



2023 ANNUAL REPORT



4 FINANCIAL INFORMATION 2023

4.3.29 INVESTMENT IN ASSOCIATES AND JOINT VENTURES

The Company has several joint ventures and associates:

Entity name	Partners	Joint venture/ Associate	% of ownership	Country registration	2023 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	<i>FPSO N'Goma</i>
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	<i>FPSO Sanha</i>
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	<i>FPSO Kuito</i>
Sonasing Mondo Ltd.	Sociedade Nacional de Combustiveis de Angola Empresa Publica -Sonangol E.P.	Joint venture	90.00	Bermuda	Lease & Operate	<i>FPSO Mondo</i>
Sonasing Saxi Batuque Ltd.	Sociedade Nacional de Combustiveis de Angola Empresa Publica -Sonangol E.P.;	Joint venture	90.00	Bermuda	Lease & Operate	<i>FPSO Saxi-Batuque</i>
OPS Production Ltd.	Sociedade Nacional de Combustiveis de Angola Empresa Publica -Sonangol E.P.	Joint venture	50.00	Bermuda	Lease & Operate	Angola operations
Gas Management (Congo) Ltd.	Maersk group	Joint venture	49.00	Bahamas	Lease & Operate	<i>Nkossa II FSO</i>
Malaysia Deepwater Floating Terminal (Kikeh) Ltd.	Malaysia International Shipping Corporation Behard	Joint venture	49.00	Malaysia	Lease & Operate	<i>FPSO Kikeh</i>
Malaysia Deepwater Production Contractors Sdn Bhd	Malaysia International Shipping Corporation Behard	Joint venture	49.00	Malaysia	Lease & Operate	<i>FPSO Kikeh</i>
Floventis Energy Limited	CIERCO LTD.	Joint venture	70.00	United Kingdom	Turnkey	Cierco
Llÿr Floating Wind Limited	CIERCO LTD.	Joint venture	70.00	Scotland	Turnkey	Cierco
CADEMO Corporation	CIERCO LTD.	Joint venture	70.00	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 Empresa Publica -Sonangol E.P.; Daewoo Shipbuilding & Marine Engineering Co. Ltd.	Associate	33.33	Bermuda	Turnkey	Angolan yard
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	2023	2022
Investments in associates and joint ventures at 1 January		290	361
Share of profit of equity-accounted investees	4.2.1	19	12
Dividends		(17)	(92)
Cash flow hedges		(2)	9
Capital increase/(decrease)		(0)	-
Foreign currency variations		(0)	1
Share in negative net equity reclassification to loans to joint ventures and associates		-	(1)
Investments in associates and joint ventures at 31 December		288	290

Share Purchase Agreements signed with Sonangol entities

In July 2023, the Company signed two Share Purchase Agreements with its partner Sonangol EP for (i) the acquisition of Sonangol's equity shares in the lease and operating entities related to FPSOs *N'Goma*, *Saxi Batuque* and *Monda*; and (ii) the full divestment to a Sonangol subsidiary of the Company's equity shares in the parent company of the Angolan based Paenal Yard. Those agreements remain conditional upon several conditions precedent, including consent from clients, lenders, partners and approval by various competent authorities. Therefore, there was no impact considered in the current period from these share purchase agreements.

Outstanding purchase and termination options in finance lease contracts – Joint ventures and associates

The finance lease contract of *FPSO N'Goma*, where the Company is the lessor, includes a call option for the client to purchase the underlying asset or to terminate the contract early. The exercise of the purchase option as per December 31, 2023, would have resulted in a gain for the Company. The exercise of the option to terminate the contract early, in which case the Company retains ownership of the vessel, would result in a gain.

The finance lease contract of *FPSO Kikeh*, where the Company is the lessor, includes a call option for the client to terminate the contract early. The exercise of the option to terminate the contract early, in which case the Company retains ownership of the vessel, would result in a gain.

The following tables present the figures at 100%.

Information on significant joint arrangements and associates – 2023

Project name	Place of the business	Total assets	Non-current assets	Cash	Loans	Non-current liabilities	Current liabilities	Dividends paid	Revenue
<i>FPSO N'Goma</i>	Angola	668	302	211	190	152	85	-	39
Angola operations	Angola	225	2	20	29	27	203	-	291
<i>FPSO Kikeh</i>	Malaysia	153	89	4	-	10	28	35	71
Angolan yard	Angola	52	(0)	43	588	588	28	-	9
Non material joint ventures/associates		70	48	8	109	104	15	-	0
Total at 100%		1,167	441	286	917	880	359	35	410

Information on significant joint arrangements and associates – 2022

Project name	Place of the business	Total assets	Non-current assets	Cash	Loans	Non-current liabilities	Current liabilities	Dividends paid	Revenue
<i>FPSO N'Goma</i>	Angola	722	448	102	259	227	88	155	55
Angola operations	Angola	178	4	10	28	7	172	-	236
<i>FPSO Kikeh</i>	Malaysia	189	117	6	-	5	36	30	74
Angolan yard	Angola	57	(0)	48	556	556	34	(0)	1
Non material joint ventures/associates		70	49	12	101	67	42	-	0
Total at 100%		1,217	618	178	944	862	372	184	367

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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 2023			Net book value at 31 December 2022		
				Non-current	Current	Total	Non-current	Current	Total
US\$ Project Finance facilities drawn:									
Sonasing Xikomba Ltd	50.00	4.10%	15-05-2026	117	73	190	190	69	259
Normand Installer SA	49.90	6.00%	15-12-2026	11	6	16	-	22	22
Loans from subsidiaries of SBM Offshore N.V.¹				324	-	324	293	7	300
Loans from other shareholders of the joint ventures and associates				368	-	368	341	6	346
Loans from other joint ventures²				266	-	266	255	-	255
Net book value of loans and borrowings				1,086	79	1,164	1,079	103	1,182

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

	2023	2022
Net result at 100%	2	(18)

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

	2023	2022
Equity at 100%	(72)	(18)
Partner ownership	193	141
Share in negative net equity reclassification to loans to joint ventures and associates	166	166
Investments in associates and joint ventures	288	290

4.3.30 INFORMATION ON NON-CONTROLLING INTERESTS

The Company has several jointly owned subsidiaries:

Entity name	Partners	% of ownership	Country registration	2023 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