

SBM Offshore Third Quarter Trading Update

November 12, 2020

Highlights

- 2020 Directional¹ EBITDA guidance increased from above US\$900 million to around US\$950 million despite challenging environment
- 2020 Directional revenue guidance maintained at around US\$2.3 billion
- Renewable energy: Floating Offshore Wind Provence Grand Large project moving ahead
- Year-to-date Underlying Directional revenue of US\$1,706 million
- Second Fast4Ward® hull for Prosperity project completed

Bruno Chabas, CEO of SBM Offshore, commented:

“SBM Offshore is demonstrating the strength of its business model with another good set of results last quarter, despite the twin challenges of the global pandemic and low oil prices. Based on this solid year-to-date performance and the Company’s discipline in managing its cost base, the Company increased its full-year guidance.

SBM Offshore teams are succeeding in maintaining our focus on project delivery and safe operations, while working together virtually, across time zones, with clients, suppliers and all our other global stakeholders with the aim of limiting delivery delays and interruptions to operations. Deepwater projects in quality basins continue to rank favorably in client portfolios.

The energy transition remains at the core of the Company’s strategy. This quarter saw an important milestone reached with the start of the EPC phase of our first floating offshore wind project in France. Leveraging the learnings from this pilot project will enable SBM Offshore to further fine-tune its technology and execution model and to scale up for future projects towards our ambition to have 25% of revenues from Renewables & Gas by 2030.”

¹ 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.

Financial Highlights

in US\$ million	YTD Directional		
	3Q 2020	3Q 2019	% Change
Revenue	1,806	1,470	23%
Lease and Operate	1,334	972	37%
Turnkey	472	498	-5%
Underlying Revenue	1,706	1,470	16%
Lease and Operate	1,234	972	27%
Turnkey	472	498	-5%

in US\$ million	3Q 2020	3Q 2019
Non-recurring items impact Revenue		
Deep Panuke redelivery	100	-

in US\$ billion	Sep-30-20	Dec-31-19	% Change
Net Debt	4.0	3.5	14%

Backlog calculation will be provided in FY20 Earnings Update

Year to date, Underlying Directional revenues were US\$1,706 million compared with US\$1,470 million in the third quarter of 2019. This 16% increase resulted from higher revenues in Lease and Operate, which were the result of FPSO *Liza Destiny* joining the fleet at the end of 2019, together with last year's acquisition of a minority partner's ownership in five Brazilian FPSOs.

Underlying Directional revenues are adjusted for the non-recurring revenue recognition of US\$100 million related to the redelivery of the Deep Panuke platform as reported with Half Year 2020 earnings. This redelivery does not affect the contractually agreed amount and timing of the cash consideration to be received by the Company as per the initial contract.

Compared with year-end 2019, net debt as at the end of the third quarter increased by c. US\$0.5 billion to US\$4.0 billion. While Lease and Operate continues to generate strong operating cash flow, the Company is drawing under the project loan facilities for continued investment in growth. As at September 2020, 76% of the debt consisted of non-recourse project financing, with remaining debt linked to the financing of the projects under construction. SBM Offshore is currently progressing with three major projects (FPSOs *Liza Unity*, *Prosperity* and *Sepetiba*) using the first three Multi-Purpose Floater (MPF) hulls in the Fast4Ward® program. The fourth hull in the program is under construction, with construction of the fifth not yet started.

Following the re-appointment of CEO Bruno Chabas at the 2020 AGM, the implementation of his Base Salary increase to EUR960,000 was deferred to a later stage when the effects of the COVID-19 crisis would be clearer. With more visibility at present and considering the financial results and the position of the Company, the Supervisory Board resolved to implement the increase of Bruno Chabas' Base Salary effective January 1, 2020.

Project Review

SBM Offshore construction activities are reliant upon global supply chains, which face challenges to varying degrees from the pandemic. Project teams continue to work closely with client teams and contractors to optimize cost or schedule impacts and create alternatives for execution planning. An update on individual projects is provided below.

FPSO Liza Destiny

Commissioning work on the natural gas injection system of FPSO *Liza Destiny* is progressing with the main gas compressors commissioned.

FPSO Liza Unity

The yards in Singapore re-opened during the last quarter and the construction of the FPSO is progressing. The mooring and riser structures integration was completed and the Fast4Ward® MPF hull was moved from the dry-dock to the integration quayside where the topsides integration phase has started with the lifting of the first topsides modules. The project is progressing in line with client schedule, with a planned completion in 2022.

FPSO Sepetiba

The Fast4Ward® MPF hull construction is progressing at the yard in China, which is operating at planned capacity since mid-year 2020. The modules fabrication continues to progress in Brazil and China. The project is progressing with a planned completion end 2022.

FPSO Prosperity

Following the contracts award announced on October 1, 2020, the Prosperity project team is preparing for the start of fabrication in Singapore. The Fast4Ward® MPF hull for the project has been completed. The project is progressing in line with client schedule with a planned completion in 2024.

Fast4Ward® MPF hulls

Under the Company's Fast4Ward® program the total number of hulls ordered to date stands at five. Three hulls are allocated to projects: FPSOs *Liza Unity*, *Prosperity* and *Sepetiba*. The two hulls allocated to FPSO *Liza Unity* and FPSO *Prosperity* are completed.

Regarding the hulls not allocated to projects, hulls number four and five, construction of the fourth hull is making progress in line with SBM Offshore's execution plan and construction of the fifth hull is expected to start during the fourth quarter of this year. These hulls support ongoing tendering activity.

Operational Update

Due to the ongoing COVID-19 pandemic, business continuity protocols remain in place. The Company is expanding its internal Polymerase Chain Reaction (PCR) testing capability and capacity, now available in most operating locations. This enables the Company to reduce quarantine periods and to provide a more efficient response if cases are identified. The priority remains to prevent the occurrence of cases on board of the Company's fleet and in onshore locations and to minimize impact on operations.

Year to date, the Lease and Operate fleet uptime stood at 98.8% compared to 99.5% at mid-year 2020.

Energy Transition and HSSE

Floating Offshore Wind

SBM Offshore is contracted by EDF Renouvelables for the engineering, procurement, construction and installation of three floating units and its mooring system, for offshore wind turbines with a total capacity of 25.2 MW. The units will be deployed offshore Marseille for the project Provence Grand Large. The Company has progressed on the design and the turnkey phase is ongoing.

Total Recordable Injury Frequency Rate (TRIFR)

As at September 30, 2020, the Company's year-to-date TRIFR was 0.12, compared with the 2020 target of 0.20.

Outlook and Guidance

Supported by robust operational performance in both Lease and Operate and Turnkey and effective cost discipline measures, 2020 Directional EBITDA guidance is increased from "above" US\$900 million to "around" US\$950 million. 2020 Directional revenue guidance is maintained at "around" US\$2.3 billion of revenues, with "around" US\$1.6 billion coming from Lease and Operate and "around" US\$0.7 billion coming from the Turnkey segment.

Consistent with the Half Year 2020 earnings update, this guidance excludes the exceptional positive impacts on revenue and EBITDA resulting from the redelivery of the Deep Panuke platform but includes negative impact on EBITDA resulting from the company restructuring costs.

The Directional EBITDA and revenue guidance take into account the currently foreseen COVID-19 impacts on projects and fleet operations. The Company highlights that the direct and indirect impact of the pandemic could have a material impact on the Company's business and results.

Conference Call

SBM Offshore has scheduled a conference call, which will be followed by a Q&A session, to discuss the Third Quarter 2020 Trading Update.

The event is scheduled for Thursday, November 12, 2020 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/09b140d1-b9bb-448b-9bee-b24d923bfbdb>

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

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, 2019, the Company employs approximately 4,450 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, November 12, 2020

Financial Calendar	Date	Year
Full Year 2020 Earnings – Press Release	February 11	2021
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

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