



OFFSHORE

ENERGY. COMMITTED.

ANNUAL REPORT 2018

4 FINANCIAL STATEMENTS 2018

4.5 NOTES TO THE COMPANY FINANCIAL STATEMENTS

4.5.1 INVESTMENT IN GROUP COMPANIES

The movements in the item Investment in Group companies are as follows:

Investment in Group companies

	2018	2017
Balance at 1 January	2,477	2,773
Reclassification to other receivables	46	41
Change in accounting policy - IFRS 9 ¹	(4)	-
Investments net value	2,518	2,814
Result of Group companies	239	(125)
Investments	1	-
Divestments and capital repayments	-	(232)
Dividends received	(61)	(118)
Other changes (a.o. IFRS 9) ²	(25)	189
Foreign currency variations	(14)	(9)
Movements	141	(295)
Balance at 31 December	2,613	2,477
Reclassification to other receivables ³	44	46
Investments net value at 31 December	2,657	2,523

1 Opening balance restated following IFRS 9 implementation.

2 Mainly relates to Cash flow hedges (please refer to note 4.2.4 'Company's Consolidated Statement of changes in equity').

3 This relates to negative equity booked against the companies stand alone receivables on those investments.

An overview of the information on principal subsidiary undertakings required under articles 2: 379 of the Dutch Civil Code is given below. The subsidiaries of SBM Offshore N.V. are the following (all of which are 100% owned):

- SBM Offshore Holding B.V., Amsterdam, the Netherlands
- SBM Holding Inc. S.A., Marly, Switzerland
- SBM Holding Luxembourg S.à.r.l, Luxembourg, Luxembourg
- SBM Schiedam B.V., Rotterdam, the Netherlands
- Van der Giessen-de Noord N.V., Krimpen a/d IJssel, the Netherlands
- SBM Holland B.V., Rotterdam, the Netherlands
- FPSO Capixaba Holding B.V., 's-Gravenhage, the Netherlands
- XNK Industries B.V., Dongen, the Netherlands
- SBM Offshore Holding S.A., Marly, Switzerland (date of incorporation April 14, 2018)

4.5.2 DEFERRED TAX ASSET

SBM Offshore N.V. is head of a fiscal unity in which almost all Dutch companies are included.

A deferred tax asset is recognized for tax losses of the fiscal unity which can be carried forward for a period of nine years and are expected to be recovered based on anticipated future taxable profits within the Dutch fiscal unity.

4.5.3 OTHER RECEIVABLES

	31 December 2018	31 December 2017
Amounts owed by Group companies	10	12
Other debtors	1	0
Total	11	12

Other receivables fall due in less than one year. The fair value of the receivables reasonably approximates to the book value, due to their short-term character.

4.5.4 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are at SBM Offshore N.V.'s free disposal.

4.5.5 SHAREHOLDERS EQUITY

For an explanation of the shareholders equity, reference is made to the Consolidated Statement of Changes in Equity and note 4.3.23 Equity Attributable to Shareholders.

Legal reserve

	31 December 2018	31 December 2017
Investees equity non-distributable ¹	1,232	1,124
Capitalized development expenditure ²	15	14
Translation reserve	(79)	(62)
Cash flow hedges	(52)	(26)
Total	1,116	1,051

¹ Including US\$ 75 million of Swiss entities legal reserves.

² Relates to the Company subsidiaries.

Under the Dutch guidelines for financial reporting which apply to the Company statement of financial position, a legal reserve must be maintained for the above-mentioned items.

PROPOSED APPROPRIATION OF RESULT

With the approval of the Supervisory Board, it is proposed that the result shown in SBM Offshore N.V. income statement be appropriated as follows (in US\$):

Appropriation of result

	2018
Profit/(Loss) attributable to shareholders	212
In accordance with note 4.6.1 to be transferred to the 'Retained earnings'	212
At the disposal of the General Meeting of Shareholders	-

It is proposed that US\$ 75 million of retained earnings is distributed among the shareholders.

4.5.6 OTHER CURRENT AND NON-CURRENT LIABILITIES

Current and non current liabilities

	31 December 2018	31 December 2017
Trade payables	1	1
Amounts owed to Group companies	31	29
Taxation and social security costs	0	1
Other creditors	6	6
Total current liabilities	38	37

The other current liabilities fall due in less than one year. The fair value of other current liabilities approximates the book value, due to their short-term character.