Press Release

SBM Offshore Full Year 2023 Earnings

February 29, 2024

Record-level Revenue and EBITDA, increasing total shareholder returns

Highlights

- Record-level Directional[1] Revenue of US$4.5 billion (+38%), above guidance
- Record-level Directional EBITDA of US$1.3 billion (+31%), in line with guidance
- US$30.3 billion Directional backlog; US$9.3 billion or EUR46.6/share[2] Directional net cash from L&O and BOT[3] backlog[4]
- Evolving shareholder return policy: flexibility to pay committed annual cash return via dividend and share repurchase
- 12% increase in annual cash return to shareholders of US$220 million
- Cash return composed of US$150 million proposed dividend and EUR65 million (US$70 million equiv.[5]) share repurchase
- 2024 Directional Revenue guidance of around US$3.5 billion
- 2024 Directional EBITDA guidance of around US$1.2 billion
- Successful sale of FPSO *Liza Unity,* Whiptail FEED award, 10-year OMEA for Guyana FPSO fleet, and FPSOs *Prosperity* & *Sepetiba* 1st oil
- 70% FPSO CO_2 emissions reduction potential from CO_2 capture solution offered in partnership with MHI

SBM Offshore's 2023 Annual Report can be found on its website under: *https://2023.annualreport.sbmoffshore.com/*

Bruno Chabas, CEO of SBM Offshore, commented:

"In 2023, we delivered record level financial performance and maintained our future backlog at more than US$30 billion. We expect to generate US$9.3 billion net cash from the Lease and Operate ("L&O") and Build-Operate-Transfer ("BOT") sales components of this backlog, equivalent to EUR46.6/share[6]. Over the past 5 years we have grown this backlog of future net cash by US$2.9 billion whilst at the same time returning US$1.3 billion to shareholders.

This performance reflects the uniquely recognized competitive positioning of SBM Offshore, the resilience of our business model and strong organizational capability to execute our strategy. In 2023, we delivered and commissioned two large FPSOs in industry-leading timeframes, adding significant value for our clients. The gross margin for our portfolio of construction projects remained robust. The 10-year Operations and Maintenance Enabling Agreement ("OMEA") in Guyana establishes a new benchmark which can be applied to other clients, demonstrating our ability to develop new models and respond to the dynamics of an evolving financing market. On the financing front, we raised US$3.2 billion for two FPSO projects, securing the financing of the entire construction portfolio.

We have a positive outlook on the market given the economics and low emission qualities of deepwater resources. We have secured the FEED award and reserved an MPF hull for FPSO *Jaguar* for the Whiptail project in Guyana. The carbon capture solution developed in partnership with Mitsubishi Heavy Industries, Ltd. ("MHI") aims to reduce FPSO emissions by up to 70%. As a result, we are on target to offer a near zero emission FPSO to the market in 2025, a key enabler of our 2050 net zero ambition.

Our expertise in traditional oil and gas deepwater floating systems can be applied to alternative energies such as floating offshore wind, hydrogen and ammonia. The Provence Grand Large windfarm, where three 8.4 MW floating wind units were successfully installed in October, is a testament to our capacity to make innovative ideas come true and contribute to the energy transition. We will pace our activities in alternative energies in line with market developments, remaining selective and disciplined.

Our strong financial and operational performance and the positive outlook for our business through the energy transition and beyond seem to be under-appreciated by the market. This is the catalyst for the evolution of our shareholder returns policy: we are introducing flexibility to pay our annual committed fixed cash return via share repurchase in combination with dividend. Based on this we are increasing our fixed cash return by 12% to US$1.22 per share to be paid US$0.83 per share in dividend[7] and US$0.39 per share via share repurchase[8].

It has been a huge privilege to serve the Company as CEO for the last 12 years. I have had the honor of leading a team of talented, dedicated and passionate people in transforming SBM Offshore. Today, the Group has a well-established vision, purpose, and structure with a recognized leading market position and strong growth prospects in the industry. I am especially proud that SBM Offshore has a leadership team which makes an internal succession possible and am extremely pleased to hand over my responsibilities to Øivind Tangen and a talented team of SBMers. Øivind will successfully guide the Company to achieve its ambitious energy transition targets by focusing on the Company strengths."

Financial Overview[9]

	Directional			IFRS		
in US$ million	FY 2023	FY 2022	% Change	FY 2023	FY 2022	% Change
Revenue	**4,532**	**3,288**	**38%**	**4,963**	**4,913**	**1%**
Lease and Operate	1,954	1,763	11%	1,563	1,414	11%
Turnkey	2,578	1,525	69%	3,400	3,499	-3%
EBITDA	**1,319**	**1,010**	**31%**	**1,239**	**1,209**	**3%**
Lease and Operate	1,124	1,080	4%	695	719	-3%
Turnkey	296	7	>500%	646	569	14%
Other	(101)	(77)	-31%	(101)	(80)	-26%
Profit attributable to Shareholders	**524**	**115**	**354%**	**491**	**450**	**9%**
Earnings per share (US$ per share)	**2.92**	**0.65**	**350%**	**2.74**	**2.53**	**8%**
in US$ billion	FY 2023	FY 2022	% Change	FY 2023	FY 2022	% Change
Pro-forma Backlog	30.3	30.5	-1%	-	-	-
Net Debt	6.7	6.1	10%	8.7	7.9	10%

Directional revenue for 2023 stood at US$4,532 million, a 38% increase when compared with 2022, primarily attributable to the Turnkey segment.

Directional Turnkey revenue increased by 69% to US$2,578 million compared with 2022. The strong increase was mainly driven by the sale of FPSO *Liza Unity* completed in November 2023. Turnkey revenue was additionally positively impacted by (i) the start of FEED work for FPSO *Jaguar*, and (ii) additional variation orders on FPSO *Prosperity*. The increase in turnkey revenue was partially offset by (i) the comparative impact from the partial divestment of FPSO *Almirante Tamandaré* and FPSO *Alexandre de Gusmão* at the beginning of 2022, (ii) the completion of the FPSO *Liza Unity* project in February 2022 and (iii) a reduced level of progress during the period compared with the year-ago period on FPSO *Almirante Tamandaré* and FPSO *Alexandre de Gusmão* consistent with the commencement of topsides' integration.

Directional Lease and Operate revenue was US$1,954 million, an increase versus US$1,763 million in the prior period. This mainly reflects (i) FPSO *Prosperity* joining the fleet upon successful delivery of the EPCI project during the last quarter of 2023, and (ii) an increase in reimbursable scopes and an improved performance of the fleet, partially offset by (iii) FPSO *Capixaba* moving to the decommissioning phase after finishing production in 2022 (no contribution to revenue in 2023).

Directional EBITDA was US$1,319 million, representing a 31% increase compared with US$1,010 million in 2022. This was mostly attributable to the Turnkey segment which increased from US$7 million in 2022 to US$296 million in 2023. The increase was driven by the sale of FPSO *Liza Unity* which was partly offset by (i) some prior period positive one-off impacts including a US$9 million gain recognized in the year-ago period from the disposal of the SBM Installer, (ii) the completion of FPSO *Liza Unity* project in February 2022, (iii) the reduced level of progress on FPSO *Almirante Tamandaré* and FPSO *Alexandre de Gusmão* during the current year consistent with the commencement of topsides' integration, and (iv) impacts linked to pressure on the global supply chain and the consequences of the pandemic.

Directional Lease and Operate EBITDA was US$1,124 million an increase versus US$1,080 million in the year-ago period. This increase resulted from the same drivers as for the Lease and Operate revenue partially offset by additional non-recurring maintenance costs on the fleet under operation and some prior period positive one-off impacts.

The other non-allocated costs charged to EBITDA amounted to US$(101) million in 2023, a US$(24) million increase compared with the US$(77) million in the year-ago period which is mainly explained by the implementation of an optimization plan related to the Company's support functions' activities (including US$11 million of restructuring costs), and continuing investment in the Company's digital initiatives.

Directional net profit increased to US$524 million in 2023, or US$2.92 per share, compared with US$115 million in the year-ago period. The increase was mainly the result of the increase in Directional EBITDA in 2023.

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$572 million to US$6,654 million at year-end 2023. While the Lease and Operate segment continues to generate strong operating cash flow together with the net cash proceeds from the sale of FPSO *Liza Unity*, the Company drew on the project finance facilities for FPSO *Prosperity*, FPSO *ONE GUYANA*, FPSO *Almirante Tamandaré*, FPSO *Alexandre de Gusmão*, the Revolving Credit Facility and the new Revolving Credit Facility for MPF hull financing.

To diversify its sources of debt and equity funding and to accelerate equity cash flow from the backlog, the Company finalized the funding loan agreement with CMFL and received US$125 million in relation to FPSO *Cidade de Ilhabela*.

Almost half of the Company’s debt at year-end 2023 consisted of non-recourse project financing (US$3.3 billion) in special purpose investees. The remainder (US$3.8 billion) consisted mainly of borrowings to support the ongoing construction of 3 FPSOs which will become non-recourse following completion of construction, the project loan for FPSO *Sepetiba* (following start up, this has recently become non-recourse), the new US$210 million RCF for MPF hull financing fully drawn to fund MPF capital expenditure, and US$550 million drawn under the RCF as at December 31, 2023.

Directional cash and cash equivalents amounted to US$563 million and lease liabilities totaled US$85 million at December 31, 2023.

Cash and undrawn committed credit facilities amount to US$2,276 million at December 31, 2023.

Directional Pro-Forma Backlog

Change in ownership scenarios and lease contract duration 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 duration for the various projects.
The pro-forma Directional backlog at the end of December 2023 slightly decreased by US$0.2 billion to a total of US$30.3 billion. This was mainly the result of (i) the signed 10-year OMEA for the Guyana FPSO fleet and (ii) the awarded initial scope to begin FEED activities and secure a Fast4Ward® hull for FPSO *Jaguar*, offset by turnover for the period which consumed approximately US$4.5 billion of backlog (including the sale of FPSO *Liza Unity* completed in November 2023 a few months ahead of the end of the maximum lease term in February 2024). The Company's backlog provides cash flow visibility up to 2050.

in US$ billion	Turnkey	Lease & Operate	Total
2024	0.5	2.2	2.7
2025	1.3	2.5	3.8
2026	0.1	2.6	2.7
Beyond 2026	2.1	19.0	21.1
Total Directional Backlog			30.3

The pro-forma Directional backlog at the end of 2023 reflects the following key assumptions:

- The FPSO *Liza Destiny* contract covers the basic contractual term of 10 years of lease.
- The FPSOs *Prosperity* and *ONE GUYANA* contracts cover a maximum period of lease of two years, within which the FPSOs ownership will transfer to the client.
- 10 years of operations and maintenance is considered for FPSOs *Liza Destiny*, *Liza Unity*, *Prosperity* and *ONE GUYANA* following signature of the OMEA in 2023.
- The impact of the subsequent sale of FPSOs *Prosperity* and *ONE GUYANA* is reflected in the Turnkey backlog at the end of the maximum two-year period.
- With respect to FPSO *Jaguar*, for which the full construction, installation and operations contracts award is subject to necessary government approvals and final work order to be received from the client, the amount included in the pro-forma backlog is limited to the value of the initial limited release of funds to the Company to begin FEED activities and secure a Fast4Ward® hull.
- The 13.5% equity divestment in FPSO *Sepetiba* to CMFL has not yet been reflected in the backlog as the transaction remains subject to various approvals, which include the consent from co-owners, lenders and export credit agencies.

For further details of the overall assumptions applicable to the backlog, please refer to the 2023 Annual Report.

Project Review

Project	Client/country	Contract	SBM Share	Capacity, Size	Percentage of Completion	Expected First Oil
Almirante Tamandaré	Petrobras Brazil	26.25-year L&O	55%	225,000 bpd	>75%	2025
Alexandre de Gusmão	Petrobras Brazil	22.5-year L&O	55%	180,000 bpd	>75%	2025
ONE GUYANA	ExxonMobil Guyana	2-year BOT	100%	250,000 bpd	>50% <75%	2025

Projects remain on track with two major deliveries achieved by year-end. FPSO *Prosperity* joined the fleet in Guyana, achieving first oil on November 14, 2023. FPSO *Sepetiba* achieved first oil on December 31, 2023, and was formally on hire as of January 2, 2024. An update on individual projects under construction is provided below considering latest known circumstances.

FPSO Almirante Tamandaré – The topside modules lifting campaign is reaching completion. Integration and commissioning activities are progressing in line with plan. The FPSO delivery continues to be on track for 2024 and the client is expecting first oil from the field in early 2025.

FPSO Alexandre de Gusmão – The topside modules lifting campaign is progressing along with their integration. First oil is expected in 2025.

FPSO ONE GUYANA – The topsides fabrication is progressing in line with plan allowing the commencement of the lifting campaign. First oil is expected in 2025.

Fast4Ward® MPF hulls – The total number of MPF hulls ordered to date under the Company's Fast4Ward® program, stands at eight with six delivered to projects and exclusivity for the seventh allocated to FPSO *Jaguar*.

Fleet Operational Update

Fleet Uptime – The fleet's uptime was 98.2%[10] in 2023, in line with historical performance.

Operations and Maintenance Enabling Agreement - On May 02, 2023, SBM Offshore announced a 10-year Operations and Maintenance Enabling Agreement with Esso Exploration & Production Guyana Ltd. for the operation and maintenance of the fleet of FPSOs in Guyana with estimated impact on the revenue backlog of around US$3 billion[11]. As a result, an integrated operating model has been established with ExxonMobil Guyana, leveraging the combined operational excellence of both parties.

Share Purchase Agreements signed with Sonangol entities – In July 2023, SBM Offshore signed two Share Purchase Agreements with its partner Sonangol EP for (i) the acquisition of Sonangol's equity shares in the lease and operating entities related to FPSOs *N'goma*, *Saxi Batuque* and *Mondo*; and (ii) the full divestment to a Sonangol subsidiary of SBM Offshore's equity shares in the parent company of the Angolan based Paenal Yard. Those agreements remain conditional upon several conditions precedent, including consent from clients, partners and approval by various competent authorities. Therefore, there was no impact considered in 2023 from theses share purchase agreements. Through this transaction, SBM Offshore is reorganizing its business in Angola, focusing on core lease and operate activities and divesting a non-core construction yard.

Safety and Sustainability

Safety – The Company's Total Recordable Injury Frequency Rate for the year was 0.08 compared with the full year 2023 target of below 0.14[12]. For 2024 the target is set to below 0.12.

Responsible recycling – In Brazil, decommissioning of FPSO *Capixaba* is under final phase. The unit is scheduled to depart Brazil around mid-2024 for recycling at an EU approved green recycling facility in Denmark. Deep Panuke Recycling has been completed with a recycling rate of 97%.

Emissions – For 2023, the Company targeted an absolute volume of gas flared below 1.48 mmscft/d as an overall FPSO fleet average during the year. As of December 31, 2023 SBM Offshore outperformed with the actual being 1.18 mmscft/d, which is 17% lower compared with 2022.

Net-zero ambitions
In support of its 2050 net zero ambition, SBM Offshore has created intermediate targets. By 2030, the Company aims for net-zero on scope 1 and 2 emissions and a 50% reduction of GHG intensity on scope 3[13] as well as zero routine flaring. The Company is on track to meet these targets.

By 2025, under its emissionZERO® program, the Company has an ambition to offer near zero emission FPSOs as a key enabler of the energy transition. During 2023, a partnership agreement with MHI was concluded to offer a CO_2 capture solution: the technology can reduce CO_2 emissions from overall FPSO operations by an estimated 70%.

Sustainable Development Goals
The Company uses the United Nations' Sustainable Development Goals (SDG) framework to further embed sustainability into its operations with targets linked to Management Board and employee short-term incentive schemes. For the year 2023, the Company set 14 SDG-linked targets out of which 13 have been met or exceeded.

Energy Transition

Floating offshore wind – SBM Offshore has installed its first commercial pilot project in floating offshore wind. The three 8.4 MW floaters for the Provence Grand Large project, jointly owned by EDF Renewables and Maple Power, accounted for around 10% of the globally installed floating wind electricity generation capacity in 2023. This is the first floating offshore wind project installed in France and the first project worldwide using tension leg mooring technology, which has minimal motion and seabed footprint. The floating offshore wind market will take time to further develop and become commercially mature: SBM Offshore is investigating partnerships to facilitate its pursuit of this promising market on a sustainable basis.

Future Energy Markets - SBM Offshore's expertise in traditional oil and gas deepwater floating systems can be applied to alternative energies such as hydrogen and ammonia and carbon capture utilization and storage. Associated R&D activities are ongoing. The Company will remain selective and disciplined, pacing its activities in line with relevant market developments.

Capital allocation and Shareholder Returns

The Company is evolving its shareholder returns policy as follows: "The Company's shareholder returns policy is to maintain a stable annual cash return to shareholders which grows over time, with flexibility for the Company to make such cash return in the form of a cash dividend and the repurchase of shares. Determination of the annual cash return is based on the Company's assessment of its underlying cash flow position. The Company prioritizes a stable cash distribution to shareholders and funding of growth projects, with the option to apply surplus capital towards incremental cash returns to shareholders." The policy will be presented for discussion at the Annual General Meeting on April 12, 2024.

As a result, following review of its cash flow position and forecast, the Company intends to pay a total cash return to shareholders of US$220 million in 2024. This represents an increase of 12% compared with the dividend paid in 2023. The cash return is to be composed of a proposed dividend of US$150 million (equivalent to c. US$0.83 per share[14]) combined with a EUR65 million (US$70 million equivalent[15]) share repurchase program. Shares repurchased as part of the cash return will be cancelled. The share repurchase program will be launched on March 1, 2024, and the dividend will be proposed at the Annual General Meeting on April 12, 2024. Going forward, the Company intends to maintain a material level of dividend as part of the annual cash return with US$150 million as a base level.

Guidance

The Company's 2024 Directional revenue guidance is around US$3.5 billion of which around US$2.2 billion is expected from the Lease and Operate segment and around US$1.3 billion from the Turnkey segment.

2024 Directional EBITDA guidance is around US$1.2 billion for the Company.

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 2024 Earnings release.

The event is scheduled for Thursday, February 29, 2024 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 the call using the link: *Full Year 2023 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 2023 Earnings Webcast*

A replay of the webcast, which is available shortly after the call, can be accessed using the same link.

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 alternative energy sources.

More than 7,400 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 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
Full Year 2024 Earnings	February 20	2025

Press Release

For further information, please contact:

Investor Relations
Wouter Holties
Corporate Finance & Investor Relations Manager
Mobile: +31 (0) 6 23 34 37 64
E-mail: wouter.holties@sbmoffshore.com
Website: www.sbmoffshore.com

Media Relations
Evelyn Tachau Brown
Group Communications & Change Director
Mobile: +377 (0) 6 40 62 30 34
E-mail: evelyn.tachau-brown@sbmoffshore.com
Website: www.sbmoffshore.com

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 'Impact, Risk and Opportunity Management' section of the 2023 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.

[1] 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.
[2] Based on the number of shares outstanding and exchange rate EUR/USD of 1.105 at 31st of December 2023.
[3] Lease and Operate (L&O), Build Operate Transfer (BOT).
[4] Reflects a pro-forma view of the Company's Directional backlog and expected net cash from Lease and Operate and Build Operate Transfer sales after tax and debt service.
[5] Based on the EUR/USD exchange rate on February 22, 2024.
[6] Based on the number of shares outstanding and exchange rate EUR/USD of 1.105 at 31st of December 2023.
[7] Based on the number of shares outstanding at December 31, 2023. Dividend amount per share depends on number of shares entitled to dividend. The proposed ex-dividend date is April 16, 2024.

[8] Based on the foreign exchange rate on February 22, 2024. Share repurchase amount per share calculated based on the number of shares outstanding amount at 31st of December 2023.
[9] Numbers may not add up due to rounding.
[10] Fleet uptime without FPSO Mondo.
[11] Based on various operating and maintenance assumptions.
[12] Measured per 200,000 manhours.
[13] Scope 3 – downstream leased assets.
[14] Based on the number of shares outstanding at December 31, 2023. Dividend amount per share depends on number of shares entitled to dividend. The proposed ex-dividend date is April 16, 2024.
[15] Based on the foreign exchange rate on February 22, 2024.