2022 ANNUAL REPORT

SBM OFFSHORE

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4.6.3 INDEPENDENT AUDITOR'S REPORT

To: the general meeting and the Supervisory Board of SBM Offshore N.V.

Report on the financial statements 2022

Our opinion

In our opinion:
- the consolidated financial statements of SBM Offshore N.V. together with its subsidiaries ('the Group') give a true and fair view of the financial position of the Group as at 31 December 2022 and of its result and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code;
- the Company financial statements of SBM Offshore N.V. ('the Company') give a true and fair view of the financial position of the Company as at 31 December 2022 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2022 of SBM Offshore N.V., Amsterdam as included in sections 4.2 up to and including 4.5. The financial statements include the consolidated financial statements of the Group and the company financial statements.

The consolidated financial statements comprise:
- the consolidated statement of financial position as at 31 December 2022;
- the following statements for 2022: the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement; and
- the notes, comprising a summary of the significant accounting policies and other explanatory information.

The Company financial statements comprise:
- the Company balance sheet as at 31 December 2022;
- the Company income statement for the year then ended;
- the notes, comprising the accounting policies applied and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is EU-IFRS and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code for the consolidated financial statements and Part 9 of Book 2 of the Dutch Civil Code for the Company financial statements.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section 'Our responsibilities for the audit of the financial statements' of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of SBM Offshore N.V. in accordance with the European Union Regulation on specific requirements regarding statutory audit of public-interest entities, the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

Our audit approach

We designed our audit procedures with respect to the key audit matters, fraud and going concern, and the matters resulting from that, in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in support of our opinion, such as our findings and observations related to individual key audit matters, the audit approach fraud risk and the audit approach going concern was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Overview and context

SBM Offshore N.V. serves the offshore oil and gas industry by supplying engineered products, vessels and systems, as well as offshore oil and gas production services. This includes the construction and the leasing and operating of large and complex offshore floating production, storage and offloading vessels (FPSOs). The Group is comprised of several components and, therefore, we considered our group audit scope and approach as set out in the section 'The scope of our group audit'. We paid specific attention to the areas of focus driven by the operations of the Group, as set out below.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the management board made important judgements, for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. In these considerations, we paid attention to, amongst others, the assumptions underlying the physical and transition impacts of climate-related risks.

In paragraph 4.2.7 of the financial statements, the Company describes the areas of judgement in applying accounting policies and the key sources of estimation uncertainty. Given the significant judgements, estimation of uncertainty and the related higher inherent risks of material misstatement in construction contracts, we consider this as key audit matter, as set out in the section 'Key audit matters' of this report.

In 2022, FPSO *Cidade de Anchieta* was shut down from January 22, 2022 until December 17, 2022 following observation of oil near the vessel. As a result of this event and based on the management assessment, an impairment was accounted for in the 2022 year-end results. Given the magnitude of the amounts involved, the complex nature of the impairment assessment and the significant judgements and estimates applied by the management, we considered this as key audit matter as well.

SBM Offshore N.V. assessed the possible effects of climate change and its plans to meet the emissionZERO® commitments on its financial position. In paragraph 1.4.2, 1.4.3 of the annual report and 4.3.27 of the consolidated financial statements, the management board reflects on climate-related risk and opportunities. Management concluded that the climate change has no impact on the carrying amounts of assets and liabilities as of December 31, 2022. It is management's assessment that the future estimates and judgements underlying the carrying amounts of assets or liabilities will be influenced by its response to and assessment of climate related risks. We discussed management's assessment and governance thereof and evaluated the potential impact on the financial position including underlying assumptions and estimates. During the audit we involved our sustainability specialists to assess the climate related risks. Based on our discussions and evaluation as described above, we had no indication that climate change is a key audit matter or that it impacted our key audit matters.

Other areas of focus, that were not considered as key audit matters, were the lease classification of awarded contracts, valuation of finance lease receivables, segment reporting disclosure and accounting for uncertain tax positions. There were also internal control matters identified relating to the IT environment and IT migration to the new ERP system ('IFS') that required additional audit effort, but these were not considered key audit matters.

We ensured that the audit teams at both group and component level included the appropriate skills and competences which are needed for the audit of a Company providing floating production solutions to the offshore energy industry over the full product lifecycle. We included members with relevant industry expertise and specialists in the areas of IT, corporate income tax, valuation, sustainability and employee benefits in our audit team. We also involved forensics specialists in our assessment of fraud risk factors.

The outline of our audit approach was as follows:

Materiality

- Overall materiality: US$30 million

Audit scope

- We conducted audit work in three locations on four components.
- We conducted the group audit from the Netherlands. Site visits were conducted in one country – Monaco. We also held virtual meetings.
- Audit coverage: 100% of consolidated revenue, 99% of consolidated total assets and 91% of consolidated profit before tax.

Key audit matters

- Estimates and judgements in construction contracts
- Estimates and judgements in impairment assessment of FPSO *Cidade de Anchieta*

Materiality

The scope of our audit was influenced by the application of materiality, which is further explained in the section 'Our responsibilities for the audit of the financial statements'.

Based on our professional judgement we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and to evaluate the effect of identified misstatements, both individually and in aggregate, on the financial statements as a whole and on our opinion.

Overall group materiality	US$30 million (2021: US$27 million).
Basis for determining materiality	We used our professional judgement to determine overall materiality. As a basis for our judgement, we used 5% of profit before income tax. Our calculated overall materiality, based on the actual results of the company, would be US$33 million. In agreement with the supervisory board, we maintained the level of US$30 million as included in our audit plan.
Rationale for benchmark applied	We used this benchmark and the rule of thumb (%), based on our analysis of the common information needs of users of the financial statements, including factors such as the headroom on covenants and the financial position of the Group. On this basis, we believe that profit before tax is an important metric for the financial performance of the Group.
Component materiality	To each component in our audit scope, we, based on our judgement, allocated materiality that is less than our overall group materiality. The range of materiality allocated across components was between US$27 million and US$21 million.

We also take misstatements and/or possible misstatements into account that, in our judgement, are material for qualitative reasons.

We agreed with the supervisory board that we would report to them any misstatement identified during our audit above US$10 million (2021: US$10 million) for balance sheet reclassifications and US$3.0 million for profit before tax impact (2021: US$2.2 million) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

The scope of our group audit

SBM Offshore N.V. is the parent company of a group of entities. The financial information of this group is included in the consolidated financial statements of SBM Offshore N.V.

We tailored the scope of our audit to ensure that we, in aggregate, provide sufficient coverage of the financial statements for us to be able to give an opinion on the financial statements as a whole, taking into account the management structure of the Group, the nature of operations of its components, the accounting processes and controls, and the markets in which the components of the Group operate. In establishing the overall group audit strategy and plan, we determined the type of work required to be performed at component level by the group engagement team and by each component auditor.

The group audit focused on two components in Monaco (Turnkey as well as Operations), the treasury shared service center in Marly, Switzerland and one other component (Group Corporate Departments) located in Amsterdam, the Netherlands. The Turnkey as well as Operations components in Monaco were subject to audits of their complete financial information as those components are individually financially significant to the Group.

The processes and financial statement line items managed by the treasury shared service center in Marly, Switzerland, were subject to specified audit procedures. For the Group Corporate Departments component in Amsterdam, the group engagement team performed audit work on specified balances to achieve appropriate coverage on financial line items in the consolidated financial statements.

In total, in performing these procedures, we achieved the following coverage on the financial line items:

Revenue	***100%***
Total assets	***99%***
Profit before tax	***91%***

None of the remaining components represented more than 1% of total group revenue or total group assets. For those remaining components we performed, among other things, analytical procedures to corroborate our assessment that there were no significant risks of material misstatements within those components.

For the components in Monaco and the treasury shared service center in Marly, Switzerland, we used component auditors who are familiar with the local laws and regulations to perform the audit work. The audit was performed both remotely and at client offices. For the key meetings and audit procedures both the group and component engagement teams visited the client offices. For remote audit procedures we used video conferencing and digital sharing of screens and documents.

Where component auditors performed the work, we determined the level of involvement we needed to have in their work to be able to conclude whether we had obtained sufficient and appropriate audit evidence as a basis for our opinion on the consolidated financial statements as a whole.

We issued instructions to the component audit teams in our audit scope. These instructions included amongst others our risk analysis, materiality and the scope of the work. We explained to the component audit teams the structure of the Group, the main developments that were relevant for the component auditors, the risks identified, the materiality levels to be applied and our global audit approach. We had individual calls with each of the in-scope component audit teams both during the year and upon conclusion of their work. During these calls, we discussed the significant accounting and audit issues identified by the component auditors, their reports, the findings of their procedures and other matters, that could be of relevance for the consolidated financial statements.

The group engagement team visited both the Turnkey as well as Operations components in Monaco given the importance of these components for the consolidated financial statements as a whole and judgements involved in the estimates in construction contracts (refer to the respective key audit matter). For the components in Monaco, we reviewed selected working papers of the respective component auditors. For the treasury shared service center in Marly, Switzerland, the group audit team held virtual meetings. We remotely reviewed selected working papers of the respective component auditor.

In addition to the work on the Group Corporate Departments component, the group engagement team performed the audit work on the group consolidation, financial statement disclosures and a number of complex accounting matters at the head office. These included impairment assessments, accounting implication assessments of lease extensions and modifications as well as business combinations, share-based payments, taxes including deferred taxes and uncertain tax provisions and directional reporting as part of the segment reporting disclosures.

By performing the procedures outlined above at the components, combined with additional procedures exercised at group level, we have been able to obtain sufficient and appropriate audit evidence on the Group's financial information, to provide a basis for our opinion on the financial statements.

Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the entity and its environment and the components of the system of internal control. This included the management board's risk assessment process, the management board's process for responding to the risks of fraud and monitoring the internal control system and how the supervisory board exercised oversight, as well as the outcomes.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as among others the code of conduct, whistle blower procedures and incident registration. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness of internal controls designed to mitigate fraud risks.

We asked members of the management board and the supervisory board whether they are aware of any actual or suspected fraud.

As part of our process of identifying fraud risks, we, in co-operation with our forensic specialists, evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We identified the following fraud risks and performed the following specific procedures:

Identified fraud risks	*Our audit work and observations*
Management override of controls	
Management is in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. That is why, in all our audits, we pay attention to the risk of management override of controls in: ▪ The appropriateness of journal entries and other adjustments made in the preparation of the financial statements. ▪ Estimates. ▪ Significant transactions, if any, outside the normal course of business for the entity.	Where relevant to our audit, we evaluated the design of the internal control measures that are intended to mitigate the risk of management override of controls and assessed the effectiveness of the measures in the processes generating journal entries, making estimates, and monitoring projects. We also paid specific attention to the access safeguards in the IT system and the possibility that these lead to violations of the segregation of duties. We performed journal entry testing procedures on the following criteria: unexpected account combinations, unusual words, unusual times and unexpected users. In addition, we also tested manual consolidation adjustments. With regard to management's accounting estimates, we evaluated key estimates and judgements for bias, including retrospective reviews of prior year's estimates. We performed substantive audit procedures for the estimates in revenue and construction contracts. Please refer to key audit matters, sections "Key audit matters Estimates and judgements in construction contracts" and "Estimates and judgements in impairment assessment of FPSO *Cidade de Anchieta*". Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to management override of controls.

Identified fraud risks	*Our audit work and observations*
Risk of fraud in revenue recognition – construction contracts	
Given the listed status of SBM Offshore N.V., the significant shareholdings of management in SBM Offshore N.V. as a result of share-based payment plans and financial targets for management, the complex nature of the Company's construction contracts and the significant judgements and estimates, the revenue recognition of construction contracts was particularly subject to the risk of a material misstatement due to fraud. The determination of the turnkey segment result based on over time recognition is an exercise requiring significant judgement and management could use this estimate in order to manipulate the figures to shift between year(s). Due to this, we deem the risk significant for the cut-off and accuracy assertion for revenue.	Where relevant to our audit, we assessed the design of the internal control measures and the effectiveness of these measures in the processes for recording costs and revenues relating to construction contracts. This includes project forecasting, measurement of the progress towards complete satisfaction of the performance obligation to determine the timing of revenue recognition and the Company's internal project reviews. We concluded that we, in the context of our audit, could rely on the internal control procedures relevant to this risk. With respect to the satisfaction of the performance obligations over time and the cut-off and accuracy for individual projects under construction, we examined, discussed, and challenged project documentation on the status, progress and forecasts with management, legal, finance and technical staff of the Company. We evaluated and substantiated the outcome of these discussions by examining modifications of contracts, where applicable, such as claims and variation orders between the Company, subcontractors and clients and responses thereto. In addition, we performed substantive procedures such as a detailed evaluation of forecasts and ongoing assessment of management's judgement on issues, evaluation of budget variances and obtaining corroborating evidence, evaluation of project contingencies and milestones and recalculation of the progress towards complete satisfaction of the performance obligation. In addition, we evaluated whether there were indications of possible management bias. We performed audit procedures in respect to the significant accounting estimates. Please refer to section "Key audit matters". In addition, at the end of the year, we conducted specific substantive audit procedures regarding the cut-off of construction contracts to determine that there were no shifts in results per individual project and/or between the current and next financial year. Finally, we performed journal entry testing procedures on the following criteria: unexpected account combinations. Our audit procedures did not identify any material misstatements in the information provided by management in the financial statements. Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to revenue recognition – construction contracts.

Identified fraud risks	*Our audit work and observations*
Risk of fraud in revenue recognition – lease and operate	
Although the lease contracts and many of the operate contracts itself specify specific day-rates per vessel and periodic operating fees (and therefore the revenue is very predictable and relatively certain) there are elements in which management could manipulate the lease and operate revenue, such as the recognition of maluses. We consider accuracy, existence and occurrence as assertions relevant for the risk of fraud in revenue recognition for lease & operate revenues.	Where relevant to our audit, we assessed the design of the internal control measures and the effectiveness of these measures in the processes for recording costs and revenues relating to the lease and operate contracts. This includes gaining an understanding of the underlying contracts, malus arrangements and key performance indicators like up- and downtime to determine the possible impact on the revenue recognition. We concluded that we, in the context of our audit, could rely on the internal control procedures relevant to this risk. With respect to the satisfaction of the performance obligations for individual contracts, we examined, discussed, and challenged SBM Offshore N.V. on the recognition of maluses with management, legal, finance, and technical staff of the Company. We evaluated and substantiated the outcome of these discussions by examining the completeness of recognized claims and maluses by the Company and responses thereto, performing substantive procedures such as obtaining corroborating evidence, evaluation of vessels report. In addition, as part of our substantive audit procedures we evaluated whether there were indications of possible management bias. Finally, we performed journal entry testing procedures on the following criteria: unexpected account combinations. Our audit procedures did not identify any material misstatement in the information provided by management in the financial statements. Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to revenue recognition – lease and operate.
Risk of bribery and corruption	
The company operates in countries with a higher risk of corruption based on the Corruption Perception Index of Transparency International. For this reason, we paid particular attention to the risk of the payment of bribes by and at the initiative of agents in transactions concluded using agents.	Where relevant to our audit, we assessed the design and effectiveness of the internal control measures with respect to contracts with clients and agents and the review of the work by agents. We concluded that we, in the context of our audit, could rely on the internal control procedures relevant to this risk. We held various meetings with management and other SBM Offshore N.V. staff to discuss the risk of bribery and corruption. Amongst others we spoke to the group compliance and legal director, internal audit director, CFO, COO and CEO. We assessed that no new contracts with agents have been agreed in 2022. In addition, and amongst others we performed the following procedures: ▪ Where applicable, we evaluated minutes of meetings held to identify potential transactions with agents and by agents itself; ▪ Where applicable, we assessed whether the commission is calculated correctly, paid correctly and completely to a bank account held by the agent as well as whether the transactions are at arm's length;

Identified fraud risks	*Our audit work and observations*
	▪ Evaluated internal audit reports and internal reporting's to the audit committee; ▪ Reviewed whistleblower notifications and follow up procedures by management. Finally, we selected journal entries based on specific risk criteria and performed substantive audit procedures. Our audit procedures did not identify any material misstatement in the information provided by management in the financial statements. Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to the risk of bribery and corruption.

We reviewed lawyer's letters and correspondence with regulators, where applicable. We incorporated an element of unpredictability in our audit. During the audit we remained alert to indications of fraud. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance of laws and regulations. Whenever we identify any indications of fraud, we re-evaluate our fraud risk assessment and its impact on our audit procedures.

Audit approach going concern

As disclosed in paragraph 4.3.27 in the financial statements. Management performed their assessment of the entity's ability to continue as a going concern for at least 12 months from the date of preparation of the financial statements and has not identified events or conditions that may cast significant doubt on the entity's ability to continue as a going concern (hereafter: going concern risks).

Our procedures to evaluate the management's going concern assessment included, amongst others:

- Considerations whether management's going concern assessment included all relevant information of which we are aware as a result of our audit and inquiring with management regarding management's most important assumptions underlying its going concern assessment;
- Evaluating management's current operating plan including cash flows for at least 12 months from the date of preparation of the financial statements taken into account current developments in the industry and all relevant information of which we are aware as a result of our audit;
- Analysing whether the current and the required financing has been secured to enable the continuation of the entirety of the entity's operations, including compliance with relevant covenants;
- Performing inquiries of management as to its knowledge of going concern risks beyond the period of management's assessment.

Our procedures did not result in outcomes contrary to the management's assumptions and judgements used in the application of the going concern assumption.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements. We have communicated the key audit matters to the supervisory board. The key audit matters are not a comprehensive reflection of all matters identified by our audit and that we discussed. In this section, we described the key audit matters and included a summary of the audit procedures we performed on those matters.

In current year, we considered that "Complex lease accounting" was not a key audit matter, as the Group did not incur complex lease transactions that required significant judgements in the application of lease accounting from a lessor perspective by management.

Key audit matter	*Our audit work and observations*
Estimates and judgements in construction contracts *Note 4.2.7 and 4.3.3 to the consolidated financial statements*	
The accounting for contracts with customers under IFRS 15 'Revenue from contracts with customers' is complex and dependent on the specific arrangements between the Group and its clients as agreed upon in the contracts. Given the unique nature of each separate project and contract, management performed a contract analysis on a case-by-case basis to determine the applicable accounting and revenue recognition. Significant management judgement applied in identifying the performance obligations and determining whether they are distinct, the method of revenue recognition as either point in time or over time, contract modifications and variable consideration, are complex and subjective. Based on our risk assessment the most critical and judgemental estimates to determine satisfaction of the performance obligations over time is the estimate of the cost to complete and the measurement of progress towards complete satisfaction of the performance obligation, including the subjectivity and estimation uncertainty in the assessment of remaining risks and contingencies that a project is or could be facing. In 2022 the Group continued to face COVID-19, global macroeconomic turmoil and operational challenges. These include price inflation of materials and services, yard closures and supplier capacity constraints. The degree to which these challenges influenced the cost to complete varied from project to project and can be significant. Given the magnitude of the amounts involved (US$3.5 billion of turnkey revenue and US$5.7 billion of construction work-in-progress), the complex nature of the Company's construction contracts and the significant judgements and estimates, these areas were particularly subject to the significant risk of misstatement related to either error or fraud. Based on the above considerations we considered this area to be a key audit matter.	We assessed whether the satisfaction of the performance obligations to be recognized as revenue recognition should be as either point in time or over time. We performed look-back procedures as part of our risk assessment procedures by comparing the estimates included in the current projects with past projects of similar nature and previous estimates of the same project, as this provides insight in the ability of management to provide reliable estimates. The outcome of these look-back procedures confirmed our understanding and risk assessment related to project estimates. We gained an understanding of processes, evaluated and tested the relevant controls the Group designed and implemented within its process to record costs and revenues relating to construction contracts. This includes project forecasting, measurement of the progress towards complete satisfaction of the performance obligation to determine the timing of revenue recognition and the Group's internal project reviews. We found that we, in the context of our audit, could rely on these internal control procedures. With respect to the satisfaction of the performance obligations over time we examined project documentation on the status, progress and forecasts of projects under construction and discussed and challenged those with management, finance and technical staff of the Group. We evaluated and substantiated the outcome of these discussions by examining modifications of contracts, where applicable, such as claims and variation orders between the Group, subcontractors and clients and responses thereto. In addition, we performed procedures such as a detailed evaluation of forecasts and ongoing assessment of management's judgement on issues, evaluation of budget variances and obtaining corroborating evidence, evaluation of project contingencies and milestones and recalculation of the progress towards complete satisfaction of the performance obligation. In addition, as part of our substantive audit procedures we evaluated whether there were indications of possible management bias. Our audit procedures did not indicate material findings with respect to the estimates and judgements in construction contracts.
Estimates and judgements in impairment assessment of FPSO Cidade de Anchieta *Note 4.2.7 and 4.3.13 to the consolidated financial statements*	
The assessment of impairment under IAS 36 "Impairment of Assets" requires a detailed analysis and is dependent on multiple significant management judgements and estimates, that are applied in determination of asset's value in use. In 2022, FPSO *Cidade de Anchieta* was shut down from January 22, 2022 until December 17, 2022 following observation of oil near the vessel. A repair program has been implemented to repair the 4 tanks required for the safe restart of the vessel as well as for the repair of other tanks for which work will continue at least until the end of 2023.	We assessed management's accounting paper on the impairment calculation and related assumptions for the FPSO *Cidade de Anchieta*. As part of our evaluation of the accounting paper we performed the following: ▪ reconciliation of the estimates applied in the impairment calculation to underlying documents such as contracts and historical information; ▪ accuracy of the impairment model applied.

Key audit matter	*Our audit work and observations*
Management prepared an impairment assessment analysis and concluded that the total expected cost of repairs will result in an adverse cash flow. An impairment of US$92 million was accounted for in the 2022 year-end results. Based on our risk assessment the most critical and judgemental estimates to determine value in use of FPSO *Cidade de Anchieta* are related to: ▪ Recoverability of insurance claims (cash inflow). ▪ Expected repair costs for the remaining tanks (cash outflow). ▪ Timing of the related cash in- and outflows. We consider this area to be a key audit matter given the magnitude of the amounts involved, the complex nature of the impairment assessment and the significant judgements and estimates applied by the management.	In addition, we performed substantive audit procedures to substantiate the impairment calculation: ▪ the appropriate application of IAS 36; ▪ substantive testing of the relevant cash outflows and timing thereof, amongst others: testing of the historical repair costs in relation to the expected repair costs for the remaining tanks; ▪ substantive testing of the relevant cash inflows and the timing thereof, amongst other: reconciliation to underlying contracts; ▪ evaluated whether there were indications of possible management bias, and; ▪ reviewed the sensitivity analysis prepared by management. Our audit procedures did not indicate material findings with respect to the estimates and judgements made in impairment assessment.

Report on the other information included in the annual report

The annual report contains other information. This includes all information in the annual report in addition to the financial statements and our auditor's report thereon.

Based on the procedures performed as set out below, we conclude that the other information:
- is consistent with the financial statements and does not contain material misstatements; and
- contains all the information regarding the directors' report and the other information that is required by Part 9 of Book 2 and regarding the remuneration report required by the sections 2:135b and 2:145 subsection 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and the understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 of Book 2 and section 2:135b subsection 7 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those procedures performed in our audit of the financial statements.

The management board is responsible for the preparation of the other information, including the directors' report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code. The management board and the supervisory board are responsible for ensuring that the remuneration report is drawn up and published in accordance with sections 2:135b and 2:145 subsection 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements and ESEF

Our appointment

We were nominated as auditors of SBM Offshore N.V. on 13 November 2013 by the Supervisory Board and appointed through the passing of a resolution by the shareholders at the annual meeting held on 17 April 2014. Our appointment has been renewed on 7 April 2021 for a period of three years by the shareholders. Our appointment represents a total period of uninterrupted engagement of nine years.

European Single Electronic Format (ESEF)

SBM Offshore N.V. has prepared the annual report, including the financial statements, in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion, the annual report prepared in XHTML format, including the (partially) marked-up consolidated financial statements, as included in the reporting package by SBM Offshore N.V., complies, in all material respects, with the RTS on ESEF.

The management board is responsible for preparing the annual report, including the financial statements, in accordance with the RTS on ESEF, whereby the management board combines the various components into a single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion on whether the annual report in this reporting package complies with the RTS on ESEF.

We performed our examination in accordance with Dutch law, including Dutch Standard 3950N 'Assurance-opdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument' (assurance engagements relating to compliance with criteria for digital reporting).

Our examination included among others:

- Obtaining an understanding of the entity's financial reporting process, including the preparation of the reporting package.
- Identifying and assessing the risks that the annual report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including:
  - Obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance document and the XBRL extension taxonomy files have been prepared in accordance with the technical specifications as included in the RTS on ESEF;
  - Examining the information related to the consolidated financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF.

No prohibited non-audit services

To the best of our knowledge and belief, we have not provided prohibited non-audit services as referred to in article 5(1) of the European Regulation on specific requirements regarding statutory audit of public-interest entities.

Services rendered

The services, in addition to the audit, that we have provided to the Company or its controlled entities, for the period to which our statutory audit relates, are disclosed in note 4.3.32 to the financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the management board and the supervisory board for the financial statements

The management board is responsible for:

- the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the management board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the management board is responsible for assessing the Company's ability to continue as a going-concern. Based on the financial reporting frameworks mentioned, the management board should prepare the financial statements using the going-concern basis of accounting unless the management board either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so. The management board should disclose in the financial statements any event and circumstances that may cast significant doubt on the Company's ability to continue as a going concern.

The supervisory board is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high but not absolute level of assurance, which makes it possible that we may not detect all material misstatements. Misstatements may arise due to fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Rotterdam, 22 February 2023
PricewaterhouseCoopers Accountants N.V.

A.A. Meijer RA

Appendix to our auditor's report on the financial statements 2022 of SBM Offshore N.V.

In addition to what is included in our auditor's report, we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management board.
- Concluding on the appropriateness of the management board's use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Considering our ultimate responsibility for the opinion on the consolidated financial statements, we are responsible for the direction, supervision and performance of the group audit. In this context, we have determined the nature and extent of the audit procedures for components of the Group to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole. Determining factors are the geographic structure of the Group, the significance and/or risk profile of group entities or activities, the accounting processes and controls, and the industry in which the Group operates. On this basis, we selected group entities for which an audit or review of financial information or specific balances was considered necessary.

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. In this respect, we also issue an additional report to the audit committee in accordance with article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related actions taken to eliminate threats or safeguards applied.

From the matters communicated with the supervisory board, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.