



**OFFSHORE**

ENERGY. COMMITTED.

# ANNUAL REPORT 2021

## 4.2.5 CONSOLIDATED CASH FLOW STATEMENT

in millions of US\$	<i>Notes</i>	2021	2020
<b>Cash flow from operating activities</b>			
<b>Profit/(loss) before income tax</b>		<b>543</b>	<b>366</b>
<b>Adjustments to reconcile profit before taxation to net cash flows:</b>			
Depreciation and amortization		112	320
Impairment		(23)	117
Net financing costs		302	258
Share net income of associates and joint ventures		(110)	(17)
Share based compensation		27	27
Other adjustments for non-cash items	4.3.15	-	(123)
Net gain on sale of Property, Plant and Equipment		(1)	1
<b>(Increase)/Decrease in working capital:</b>			
- (Increase)/Decrease Trade and other receivables		(139)	(166)
- (Increase)/Decrease Construction work in progress		(1,887)	(1,258)
- (Increase)/Decrease Inventories		128	(135)
- Increase/(Decrease) Trade and other payables		13	134
Increase/(Decrease) Other provisions	4.3.25	24	103
Reimbursement finance lease assets		316	288
Income taxes paid		(62)	(42)
<b>Net cash flows from (used in) operating activities</b>		<b>(755)</b>	<b>(128)</b>
<b>Cash flow from investing activities</b>			
Investment in property, plant and equipment		(14)	(41)
Investment in intangible assets	4.3.14	(47)	(29)
Additions to funding loans	4.3.16	(3)	(15)
Redemption of funding loans	4.3.16	5	20
Interest received		1	5
Dividends received from equity-accounted investees		43	44
Proceeds from disposal of property, plant and equipment	4.3.13	25	-
Purchase of interests in equity-accounted investees		(6)	(0)
<b>Net cash flows from (used in) investing activities</b>		<b>5</b>	<b>(17)</b>
<b>Cash flow from financing activities</b>			
Equity funding from/repayment to non-controlling interests	4.3.31	80	(23)
Additions to borrowings and loans	4.3.24	3,765	1,290
Repayments of borrowings and lease liabilities	4.3.24	(1,730)	(617)
Dividends paid to shareholders and non-controlling interests		(292)	(233)
Payments from/to non-controlling interests for change in ownership	4.3.31	(0)	28
Share repurchase program		(178)	(165)
Increase in other non-current financial liabilities		52	-
Interest paid		(340)	(228)
<b>Net cash flows from (used in) financing activities</b>		<b>1,359</b>	<b>50</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>609</b>	<b>(95)</b>
Net cash and cash equivalents as at 1 January		414	506
Net increase/(decrease) in net cash and cash equivalents		609	(95)
Foreign currency variations		(2)	5
<b>Net cash and cash equivalents as at 31 December</b>		<b>1,021</b>	<b>414</b>

## 4 FINANCIAL INFORMATION 2021

The reconciliation of the net cash and cash equivalents as at December 31, 2021 with the corresponding amounts in the statement of financial position is as follows:

Reconciliation of net cash and cash equivalents as at 31 December

in millions of US\$	31 December 2021	31 December 2020
Cash and cash equivalents	1,021	414
<b>Net cash and cash equivalents</b>	<b>1,021</b>	<b>414</b>

### 4.2.6 GENERAL INFORMATION

SBM Offshore N.V. has its registered office in Amsterdam, the Netherlands and is located at Evert van de Beekstraat 1-77, 1118 CL, Schiphol, the Netherlands. SBM Offshore N.V. is the holding company of a group of international marine technology-oriented companies. The Company globally serves the offshore energy industry by supplying engineered products, vessels and systems, as well as offshore energy production services.

The Company is registered at the Dutch Chamber of Commerce under number 24233482 and is listed on the Euronext Amsterdam stock exchange.

The consolidated financial statements for the year ended December 31, 2021 comprise the financial statements of SBM Offshore N.V., its subsidiaries and interests in associates and joint ventures (together referred to as 'the Company'). They are presented in millions of US dollars, except when otherwise indicated. Figures may not add up due to rounding.

The consolidated financial statements were authorized for issue by the Supervisory Board on February 9, 2022.

### 4.2.7 ACCOUNTING PRINCIPLES

#### A. ACCOUNTING FRAMEWORK

The consolidated financial statements of the Company have been prepared in accordance with, and comply with International Financial Reporting Standards ('IFRS') and interpretations adopted by the European Union, where effective, for financial years beginning January 1, 2021 and also comply with the financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code.

The Company financial statements included in section 4.4 are part of the 2021 financial statements of SBM Offshore N.V.

#### NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLICABLE AS OF JANUARY 1, 2021

The Company has adopted the following new standards as of January 1, 2021:

- Amendments to IFRS 7, IFRS 9 and IAS 39 – 'Interest Rate Benchmark Reform Phase 2';
- Amendment to IFRS 16 Leases – 'COVID-19-Related Rent Concessions' including 'IFRS 16 and COVID-19 beyond 30 June 2021';
- IFRIC Interpretation of IAS 19 Employee Benefits – 'Attributing Benefit to Periods of Service'

#### IFRS 7, IFRS 9 and IAS 39 – Interest Rate Benchmark Reform Phase 2

The Phase 2 amendments that were published in August 2020 address issues that arise during the reform of an interest rate benchmark when the replacement of IBOR with an alternative one is necessary. The key reliefs provided by the Phase 2 amendments are as follows:

- When changing the reference rate used to determine contractual cash flows for financial assets and liabilities (including lease liabilities), the relief has the effect that changes in the reference rate will not result in immediate gains and losses in the income statement.
- The hedge accounting reliefs will allow most hedge relationships that are directly affected by the reform to continue. However, additional hedge ineffectiveness could possibly arise.

On the Interest rate benchmark reform, the Company is managing its IBOR transition plan. All impacted contracts and financial instruments have been identified. As of December 31, 2021 the Company has amended all contracts referring to the USD LIBOR 1 Week and 2 Months, outstanding book value of borrowings are disclosed in the note 24 Borrowings and Lease Liabilities.