



OFFSHORE

ENERGY. COMMITTED.

ANNUAL REPORT 2021

4 FINANCIAL INFORMATION 2021

4.3.30 INVESTMENT IN ASSOCIATES AND JOINT VENTURES

The Company has several joint ventures and associates:

Entity name	Partners	Joint venture/ Associate	% of ownership	Country registration	2021 main reporting segment	Project name
Sonasing Xikomba Ltd.	Sociedade Nacional de Combustiveis de Angola Empresa Publica -Sonangol E.P.; Angola Offshore Services Limitada	Joint venture	50.00	Bermuda	Lease & Operate	FPSO N'Goma
OPS-Serviços de Produção de Petróleos Ltd.	Sociedade Nacional de Combustiveis de Angola Empresa Publica -Sonangol E.P.	Joint venture	50.00	Bermuda	Lease & Operate	Angola operations
OPS-Serviços de Produção de Petróleos Ltd. Branch	Sociedade Nacional de Combustiveis de Angola Empresa Publica -Sonangol E.P.	Joint venture	50.00	Angola	Lease & Operate	Angola operations
Sonasing Sanha Ltd.	Sociedade Nacional de Combustiveis de Angola Empresa Publica -Sonangol E.P.; Angola Offshore Services Limitada	Joint venture	50.00	Bermuda	Lease & Operate	FPSO Sanha
Sonasing Kuito Ltd.	Sociedade Nacional de Combustiveis de Angola Empresa Publica -Sonangol E.P.; Angola Offshore Services Limitada	Joint venture	50.00	Bermuda	Lease & Operate	FPSO Kuito
Sonasing Mondo Ltd.	Sociedade Nacional de Combustiveis de Angola Empresa Publica -Sonangol E.P.; Vernon Angolan Services Limitada	Joint venture	50.00	Bermuda	Lease & Operate	FPSO Mondo
Sonasing Saxi Batuque Ltd.	Sociedade Nacional de Combustiveis de Angola Empresa Publica -Sonangol E.P.; Vernon Angolan Services Limitada	Joint venture	50.00	Bermuda	Lease & Operate	FPSO Saxi-Batuque
OPS Production Ltd.	Sociedade Nacional de Combustiveis de Angola Empresa Publica -Sonangol E.P.	Joint venture	50.00	Bermuda	Lease & Operate	Angola operations
Anchor Storage Ltd.	Maersk group	Joint venture	49.00	Bermuda	Lease & Operate	Nkossa II FSO
Gas Management (Congo) Ltd.	Maersk group	Joint venture	49.00	Bahamas	Lease & Operate	Nkossa II FSO
Malaysia Deepwater Floating Terminal (Kikeh) Ltd.	Malaysia International Shipping Corporation Behard	Joint venture	49.00	Malaysia	Lease & Operate	FPSO Kikeh
Malaysia Deepwater Production Contractors Sdn Bhd	Malaysia International Shipping Corporation Behard	Joint venture	49.00	Malaysia	Lease & Operate	FPSO Kikeh
Floventis Energy Limited	CIERCO LTD.	Joint venture	50.00	United Kingdom	Turnkey	Cierco
Llŷr Floating Wind Limited	CIERCO LTD.	Joint venture	50.00	Scotland	Turnkey	Cierco
CADEMO Corporation	CIERCO LTD.	Joint venture	50.00	United states of America	Turnkey	Cierco
Normand Installer S.A.	The Solstad group	Joint venture	49.90	Switzerland	Turnkey	Normand Installer
SBM Ship Yard Ltd.	Sociedade Nacional de Combustiveis de Angola	Associate	33.33	Bermuda	Turnkey	Angolan yard

Entity name	Partners	Joint venture/ Associate	% of ownership	Country registration	2021 main reporting segment	Project name
	Empresa Publica -Sonangol E.P.; Daewoo Shipbuilding & Marine Engineering Co. Ltd.					
PAENAL - Porto Amboim Estaleiros Navais Ltda.	Sociedade Nacional de Combustiveis de Angola Empresa Publica -Sonangol E.P.; SBM Shipyard	Associate	30.00	Angola	Turnkey	Angolan yard

The Company has no joint operation as per definition provided by IFRS 11 'Joint arrangements'.

The movements in investments in associates and joint ventures are as follows:

	Note	2021	2020
Investments in associates and joint ventures at 1 January		282	325
Share of profit of equity-accounted investees	4.2.1	110	17
Dividends		(43)	(44)
Cash flow hedges		6	(8)
Capital increase/(decrease)		6	(12)
Foreign currency variations		0	(0)
Share in negative net equity reclassification to loans to joint ventures and associates		-	-
Other		-	3
Investments in associates and joint ventures at 31 December		361	282

Share of profit in equity-accounted investees

The significant increase in share of profit of equity-accounted investees is mainly explained by the extension of the lease and operate contracts of the *FPSO Kikeh* located in Malaysia (US\$76 million).

The Company's investee signed an agreement with its client PTTEP for an additional 6 years' extension for the lease and operate contracts of the *FPSO Kikeh* located in Malaysia. The end of the contractual lease and operate period was extended from January 2022 to January 2028. The Company is the minority owner of the lease and operating companies related to *FPSO Kikeh* with 49% equity ownership, together with MISC with 51% equity ownership. As a result of the revised terms and conditions, the contract remains classified as a Finance lease under IFRS and the Company recognized a profit of US\$76 million corresponding to its share of the increase in the discounted value of future lease payment.

Purchase and termination options in finance lease contracts – Joint ventures and associates

The finance lease contracts of *FPSO N'Goma*, *FPSO Saxi Batuque* and *FPSO Mondo*, where the Company is the lessor, include call options for the client to purchase the underlying asset or to terminate the contract early.

The exercise of the purchase option on FPSOs *N'Goma*, *Saxi Batuque* and *Mondo* as per December 31, 2021 would have resulted in a gain for the Company or a near breakeven result. The exercise of the option to terminate the contract early, in which case the Company retains ownership of the vessel, would result in a break-even result for FPSOs *N'Goma*, *Saxi Batuque* and *Mondo*.

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The following tables present the figures at 100%.

Information on significant joint arrangements and associates - 2021

Project name	Place of the business	Total assets	Non-current assets	Cash	Loans	Non-current liabilities	Current liabilities	Dividends paid	Revenue
FPSO N'Goma	Angola	909	570	182	325	307	83	-	64
Angola operations	Angola	127	4	14	28	28	104	-	179
FPSO Kikeh	Malaysia	208	144	7	-	5	32	88	212
Angolan yard	Angola	74	0	53	539	539	38	-	4
Non material joint ventures/associates		92	75	7	168	163	8	-	1
Total at 100%		1,410	794	263	1,059	1,041	265	88	460

Information on significant joint arrangements and associates - 2020

Project name	Place of the business	Total assets	Non-current assets	Cash	Loans	Non-current liabilities	Current liabilities	Dividends paid	Revenue
FPSO N'Goma	Angola	930	683	98	386	387	99	-	73
Angola operations	Angola	118	1	2	23	18	99	-	166
FPSO Kikeh	Malaysia	117	9	8	-	5	17	88	67
Brazilian yard	Brazil	2	2	0	1	0	4	-	-
Angolan yard	Angola	72	0	47	511	511	32	-	(2)
Non material joint ventures/associates		83	68	7	169	161	9	-	10
Total at 100%		1,323	763	163	1,090	1,083	260	88	314

The bank interest-bearing loans and other borrowings held by joint ventures and associates are as follows:

Information on loans and borrowings of joint ventures and associates

Entity name	% Ownership	% Interest	Maturity	Net book value at 31 December 2021			Net book value at 31 December 2020		
				Non-current	Current	Total	Non-current	Current	Total
US\$ Project Finance facilities drawn:									
Sonasing Xikomba Ltd	50.00	4.00%	15-05-2026	259	65	325	325	62	386
Normand Installer SA	49.90	3.70%	23-02-2023	22	5	27	27	5	32
Loans from subsidiaries of SBM Offshore N.V.¹				358	-	358	339	8	347
Loans from other shareholders of the joint ventures and associates				333	-	333	314	-	314
Loans from other joint ventures²				245	-	245	247	5	251
Net book value of loans and borrowings				1,217	70	1,288	1,251	80	1,331

¹ Please refer to note 4.3.16 'Loans to joint-ventures and associates' for presentation of the carrying amount of these loans in the Company's Consolidated Statement of financial position.

² Mainly loans from the joint ventures SBM Shipyard Ltd to the JV PAENAL - Porto Amboim Estaleiros Navais Ltda.

Aggregated information on joint ventures and associates

	2021	2020
Net result at 100%	187	(2)

Reconciliation equity at 100 % with investment in associates and joint ventures

	2021	2020
Equity at 100%	104	(20)
Partner ownership	88	134
Share in negative net equity reclassification to loans to joint ventures and associates	168	168
Investments in associates and joint ventures	361	282

4.3.31 INFORMATION ON NON-CONTROLLING INTERESTS

The Company has several jointly owned subsidiaries:

Entity name	Partners	% of ownership	Country registration	2021 main reporting segment	Project name
Aseng Production Company Ltd.	GE Petrol	60.00	Cayman island	Lease & Operate	FPSO Aseng
Gepsing Ltd.	GE Petrol	60.00	Cayman island	Lease & Operate	FPSO Aseng / FPSO Serpentina
Gepsing Ltd - Equatorial Guinea Branch	GE Petrol	60.00	Equatorial Guinea	Lease & Operate	FPSO Aseng / FPSO Serpentina
Brazilian Deepwater Production Ltd.	Malaysia International Shipping Corporation Behard	51.00	Bermuda	Lease & Operate	FPSO Espirito Santo
Brazilian Deepwater Production Contractors Ltd.	Malaysia International Shipping Corporation Behard	51.00	Bermuda	Lease & Operate	FPSO Espirito Santo
Brazilian Deepwater Production B.V.	Malaysia International Shipping Corporation Behard	51.00	The Netherlands	Lease & Operate	FPSO Espirito Santo
Operações Marítimas em Mar Profundo Brasileiro Ltda	owned by Brazilian Deepwater Production Contractors (see information above)	51.00	Brazil	Lease & Operate	FPSO Espirito Santo
Alfa Lula Alto S.à.r.l.	Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha	61.00	Luxembourg	Turnkey	FPSO Cidade de Marica
Alfa Lula Alto Holding Ltd.	Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha	61.00	Bermuda	Lease & Operate	FPSO Cidade de Marica
Alfa Lula Alto Operações Marítimas Ltda.	Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha	61.00	Brazil	Lease & Operate	FPSO Cidade de Marica
Alfa Lula Alto S.à r.l. (Brazilian branche)	Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha	61.00	Brazil	Lease & Operate	FPSO Cidade de Marica
Beta Lula Central S.à.r.l.	Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha	61.00	Luxembourg	Turnkey	FPSO Cidade de Saquarema
Beta Lula Central Holding Ltd.	Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha	61.00	Bermuda	Lease & Operate	FPSO Cidade de Saquarema
Beta Lula Central Operações Marítimas Ltda.	Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha	61.00	Brazil	Lease & Operate	FPSO Cidade de Saquarema
Beta Lula Central S.à r.l. (Brazilian branche)	Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha	61.00	Brazil	Lease & Operate	FPSO Cidade de Saquarema
Tupi Nordeste S.à.r.l.	Nippon Yusen Kabushiki Kaisha; Itochu Corporation	63.13	Luxembourg	Lease & Operate	FPSO Cidade de Paraty
Tupi Nordeste Operações Marítimas Ltda.	Nippon Yusen Kabushiki Kaisha; Itochu Corporation	63.13	Brazil	Lease & Operate	FPSO Cidade de Paraty
Tupi Nordeste Holding Ltd.	Nippon Yusen Kabushiki Kaisha; Itochu Corporation	63.13	Bermuda	Lease & Operate	FPSO Cidade de Paraty
Tupi Nordeste S.à r.l. (Brazilian branche)	Nippon Yusen Kabushiki Kaisha; Itochu Corporation	63.13	Bermuda	Lease & Operate	FPSO Cidade de Paraty