

# 2022 ANNUAL REPORT



TRUE.  
BLUE.  
TRANSITION.

assets' of the consolidated income statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovery.

The aging of the nominal amounts of the trade debtors are:

#### Trade debtors (aging of the nominal amounts of the trade debtors)

	31 December 2022		31 December 2021	
	Nominal	Impairment	Nominal	Impairment
Not past due	236	(3)	352	(5)
Past due 0-30 days	9	(0)	27	(0)
Past due 31-120 days	6	(0)	11	(0)
Past due 121- 365 days	33	(0)	13	(0)
More than one year	27	(0)	11	(0)
<b>Total</b>	<b>312</b>	<b>(4)</b>	<b>413</b>	<b>(5)</b>

Not past due are those receivables for which either the contractual or 'normal' payment date has not yet elapsed. Past due are those amounts for which either the contractual or the 'normal' payment date has passed. Amounts that are past due but not impaired relate to a number of Company joint ventures and independent customers for whom there is no recent history of default, or the receivable amount can be offset by amounts included in current liabilities.

For the closing balance and movements during the year of allowances on trade receivables, please refer to note 4.3.27 Financial Instruments – Fair Values and Risk Management.

### 4.3.20 DERIVATIVE FINANCIAL INSTRUMENTS

Further information about the financial risk management objectives and policies, the fair value measurement and hedge accounting of financial derivative instruments is included in note 4.3.27 Financial Instruments – Fair Values and Risk Management.

In the ordinary course of business and in accordance with its hedging policies as of December 31, 2022, the Company held multiple forward exchange contracts designated as hedges of expected future transactions for which the Company has firm commitments or forecasts. Furthermore, the Company held several interest rate swap contracts designated as hedges of interest rate financing exposure. The most important floating rate is the US\$ 3-month LIBOR. Details of interest percentages of the long-term debt are included in note 4.3.23 Borrowings and Lease Liabilities. Lastly, the Company held commodity contracts in order to hedge against the fluctuation on operating cash flows and future earnings resulting from movement in commodity prices.

The fair value of the derivative financial instruments included in the statement of financial position is summarized as follows:

#### Derivative financial instruments

	31 December 2022			31 December 2021		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Interest rate swaps cash flow hedge	490	28	463	13	157	(144)
Forward currency contracts cash flow hedge	50	103	(53)	14	94	(80)
Forward currency contracts fair value through profit and loss	69	85	(15)	19	37	(18)
Commodity contracts cash flow hedge	-	2	(2)	-	-	-
<b>Total</b>	<b>610</b>	<b>217</b>	<b>393</b>	<b>47</b>	<b>288</b>	<b>(242)</b>
Non-current portion	465	25	440	14	162	(148)
Current portion	145	192	(47)	32	126	(94)

The movement in the net balance of derivative assets and liabilities of US\$635 million over the period is mostly related to the significant increased marked-to-market value of interest rate swaps, which mainly arises from increasing US market interest rates.

## 4 FINANCIAL INFORMATION 2022

An ineffective portion arising from cash flow hedges was recognized in the income statement in 2022 for US\$1 million (2021: none, refer to note 4.3.9 Net Financing Costs). The maximum exposure to credit risk at the reporting date is the fair value of the derivative assets in the statement of financial position.

No ineffectiveness was recognized due to the IBOR transition, refer to note 4.3.27 Financial Instruments – Fair Values and Risk Management.

### 4.3.21 NET CASH AND CASH EQUIVALENTS

	31 December 2022	31 December 2021
Cash and bank balances	109	662
Short-term investments	573	358
<b>Cash and cash equivalent</b>	<b>683</b>	<b>1,021</b>
<b>Net cash and cash equivalent</b>	<b>683</b>	<b>1,021</b>

The decrease of the Cash and bank balances mainly relates to the significant progress in the projects under construction and the related use of cash from the financing facilities secured in 2021, partially covered by the additional project financing granted for FPSO *ONE GUYANA* and the cash generated by Lease and Operate business segment.

The cash and cash equivalents dedicated to debt and interest payments (and therefore restricted) amounted to US\$235 million as per December 31, 2022 (2021: US\$152 million). Short-term investment deposits are made for varying periods of up to one year, usually less than three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

The cash and cash equivalents held in countries with restrictions on currency outflow (Angola, Brazil, Equatorial Guinea, Ghana and Nigeria) amounted to US\$21 million (2021: US\$23 million). These restrictions do not limit the liquidity of the cash balances.

Further disclosure about the fair value measurement is included in note 4.3.27 Financial Instruments – Fair Values and Risk Management.

### 4.3.22 EQUITY ATTRIBUTABLE TO SHAREHOLDERS

For a consolidated overview of changes in equity reference is made to the Consolidated Statement of Changes in Equity.

#### ISSUED SHARE CAPITAL

The authorized share capital of the Company is two hundred million euros (EUR200,000,000). This share capital is divided into four hundred million (400,000,000) ordinary shares with a nominal value of twenty-five eurocents (EUR0.25) each and four hundred million (400,000,000) protective preference shares, with a nominal value of twenty-five euro cents (EUR0.25) each. The protective preference shares can be issued as a protective measure as described in note 3.2.8 Stichting Continuïteit SBM Offshore.

During the financial year the movements in the outstanding number of ordinary shares are as follows:

number of shares	2022	2021
<b>Outstanding at 1 January</b>	<b>180,671,305</b>	<b>188,671,305</b>
Treasury shares cancelled	-	(8,000,000)
<b>Outstanding 31 December</b>	<b>180,671,305</b>	<b>180,671,305</b>

All outstanding shares have been fully paid.

#### TREASURY SHARES

A total number of 2,616,650<sup>2</sup> treasury shares are still reported in the outstanding ordinary shares as at December 31, 2022 and are held predominantly for employee share programs. During 2022, a total of 1,400,258 shares were transferred to employee share programs.