



**Semcorp Marine 59<sup>th</sup> Annual General Meeting**  
Presentation – Business Overview & Outlook  
20 April 2022

A very good morning to our Shareholders, Chairman Tan Sri Mohd Hassan Marican, Fellow Directors, ladies and gentlemen.

Thank you for joining Semcorp Marine 59<sup>th</sup> Annual General Meeting today.

Before we begin with the AGM proceedings, I will present an overview of our business and operations for the financial year 2021.

**Group Revenue**  
**S\$1.86 Billion**

**Net Loss**  
**S\$1.17<sup>(1)</sup> Billion**

**Net Order Book**  
**S\$1.3<sup>(2)</sup> Billion**

**Existing orders intact**

**Notes:**

*(1) Includes provisions and asset impairments of S\$839 million post-tax  
(2) Comprises S\$1.1 billion of projects under execution and S\$0.2 billion  
of ongoing Repairs & Upgrades projects*

In FY2021, the Group recorded a revenue of S\$1.86 billion, an increase of 23% from the previous year.

Execution challenges associated with the COVID-19 pandemic continued to impact the Group's operations and profitability. For the full year ended 31 December 2021, the Group registered a net loss of S\$1.17 billion.

The full year net loss took into account provisions totalling S\$839 million (post-tax basis), largely due to push-out of delivery for its ongoing projects, with significantly higher provisions for manpower and other costs to complete most of the projects. Net loss before provisions was S\$332 million, a reduction of 24% from the prior year.

While operational performance was severely disrupted during the year, we are pleased to share that there was no cancellation of any existing projects.

We closed the year with a net order book of S\$1.3 billion.

### Successful completion of S\$1.5 billion Rights Issue in September 2021

- ❖ Enhanced liquidity to meet ongoing operational funding requirements and fulfil existing commitments
- ❖ Bolstered Balance Sheet supports ongoing strategic expansion into high growth renewables and clean energy segments
- ❖ Improved financial agility to seize opportunities and respond to evolving market dynamics

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During the year, we successfully completed our S\$1.5 billion Rights Issue in September.

On behalf of our Board and Management, I would like to convey our sincere appreciation to all our shareholders for their support at the EGM as well as in the Rights Issue subscriptions and excess applications. Thank you.

The enhanced liquidity through the recapitalisation has enabled the Group to meet its ongoing operational funding requirements and fulfil its existing commitments.

A strengthened balance sheet also lends support to our ongoing strategic expansion into the high-growth renewables and clean energy segments. It also means greater financial agility for the Group to seize opportunities and to respond to evolving market dynamics, to bid competitively for high-value and large-scale projects.

## Successful Deliveries

### SUCCESSFULLY DELIVERED IN FY2021 AND 1Q2022

The Group achieved multiple project completions with successful delivery notwithstanding pandemic-related resource constraints and shortages of skilled workers

- Newbuild Floating Production Unit (FPU) for the Vito Regional Production Facility for Shell Offshore Inc.
- Newbuild Floating Production Storage and Offloading vessel (FPSO) project for Equinor for the Johan Castberg field
- Six production topsides and four bridges for TotalEnergies EP Denmark for the Tyra Redevelopment Project
- 15 wind turbine jacket foundations for Jan De Nul's Formosa 2 Offshore Wind Farm
- Floating Storage Regasification Unit (FSRU) conversions of the Karmol LNGT Powership Africa and Karmol LNGT Powership Asia for KARMOL
- Floating Storage Unit (FSU) conversion of the GasLog Singapore for GasLog LNG
- 144 projects involving FPSO, FSO, FSRU, FSU, LNG plant and carrier, cruise ship, naval vessel and heavy-lift carrier requiring repair, upgrade, refit, maintenance, damage repair, decontamination, ballast water management system installation and scrubber retrofit



In the face of extreme operational challenges, we took active measures and worked in tighter cooperation with our customers. We also prioritised and put in tremendous efforts to safeguard the wellness, health and safety of our people, our customers and vendors, maintaining a fine balance of the needs of project performance and the safety of all stakeholders.

During the year, the Group successfully completed multiple key projects and successively delivered each to our customers.

The Group also completed major conversions for several offshore gas facilities and delivered on some 144 vessels requiring repair, upgrade and maintenance.

### Projects Under Execution as at 31 December 2021

#### Renewables Solutions

- Jan De Nul – Famosa 2 Offshore Wind Farm
- Ørsted – Horns Rev 2 Offshore Wind Farm: Offshore Hook-up and Commissioning of Offshore Substation and Reactive Compensation Station Topsides
- RWE Renewables – Sofia Offshore Wind Farm: Offshore Converter Platform

#### Process Solutions

- Equinor – Johan Castberg: Newbuild Floating Production, Storage and Offloading Vessel (FPSO)
- NOC – Gallaf Batch 2: Wellhead Platforms
- Shell – Whale Project: Newbuild FPU
- Shapoorji: FPSO Conversion
- Tupi P-71: FPSO Modification, Integration and Topsides Modules Fabrication

#### Gas Solutions

- Bechtel – Pluto Train 2 Project: Modules Assembly of LNG Gas Processing Trains
- MOL – LNG Bunker Vessel
- TotalEnergies – Tyra Redevelopment Project: Topsides and Bridges
- Technip Energies – Karish: Newbuild FPSO
- KARMOL – Karmol LNGT Powership Asia and Karmol LNGT Powership Europe: FSRU Conversion and Upgrading Projects

#### Ocean Living Solutions

- Norled – Full Battery-operating Roll-on/Roll-off Passenger Ferries (Three units)

#### Advanced Drilling Rig Solutions

- Transocean Deepwater Atlas Drillship
- Transocean Deepwater Titan Drillship

- ❖ Secured new contracts of about S\$1.0 billion in 2021 despite challenging industry conditions and market environment
- ❖ Current net order book of S\$1.3 billion, comprising S\$1.1 billion of projects under execution (with a total original contract sum of S\$6.1 billion) and S\$0.2 billion of ongoing repairs & upgrades projects
- ❖ Green energy solutions comprise ~43% of the Group's net order book
- ❖ As at end 2021, the Group has a total of 16 projects under execution, with 12 scheduled for completion in 2022.
- ❖ Excluding 1Q2022 deliveries, the Group is currently working on 12 key projects with completion and delivery scheduled from 2022 to 2025.

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During the year, the Group secured new contracts worth slightly over S\$1.0 billion, including S\$0.3 billion of Repairs & Upgrades projects.

The Group's net order book currently stands at S\$1.3 billion, consisting of S\$1.1 billion of projects under execution (with a total original contract sum of S\$6.1 billion) and S\$0.2 billion of ongoing Repairs & Upgrades projects.

Approximately 43% of the Group's net order book are for renewables and other cleaner and green solutions sectors.

As at end 2021, the Group has a total of 16 projects under execution, with 12 scheduled for completion in 2022. Of the 12 projects, four were delivered in 1Q2022.

### New Order in 2022

Secured contract to construct a **Wind Turbine Installation Vessel**, based on in-house design in collaboration with **Maersk Supply Service**, in March 2022



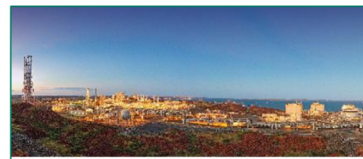
### Key Projects Secured in 2021



**Sofia Offshore Wind Farm Project:** Design, construction, installation and commissioning of Offshore Converter Platform for **RWE Renewables**



**Amendment contract for P-71 by Tupi B.V.** to perform modification work and additional topside modules integration for deployment to Itapu Field



**Pluto Train 2 Project:** Modules assembly of LNG gas processing trains for **Bechtel Overseas Corporation**

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In March this year, the Group announced a landmark win of a **WTIV** (Wind Turbine Installation Vessel) contract from Maersk Supply Service for deployment in US waters. Based on Sembcorp Marine's in-house design in collaboration with Maersk, the WTIV brings breakthrough design to the wind market in full compliance to Jones Act. The vessel is capable of operating at a high level of efficiency and to handle the next generation of larger wind turbines. A steel-cutting ceremony is planned for the fourth quarter of this year.

We are currently also working on these key projects secured in 2021:

- Design, construction, installation and commissioning of the offshore converter platform for RWE Renewables' **Sofia Offshore Wind Farm** in the UK North Sea;
- Modification, integration and topside modules work on **FPSO P-71** by Sembcorp Marine's Brazil yard, Estaleiro Jurong Aracruz, for Tupi B.V. for the Itapu Field, offshore Brazil; and
- Modules assembly of LNG gas processing trains for the **Bechtel Pluto Train 2 Project**.

### Notable Projects In Progress



Development of world's first green ammonia-fuelled tanker, which has secured AiP from DNV, for Grieg Edge



Development of a conceptual design of a first-of-its-kind ABS-approved ammonia bunkering vessel with partners MOL and ITOCHU Corporation



Construction of a 12,000m<sup>3</sup> dual-fuel LNG bunker vessel for MOL and charterer Pavilion Energy



Development of hydrogen as a marine fuel with Shell and Penguin to champion decarbonisation in the maritime industry



Advancing development of sustainable ocean data centres in collaboration with Big Data Exchange and National University of Singapore, Faculty of Engineering

The Group is also working on other notable green projects:

- The **world's first green ammonia-fuelled tanker** for Grieg Edge – We have received AiP (approval-in-principle) from DNV (Det Norske Veritas);
- A **first-of-its-kind ammonia bunkering vessel** together with MOL and ITOCHU Corporation – We have also secured AiP from ABS (American Bureau of Shipping);
- Construction of a **12,000m<sup>3</sup> dual-fuel LNG bunker vessel** for MOL and charterer Pavilion Energy;
- The **development of hydrogen as a marine fuel** with Shell and Penguin to champion decarbonisation in the maritime industry; and
- The **development of sustainable ocean data centres** in collaboration with Big Data Exchange and the National University of Singapore.

Improving industry outlook on the back of rising oil prices provide impetus for resumption of deferred activities, FIDs and capital expenditures

Improved prospect and opportunities associated with the global transition towards cleaner energy and sustainable solutions.

- ❖ Commenced work on FEED contract by Altera for the Dorado FPSO project
- ❖ Negotiations in progress with the Brazilian Navy on the construction of Antarctic Support Vessel “NapAnt”, with contract award expected in the first half of 2022
- ❖ As at end February 2022, secured 10 projects for ballast water management system installations and scrubber retrofits, as well as advanced orders for the repair and upgrade of 13 LNG carriers and the refit of three cruise vessels.
- ❖ Actively attending to emerging tender opportunities in the Renewable Energy and Gas Solutions segment, and pursuing multiple FPSO, FSO and FPU projects
- ❖ The Group will continue to review relevant opportunities, with an increasing focus on cleaner energy and sustainable solutions, and grow its pipeline of orders and projects.

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While the Group remains committed to completing the remaining projects for its customers, we are cognizant that new order wins are critical to support the Group’s future performance. Hence, the Group remains focused on clinching new contracts to replenish its order book.

We are actively developing emerging tender opportunities in the renewable energy and gas solutions segment, pursuing multiple projects covering FPSOs, FSOs and FPUs with tenders in progress, as well as attending to active enquiries for major upgrading and retrofit projects.

We will also continue to review opportunities in cleaner energy and sustainable solutions to grow our pipeline of orders and projects in this segment.





### Proposed Combination aims to create sustainable value over the long term

- ❖ Better positioned to capture opportunities arising from the energy transition
- ❖ Enhanced ability to support larger and more complex contracts
- ❖ Greater synergy from combined operational scale and enhanced capabilities

On 24 June 2021, the Group announced a non-binding Memorandum of Understanding entered into with Keppel Corporation Limited to explore the potential combination of Sembcorp Marine and Keppel Offshore & Marine (Keppel O&M).

At end March this year, we provided an update, advising that significant progress has been made on advancing the Proposed Combination, with a view to sign a definitive agreement in end April 2022.

I would like to reiterate the rationale for the Proposed Combination. The objective of the Proposed Combination is to create a stronger Combined Entity to deliver sustainable value over the long term for shareholders. The Combined Entity would bring together the best talents, engineering skills, intellectual properties, and technical know-how from both companies. This will enable it to be better positioned to compete for larger contracts, whilst pursuing the synergies that can arise from increased operational scale and enhanced capabilities.

### Accelerating Transition and Positioned for Growth

- ❖ **Stronger, more resilient and better positioned to seize opportunities across the oil & gas, renewables and other green solutions segments**
- ❖ **Poised to continue to support the offshore, marine and energy industries and the ongoing global transition to a low-carbon economy**
- ❖ **Continue to focus on the safe, efficient and timely delivery of projects and actively convert orders pipeline into firm contracts on a timely basis in FY2022**

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Having weathered the tumultuous pandemic years, Sembcorp Marine has emerged stronger, more resilient and better positioned to seize opportunities across the oil & gas, renewables and other green solutions segments.

As we continue to focus on the safe, efficient and timely delivery of projects, we will build on ongoing efforts to grow our order book and actively convert our orders pipeline into firm contracts during the year.

Sembcorp Marine – with our deep R&D capabilities, domain expertise, technological bench strength, world-class facilities and synergistic operations – remains well-placed to support the global energy needs premised on a low-carbon footprint and the ongoing global transition to a low-carbon economy. The Group will continue to accelerate its transition.

Thank you.



**sembcorp  
marine**

**Integrated Synergies, Global Possibilities.**

This presentation may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, exchange rate movement, cost of capital and capital availability, competition from other companies and venues for sale and distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes. The forward-looking statements reflect the current views of Management on future trends and developments.