

2022  
ANNUAL  
REPORT



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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
<b>Net debt</b>	<b>7,881</b>	<b>6,681</b>
Total equity	4,914	3,537
<b>Total capital</b>	<b>12,795</b>	<b>10,217</b>
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.	Sociedad 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.	Sociedad Nacional de Combustiveis de Angola Empresa Publica -Sonangol E.P.	Joint venture	50.00	Bermuda	Lease & Operate	Angola operations

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Entity name	Partners	Joint venture/ Associate	% of ownership	Country registration	2022 main reporting segment	Project name
OPS-Serviços de Produção de Petróleos Ltd. Branch	Sociedade Nacional de Combustíveis de Angola Empresa Publica -Sonangol E.P.	Joint venture	50.00	Angola	Lease & Operate	Angola operations
Sonasing Sanha Ltd.	Sociedade Nacional de Combustíveis de Angola Empresa Publica -Sonangol E.P.; Angola Offshore Services Limitada	Joint venture	50.00	Bermuda	Lease & Operate	FPSO Sanha
Sonasing Kuito Ltd.	Sociedade Nacional de Combustíveis de Angola Empresa Publica -Sonangol E.P.; Angola Offshore Services Limitada	Joint venture	50.00	Bermuda	Lease & Operate	FPSO Kuito
Sonasing Mondo Ltd.	Sociedade Nacional de Combustíveis de Angola Empresa Publica -Sonangol E.P.	Joint venture	90.00	Bermuda	Lease & Operate	FPSO Mondo
Sonasing Saxi Batuque Ltd.	Sociedade Nacional de Combustíveis de Angola Empresa Publica -Sonangol E.P.;	Joint venture	90.00	Bermuda	Lease & Operate	FPSO Saxi-Batuque
OPS Production Ltd.	Sociedade Nacional de Combustíveis de Angola Empresa Publica -Sonangol E.P.	Joint venture	50.00	Bermuda	Lease & Operate	Angola operations
Anchor Storage Ltd.	Maersk group	Joint venture	49.00	Bermuda	Lease & Operate	Nkossa II FSO
Gas Management (Congo) Ltd.	Maersk group	Joint venture	49.00	Bahamas	Lease & Operate	Nkossa II FSO
Malaysia Deepwater Floating Terminal (Kikeh) Ltd.	Malaysia International Shipping Corporation Behard	Joint venture	49.00	Malaysia	Lease & Operate	FPSO Kikeh
Malaysia Deepwater Production Contractors Sdn Bhd	Malaysia International Shipping Corporation Behard	Joint venture	49.00	Malaysia	Lease & Operate	FPSO Kikeh
Floventis Energy Limited	CIERCO LTD.	Joint venture	70.00	United Kingdom	Turnkey	Cierco
Llÿr Floating Wind Limited	CIERCO LTD.	Joint venture	70.00	Scotland	Turnkey	Cierco
CADEMO Corporation	CIERCO LTD.	Joint venture	70.00	United states of America	Turnkey	Cierco
Normand Installer S.A.	The Solstad group	Joint venture	49.90	Switzerland	Turnkey	Normand Installer
SBM Ship Yard Ltd.	Sociedade Nacional de Combustíveis de Angola Empresa Publica -Sonangol E.P.; Daewoo Shipbuilding & Marine Engineering Co. Ltd.	Associate	33.33	Bermuda	Turnkey	Angolan yard
PAENAL - Porto Amboim Estaleiros Navais Ltda.	Sociedade Nacional de Combustíveis de Angola Empresa Publica -Sonangol E.P.; SBM Shipyard	Associate	30.00	Angola	Turnkey	Angolan yard

The Company has no joint operation as per definition provided by IFRS 11 'Joint arrangements'.

The movements in investments in associates and joint ventures are as follows:

	Note	2022	2021
<b>Investments in associates and joint ventures at 1 January</b>		<b>361</b>	<b>282</b>
Share of profit of equity-accounted investees	4.2.1	12	110
Dividends		(92)	(43)
Cash flow hedges		9	6
Capital increase/(decrease)		-	6
Foreign currency variations		1	0
Share in negative net equity reclassification to loans to joint ventures and associates		(1)	-
<b>Investments in associates and joint ventures at 31 December</b>		<b>290</b>	<b>361</b>

### Share of profit in equity-accounted investees

As at 5 August 2022, due to the approval from Bermuda Monetary Authority, the Company increased its shareholding in the investees for *FPSO Saxe Batuque* and *FPSO Mondo*. The Company now owns 90% (previously 50%) of the issued shares of the investees. Although this shareholding represents a significant portion of the issued shares, the transaction did not impact the assessment of joint control, therefore the investees shall continue to be recognized as an equity-accounted investee and the impact on the consolidated financial statement has been assessed as not significant.

### Outstanding purchase and termination options in finance lease contracts – Joint ventures and associates

The finance lease contracts of *FPSO N'Goma*, *FPSO Saxe Batuque* and *FPSO Mondo*, where the Company is the lessor, include call options for the client to purchase the underlying asset or to terminate the contract early.

The exercise of the purchase option on FPSOs *N'Goma*, *Saxe Batuque* and *Mondo* as per December 31, 2022 would have resulted in a gain or a near breakeven result for the Company. The exercise of the option to terminate the contract early, in which case the Company retains ownership of the vessel, would result in a near break-even result.

The following tables present the figures at 100%.

### Information on significant joint arrangements and associates - 2022

Project name	Place of the business	Total assets	Non-current assets	Cash	Loans	Non-current liabilities	Current liabilities	Dividends paid	Revenue
FPSO N'Goma	Angola	722	448	102	259	227	88	155	55
Angola operations	Angola	178	4	10	28	7	172	-	236
FPSO Kikeh	Malaysia	189	117	6	-	5	36	30	74
Angolan yard	Angola	57	(0)	48	556	556	34	(0)	1
Non material joint ventures/associates		70	49	12	101	67	42	-	0
<b>Total at 100%</b>		<b>1,217</b>	<b>618</b>	<b>178</b>	<b>944</b>	<b>862</b>	<b>372</b>	<b>184</b>	<b>367</b>

### Information on significant joint arrangements and associates - 2021

Project name	Place of the business	Total assets	Non-current assets	Cash	Loans	Non-current liabilities	Current liabilities	Dividends paid	Revenue
FPSO N'Goma	Angola	909	570	182	325	307	83	-	64
Angola operations	Angola	127	4	14	28	28	104	-	179
FPSO Kikeh	Malaysia	208	144	7	-	5	32	88	212
Angolan yard	Angola	74	0	53	539	539	38	-	4
Non material joint ventures/associates		92	75	7	168	163	8	-	1
<b>Total at 100%</b>		<b>1,410</b>	<b>794</b>	<b>263</b>	<b>1,059</b>	<b>1,041</b>	<b>265</b>	<b>88</b>	<b>460</b>

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The bank interest-bearing loans and other borrowings held by joint ventures and associates are as follows:

### Information on loans and borrowings of joint ventures and associates

Entity name	% Ownership	% Interest	Maturity	Net book value at 31 December 2022			Net book value at 31 December 2021		
				Non-current	Current	Total	Non-current	Current	Total
<b>US\$ Project Finance facilities drawn:</b>									
Sonasing Xikomba Ltd	50.00	4.00%	15-05-2026	190	69	259	259	65	325
Normand Installer SA	49.90	Libor + 2.1%	15-02-2023	-	22	22	22	5	27
<b>Loans from subsidiaries of SBM Offshore N.V.<sup>1</sup></b>				293	7	300	358	-	358
<b>Loans from other shareholders of the joint ventures and associates</b>				341	6	346	333	-	333
<b>Loans from other joint ventures<sup>2</sup></b>				255	-	255	245	-	245
<b>Net book value of loans and borrowings</b>				<b>1,079</b>	<b>103</b>	<b>1,182</b>	<b>1,217</b>	<b>70</b>	<b>1,288</b>

1 Please refer to note 4.3.16 'Loans to joint-ventures and associates' for presentation of the carrying amount of these loans in the Company's Consolidated Statement of financial position.

2 Mainly loans from the joint ventures SBM Shipyard Ltd to the JV PAENAL - Porto Amboim Estaleiros Navais Ltda.

### Aggregated information on joint ventures and associates

	2022	2021
Net result at 100%	(18)	187

### Reconciliation equity at 100 % with investment in associates and joint ventures

	2022	2021
Equity at 100%	(18)	104
Partner ownership	141	88
Share in negative net equity reclassification to loans to joint ventures and associates	166	168
<b>Investments in associates and joint ventures</b>	<b>290</b>	<b>361</b>

### 4.3.30 INFORMATION ON NON-CONTROLLING INTERESTS

The Company has several jointly owned subsidiaries:

Entity name	Partners	% of ownership	Country registration	2022 main reporting segment	Project name
Aseng Production Company Ltd.	GE Petrol	60.00	Cayman island	Lease & Operate	FPSO Aseng
Gepsing Ltd.	GE Petrol	60.00	Cayman island	Lease & Operate	FPSO Aseng / FPSO Serpentina
Gepsing Ltd - Equatorial Guinea Branch	GE Petrol	60.00	Equatorial Guinea	Lease & Operate	FPSO Aseng / FPSO Serpentina
Brazilian Deepwater Production Ltd.	Malaysia International Shipping Corporation Behard	51.00	Bermuda	Lease & Operate	FPSO Espirito Santo
Brazilian Deepwater Production Contractors Ltd.	Malaysia International Shipping Corporation Behard	51.00	Bermuda	Lease & Operate	FPSO Espirito Santo
Brazilian Deepwater Production B.V.	Malaysia International Shipping Corporation Behard	51.00	The Netherlands	Lease & Operate	FPSO Espirito Santo
Operações Marítimas em Mar Profundo Brasileiro Ltda	owned by Brazilian Deepwater Production Contractors (see information above)	51.00	Brazil	Lease & Operate	FPSO Espirito Santo