Press Release

SBM Offshore Full Year 2020 Earnings

February 11, 2021

Stayed the course: guidance delivered, growing dividend, backlog increased and transformation on track

Highlights

- 2020 guidance delivered: Underlying[1] Directional[2] revenue US$2,291 million; Underlying Directional EBITDA US$944 million
- Almost US$1 billion Year on Year net increase of pro-forma Directional backlog[3] to US$21.6 billion
- Sustainability targets met
- Renewables and emissionZERO™ programs advanced; first floating offshore wind order secured
- Sixth Fast4Ward® Multi-Purpose Floater hull ordered
- Dividend increase of 10% totaling US$165 million
- 2021 Directional revenue guidance of around US$2.6 billion; Directional EBITDA guidance of around US$900 million

SBM Offshore's 2020 Annual Report can be found on its website under: https://2020.annualreport.sbmoffshore.com/

Bruno Chabas, CEO of SBM Offshore, commented:

"2020 has been a difficult year for everyone, including SBM Offshore. COVID-19 affected our clients and the wider energy market and impacted our operations and projects. Our teams admirably met the challenge. In our Turnkey business, we maintained progress on the Liza Unity, Sepetiba and Prosperity FPSO projects, while operating in a tough environment. In the Lease and Operate division, we have achieved a fleet uptime of 99%, with heightened safety measures to adapt to the new operating environment. Our 2020 financial results are one example of our strong performance in this challenging year and a demonstration of the resilience of our business model.

The pandemic acted as a catalyst for our transformation. Our business is now structured along three long-term value platforms: the ocean infrastructure Lease and Operate portfolio, the Turnkey experience and technical know-how adding new products to grow this portfolio and the New Energies business centered on gas, renewables and digital services. We are entering a period where the energy business will experience an increasing shift in its sources of supply and demand fluctuation but with significant growth potential nonetheless. By adapting our business model, we lowered our break-even point to ensure that we can be more competitive, responsive and agile.

SBM Offshore's Fast4Ward®, Digitalization and emissionZERO™ transformation programs are delivering increased value with lower emissions and lower costs to our clients. The energy transition has provided new opportunities to leverage our experience in floating energy solutions. We are making good progress on the floating offshore wind project for EDF's Provence Grand Large project as well as the pilot for our Wave Energy Converter. Together with lower emission offerings from our core business, such projects will allow SBM Offshore to build its platform of ocean infrastructure for generations to come."

[1] Underlying 2020 revenue and EBITDA excludes one-off effects in 2020 and 2019 to enable comparison of like-for-like underlying performance. For explanation of the various items that were adjusted, see the table in section "Financial Overview" below.
[2] Directional view, presented in the Financial Statements under Operating Segments and Directional Reporting, represents a pro-forma accounting policy, which assumes all lease contracts are classified as operating leases and all vessel investees are proportionally consolidated. This explanatory note relates to all Directional reporting in this document.
[3] The pro-forma Directional backlog is based on the best available information regarding ownership scenarios and lease contract duration for the various projects for more details, refer to the 2020 Annual Report.

Financial Overview

in US$ million	Directional FY 2020	Directional FY 2019	Directional % Change	IFRS FY 2020	IFRS FY 2019	IFRS % Change
Revenue	**2,368**	**2,171**	***9%***	**3,496**	**3,391**	***3%***
Lease and Operate	1,699	1,315	*29%*	1,761	1,327	*33%*
Turnkey	669	856	*-22%*	1,735	2,064	*-16%*
Underlying Revenue	**2,291**	**2,171**	***6%***	**3,419**	**3,391**	***1%***
Lease and Operate	1,622	1,315	*23%*	1,684	1,327	*27%*
Turnkey	669	856	*-22%*	1,735	2,064	*-16%*
EBITDA	**1,021**	**921**	***11%***	**1,043**	**1,010**	***3%***
Lease and Operate	1,108	842	*32%*	1,007	783	*29%*
Turnkey	(9)	53	*-117%*	114	290	*-61%*
Other	(78)	26	*-400%*	(78)	(63)	*-24%*
Underlying EBITDA	**944**	**832**	***13%***	**966**	**1,010**	***-4%***
Lease and Operate	1,031	842	*22%*	930	783	*19%*
Turnkey	(9)	53	*-117%*	114	290	*-61%*
Other	(78)	(63)	*-24%*	(78)	(63)	*-24%*
Profit attributable to Shareholders	**38**	**235**	***-84%***	**191**	**366**	***-48%***
Underlying Profit attributable to Shareholders	**125**	**171**	***-27%***	**277**	**391**	***-29%***
Earnings per share [US$ per share]	0.20	1.18	*-83%*	1.00	1.84	*-46%*
Underlying earnings per share [US$ per share]	0.66	0.86	*-23%*	1.46	1.97	*-26%*

in US$ million	Directional FY 2020	Directional FY 2019	IFRS FY 2020	IFRS FY 2019
Non-recurring items impacting Revenue	**77**	**-**	**77**	**-**
Deep Panuke redelivery	77	-	77	-
Non-recurring items impacting EBITDA	**77**	**90**	**77**	**-**
Deep Panuke redelivery	77	-	77	-
Transaction Constellation (QGOG)	-	90	-	-
Non-recurring items impacting Profit	**(164)**	**(25)**	**(164)**	**(25)**
Deep Panuke depreciation	(78)	-	(78)	-
SBM Installer impairment	(57)	-	(57)	-
Other impairments	(29)	(25)	(29)	(25)
Total non-recurring items impacting Profit	**(87)**	**65**	**(87)**	**(25)**

in US$ billion	Directional FY 2020	Directional FY 2019	Directional % Change	IFRS FY 2020	IFRS FY 2019	IFRS % Change
Pro-Forma Backlog	21.6	20.7	*4%*	-	-	-
Net Debt	4.1	3.5	*17%*	5.2	4.4	*18%*

Underlying Directional revenue for full year 2020 came in at US$2,291 million, an increase of 6% compared with 2019, mainly driven by the Lease and Operate segment. Underlying Directional revenue from Lease and Operate was US$1,622 million compared with US$1,315 million in 2019. This increase resulted from FPSO *Liza Destiny* joining the fleet after achieving first oil at the end of 2019 and the Company's increased ownership in the Lease and Operate entities related to increased shares in five Brazilian FPSOs purchased by the Company late in 2019. Directional Turnkey revenue reduced by 22% to a total of US$669 million for the period. Although there was a high level of activity with the three FPSOs under construction in 2020, with the completion of the main EPC activities for the Johan Castberg turret earlier in the year, the balance of activity moved towards projects linked to Lease and Operate with therefore lower contribution to Turnkey revenue.

Underlying Directional EBITDA for 2020 totaled US$944 million, representing a 13% or US$112 million increase compared with 2019. Underlying Directional Lease and Operate EBITDA increased by 22% or US$189 million to a total of US$1,031 million compared with last year. This rise is caused by the same drivers as the increase in Lease and Operate revenue. The incremental costs from the implementation of additional safety measures linked to COVID-19 have been partially recharged to clients under reimbursable contracts. Underlying Directional Turnkey EBITDA decreased by US$62 million to a total of

US$(9) million, mainly reflecting US$(40) million of restructuring costs as well as lower contribution from smaller product lines during the current year. Compared with 2019, Other cost increased by US$15 million to US$(78) million. This increase mainly resulted from one-off legal and tax expenses, restructuring costs and investment in the Company's digital initiatives.

The increased level of activity in the construction of new FPSOs did not significantly contribute to gross margin in 2020 under Directional reporting, because the ramp up in construction leading to profit recognition from joint venture partners in the FPSO *Sepetiba* was offset by the reduced level of activity on the Johan Castberg Turret Mooring System EPC project. In addition, the FPSO *Liza Unity* project and the FPSO *Prosperity* project are 100% owned by the Company and classified as operating lease as per Directional accounting policies. As such, these projects do not contribute to the Company's net result before first oil. For more details, refer to SBM Offshore's Directional accounting principles in chapter 4.3.2 of the Company's 2020 Annual Report.

As communicated at the end of the first half 2020 in relation to the early redelivery of the Deep Panuke platform, Underlying Directional revenue and EBITDA exclude the accelerated revenue and EBITDA recognized of US$77 million and related to cash, albeit to be received only in 2021. Considering the associated depreciation of the vessel, this transaction only negligibly impacted the Directional gross margin and profit attributable to shareholders.

Underlying Directional net profit for 2020 totaled US$125 million, or US$0.66 per share, a reduction of $US46 million compared with last year mainly driven by restructuring costs. In addition to the negligible impact of the Deep Panuke platform redelivery, the Underlying Directional net profit is adjusted by an impairment of US$(57) million related to the diving support and construction vessel (DSCV) *SBM Installer* and other various impairments of US$(29) million (individually not material).

Adapting the Business Model

The Company's strategy is set to adapt its products and business model to an environment of shorter oil price cycles and increased volatility. Consequently, as announced during the half year earnings, the Company reorganized the allocation of activities in its centers to become more efficient.

Compared with year-end 2019, the reorganization has led to a reduction of approximately 600 positions. The annualized cost of these positions is approximately US$100 million. Severance costs incurred in 2020 amounted to US$(46) million and are included in the underlying results. These measures will enable the Company to lower its break-even point, particularly in its Turnkey activities, and allow activities to be scaled in line with market demand at a competitive cost.

Funding and Directional Net Debt

Total undrawn facilities and cash totaled US$1.7 billion as at the end of 2020. As a direct result of investment in growth, Directional net debt increased from US$3.5 to US$4.1 billion over the full year period. This includes capital expenditures associated with the FPSO projects *Liza Unity*, *Sepetiba* and *Prosperity* and the expenditures on the unallocated Fast4Ward® MPF hulls.

The majority of the Company's debt at the end of 2020 consisted of non-recourse project financing (US$3.1 billion) in special purpose investees. The remainder (US$1.3 billion) comprised of borrowings to support the construction of FPSO *Liza Unity* and FPSO *Sepetiba* as well as the loan related to the DSCV *SBM Installer*. The latter is offset by a reduction in associated lease liabilities following the acquisition in 2020 of the partner's share in the company owning the vessel.

As at the end of 2020, the Company's US$1 billion Revolving Credit Facility (RCF) remained undrawn. On February 1, 2021, SBM Offshore obtained lenders' consent for a one year extension of the RCF, taking the maturity to February 13, 2026.

The RCF carries a sustainability performance component in its pricing mechanism based on the Company's relative score on sustainability metrics compared with December 2018, measured by Sustainalytics, an independent third party expert. SBM Offshore has maintained its improved score resulting in a five basis points discount calculated on the facility's interest rate.

Directional Pro-Forma Backlog

Change in ownership percentages 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 backlog on the basis of the most likely ownership scenarios and lease contract durations for the various projects.

The pro-forma Directional backlog increased by almost US$1 billion year on year to a total of US$21.6 billion. The increase was mainly the result of the contracts awarded for the next phase of the Payara development (being the FPSO *Prosperity* project), a change in FPSO *Liza Destiny* assumptions to reflect the basic contractual term of 10 years of lease and operate and a five year extension of the lease and operate contracts of the FPSO *Espirito Santo.*

(in billion US$)	Turnkey	Lease & Operate	Total
2021	0.5	1.5	2.0
2022	0.3	1.6	1.9
2023	0.1	1.6	1.7
Beyond 2023	2.4	13.6	16.0
Total Backlog	**3.3**	**18.3**	**21.6**

The pro-forma Directional backlog at the end of 2020 reflects the following key assumptions:

- The FPSO *Liza Destiny* contract covers 10 years of lease and operate. Based on previous discussions with the client, it was expected that the client would purchase the unit after a period of up to two years of operations, which as a result was reflected in previous pro-forma backlog at December 31, 2018 and 2019. Considering ongoing discussions with the client regarding lease and operations durations for FPSOs in Guyana, the current pro-forma backlog at December 31, 2020 was updated to reflect the basic contractual term of 10 years of lease and operate.
- The FPSO *Liza Unity* and *Prosperity* contracts cover a maximum period of two years of lease and operate within which period the units will be purchased by the client. The impact of the sale is reflected in the Turnkey backlog.
- Discussions are ongoing with the client on the lease and operations durations for FPSOs in Guyana. The potential impact of these discussions has not been included in the backlog, as they have not yet been completed.

For further details of the overall assumptions applicable to the backlog, refer to the 2020 Annual Report.

Project Review

Project	Client/country	Contract	SBM Share	Capacity, Size	Percentage of Completion	Expected Delivery
***Liza Unity*, FPSO**	ExxonMobil Guyana	2 year Build, Operate, Transfer	100%	220,000 bpd	>75%	2022
***Sepetiba*, FPSO**	Petrobras Brazil	22.5 year Lease & Operate	64.5%	180,000 bpd	>25% <50%	2022
***Prosperity*, FPSO**	ExxonMobil Guyana	2 year Build, Operate, Transfer	100%	220,000 bpd	<25%	2024

Construction activities for SBM Offshore’s major projects were impacted during 2020 as a result of the pandemic. Nevertheless, all projects progressed, albeit at a lower pace. SBM Offshore’s project teams have worked together with clients and suppliers in order to mitigate impacts in terms of costs and delays. The ultimate delivery of major projects is not considered at risk as at the end of 2020, based on currently known circumstances.

FPSO Liza Destiny

Commissioning work of FPSO *Liza Destiny* was finalized in December 2020 with the execution of the performance test.

FPSO Liza Unity

The topsides module lifting campaign is significantly underway and the progress of the topsides integration phase is gaining momentum in the yards in Singapore, which are operating at planned capacity following their re-opening in the third quarter of 2020. Offshore Guyana, SBM Offshore's Normand Installer vessel has successfully completed the installation of the suction piles and mooring lines, which are now ready for pick-up and hook-up to the FPSO upon its arrival. The project continues to target first oil in 2022 in line with client planning.

FPSO Sepetiba

The project modules fabrication is progressing in Brazil and China. The Fast4Ward® MPF hull will be launched out of drydock during Q1 2021 with the project team now focusing on hull commissioning activities. The FPSO project planned completion is end of 2022.

FPSO Prosperity

The hull has been commissioned and is ready for the next steps in lay-up in Batam, Indonesia. All major project purchase orders have been placed. The engineering is progressing as planned, benefiting from synergies with the Liza Unity project and the Fast4Ward® module catalogue. The project is progressing according to schedule with a planned completion in 2024.

Fast4Ward® MPF hulls

The Company recently placed an order for an additional Fast4Ward® MPF hull, bringing the total number of hulls ordered under the Company's Fast4Ward® program to date to six. The contract for the construction of this hull was signed with Shanghai Waigaoqiao Shipbuilding.

Three MPF hulls under the program are allocated to FPSOs *Liza Unity*, *Sepetiba* and *Prosperity*. Construction of the two hulls allocated to FPSO *Liza Unity* and FPSO *Prosperity* has been completed. Construction of the hull allocated to FPSO *Sepetiba* and hulls number four and five are making progress in line with SBM Offshore's execution plan. The construction of the sixth hull is expected to start in the second half of 2021.

Operational Update

Despite challenging circumstances due to the COVID-19 pandemic, the Company demonstrated operational resilience. The fleet uptime during 2020 was 99%, in line with the fleet's lifetime historical average.

In order to achieve such results, specific measures were implemented by the Company such as (i) optimization of crew rotations (in order to adjust to the impact of international travel restrictions), (ii) implementation of prescreening protocols prior to offshore embarkation, (iii) creation of local secured quarantine facilities and (iv) development of internal Polymerase Chain Reaction (PCR) testing capability, which is now available in most operating locations. The Company's COVID-19 response strategy aims to prevent the occurrence of cases on board of the vessels and in onshore locations and thereby to protect personnel and to minimize impact on operations.

HSSE

The Company's Total Recordable Injury Frequency Rate for the year was 0.10, compared with the full year 2020 target of below 0.20. SBM Offshore's priority is the health and safety of its staff, contractors and their families, along with ensuring safe operations across all the Company's activities. The COVID-19 pandemic has increased complexity and risk for the business requiring additional focus to mitigate operational disruption and impacts on the health and wellbeing of employees.

New Energies and Ambition 2030

Through the delivery of New Energies – the Company's third value platform, next to Ocean Infrastructure and Growing the Core – SBM Offshore is leveraging its experience and capability in floating energy solutions to contribute to the energy transition. The Company targets to have at least 25% of revenues from gas and renewables products by 2030. SBM Offshore has invested over 50% of its 2020 R&D budget in non-carbon technologies to promote energy transition and decarbonization.

SBM Offshore has progressed the engineering services for the Provence Grand Large project for EDF Renouvelables, and is now entering into the procurement and construction stage of the three 8.4MW floaters and the mooring systems that are planned to be installed offshore Marseille, France. Leveraging SBM Offshore's long and unique experience of delivering more than 500 floating systems along with that gained from this pilot project will enable the Company to further tune its technology, its execution model and to scale up for future wind farm projects.

Construction of the first prototype for the innovative Wave Energy Converter S3® is progressing at the Company's R&D center with deployment targeted in 2022 offshore Monaco. The Wave Energy Converter S3® was recently ranked as the second most promising wave energy technology by an independent third-party consultant performing a benchmarking study with respect to wave energy technologies.

Sustainability

Sustainability is a key topic for SBM Offshore; it contributes to the Company's vision to provide Safe, Sustainable and Affordable Energy for generations to come. As such, sustainability is integrated in every phase of the lifecycle of SBM Offshore's projects; from new technological development of both core and New Energies products to the recycling phase. The Company's performance is favorably rated by external rating agencies such as Sustainalytics, DJSI, MSCI and CDP, with improving scores year on year.

SBM Offshore uses the United Nations' Sustainable Development Goals (SDG) framework to embed sustainability into the Company's strategy. For the year 2020, the Company set ten targets related to six SDGs: Good Health and Well-being (SDG 3); Affordable and Clean Energy (SDG 7); Decent Work and Economic Growth (SDG 8); Industry, Innovation and Infrastructure (SDG 9); Climate Action (SDG13); Life Below Water (SDG 14). All of the ten targets have been met or exceeded. Refer to the 2020 Annual Report for further details.

SBM Offshore sets a particular priority on the reduction of greenhouse gas (GHG) emissions. The Company exceeded its target to reduce gas flared on SBM Offshore's account from its existing fleet at year end 2019 achieving a reduction of 36% compared with the target of 25%. Following start up and commissioning from the end of 2019, FPSO *Liza Destiny* emissions will be included from 2021 onwards. After challenges during her commissioning which were exacerbated by supply chain disruption due to COVID-19, main gas compression issues were resolved in the course of the second half of 2020. The lessons learned have resulted in an adjusted approach for future project and operations.

All FPSO tenders from SBM Offshore include emission projections for the operation phase, which has enabled the Company to engage with clients on asset carbon footprint as well as potential solutions to reduce GHG emissions in the future. This engagement has been further enhanced by the evolution of the emissionZERO™ concept announced in early 2020 into a comprehensive program targeting floating energy production solutions with near zero emissions. Activities comprise new product development and embedding emissionZERO™ in SBM Offshore's ways of working; 39 discrete projects and initiatives are currently underway. The program also includes running a stakeholder engagement platform given that it is highly dependent on market acceptance.

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 has concluded that the outlook for cash flow generation has improved given the increase in the quantum of the Lease and Operate backlog. Based on this, a dividend of US$165 million, which equals to US$0.89 per share based on the number of shares outstanding less the number of treasury shares held at December 31, 2020, to be paid out of retained earnings, will be proposed at the Annual General Meeting on April 7, 2021. This represents an increase of 10% compared to the dividend paid in 2020.

Outlook and Guidance

The challenges seen in 2020 will undoubtedly continue in 2021. Clients are restructuring and have significantly cut their budgets. However, the strong fundamentals of deepwater projects located in quality resource areas see these ranking favorably in client's capital allocations. The investments made by SBM Offshore over many years to transform the Company for the future underpinned by the strong cash flow from the long-term backlog leave the company well positioned to deliver its strategy, notwithstanding the continued challenges associated with the pandemic and oil prices.

The Company's 2021 Directional revenue guidance is around US$2.6 billion, of which around US$1.6 billion is expected from the Lease and Operate segment and around US$1 billion from the Turnkey segment. 2021 Directional EBITDA guidance is around US$900 million for the Company.

This guidance includes Directional revenues and EBITDA of US$77 million related to the expected cash receipts in 2021 from the Deep Panuke contract, which were both excluded from the 2020 outlook and underlying results. It also considers the currently foreseen COVID-19 impacts on projects and fleet operations. The Company highlights that the direct and indirect impact of the pandemic could continue to have a material impact on the Company's business and results and the realization of the guidance for 2021.

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 2020 Earnings release.

The event is scheduled for Thursday, February 11, 2021 at 10.00 AM (CET) and will be hosted by Bruno Chabas (CEO), Douglas Wood (CFO), Philippe Barril (COO) and Erik Lagendijk (CGCO).

Interested parties are invited to register prior to the call using the registration link: https://www.kpneventcall.nl/EventRegistration/fd435fe4-e529-4e8a-a8ea-7a72d167b07f

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: https://channel.royalcast.com/landingpage/sbmoffshoreinvestors/20210211_1/

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

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Corporate Profile

The Company's main activities are the design, supply, installation, operation and the life extension of floating production solutions for the offshore energy industry over the full lifecycle. The Company is market leading in leased floating production systems, with multiple units currently in operation.

As of December 31, 2020, the Company employed approximately 4,570 people worldwide spread over offices in our key markets, operational shore bases and the offshore fleet of vessels.

SBM Offshore N.V. is a listed holding company headquartered in Amsterdam, the Netherlands. It holds direct and indirect interests in other companies.

Where references are made to SBM Offshore N.V. and /or its subsidiaries in general, or where no useful purpose is served by identifying the particular company or companies "SBM Offshore" or "the Company" are sometimes used for convenience.

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

The Management Board
Amsterdam, the Netherlands, February 11, 2021

Financial Calendar	**Date**	**Year**
Annual General Meeting of Shareholders	April 7	2021
Trading Update 1Q 2021 – Press Release	May 12	2021
Half Year 2021 Earnings – Press Release	August 5	2021
Trading Update 3Q 2021 – Press Release	November 11	2021
Full Year 2021 Earnings – Press Release	February 10	2022

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