

2022 ANNUAL REPORT



TRUE.
BLUE.
TRANSITION.

The gearing ratios at December 31, 2022 and 2021 were as follows:

Capital risk management

| | 2022 | 2021 |
|--|---------------|---------------|
| Total borrowings and lease liabilities | 8,564 | 7,701 |
| Less: net cash and cash equivalents | 683 | 1,021 |
| Net debt | 7,881 | 6,681 |
| Total equity | 4,914 | 3,537 |
| Total capital | 12,795 | 10,217 |
| Gearing ratio | 61.6% | 65.4% |

Climate related risks

The Company has adopted two climate change scenarios to future-proof current strategy and take appropriate action. The scenarios are based on the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC) data, as explained in section 5.1.4 Taskforce for Climate-related Disclosure (TCFD):

- A Steady Climate Change Scenario with a positive impact on climate change, but which falls short of meeting the Paris Agreement goals.
- A Bold Climate Action Scenario providing for strong commitment towards targets, as per the Paris Agreement.

Through its strategy process the Company tests the resilience of its portfolio and business model against each of these scenarios. Financial and non-financial information are aligned in order to ensure that financial impact of climate related risks is identified. The Company assessed the physical and transitional risk which are disclosed in 1.4.3 Climate Change Risk & Opportunity from a financial statement perspective. Based on the reasonable and supportable information available to date and the outcome of risk assessments, the Company did not identify any circumstances which had an impact on impairment of non-financial assets, provisions nor contingent liabilities and assets in the 2022 consolidated financial statements.

Although climate related risks are key drivers of the Company strategy, budgeting exercise, capital allocation and prospects selection, the Company did not experience any significant impact on the financial result of the period.

The risks will however remain key points of attention for areas such as impairment testing, estimation of remaining useful life, expected credit losses and provisions for future periods.

Other risks

In respect of controlling political risk, the Company has a policy of thoroughly reviewing risks associated with contracts, whether Turnkey or long-term leases. Where political risk cover is deemed necessary and available in the market, insurance is obtained.

4.3.28 LIST OF GROUP COMPANIES

In accordance with legal requirements a list of the Company's entities that are included in the consolidated financial statements of SBM Offshore N.V. has been deposited at the Chamber of Commerce in Amsterdam.

4.3.29 INVESTMENT IN ASSOCIATES AND JOINT VENTURES

The Company has several joint ventures and associates:

| Entity name | Partners | Joint venture/ Associate | % of ownership | Country registration | 2022 main reporting segment | Project name |
|--|--|-----------------------------|-------------------|-------------------------|-----------------------------------|-------------------|
| Sonasing Xikomba Ltd. | Sociedade Nacional de Combustiveis de Angola Empresa Publica -Sonangol E.P.; Angola Offshore Services Limitada | Joint venture | 50.00 | Bermuda | Lease & Operate | FPSO N'Goma |
| OPS-Serviços de Produção de Petróleos Ltd. | Sociedade Nacional de Combustiveis de Angola Empresa Publica -Sonangol E.P. | Joint venture | 50.00 | Bermuda | Lease & Operate | Angola operations |