2022 ANNUAL REPORT

SBM OFFSHORE

TRUE.
BLUE.
TRANSITION.

The Company has available facilities resulting from (i) the undrawn RCF, (ii) the undrawn portion of *FPSO Sepetiba*, FPSO *Prosperity* and FPSO *ONE GUYANA* project facilities and (iii) short-term credit lines.

Expiry date of the undrawn facilities and unused credit lines

	2022	2021
Expiring within one year	274	249
Expiring beyond one year	2,452	2,113
Total	**2,726**	**2,362**

The RCF in place as of December 31, 2022 has a maturity date of February 13, 2026. The US$1 billion facility was secured with a selected group of 11 core relationship banks, increasing to 13 banks as per 2022 and has an uncommitted option to increase the RCF by an additional US$500 million. The Company does not have any other extension option remaining.

When needed, the RCF allows the Company to finance EPC activities / working capital, bridge any long-term financing needs, and/or finance general corporate purposes. On December 23, 2021 the RCF was amended by means of an amendment and restatement agreement to reflect a dedicated green funding tranche. By creating this green tranche, US$50 million of the RCF may only be used to fund activities that comply with the Green Loan Principles (primarily activities related to renewable energy projects) and the remaining US$950 million can be used in the following proportions:

- EPC activities / working capital – 100% of the facility;
- General Corporate Purposes – up to 50% of the facility;
- Refinancing project debt – 100% of the facility but limited to a period of 18 months

The pricing of the RCF is currently based on LIBOR, and it includes provisions for the replacement of LIBOR with a compounded reference rate. The margin is adjusted in accordance with the applicable leverage ratio ranging from a minimum level of 0.50% p.a. (0.40% for the green tranche) to a maximum of 1.50% p.a. (1.40% for the green tranche). The margin also includes a Sustainability Adjustment Mechanism whereby the margin may increase or decrease by 0.05% based on the absolute change in the Company performance as measured and reported by Sustainalytics[3]. The Company's Sustainability performance in 2022 allows the 0.05% margin decrease to remain applicable for 2023.

COVENANTS

The following key financial covenants apply to the RCF as agreed with the respective lenders on February 13, 2019, and unless stated otherwise, relate to the Company's consolidated financial statements:

- **Solvency**: Consolidated IFRS Tangible Net Worth divided by Consolidated IFRS Tangible Assets must be > 25%;
- **Interest Cover Ratio**: Consolidated Directional Underlying EBITDA divided by Consolidated Directional Net Interest Payable must be > 4.0.

The **Lease Backlog Cover Ratio (LBCR)** is used to determine the **maximum funding availability** under the RCF. The maximum funding availability is determined by calculating the net present value of the future contracted net cash after debt service of a defined portfolio of operational offshore units in the directional backlog. The maximum theoretical amount available under the RCF is then determined by dividing this net present value by 1.5. The actual availability under the RCF will be the lower of this amount and the applicable Facility Amount. As at December 31, 2022 additional headroom above the US$1 billion capacity under the RCF exceeded US$650 million.

For the purpose of covenants calculations, the following simplified definitions apply:

- **IFRS Tangible Net Worth:** Total equity (including non-controlling interests) of the Company in accordance with IFRS, excluding the marked-to-market valuation of currency and interest derivatives undertaken for hedging purposes by the Company through other comprehensive income, dividends declared, value of intangible assets and deferred taxes.
- **Consolidated IFRS Tangible Assets:** The Company's total assets (excluding intangible assets) in accordance with the IFRS consolidated statement of financial position less the marked-to-market valuation of currency and interest derivatives undertaken for hedging purposes by the Company through other comprehensive income.
- **Consolidated Directional Underlying EBITDA:** Consolidated profit of the Company adjusted for net interest payable, tax and depreciation of assets and impairments, any exceptional or extraordinary items, and by adding back (i) the

[3] Sustainalytics is a provider of Environmental, Social and Governance and Corporate Governance research and ratings.

annualized production EBITDA for units which started operations during the financial year, and (ii) the acquisition annualized EBITDA for units acquired during the financial year.

- **Consolidated Directional Net Interest Payable:** All interest and other financing charges paid up, payable (other than capitalized interest during a construction period and interest paid or payable between wholly owned members of the Company) or incurred by the Company less all interest and other financing charges received or receivable by the Company, as per Directional reporting.

Covenants

	2022	2021
IFRS Tangible Net Worth	4,494	3,780
Consolidated IFRS Tangible Assets	15,161	13,079
Solvency ratio	29.6%	28.9%
Adjusted (Directional) Underlying EBITDA	1,036[1]	935[2]
Consolidated Directional Net Interest Payable	190	170
Interest cover ratio	5.5	5.5

1 No exceptional items impact 2022 EBITDA. Adjusted Directional Underlying EBITDA includes the annualized production EBITDA for FPSO Liza Unity

2 Exceptional items restated in 2021 Consolidated Directional Underlying EBITDA were mainly related to the US$77 million anticipated revenue recognition following the early redelivery of the Deep Panuke MOPU. In addition, the 2021 Consolidated Directional Underlying EBITDA did not include the US$8 million relating to the penalty order against the Company issued by Swiss public prosecutor in November 2021.

The Leverage ratio based on reported Directional figures, is used to determine the pricing only.

The Company monitors its financial and non-financial covenants for borrowings which are included in the consolidated financial statement continously throughout the year. None of the borrowings in the statement of financial position were in default as at the reporting date or at any time during the period.

LEASE LIABILITIES

The lease liabilities mostly relate to the leasing of office buildings as of December 31, 2022.

The movement in the lease liabilities is as follows:

	2022	2021
Principal recognized at 1 January	**56**	**71**
Additions	13	10
Redemptions	(20)	(20)
Foreign currency variations	(3)	(4)
Other	-	-
Total movements	**(10)**	**(15)**
Remaining principal at 31 December	**46**	**56**
Of which		
Current portion	13	19
Non-current portion	33	37

The movements in lease liabilities over the period were mainly related to increase due to the extension of lease contract for offices and the regular redemptions and foreign currency translations.

The maturity of the lease liabilities is analyzed in section 4.3.27 financial instruments - fair values and risk management (paragraph dedicated to liquidity risk).

The total cash outflow for leases in 2022 was US$23 million, which includes redemptions of principal and interest payments. Total interest for the period amounted to US$2 million.