

2022 ANNUAL REPORT



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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

				Net book value at 31 December 2022			Net book value at 31 December 2021		
Entity name	% Ownership	% Interest	Maturity	Non- current	Current	Total	Non- current	Current	Total
US\$ Project Finance facilities drawn:									
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
Loans from subsidiaries of SBM Offshore N.V. ¹				293	7	300	358	-	358
Loans from other shareholders of the joint ventures and associates				341	6	346	333	-	333
Loans from other joint ventures ²				255	-	255	245	-	245
Net book value of loans and borrowings				1,079	103	1,182	1,217	70	1,288

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
Investments in associates and joint ventures	290	361

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

Entity name	Partners	% of ownership	Country registration	2022 main reporting segment	Project name
Alfa Lula Alto S.à.r.l.	Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha	61.00	Luxembourg	Turnkey	FPSO Cidade de Marica
Alfa Lula Alto Holding Ltd.	Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha	61.00	Bermuda	Lease & Operate	FPSO Cidade de Marica
Alfa Lula Alto Operações Marítimas Ltda.	Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha	61.00	Brazil	Lease & Operate	FPSO Cidade de Marica
Alfa Lula Alto S.à r.l. (Brazilian branch)	Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha	61.00	Brazil	Lease & Operate	FPSO Cidade de Marica
Beta Lula Central S.à.r.l.	Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha	61.00	Luxembourg	Turnkey	FPSO Cidade de Saquarema
Beta Lula Central Holding Ltd.	Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha	61.00	Bermuda	Lease & Operate	FPSO Cidade de Saquarema
Beta Lula Central Operações Marítimas Ltda.	Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha	61.00	Brazil	Lease & Operate	FPSO Cidade de Saquarema
Beta Lula Central S.à r.l. (Brazilian branch)	Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha	61.00	Brazil	Lease & Operate	FPSO Cidade de Saquarema
Tupi Nordeste S.à.r.l.	Nippon Yusen Kabushiki Kaisha; Itochu Corporation	63.13	Luxembourg	Lease & Operate	FPSO Cidade de Paraty
Tupi Nordeste Operações Marítimas Ltda.	Nippon Yusen Kabushiki Kaisha; Itochu Corporation	63.13	Brazil	Lease & Operate	FPSO Cidade de Paraty
Tupi Nordeste Holding Ltd.	Nippon Yusen Kabushiki Kaisha; Itochu Corporation	63.13	Bermuda	Lease & Operate	FPSO Cidade de Paraty
Tupi Nordeste S.à r.l. (Brazilian branch)	Nippon Yusen Kabushiki Kaisha; Itochu Corporation	63.13	Bermuda	Lease & Operate	FPSO Cidade de Paraty
Guara Norte S.à.r.l.	Mitsubishi Corporation	75.00	Luxembourg	Lease & Operate	FPSO Cidade de Ilhabela
Guara Norte Holding Ltd.	Mitsubishi Corporation	75.00	Bermuda	Lease & Operate	FPSO Cidade de Ilhabela
Guara Norte Operações Marítimas Ltda.	Mitsubishi Corporation	75.00	Brazil	Lease & Operate	FPSO Cidade de Ilhabela
Guara Norte S.à r.l. (Brazilian branch)	Mitsubishi Corporation	75.00	Brazil	Lease & Operate	FPSO Cidade de Ilhabela
Mero 2 Operacoes Maritima Ltd.	Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha	64.50	Brazil	Lease & Operate	FPSO Sepetiba
Mero 2 Operacoes Holding S.A.	Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha	64.50	Switzerland	Lease & Operate	FPSO Sepetiba
Mero 2 Owning B.V.	Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha	64.50	The Netherlands	Lease & Operate	FPSO Sepetiba
Mero 2 B.V.	Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha	64.50	The Netherlands	Lease & Operate	FPSO Sepetiba
MERO 2 B.V. (Brazilian Branch)	Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha	64.50	The Netherlands	Lease & Operate	FPSO Sepetiba
YTSM JV S.A.	CB&I Nederland B.V.	70.00	Switzerland	Lease & Operate	FPSO ONE GUYANA
SBM Nauvata Private Limited	Nauvata Engineering Private Limited	51.00	India	Turnkey	Engineering services
Tamandare Owning B.V.	Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha	55.00	The Netherlands	Lease & Operate	FPSO Almirante Tamandaré
Tamandare B.V.	Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha	55.00	The Netherlands	Lease & Operate	FPSO Almirante Tamandaré

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Entity name	Partners	% of ownership	Country registration	2022 main reporting segment	Project name
Tamandare Operations Holding S.A.	Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha	55.00	Switzerland	Lease & Operate	FPSO Almirante Tamandaré
Tamandaré Operações Marítimas Ltda.	Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha	55.00	Brazil	Lease & Operate	FPSO Almirante Tamandaré
MERO 4 Owning B.V.	Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha	55.00	The Netherlands	Lease & Operate	FPSO Alexandre de Gusmão
MERO 4 B.V.	Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha	55.00	The Netherlands	Lease & Operate	FPSO Alexandre de Gusmão
Mero 4 Operations Holding S.A.	Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha	55.00	Switzerland	Lease & Operate	FPSO Alexandre de Gusmão
Mero 4 Operações Marítimas Ltda.	Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha	55.00	Brazil	Lease & Operate	FPSO Alexandre de Gusmão

Transaction with non-controlling interests

The US\$357 million reported in 4.2.4 Consolidated Statement of Changes in Equity mainly relates to multiple equity contributions from the partners in the subsidiaries Mero 2, Mero 4 and Tamandaré related to respectively *FPSO Sepetiba*, *FPSO Alexandre de Gusmão* and *FPSO Almirante Tamandaré*.

Divestments

Mitsubishi Corporation (MC) and Nippon Yusen Kabushiki Kaisha (NYK) have acquired a respective 25% and 20% ownership interest in the special purpose companies related to the lease and operation of the *FPSO Alexandre de Gusmão* and *FPSO Almirante Tamandaré*. This has been accounted as an equity transaction with shareholders.

Information on non-controlling interests (NCI)

Included in the consolidated financial statements are the following items that represent the Company's interest in the revenues, assets and loans of the partially owned subsidiaries.

Figures are presented at 100% before elimination of intercompany transactions.

2022

Project name	Place of business	Total assets	Non-current assets	Cash	Loans	Non-current liabilities	Current liabilities	Dividends to NCI	Revenue
FPSO Aseng / FPSO Serpentina	Equatorial Guinea	124	57	16	0	0	30	9	93
FPSO Espirito Santo	Brazil	130	66	15	114	114	76	7	45
FPSO Cidade de Marica	Brazil	1,577	1,388	71	793	675	174	-	190
FPSO Cidade de Saquarema	Brazil	1,557	1,405	39	922	820	145	10	202
FPSO Cidade de Paraty	Brazil	1,058	901	58	92	0	126	-	156
FPSO Cidade de Ilhabela	Brazil	1,366	1,201	63	764	720	95	14	185
FPSO Sepetiba	Brazil	2,105	170	28	1,397	1,500	151	-	219
FPSO Almirante Tamandaré	Brazil	1,296	-	41	632	56	663	-	1,019
FPSO Alexandre de Gusmão	Brazil	1,002	-	15	618	62	652	-	880
FPSO ONE GUYANA	Guyana	196	1	0	-	10	190	-	492
Non material NCI		18	4	2	4	3	7	-	0
Total 100%		10,428	5,192	347	5,335	3,959	2,309	40	3,482

2021

Project name	Place of business	Total assets	Non-current assets	Cash	Loans	Non-current liabilities	Current liabilities	Dividends to NCI	Revenue
FPSO Aseng / FPSO Serpentina	Equatorial Guinea	140	75	3	0	-	33	11	97
FPSO Espirito Santo	Brazil	131	76	9	93	94	48	-	51
FPSO Cidade de Marica	Brazil	1,603	1,435	61	907	839	176	11	200
FPSO Cidade de Saquarema	Brazil	1,555	1,430	25	1,018	962	136	13	198
FPSO Cidade de Paraty	Brazil	1,079	965	27	215	93	158	-	145
FPSO Cidade de Ilhabela	Brazil	1,387	1,247	29	804	764	73	91	191
FPSO Sepetiba	Brazil	1,644	-	24	944	1,066	267	-	484
Non material NCI		38	27	5	5	4	5	0	(0)
Total 100%		7,578	5,255	183	3,986	3,821	897	127	1,367

Reference is made to note 4.3.23 Borrowings and Lease Liabilities for a description of the bank interest-bearing loans and other borrowings per entity.

The risks associated with interests in subsidiaries, joint ventures and associated are described in section 4.3.27 Financial Instruments - Fair Values and Risk Management. The risks identified are deemed to be inherent to the operations of the Company as a whole and includes the risk profiles of interests in other entities.

Included in the consolidated financial statements are the following items that represent the aggregate contribution of the partially owned subsidiaries to the Company consolidated financial statements:

Interest in non-controlling interest (summary)

	2022	2021
Net result	105	72
Accumulated amount of NCI	1,517	957

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Reconciliation equity at 100 % with Non-controlling interests on partially owned subsidiaries

	2022	2021
Equity at 100%	4,159	2,860
Company ownership	(2,642)	(1,902)
Accumulated amount of NCI	1,517	957

4.3.31 RELATED PARTY TRANSACTIONS

During 2022, the Company made equity contributions towards investees related to *FPSO Almirante Tamandaré*, *FPSO Sepetiba* and *FPSO Alexandre de Gusmão* (combined US\$440 million) projects. There were no other major related party transactions requiring additional disclosure in the consolidated financial statements.

For relations with Supervisory Board members, Management Board members and other key personnel reference is made to note 4.3.6 Employee Benefit Expenses.

The Company has transactions with joint ventures and associates which are recognized as follows in the Company's consolidated financial statements:

Related party transactions

	Note	2022	2021
Revenue		16	12
Cost of sales		(17)	(16)
Loans to joint ventures and associates	4.3.16	52	51
Trade receivables		70	41
Trade payables		12	16
Lease liabilities		-	(0)

The Company has provided loans to joint ventures and associates such as shareholder loans and funding loans at rates comparable to the commercial rates of interest.

During the period, the Company entered into trading transactions with joint ventures and associates on terms equivalent to those that prevail in arm's-length transactions.

Additional information regarding the joint ventures and associates is available in note 4.3.29 Investment in Associates and Joint Ventures.