SBM OFFSHORE

ENERGY. COMMITTED.

ANNUAL REPORT 2021

2021 IN BRIEF

FIRST QUARTER

A US$850 million non-recourse senior secured notes transaction was successfully priced. The issuer of the notes is the subsidiary company Guara Norte, which owns *FPSO Cidade de Ilhabela* and in which SBM Offshore has a 75% interest.

Full Year 2020 Earnings: guidance was delivered, year-on-year net increase in backlog of almost US$1 billion and a dividend of US$165 million being an increase of 10% on the previous year.

SBM Offshore signed a Letter of Intent (LoI) with Petrobras for a 26.25 year lease and operate contract for the *FPSO Almirante Tamandaré*, to be deployed at the Búzios field offshore Rio de Janeiro, Brazil. We will design and construct the FPSO using our industry leading Fast4Ward® program.

SECOND QUARTER

During the Annual General Meeting Douglas Wood was re-appointed as member of the Management Board and Chief Financial Officer and Ingelise Arntsen was appointed as member of the Supervisory Board.

First Quarter 2021 Trading Update: despite COVID-19 strong operating performance and major projects under construction progressing as expected. Fleet operational uptime was 98.6% over the quarter. Financial guidance was maintained.

SBM Offshore completed the project financing of the *Prosperity* (FPSO) for a total of US$1.05 billion.

THIRD QUARTER

SBM Offshore signed, following a binding Letter of Intent (LoI), contracts with Petrobras for the 26.25 year lease and operation of *FPSO Almirante Tamandaré*.

SBM Offshore signed a Letter of Intent (LoI) with Petrobras for a 22.5 year lease and operate contract for the *FPSO Alexandre de Gusmão*, to be deployed at the Mero field offshore Arraial do Cabo, Rio de Janeiro state, in Brazil. We will design and construct the FPSO using our industry leading Fast4Ward® program.

Half Year 2021 Earnings: financial results in line with management expectation, with record-level US$29.5 billion backlog and increased shareholder returns thanks to launch of EUR150 million share repurchase program. Announcement of the Company's renewable energy ambition to co-develop or participate as a Floating Offshore Wind technology or turnkey provider in 2GW of projects over the next decade.

SBM Offshore completed the project financing of *FPSO Sepetiba* for a total of US$1.6 billion, which is the largest project financing in our history.

We also secured a US$635 million bridge loan facility for the financing of the construction of *FPSO Almirante Tamandaré*.

Liza Unity (FPSO) was the first FPSO in the world to be awarded a SUSTAIN-1 notation.

FOURTH QUARTER

SBM Offshore completed its EUR150 million 2021 share repurchase program.

Third Quarter Trading Update: strong performance despite ongoing COVID-19 challenges, financial results in line with management expectations.

SBM Offshore was awarded contracts by ExxonMobil to perform Front End Engineering and Design (FEED) for an FPSO for the Yellow Tail development project in Guyana. Subject to Guyana government approvals and project sanction and release of second phase of work by the client, SBM Offshore will design and construct the FPSO using its industry leading Fast4Ward® program.

Following the binding Letter of Intent (LoI), SBM Offshore signed contracts with Petrobras for the 22.5 years lease and operation of *FPSO Alexandre de Gusmão*.

SBM Offshore secured a US$620 million bridge loan facility for the financing of the construction of *FPSO Alexandre de Gusmão*.

1.1.3 OVERALL VIEW

SBM Offshore believes the oceans will provide the world with safe, sustainable and affordable energy for generations to come. We share our experience to make it happen. The challenge in producing safe, sustainable and affordable energy is well recognized, particularly by SBM Offshore's stakeholders, with whom SBM Offshore works on areas important to them, called material topics, to address that challenge. These topics are the basis for SBM Offshore's objectives and strategy, and are the criteria against which it measures its performance. The table below shows the connection between these elements and are explained in the rest of the Annual Report.

CONNECTIVITY TABLE

SBM Offshore believes the oceans will provide the world with safe, sustainable and affordable energy for generations to come.
We share our experience to make it happen. – Energy. Committed.

Business Context (section 1.2)	Strategy & Value Creation (section 1.3)		Performance Review & Impact (sections 2.1 & 2.2)		
Material Topics	**Key Objectives**	**Key Strategy Element**	**Key Outputs**	**Key Outcomes**	**SDGs**
1. Ethics & Compliance	▪ **Zero tolerance** for bribery, corruption, fraud or any other form of misconduct ▪ 2021: >92% completion of Compulsory Compliance Tasks	**Optimize:** Target Excellence in business ownership & control of compliance risks **Transform:** Digitilization to manage compliance risks	▪ 96% Completion of Compulsory Compliance Tasks (onshore) ▪ 0 confirmed cases of corruption ▪ 1 fine to close legacy issue in Switzerland	▪ No negative impact to SBM Offshore's licence to operate ▪ Credibility & reputation for trustworthiness ▪ Express recognition remedial measures by Swiss authorities	8
2. Employee Health Safety & Security	▪ **No Harm, No Defects, No Leaks** ▪ 2021: Total Recordable Injury Frequency Rate (TRIFR) <0.18	**Optimize:** HSSE and Process Safety Management approach, human rights governance; Life365; adopting industry best practices and guidance	▪ TRIFR: 0.06	▪ A safe working environment ▪ Ability to manage during the pandemic	3, 8
3. Human Rights	▪ **Fully embed human rights and social performance within SBM Offshore to achieve no harm** ▪ 2021: 90% vendor screening on human rights for high risk vendors	**Optimize**: executing due diligence cycle and taking action through human rights program governance	▪ 97% vendor screening on human rights for high risk vendors ▪ 94% e-Learning completion	▪ Respecting human rights	8
4. Operational Excellence & Quality	▪ **No Harm, No Defects, No Leaks** ▪ 2021: Uptime at or above 99% ▪ Project schedule, cost, quality ▪ Certifications	**Optimize:** Target Excellence program, Right365 and Process Safety Management approach **Transform:** Digitalization, Fast4Ward®	▪ 99.1% Uptime ▪ Project delivery ▪ Renewed ISO certification ▪ 0 significant operational fines	▪ Client value ▪ Compliance with regulations	8
5. Retaining & Developing Employees	▪ Hire, retain & develop a **diverse workforce** with a wide range of competencies ▪ 2021: People Development Cycle	**Optimize**: HR learning and development	▪ 99% completion performance appraisals ▪ 14% employee turnover rate	▪ A diverse, learning & developing workforce able to deliver energy supply related projects and activities	4, 8
6. Economic Performance	▪ **Ambition: Grow free cash flow** ▪ 2021: Directional EBITDA around US$900 million	**Optimize:** Backlog & cash preservation, global response **Transform:** Fast4Ward®, Digitalization, emissionZERO® **Innovate:** New Energies projects	▪ Underlying EBITDA US$931 million ▪ Return to shareholders US$343 million	▪ Resilient returns in volatile times ▪ Long-term viability ▪ Investment capability for innovation	8, 9