPSO is fully producing from the available wells. In spring 2025 a further repair of one non-critical mooring leg is envisaged.

On October 15, 2023 a Memorandum of Understanding (MoU) has been signed with an undisclosed client for the possible charter of the FPSO Aoka Mizu. The MoU comprise a Definition Study and FEED. Furthermore, it sets out the conditions under which a contract can be concluded. The Definition Study has been completed and the signed FEED contract and kick-off meetings will commence as from November 11, 2024.

In June 2024 the contract for the FPSO Bleo Holm with the customer was amended and extended till September 30, 2026 with an option for an extension into 2027. The floor and cap-remuneration has been substituted by fixed lease rate in combination with a tariff based on production and oil price.

General information

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

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

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

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

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

Condensed consolidated interim income statement

For the period ended September 30, 2024

In thousands of U.S.$	***Note***	**September 30, 2024**	**September 30, 2023**
Operating activities			
Revenues	*1*	200,084	208,226
Raw materials, consumables used and other operating costs		(118,586)	(111,397)
Employee benefits expense		(38,419)	(39,679)
EBITDA		43,079	57,150
Depreciation and amortization expense	*2*	(24,351)	(24,423)
Results from operating activities (EBIT)		18,728	32,727
Finance income		69	87
Finance expenses		(23,171)	(26,781)
Currency exchange results		(1,717)	(2,166)
Net finance expense		(24,819)	(28,860)
Profit / (Loss) before income tax		(6,091)	3,867
Income tax (expense)/ benefit		(6,625)	3,906
Profit / (Loss) for the period		(12,716)	7,773

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

The interim financial statements have not been audited

Condensed consolidated interim statement of financial position

In thousands of U.S.$	*Note*	September 30, 2024	December 31, 2023
Assets			
Property, plant and equipment	*2*	291,537	313,090
Right-of-use assets	*3*	11,625	13,474
Intangible assets		613	898
Deferred tax assets		99,579	105,752
Total non-current assets		403,354	433,214
Inventories		1,550	1,540
Trade and other receivables		47,262	46,210
Contract assets		8,892	10,291
Prepayments for current assets		3,709	2,308
Cash and cash equivalents		82,160	21,734
Total current assets		143,573	82,083
Total assets		546,927	515,297
Equity			
Issued share capital		170,000	170,000
Share premium		198,568	198,568
Translation reserve		(10,451)	(12,474)
Other reserves		454	454
Employee benefits reserve		(20,664)	(19,504)
Accumulated deficit		(100,427)	(87,711)
Total equity attributable to equity holder of the Company		237,480	249,333
Liabilities			
Loans and borrowings	*4*	130,604	146,408
Lease liabilities	*3*	7,760	9,457
Employee benefits		15,513	14,044
Total non-current liabilities		153,877	169,909
Loans and borrowings	*4*	40,000	44,697
Lease liabilities	*3*	2,649	2,790
Trade and other payables, including derivatives		82,975	43,175
Contract liabilities		29,946	5,393
Total current liabilities		155,570	96,055
Total liabilities		309,447	265,964
Total equity and liabilities		546,927	515,297

The interim financial statements have not been audited

Condensed consolidated interim statement of changes in equity

In thousands of U.S.$

	Issued Share Capital	Share Premium	Translation reserve	Other reserves	Employee benefits reserve (IAS 19)	Accumulated deficit	Total equity
Balance at January 1, 2024	**170,000**	**198,568**	**(12,474)**	454	**(19,504)**	**(87,711)**	**249,333**
Loss for the period	-	-	-	-	-	(12,716)	(12,716)
Movement employee benefits reserve net of tax (IAS 19)	-	-	-	-	(1,160)	-	(1,160)
Foreign currency translation differences	-	-	2,023	-	-	-	2,023
Total comprehensive income	-	-	2,023	-	(1,160)	(12,716)	(11,853)
Balance at September 30, 2024	**170,000**	**198,568**	**(10,451)**	**454**	**(20,664)**	**(100,427)**	**237,480**

The interim financial statements have not been audited

Condensed consolidated interim statement of cash flows

In thousands of U.S.$	**September 30, 2024**	**September 30, 2023**
Net cash from (used in) operating activities	88,587	17,345
Net cash from (used in) investing activities	(301)	73
Net cash from (used in) financing activities	(27,767)	(22,713)
Translation effect on cash	(93)	(956)
Net increase / (decrease) in available cash and cash equivalents	60,426	(6,251)
Cash and cash equivalents at the beginning of the period	21,734	41,008
Cash and cash equivalents at the end of the period	82,160	34,757

The interim financial statements have not been audited

Notes to the unaudited condensed consolidated interim financial statements

Reporting entity

Aurelia Energy N.V. (“the Company”) has its legal seat in Willemstad (Curaçao). The unaudited condensed consolidated interim financial statements of the Company as at and for the period ended September 30, 2024 comprise the Company and its subsidiaries (together referred to as “the Group” or “Bluewater” and individually as “Group entities”) and the Group’s interest in jointly controlled entities.

Statement of compliance

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

Basis of preparation

These unaudited condensed consolidated interim financial statements are presented in thousands of US dollars, which is the Company’s functional currency. All financial information presented has been rounded to the nearest thousand. The unaudited condensed consolidated interim financial statements have been prepared using accounting policies consistent with the recognition and measurement criteria of the International Financial Reporting Standards (IFRS) as applied in the most recent annual financial statements. The information furnished in the unaudited condensed consolidated interim financial statements includes normal recurring adjustments and reflects all adjustments which are, in the opinion of management, necessary for fair presentation of such financial statements. Although the Company believes that the disclosures are adequate to make the information presented not misleading, it is suggested that these unaudited condensed consolidated interim financial statements be read in conjunction with the audited financial statements and the notes thereto for the year ended December 31, 2023.

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

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

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

1. Segment information

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

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

	FPSO		SPM		Consolidated	
In thousands of U.S.$	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Total segment revenue	171,272	149,162	28,811	59,064	200,083	208,226
Total cost of operations	(112,202)	(83,098)	(26,135)	(55,018)	(138,337)	(138,116)
Unallocated income/ (expenses)					(18,667)	(12,960)
EBITDA	59,070	66,064	2,676	4,046	43,079	57,150
Depreciation and amortization	(21,443)	(21,425)	(2,908)	(2,998)	(24,351)	(24,423)
Results from operating activities (EBIT)	37,627	44,639	(232)	1,048	18,728	32,727
Net finance costs					(24,819)	(28,860)
Income tax benefit/ (expense)					(6,625)	3,906
Result for the period					(12,716)	7,773
Segment assets	403,572	376,923	43,163	46,363	446,735	423,286
Unallocated assets					100,192	105,749
Total assets					546,927	529,035
Segment liabilities	236,829	237,039	72,618	48,172	309,447	285,211
Capital expenditure	-	-	370	14	370	14

There are no unallocated capital expenditures in 2023 and 2024.

2. Property, plant and equipment

In thousands of U.S.$	FPSOs	FPSOs held for conversion	Office equip-ment	Total
Cost:				
As at January 1, 2024	1,482,118	552,563	11,980	2,046,661
Additions	-	-	370	370
Translation result	-	-	33	33
As at September 30, 2024	1,482,118	552,563	12,383	2,047,064
Accumulated depreciation and impairment losses:				
As at January 1, 2024	1,322,548	403,102	7,921	1,733,571
Depreciation for the period	12,420	8,773	744	21,937
Translation result	-	-	19	19
As at September 30, 2024	1,334,968	411,875	8,684	1,755,527
Net book value	147,150	140,688	3,699	291,537

As of September 30, 2024, an amount of U.S.$101,481 (September 30, 2023: U.S.$101,481) relating to capitalized interest is included in the historical cost value of the FPSOs and FPSOs held for conversion. During the periods ended September 30, 2024 and 2023 no interest was capitalized. Depreciation of right of use assets amounted U.S.$2,135 thousand and amortization of intangible assets amounted U.S.$279 thousand for the nine-month period ended September 30, 2024.

3. Leases

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

Right-of-use assets

Cost

In thousands of U.S.$	**Property**	**Vehicles**	**Office equipment**	**Total**
As at January 1, 2024	25,736	797	742	27,275
Additions	-	176	-	176
Disposals	-	(116)	-	(116)
Translation result	418	13	9	440
As at September 30, 2024	26,154	870	751	27,775

Accumulated depreciation

In thousands of U.S.$				
As at January 1, 2024	12,746	505	550	13,801
Charge for the year	1,873	153	109	2,135
Disposals	-	(89)	-	(89)
Translation result	284	9	11	303
As at September 30, 2024	14,903	577	670	16,150

Carrying amount

In thousands of U.S.$				
As at September 30, 2024	11,251	293	81	11,625

Lease liabilities

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

In thousands of U.S.$	**September 30, 2024**	**December 31, 2023**
Non-current liabilities		
Lease liabilities	7,760	9,457
Current liabilities		
Lease liabilities	2,649	2,790

4. Loans and borrowings

In thousands of U.S.$	September 30, 2023	December 31, 2022
Non-current liabilities		
Unsecured bond	130,604	146,408
	130,604	146,408
Current liabilities		
Current portion of bank loans	-	4,697
Current portion Unsecured bond	40,000	40,000
	40,000	40,000

The amount of the Unsecured bond as per September 30, 2024 amounting to U.S.$130.6 million is the net balance of the U.S.$180.0 million unsecured bond loan, the current portion of U.S.$40.0 million and the current balance of unamortized borrowing costs of U.S.$9.4 million.