



**2023** ANNUAL REPORT



## 4 FINANCIAL INFORMATION 2023

The cash and cash equivalents dedicated to debt and interest payments (and therefore restricted) amounted to US\$193 million as per December 31, 2023 (2022: US\$235 million). Short-term investment deposits are made for varying periods of up to one year, usually less than three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

The cash and cash equivalents held in countries with restrictions on currency outflow (Angola, Brazil, China, Equatorial Guinea, Ghana and Nigeria) amounted to US\$26 million (2022: US\$21 million). These restrictions do not limit the liquidity of the cash balances.

Further disclosure about the fair value measurement is included in note 4.3.27 Financial Instruments – Fair Values and Risk Management.

### 4.3.22 EQUITY ATTRIBUTABLE TO SHAREHOLDERS

For a consolidated overview of changes in equity reference is made to the Consolidated Statement of Changes in Equity.

#### ISSUED SHARE CAPITAL

The authorized share capital of the Company is two hundred million euros (EUR200,000,000). This share capital is divided into four hundred million (400,000,000) ordinary shares with a nominal value of twenty-five euro cents (EUR0.25) each and four hundred million (400,000,000) protective preference shares, with a nominal value of twenty-five euro cents (EUR0.25) each. The protective preference shares can be issued as a protective measure as described in note 3.1.8 Stichting Continuïteit SBM Offshore.

During the financial year the movements in the outstanding number of ordinary shares are as follows:

number of shares	2023	2022
<b>Outstanding at 1 January</b>	<b>180,671,305</b>	<b>180,671,305</b>
Treasury shares cancelled	-	-
<b>Outstanding 31 December</b>	<b>180,671,305</b>	<b>180,671,305</b>

All outstanding shares have been fully paid.

#### TREASURY SHARES

The Company completed its share repurchase program under authorization granted by the AGM of the Company held on April 13, 2023. In the period between November 9, 2023 and November 21, 2023 a total number of 350,000 shares totaling circa EUR4.3 million (circa US\$4.6 million) were repurchased. A total number of 1,652,078<sup>4</sup> treasury shares are still reported in the outstanding ordinary shares as at December 31, 2023 (2022: 2,616,650) and are held predominantly for employee share programs. During 2023, a total of 1,314,575 shares (2022: 1,400,258) were transferred to employee share programs.

#### ORDINARY SHARES

In terms of ordinary shares, 1,791,995 shares were held by members of Management Board, in office as at December 31, 2023 (December 31, 2022: 1,648,665) as detailed below:

##### Ordinary shares held in the Company by the Management Board

	Shares subject to conditional holding requirement	Other shares	Total shares at 31 December 2023	Total shares at 31 December 2022
Bruno Chabas	330,965	987,740	1,318,705	1,254,864
Douglas Wood	176,470	123,716	300,186	264,009
Øivind Tangen	78,250	94,854	173,104	129,792
<b>Total</b>	<b>585,685</b>	<b>1,206,310</b>	<b>1,791,995</b>	<b>1,648,665</b>

<sup>4</sup> As per the Dutch Act on Conversion of bearer shares, all bearer shares still outstanding at December 31, 2020 have been converted into registered shares held by the Company as per January 1, 2021 and accordingly the aforementioned shares are currently reported as part of the Treasury shares. A shareholder who hands in a bearer share certificate to the Company before January 2, 2026 is entitled to receive from the Company a replacement registered share. A shareholder may not exercise the rights vested in a share until the shareholder has handed in the corresponding bearer share certificate(s) to the Company.

## OTHER RESERVES

The other reserves comprises the hedging reserve, actuarial gains/losses, the foreign currency translation reserve and IFRS 2 reserves. The movement and breakdown of the other reserves can be stated as follows (all amounts are expressed net of deferred taxes):

	Hedging reserve Forward currency contracts	Hedging reserve Interest rate swaps	Actuarial gain/(loss) on defined benefit provisions	Foreign currency translation reserve	IFRS 2 Reserves	Protective share reserve	Total other reserves
<b>Balance at 1 January 2022</b>	<b>(104)</b>	<b>(167)</b>	<b>7</b>	<b>(105)</b>	<b>22</b>	<b>-</b>	<b>(347)</b>
<b>Cash flow hedges</b>							
Change in fair value	(78)	473	-	-	-	-	394
Transfer to financial income and expenses	1	12	-	-	-	-	12
Transfer to construction contracts and property, plant and equipment	62	-	-	-	-	-	62
Transfer to operating profit and loss	48	-	-	-	-	-	48
<b>IFRS 2 share-based payments</b>							
IFRS 2 vesting costs for the year	-	-	-	-	19	-	19
IFRS 2 vested share-based payments	-	-	-	-	(19)	-	(19)
<b>Actuarial gain/(loss) on defined benefit provision</b>							
Change in defined benefit provision due to changes in actuarial assumptions	-	-	7	-	-	-	7
<b>Foreign currency variations</b>							
Foreign currency variations	-	-	-	2	(1)	-	1
Mergers and acquisitions	-	-	-	(0)	-	-	(0)
<b>Other movements</b>							
Reclassification	-	-	-	-	-	26	26
<b>Balance at 31 December 2022</b>	<b>(72)</b>	<b>317</b>	<b>15</b>	<b>(103)</b>	<b>21</b>	<b>26</b>	<b>204</b>
<b>Cash flow hedges</b>							
Change in fair value	85	(53)	-	-	-	-	32
Deferred tax on cash flow hedges	-	(45)	-	-	-	-	(45)
Transfer to financial income and expenses	-	4	-	-	-	-	4
Transfer to construction contracts and property, plant and equipment	24	-	-	-	-	-	24
Transfer to operating profit and loss	8	-	-	-	-	-	8
<b>IFRS 2 share-based payments</b>							
IFRS 2 vesting costs for the year	-	-	-	-	20	-	20
IFRS 2 vested share-based payments	-	-	-	-	(16)	-	(16)
<b>Actuarial gain/(loss) on defined benefit provision</b>							
Change in defined benefit provision due to changes in actuarial assumptions	-	-	(4)	-	-	-	(4)
<b>Foreign currency variations</b>							
Foreign currency variations	-	-	-	(2)	1	-	(2)
Mergers and acquisitions	-	-	-	0	-	-	0
<b>Other movements</b>							
Reclassification	-	-	-	-	-	-	-
<b>Balance at 31 December 2023</b>	<b>44</b>	<b>224</b>	<b>11</b>	<b>(105)</b>	<b>25</b>	<b>26</b>	<b>224</b>

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The hedging reserve consists of the effective portion of cash-flow hedging instruments related to hedged transactions that have not yet occurred, net of deferred taxes. The decreased fair value of interest rate swaps mainly arises from decreasing US\$ market interest rates whereas the increased fair value of forward currency contracts is mainly driven by the depreciation of the US\$ exchange rate versus the hedged currencies (especially EUR and BRL).

Actuarial gain/(loss) on defined benefits provisions includes the impact of the remeasurement of defined benefit provisions.

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

The Management Board, with the approval of the Supervisory Board, has granted a call option to Stichting Continuïteit SBM Offshore to acquire a number of preference shares. As of October 1, 2022, and with reference to articles 5.5 and 5.6 of the Articles of Association of the Company, a 'Protective Preference Shares' reserve amounting to US\$26 million (2022: US\$26 million) was created at the expense of the share premium reserve at the level of the Company. If and when Stichting Continuïteit SBM Offshore would exercise the call option to acquire preference shares, these preference shares may also be paid-up from the reserve of the Company. In addition to the legal reserves, distributions to the Company's shareholders are restricted to the amount of the statutory reserves.

The Company's total equity as at December 31, 2023 is US\$3,733 million, out of which US\$2,052 million relates to legal reserves and US\$26 million relates to the statutory reserves (December 31, 2022: Total equity of US\$3,397 million out of which US\$1,860 million relates to legal reserves and US\$26 million to the statutory reserves). For more information, reference is made to note 4.5.4 Shareholders' Equity.

### 4.3.23 BORROWINGS AND LEASE LIABILITIES

The line item 'Borrowings and lease liabilities' in the consolidated statement of financial position is further detailed as follows:

#### Borrowings and lease liabilities (summary)

	31 December 2023	31 December 2022
Borrowings	8,112	6,839
Lease liabilities	74	33
<b>Total Non-current portion of Borrowings and lease liabilities</b>	<b>8,186</b>	<b>6,873</b>
Borrowings	1,093	1,678
Lease liabilities	11	13
<b>Total Current portion of Borrowings and lease liabilities</b>	<b>1,105</b>	<b>1,691</b>