



OFFSHORE

ENERGY. COMMITTED.

ANNUAL REPORT 2021

4.3.26 TRADE AND OTHER PAYABLES

Trade and other payables (summary)

	Notes	31 December 2021	31 December 2020
Trade payables		151	131
Accruals on projects		593	468
Accruals regarding delivered orders		27	53
Other payables		91	109
Contract liability	4.3.20	64	69
Pension taxation		8	7
Taxation and social security costs		76	110
Current portion of deferred income		6	6
Other non-trade payables		95	80
Total	4.3.28	1,111	1,033

The 'trade payables' and 'accruals on projects' together increased due to the higher Turnkey projects activities during 2021 following award of *FPSO Almirante Tamandaré*, *FPSO Alexandre de Gusmão* and the awarded initial limited scope for the FPSO for the Yellowtail development project.

'Accruals regarding delivered orders' decreased in 2021 mainly due to successful finalization of discussion with the client regarding long-term outstanding position on a delivered FPSO.

The 'Contract liability' relates mainly to one of the Company's renewable projects and other minor construction projects. The Company recognized revenue of US\$53 million during the period, which was included in the contract liability as per December 31, 2020.

Payables related to 'Taxation and social security' concerns uncertain tax positions related mainly to various taxes other than corporate income tax. The decrease in the balance relates mainly to (i) the release of the positions for which the statute of limitations has been reached, and (ii) the reassessment of other positions based on the discussions with tax authority and tax experts engaged by the Company.

'Other non-trade payables' include mostly interest payable and the short-term portion of the outstanding payments related to the Leniency Agreement and the settlement with Brazilian Federal Prosecutor's Office (Ministério Público Federal – 'MPF'). The long-term portion of the outstanding payments related to these agreements is presented in the line item 'Other non-current liabilities' in the Company's statement of financial position.

The line item 'Other non-current liabilities' in the Company's statement of financial position also includes a prepayment of US\$52 million relating to the future potential participation of partners to charter contracts.

The contractual maturity of the trade payables is analyzed in the liquidity risk section in 4.3.28 Financial Instruments – Fair Values and Risk Management.

4.3.27 COMMITMENTS AND CONTINGENCIES

PARENT COMPANY GUARANTEES

SBM Offshore N.V., as the parent company, is committed to fulfill various types of obligations arising from customer contracts, such as full performance and warranty obligations.

In the past, the parent company has issued guarantees for contractual obligations in respect of several Group companies, including equity-accounted joint ventures, with respect to long-term lease and operate contracts. The few remaining guarantees still active as of December 31, 2021 relate to the Deep Panuke MOPU unit, *Thunder Hawk* semi-submersible platform and *FPSO Saxi Batuque*. These have been signed prior to 2010.