Press Release

SBM Offshore Full Year 2022 Earnings

February 23, 2023

Record EBITDA & Backlog, increasing shareholder returns, industry pacesetting

Highlights

- Record 2022 Directional[1] underlying EBITDA of US$1,010 million, in line with guidance
- Record year-end Backlog of US$30.5 billion
- 10% increase in dividend proposed to US$1.10 per share, 7% yield[2]
- 2023 Directional revenue guidance of above US$2.9 billion
- 2023 Directional EBITDA guidance of above US$1 billion
- FPSO *ONE GUYANA* award, MoU for 7th MPF[3] hull with ExxonMobil Guyana
- Defining 2030 intermediate greenhouse gas (GHG) related targets, creating pathway to net-zero by 2050

SBM Offshore's 2022 Annual Report can be found on its website under: https://2022.annualreport.sbmoffshore.com/

Bruno Chabas, CEO of SBM Offshore, commented:

"2022 has been a challenging year for SBM Offshore, yet we were able to achieve good performance. We achieved record-level underlying EBITDA, driven by our strong backlog which also grew to a year-end record level following the award of FPSO *ONE GUYANA*. This performance has allowed us to maintain our track record of increasing shareholder returns, with a proposed 10% increase in the dividend to US$1.10 per share.

Undertaking the construction of six FPSOs in the current climate is challenging. Our yards in China have been disrupted by COVID-19 lockdowns and the war in Ukraine has contributed to logistical problems and inflationary pressure. This has impacted construction and operations, resulting in increased costs. The extent to which these impacts can be mitigated at project level varies, however at portfolio level, margins remain robust.

Operating performance remained healthy. We achieved delivery and flawless startup of FPSO *Liza Unity* at the beginning of the year, surpassing industry benchmarks. The overall performance of the fleet has been good from an efficiency, uptime, and emissions standpoint, capitalizing on our digital know-how. We safely restarted the FPSO *Cidade de Anchieta* at full production in December.

Our New Energies business is delivering tangible results: construction of the three floating foundations for the 25 MW Provence Grand Large offshore floating wind project is nearing completion. The project is scheduled for commissioning before the end of 2023 and we are already leveraging learnings as we conceptualize future designs.

We are driving progress towards our 2030 targets of reducing emissions intensity by 50% per barrel of oil produced and developing innovative lower-carbon, new energy and digital technologies. Industry pacesetting and 'doing things right' at all levels of the organization is what SBM Offshore does and will continue to do. It is our contribution to the energy transition."

Financial Overview

in US$ million	Directional FY 2022	Directional FY 2021	Directional % Change[4]	IFRS FY 2022	IFRS FY 2021	IFRS % Change[4]
Revenue	**3,288**	**2,242**	***47%***	**4,913**	**3,747**	***31%***
Lease and Operate	1,763	1,509	*17%*	1,414	1,270	*11%*
Turnkey	1,525	733	*108%*	3,499	2,477	*41%*
Underlying Revenue	**3,288**	**2,317**	***42%***	**4,913**	**3,822**	***29%***
Lease and Operate	1,763	1,584	*11%*	1,414	1,345	*5%*
Turnkey	1,525	733	*108%*	3,499	2,477	*41%*
EBITDA	**1,010**	**849**	***19%***	**1,209**	**823**	***47%***
Lease and Operate	1,080	914	*18%*	719	636	*13%*
Turnkey	7	19	*-63%*	569	271	*110%*
Other	(77)	(84)	*-8%*	(80)	(84)	*-5%*
Underlying EBITDA	**1,010**	**931**	***8%***	**1,209**	**906**	***33%***
Lease and Operate	1,080	989	*9%*	719	711	*1%*
Turnkey	7	19	*-63%*	569	271	*110%*
Other	(77)	(76)	*1%*	(80)	(76)	*5%*
Profit attributable to Shareholders	**115**	**121**	***-5%***	**450**	**400**	***13%***
Underlying Profit attributable to Shareholders	**115**	**126**	***-9%***	**450**	**405**	***11%***
Earnings per share [US$ per share]	0.65	0.66	*-2%*	2.53	2.18	*16%*
Underlying earnings per share [US$ per share]	0.65	0.69	*-6%*	2.53	2.21	*14%*

in US$ million	Directional FY 2022	Directional FY 2021	IFRS FY 2022	IFRS FY 2021
Non-recurring items impacting Revenue	**-**	**(75)**	**-**	**(75)**
Deep Panuke termination fee	-	(75)	-	(75)
Non-recurring items impacting EBITDA	**-**	**(83)**	**-**	**(83)**
Deep Panuke termination fee	-	(75)	-	(75)
Conclusion of legacy issue in Switzerland	-	(8)	-	(8)
Non-recurring items impacting Depreciation & Impairment	**-**	**78**	**-**	**78**
Deep Panuke termination fee (depreciation)	-	78	-	78
Total non-recurring items impacting Profit	**-**	**(5)**	**-**	**(5)**

in US$ billion	Directional FY 2022	Directional FY 2021	Directional % Change	IFRS FY 2022	IFRS FY 2021	IFRS % Change
Pro-Forma Backlog	30.5	29.5	*3%*	-	-	-
Net Debt	6.1	5.4	*13%*	7.9	6.7	*18%*

Underlying Directional revenue for 2022 was US$3,288 million, an increase of 42% compared with 2021, primarily attributable to the Turnkey segment.

Directional Turnkey revenue amounted to US$1,525 million, mainly driven by the ramp-up of activities with six FPSOs under construction during the period, including the completion of FPSO *Liza Unity*. Additionally, the 45% partial divestment on FPSOs *Almirante Tamandaré* and *Alexandre de Gusmão* at the beginning of 2022 allowed the Company to recognize revenue for all the EPCI related work performed on these projects to the extent of the partners' ownership in the lessor-related SPVs.

The year-on-year improvement of Underlying Directional Lease and Operate (L&O) revenue to US$1,763 million at the end of 2022, mainly reflects FPSO *Liza Unity* joining the fleet partly offset by the end of Deep Panuke MOPU and FPSO *Capixaba* lease contracts. The shutdown of operations of FPSO *Cidade de Anchieta* only had a limited impact on revenue over the period, due to the extension of the contract beyond the original end date of the lease (corresponding to the period of shutdown). As a consequence, the total contractual lease revenue remains unchanged, whereas the revenue of the period, recognized on a straight-line basis over the full updated lease period, has been slightly impacted.

Underlying Directional EBITDA amounted to US$1,010 million compared with US$931 million in 2021.

Despite the significant increase in Turnkey revenue related to projects under construction, the lower impact on Turnkey EBITDA is attributable to: i) the fact that direct payments for projects which are 100% owned by the Company (FPSOs *Liza Unity*, *Prosperity* and *ONE GUYANA*) are recognized as revenue without contributing to gross margin; ii) following the partial 45% divestment in FPSO *Alexandre de Gusmão* and FPSO *Almirante Tamandaré*, the first 25% of progress on the EPCI-related work has been recognized without associated margin as per SBM Offshore "stage gate of completion" policy; and iii) impacts resulting from pressure on the global supply chain and COVID-19 pandemic that could not be mitigated so far.

Underlying Directional L&O EBITDA increased from US$989 million in 2021 to US$1,080 million this year resulting from the same drivers as revenue. The impact of FPSO *Cidade de Anchieta* on L&O EBITDA was limited as the repair costs of the asset have been capitalized under Property, Plant and Equipment. The related impairment of US$92 million did not have an impact on EBITDA but is included in the net income (see below).

The other non-allocated costs charged to EBITDA remained stable at US$77 million.

Underlying Directional net profit for 2022 totaled US$115 million, or US$0.65 per share, a 9% decrease compared with US$126 million in 2021. It should be noted the operational performance is partially offset by the impairment on FPSO *Cidade de Anchieta* (see below). Excluding the impairment on this vessel, the net profit would have reached US$207 million.

In 2021, Underlying Directional revenue and EBITDA included US$75 million related to the cash received that year following the final settlement signed with the client post redelivery of the Deep Panuke platform in 2020.

Impairment of FPSO Cidade de Anchieta

The FPSO *Cidade de Anchieta* resumed full production in December, following completion of the repair of the 4 tanks required for the safe restart of the vessel. Work will continue on a substantial repair scope related to the remaining tanks at least until the end of 2023. As anticipated in the Third Quarter Trading Update in November, the total expected net cost of repairs will result in an adverse cash flow and an impairment of US$92 million has therefore been accounted for in the 2022 full year results.

Liquidity, Funding and Directional Net Debt

The Company's financial position has remained strong as a result of the cash flow generated by the fleet, as well as the positive contribution of the turnkey activities.

Directional net debt increased by US$0.7 billion to US$6.1 billion at year-end 2022. While the L&O segment continues to generate strong operating cash flow, the Company drew on project finance facilities for FPSO *Liza Unity*, FPSO *Prosperity*, FPSO *ONE GUYANA* and FPSO *Sepetiba* to fund continued investment in growth.

With regards to FPSO *Almirante Tamandaré* and FPSO *Alexandre de Gusmão*, for which 2021 bridge loans were fully drawn in advance of investments in growth, the associated excess of financing cash flow (approximately US$800 million generated as at December 31, 2021), was consumed as a result of progress with construction and the partial 45% divestment to partners, which resulted in the derecognition of a commensurate share of the related cash and debt.

Cash and cash equivalents decreased from US$1.1 billion at year-end 2021 to US$0.6 billion at year-end 2022.

Cash and undrawn committed credit facilities amount to US$3 billion at December 31, 2022.

More than half of the Company's debt as of December 31, 2022 consisted of non-recourse project financing (US$3.7 billion) in special purpose investees. The remainder (US$3.0 billion) almost entirely consists of borrowings to support the on-going construction of five FPSOs which will become non-recourse following project completion. The Company's Revolving Credit Facility (RCF) was undrawn at year-end.

The RCF carries a sustainability performance component in its pricing mechanism based on the Company's relative score on sustainability metrics, measured by Sustainalytics, an independent third-party expert. SBM Offshore has maintained its improved score resulting in a five-basis point discount continuing to be applied on the facility's interest rate.

Pre-funding agreement

In December 2022 the Company entered into a pre-funding agreement relating to future potential financing of the holding company of FPSO *Cidade de Ilhabela*. In January 2023 the Company received a US$125 million payment in relation to this pre-funding agreement while the final funding agreement is expected to be signed during the course of 2023. This transaction is in line with the Company's aim to diversify its sources of debt and equity funding and to accelerate equity cash flow from the backlog.

Directional Pro-Forma Backlog[5]

The pro-forma Directional backlog at the end of December 2022 increased by US$1 billion year on year to a total of US$30.5 billion. This increase was mainly the result of the awarded contract for the FPSO *ONE GUYANA* project less the turnover for the period which consumed US$3.3 billion of backlog. SBM Offshore's backlog provides cash flow visibility of 28 years, up to 2050.

(in billion US$)	*Turnkey*	*Lease & Operate*	*Total*
2023	*0.9*	*1.9*	*2.7*
2024	*1.7*	*1.9*	*3.7*
2025	*1.3*	*2.2*	*3.4*
Beyond 2025	*2.0*	*18.7*	*20.7*
Total Backlog	**5.9**	**24.7**	**30.5**

The pro-forma Directional backlog at the end of 2022 reflects the following key assumptions:

- The FPSO *Liza Destiny* contract covers the basic contractual term of 10 years of lease and operation.
- The FPSOs *Liza Unity*, *Prosperity* and *ONE GUYANA* contracts cover a maximum period of two years of lease and operation within which the units will be purchased by the client. The impact of the sale of the 3 FPSOs is reflected in the Turnkey backlog at the end of the maximum two-year period.
- For both FPSOs *ONE GUYANA* and *Prosperity*, the pro-forma backlog takes the operation and maintenance scope up to a two-year contractual period as it has been agreed in principle, pending a final work order.
- The 13.5% equity divestment in FPSO *Sepetiba* to CMFL announced in February 2022 has not yet been reflected in the backlog as the transaction remains subject to various approvals.

For further details of the overall assumptions applicable to the backlog, please refer to the 2022 Annual Report.

Project Review

Project	Client, Country	Contract	SBM Share	Capacity	Percentage of Completion[6]	Expected First Oil
Sepetiba	Petrobras Brazil	22.5 year Lease & Operate	64.5%	180,000 bpd	>75%	2023
Prosperity	ExxonMobil Guyana	2 year Build, Operate, Transfer	100%	220,000 bpd	>75%	2023
Almirante Tamandaré	Petrobras Brazil	26.25 year Lease & Operate	55%	225,000 bpd	>50% <75%	2024
Alexandre de Gusmão	Petrobras Brazil	22.5 year Lease & Operate	55%	180,000 bpd	>25% <50%	2025
ONE GUYANA	ExxonMobil Guyana	2 year Build, Operate, Transfer	100%	250,000 bpd	>25% <50%	2025

Project teams continue to operate in a challenging environment including ongoing continuous global inflationary pressures and pandemic related constraints. Despite the recent relaxation of COVID-19 measures in China which should improve mobility of personnel and material, construction activities continue to experience impacts particularly with the expected temporary increase of positive cases in the country. Project teams are working closely with client teams and contractors in seeking to mitigate the impacts on project execution. An update on individual project schedules is provided below considering latest known circumstances.

FPSO Sepetiba – Integration and commissioning activities are progressing and the project targets first oil in 2023.

FPSO Prosperity – Following the completion of integration and onshore commissioning activities the vessel has safely departed from Singapore. First oil is expected in 2023.

FPSO Almirante Tamandaré – The Fast4Ward® MPF hull is nearing completion at the yard. Topsides fabrication is progressing well. First oil is expected in 2024 as planned.

FPSO Alexandre de Gusmão – The topsides fabrication and Fast4Ward® MPF hull are progressing. First oil is expected in 2025.

FPSO ONE GUYANA – The topsides fabrication is progressing as planned. First oil is expected at the end of 2025.

Fast4Ward® MPF hulls – Under the Company's Fast4Ward® program, seven MPF hulls have been ordered to date. Six have been allocated to projects and the exclusivity of the seventh MPF hull has been granted to ExxonMobil Guyana.

Operational Update

Fleet Uptime

The fleet uptime in 2022 was 91.1% reflecting the shutdown of FPSO *Cidade de Anchieta*. Excluding this unit, the fleet underlying performance was above 97%, in line with expectation. The Company continues to implement specific measures aiming to prevent the occurrence of COVID-19 cases and minimize the impact on operations.

Contract extension – In the last quarter of the year, the Company has agreed a contract extension related to the lease and operation of FPSO *Saxi Batuque* up to June 2024.

The Company continues to invest in new tools including the deployment of an ERP system to improve data-analytics and ensure increased efficiency of operations. Additionally, a new center was opened in Porto, Portugal to centralize competencies and support the development of operations especially for Guyana, Equatorial Guinea, Angola and Malaysia.

New Energies

As a key energy transition player, the Company has invested in the development of technologies to increase its footprint in new energies.

Tangible results are visible especially in floating offshore wind (FOW): the Provence Grand Large (PGL) commercial pilot project is progressing well. In the fourth quarter of the year, a major milestone was reached with the successful installation of the transition pieces linking the floater to the turbine mast. The three turbines supported by the Company's tension leg technology are projected to produce 25MW and scheduled for commissioning by the end of 2023. This project, jointly owned by EDF Renewables and Maple Power will account for approximately 10% of the worldwide installed floating wind electricity generation capacity in 2023. Capitalizing on this experience the Company has identified improvements for future designs which are captured by the Float4Wind® concept, the second generation of SBM Offshore's floating wind technology.

As the FOW market will take time to materialize, SBM Offshore is also co-developing FOW projects and securing seabed rights and relevant permits, together with partners to better understand the market and accelerate new technologies' deployment.

In parallel, leveraging its experience and expertise in floating energy solutions, the Company is investing in the development of other new technologies to facilitate the energy transition. In the near term SBM Offshore is seeking to provide offloading terminal solutions for CO_2 and to adapt existing terminal solutions for future fluids such as ammonia.

Environment, Social and Governance

Safety

Despite the increased volume of activity in 2022, the Company's Total Recordable Injury Frequency Rate was 0.12, compared with the full year target of below 0.15[7].

Climate Change (GHG emissions reduction)

For the year 2022, the Company met the target set on gas flared thanks to the excellence of its operational teams with 1.42 mmscf/d[8] compared to a maximum fleet average target of 1.7 mmscf/d.

2030 Intermediate targets and Sustainable Development Goals

In support of its 2050 net-zero ambition, SBM Offshore has created new intermediate targets, using a science-based approach. By 2030, the Company targets net-zero on scope 1 and 2 emissions[9] and a 50% reduction of GHG intensity on scope 3[10] as well as zero routine flaring[11]. Since 2020, the Company has been developing an emissionZERO® program to reduce emissions. In 2022, The Company developed an all-electric drive FPSO. This is a key contribution to developing a near-zero emission FPSO, planned to be market-ready by 2025.

The Company uses the United Nations' Sustainable Development Goals (SDG) framework to embed sustainability into the Company's strategy and the associated performance program is linked to Management Board and employees' short-term incentive scheme. For the year 2022, the Company set twelve SDG-linked targets out of which eight have been met or exceeded and the remaining four are expected to be completed in the coming months. SBM Offshore takes pride in its continuous improvement approach and will apply the knowledge gained from its performance in future target setting.

SBM Offshore is committed to improving its performance against targets, building on years of action. The Company continues to be favorably rated by external rating agencies such as Sustainalytics, S&P Global, MSCI and CDP, with improving scores year on year. Please refer to the 2022 Annual Report for further details.

Capital Allocation / Shareholder Returns

The Company's dividend policy is to maintain a stable dividend, which grows over time. Determination of the dividend is based on the Company's assessment of its underlying cash flow position. As part of the Company's regular planning process, following review of its cash flow position and forecast, the Company proposes to pay out a dividend of US$1.10 per share, equivalent to c. US$200 million, to be paid out of retained earnings. This dividend will be proposed at the Annual General Meeting on April 13, 2023. This represents an increase of 10% compared to the US$1 dividend per share paid in 2022.

Change of auditor

In accordance with the mandatory external auditor's rotation rules, the Supervisory Board has decided, as a result of a thorough selection procedure, to nominate Deloitte to the General Meeting ("AGM") for appointment as its new external auditor for a period of four years (starting per the financial year 2024)[12].

Guidance

The Company's 2023 Directional revenue guidance is above US$2.9 billion of which around US$1.9 billion is expected from the Lease and Operate segment and above US$1 billion from the Turnkey segment.

2023 Directional EBITDA guidance is above US$1 billion for the Company.

This guidance considers the currently foreseen impacts from both the pandemic and the war between Russia and Ukraine on projects and fleet operations. The Company highlights that the direct and indirect effects of these events could continue to have a material impact on the Company's business and results and the realization of the guidance for 2023.

Conference Call

SBM Offshore has scheduled a conference call together with a webcast, which will be followed by a Q&A session, to discuss the Full Year 2022 Earnings release.

The event is scheduled for Thursday, February 23, 2023 at 10.00 AM (CET) and will be hosted by Bruno Chabas (CEO), Douglas Wood (CFO) and Øivind Tangen (COO).

Interested parties are invited to register prior the call using the link: Full Year 2022 Earnings Conference Call

Please note that the conference call can only be accessed with a personal identification code, which is sent to you by email after completion of the registration.

The live webcast will be available at: Full Year 2022 Earnings Webcast

Corporate Profile

SBM Offshore designs, builds, installs and operates offshore floating facilities for the offshore energy industry. As a leading technology provider, we put our marine expertise at the service of a responsible energy transition by reducing emissions from fossil fuel production, while developing cleaner solutions for renewable energy sources.

More than 7,000 SBMers worldwide are committed to sharing their experience to deliver safe, sustainable and affordable energy from the oceans for generations to come.

For further information, please visit our website at www.sbmoffshore.com.

Financial Calendar	Date	Year
Annual General Meeting	April 13	2023
First Quarter 2023 Trading Update	May 11	2023
Half Year 2023 Earnings	August 10	2023
Third Quarter 2023 Trading Update	November 9	2023
Full Year 2023 Earnings	February 29	2024

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Market Abuse Regulation

This press release may contain inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

Disclaimer

Some of the statements contained in this release that are not historical facts are statements of future expectations and other forward-looking statements based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance, or events to differ materially from those in such statements. These statements may be identified by words such as 'expect', 'should', 'could', 'shall' and similar expressions. Such forward-looking statements are subject to various risks and uncertainties. The principal risks which could affect the future operations of SBM Offshore N.V. are described in the 'Risk Management' section of the 2022 Annual Report.

Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results and performance of the Company's business may vary materially and adversely from the forward-looking statements described in this release. SBM Offshore does not intend and does not assume any obligation to update any industry information or forward-looking statements set forth in this release to reflect new information, subsequent events or otherwise.

Nothing in this release shall be deemed an offer to sell, or a solicitation of an offer to buy, any securities. The companies in which SBM Offshore N.V. directly and indirectly owns investments are separate legal entities. In this release "SBM Offshore" and "SBM" are sometimes used for convenience where references are made to SBM Offshore N.V. and its subsidiaries in general. These expressions are also used where no useful purpose is served by identifying the particular company or companies.

"SBM Offshore®", the SBM logomark, "Fast4Ward®", "emissionZERO®" and "Float4Wind®" are proprietary marks owned by SBM Offshore.

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[1] Directional reporting, presented in the Financial Statements under Operating Segments and Directional Reporting, represents a pro-forma accounting policy, which treats all lease contracts as operating leases and consolidates all co-owned investees related to lease contracts on a proportional basis based on percentage of ownership. This explanatory note relates to all Directional reporting in this document.
[2] Based on 14.66 euros year-end 2022 share price.
[3] Multi-purpose floater.
[4] Percentage of change calculated based on absolute figures.
[5] Change in ownership scenarios and lease contract durations have the potential to significantly impact the Company's future cash flows, net debt balance as well as the profit and loss statement. The Company therefore provides a pro-forma Directional backlog based on the best available information regarding ownership scenarios and lease contract durations for the various projects.
[6] As of December 31, 2022.
[7] Measured per 200,000 manhours.
[8] Average per operational unit including FPSO *Liza Unity* from July 2022 onwards.
[9] Aiming for 100% sourcing of green energy by 2030 and considering investments in certified projects to balance any residual GHG emissions from scope 1 and 2, reaching 'net-zero' level on total GHG emissions.
[10] Reduce GHG intensity of scope 3 downstream leased assets by 50% by 2030, compared to 2016 as a base year.
[11] Routine flaring of gas considered as flaring during normal oil production operations in the absence of sufficient facilities or amenable geology to reinject the produced gas, utilize it on-site, or dispatch it to a market. Applies to GHG emissions from scope 3 downstream leased assets.
[12] PriceWaterhouseCoopers will perform the audit for the financial year 2023. Further details will be provided in agenda of the 2023 AGM.