

## SBM Offshore Third Quarter 2023 Trading Update

November 9, 2023

### Highlights

- FEED contracts awarded by ExxonMobil Guyana for Whiptail development project in Guyana
- FPSO *Liza Unity* purchase option exercised by ExxonMobil Guyana; sale to be completed in November 2023
- 2023 Directional<sup>1</sup> EBITDA guidance increased from above US\$1 billion to around US\$1.3 billion
- 2023 Directional revenue guidance increased from above US\$2.9 billion to around US\$4.4 billion
- FPSO *Prosperity*, delivered on time in Guyana and preparing for first oil
- Successful installation of 3 floaters for the Provence Grand Large offshore wind project

Bruno Chabas, CEO of SBM Offshore, commented:

“We have delivered results this quarter in line with expectation. Given the exercise of the purchase option of FPSO *Liza Unity* by ExxonMobil Guyana, we have revised our revenue and EBITDA guidance upwards to reflect this.

We are pleased to have been awarded a further FEED contract in Guyana for an FPSO for the Whiptail development project. This project, subject to government approvals and final investment decision by ExxonMobil Guyana, will be the fifth for the Company in Guyana and is based on a new commercial model: the FPSO’s ownership is expected to be transferred to the client at the end of the construction period. SBM Offshore is then expected to operate the FPSO using its innovative integrated operations and maintenance model. This combines SBM Offshore and ExxonMobil’s expertise and experience, leveraging key learnings and the operational excellence of the units currently deployed in Guyana.

Year-to-date, the fleet performance stood at 99.3%, in line with historical trend.

On the execution front, FPSO *Prosperity* has been delivered on time and is preparing for first oil in Guyanese waters. FPSO *Sepetiba* is also on track to achieve first oil in December 2023. Together, these FPSOs are capable of producing an additional 400,000 barrels of oil per day.

Significant progress was also achieved in our New Energies platform: the floaters for the Provence Grand Large floating offshore wind project were successfully installed. This provides a tangible commercial reference for the Company’s innovative tension leg mooring technology. Once commissioned, the 3 floaters will produce 25MW of clean energy, equivalent to the annual electricity consumption of 45,000 people.”

## Financial Overview<sup>2</sup>

	YTD Directional		
<i>in US\$ million</i>	3Q 2023	3Q 2022	% Change
<b>Revenue</b>	<b>2,247</b>	<b>2,522</b>	<b>-11%</b>
Lease and Operate	1,412	1,290	9%
Turnkey	835	1,233	-32%
<i>in US\$ billion</i>	Sep-30-23	Dec-31-22	% Change
Net Debt	7.5	6.1	23%

Directional revenue stood at US\$2,247 million compared with US\$2,522 million for the same period in 2022. This 11% decrease is driven by the Turnkey segment and mainly results from the partial divestment of FPSOs *Almirante Tamandaré* and *Alexandre de Gusmão* at the beginning of 2022 and the completion of FPSO *Liza Unity* project in the first half-year of 2022.

Directional Turnkey revenue for the third quarter 2023 included variation orders related to FPSO *Prosperity* for the compensation of costs incurred by the Company after topside readiness, before the commencement of the charter at first oil. Under Directional, such costs are accounted for as revenue with a corresponding offset versus capital expenditure.

Year-to-date, Directional Lease and Operate revenue increased to US\$1,412 million, a 9% growth compared with the same period in 2022 due the full contribution of FPSO *Liza Unity* in 2023 and increased reimbursable scope, partly offset by FPSO *Capixaba* leaving the fleet in the first half-year of 2022.

The increase in net debt reflects the continued investment in the construction program of five FPSOs. The Company uses interest rate swaps to hedge interest rate risk. The hedge ratio of the floating-rate debt and the associated interest rate swaps is above 90%.

## Project Review and Fleet Operational Update

*FPSO Sepetiba* – The vessel arrived safely in Brazil in September 2023. Project teams are completing offshore commissioning activities while the hook-up and installation campaigns are progressing. The project targets first oil in December 2023.

*FPSO Prosperity* – Delivered on time and preparing for first oil.

*FPSO Almirante Tamandaré* – The topsides modules lifting campaign is progressing along with integration and commissioning. The FPSO's delivery continues to be on track for 2024 and the client expects first oil from the field in early 2025.

*FPSO Alexandre de Gusmão* – The topsides fabrication continues to progress allowing the commencement of the module lifting campaign at the yard in China. First oil is expected in 2025.

*FPSO ONE GUYANA* – The topsides fabrication is progressing in line with plan. First oil is expected in 2025.

*Fast4Ward® MPF hulls* – The seventh MPF hull has been allocated to the Whiptail development project in Guyana following FEED contracts award by ExxonMobil Guyana. An eighth MPF hull is under construction to support tendering activities.

*Fleet Uptime* – Year-to-date, the fleet's uptime was 99.3%, in line with historical performance.

## Environment, Social and Governance

The Company's Total Recordable Injury Frequency Rate year-to-date was 0.09, compared with the full year 2023 target of below 0.14<sup>3</sup>.

*Emissions* – In the third quarter of the year, the Company is on track to meet the target set on gas flared with a maximum average fleet target of 1.48 mmscf/d.

*ESG ratings* – MSCI has upgraded the ESG rating of the Company from A to AA (with scores ranging from AAA to CCC) recognizing SBM Offshore's environmental management systems and being industry leader in managing carbon emissions.

## New Energies

*Provence Grand Large pilot project* – Anchoring and hook-up of all three floaters constructed by the Company has been successfully completed 17km off the coast of Marseille, France, in 100m water depth. The floating wind units of 8.4MW each utilize SBM Offshore's tension leg floaters which reduce motion and stress on turbine components while minimizing overall footprint. Commissioning of the floaters is expected in early 2024.

## Guidance

ExxonMobil Guyana has notified the Company it will exercise its right to purchase FPSO *Liza Unity* in November 2023, a few months ahead of the end of the maximum lease term, in February 2024. The purchase allows ExxonMobil Guyana to assume ownership of the unit while SBM Offshore will continue to operate and maintain the FPSO up to 2033. The net cash proceeds will be applied to full repayment of the US\$1.14 billion project financing and as such will decrease SBM Offshore's net debt position.

The Company's 2023 guidance has been updated to take into consideration the sale of the asset.

2023 Directional revenue guidance is revised from above US\$2.9 billion to around US\$4.4 billion of which, unchanged, around US\$1.9 billion is expected from Lease and Operate and around US\$2.5 billion is expected from Turnkey compared to above US\$1 billion in the previous guidance.

2023 Directional EBITDA guidance is revised from above US\$1 billion to around US\$1.3 billion.

## Conference Call

SBM Offshore has scheduled a conference call, which will be followed by a Q&A session, to discuss the Third Quarter 2023 Trading Update.

The event is scheduled for Thursday, November 9, 2023 at 10.00 AM (CET) and will be hosted by Bruno Chabas (CEO), Øivind Tangen (COO) and Douglas Wood (CFO).

Interested parties are invited to register prior to the call using the link: [Third Quarter 2023 Trading Update](#)

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.

## 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](http://www.sbmoffshore.com).

<b>Financial Calendar</b>	<b>Date</b>	<b>Year</b>
Full Year 2023 Earnings	February 29	2024
Annual General Meeting	April 12	2024
First Quarter 2024 Trading Update	May 8	2024
Half Year 2024 Earnings	August 8	2024
Third Quarter 2024 Trading Update	November 14	2024

For further information, please contact:

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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.

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<sup>1</sup> Directional reporting, presented in the Financial Statements under section 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.

<sup>2</sup> Numbers may not add up due to rounding.

<sup>3</sup> Measured per 200,000 manhours.