2022 ANNUAL REPORT

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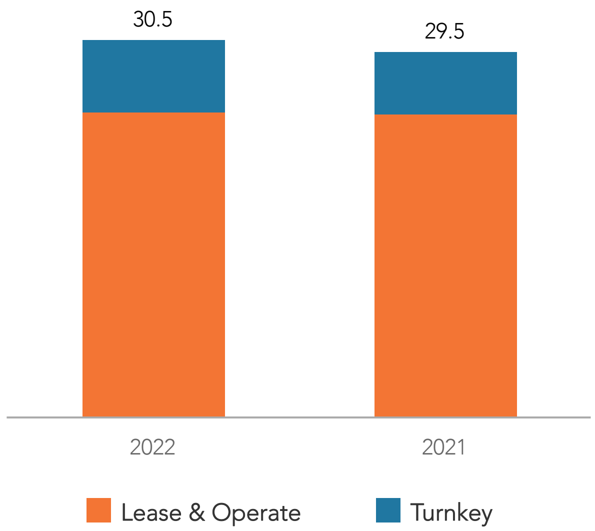
- For both FPSO *ONE GUYANA* and FPSO *Prosperity* the pro-forma backlog set out below takes the operation and maintenance scope up to a two-year contractual period into account as it has been agreed in principle, pending a final work order. This affords consistency with prior years and betters reflect the current reality.
- The 13.5% equity divestment in *FPSO Sepetiba* to CMFL has not yet been reflected in the backlog as the transaction remains subject to various approvals, which include the consent from co-owners, lenders and export credit agencies.

The pro-forma Directional backlog at the end of December 2022 increased by US$1 billion to a total of US$30.5 billion. This increase was mainly the result of the awarded contract for the FPSO *ONE GUYANA* project partially offset by the turnover for the period which consumed US$3.3 billion of backlog. The partial 45% divestments to partners related to projects *FPSO Almirante Tamandaré* and *FPSO Alexandre de Gusmão*, which were concluded in 2022 (see note 4.3.1 Financial Highlights), had no impact on the pro-forma backlog as divestment impact of those two projects was already considered in the 2021 pro-forma Directional backlog. The Company's backlog provides cash flow visibility of 28 years, up to 2050.

in billions of US$	Turnkey	Lease & Operate	Total
2023	0.9	1.9	2.7
2024	1.7	1.9	3.7
2025	1.3	2.2	3.4
Beyond 2025	2.0	18.7	20.7
Total Backlog	**5.9**	**24.7**	**30.5**

Pro-forma Directional Backlog (in billions of US$)



PROFITABILITY – DIRECTIONAL

Accounting treatment of projects under construction

It should be noted that the ongoing EPC works on FPSO *Prosperity* and the FPSO *ONE GUYANA* and finalized EPC works on FPSO *Liza Unity* did not contribute to Directional net income over the period. This is because the contracts were 100% owned by the Company as of December 31, 2022 and are classified as operating leases as per Directional accounting principles.

The Company has determined that it is optimal from an operational and financial perspective to retain full ownership as opposed to partnering on these projects. Therefore, under the Company's Directional accounting policy, the revenue and margin recognition on these two FPSO projects is as follows:

- The Company does not recognize any revenue and margin during the Turnkey phase of the project unless defined invoicing (if any) to the client occurred during the construction phase to cover specific construction work and/or services performed before the commencement of the lease. The upfront payments are recognized as revenues and the cost of

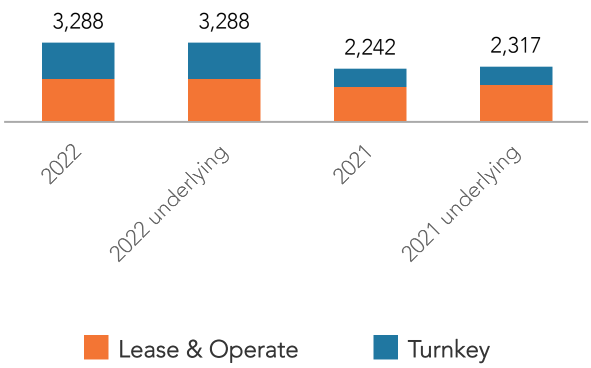
sales associated with the related construction work and/or services are recognized as costs with no margin during construction.
- The Company will book all revenue and margin associated with the lease and operate contracts related to its 100% share during the lease phase, in line with the cash flows.
- Upon transfer of the FPSO to the client, after reaching the end of the lease period or upon exercising of the purchase option by the client, the Company will book all revenue and margin associated with the transfer in the Turnkey segment.

Therefore, the contribution of the FPSO *Prosperity* and the FPSO *ONE GUYANA* projects to the Directional profit and loss will largely materialize in the coming years, in line with the operating cash flows as per FPSO *Liza Unity*, which started contributing to Directional net income over the period following its start of production as of February 11, 2022.

With respect to *FPSO Almirante Tamandaré* and *FPSO Alexandre de Gusmão,* considering the partial 45% divestment to partners which was concluded during the period:
- The Company started recognizing revenue as well as margin (the gate progress of completion being reached during the period) associated with the EPC works for all the EPCI-related work performed on these projects so far, to the extent of the partners' ownership in lessor-related SPV's. (i.e. 45% of EPC works).
- The Company will book its share (i.e. 55%) in revenue and margin associated with the lease and operate contracts during the lease phase.

Revenue
Total Directional revenue increased by 47% to US$3,288 million compared with US$2,242 million in 2021, with the increase primarily attributable to the Turnkey segment. Considering the adjustment done in 2021 for the non-recurring item of US$75 million (refer to paragraph 'Underlying Performance') in the Lease and Operate segment, Underlying Directional revenue increased by 42% compared with US$2,317 million for the same period in 2021.

Revenue Directional (in millions of US$)



This variance of the Underlying Directional revenue is further detailed by segment as follows:

Underlying Directional Turnkey revenue increased to US$1,525 million, representing 46% of total underlying 2022 revenue. This compares with US$733 million, or 32% of total Underlying revenue in 2021. This resulted from a ramp-up of Turnkey activities with five FPSOs under construction (and completion of FPSO *Liza Unity*) during the period partially offset by lower contribution from the offshore installation services, following the sale of the SBM Installer which occurred early 2022. Furthermore the partial 45% divestment on two projects at the beginning of 2022 (*FPSO Almirante Tamandaré* and *FPSO Alexandre de Gusmão*) allowed the Company to recognize revenue for all the EPCI related work performed on these projects so far, to the extent of the partners' ownership in lessor-related SPV's (i.e. 45% of EPC works).

Underlying Directional Lease and Operate revenue was US$1,763 million, an increase versus US$1,584 million in the prior period. This reflects mainly the following items: (i) FPSO *Liza Unity* joining the fleet upon successful delivery of the EPCI project during the first quarter 2022 and (ii) increased reimbursable scope, partially offset by (iii) the end of Deep Panuke MOPU lease contract (as the last payments from the client contributed to the Underlying Revenue of previous year), (iv) the end of the *FPSO Capixaba* lease contracts in the first half-year of 2022, and finally (v) lower average straight-lined day rate of *FPSO Kikeh* lease after extension at the end of 2021.

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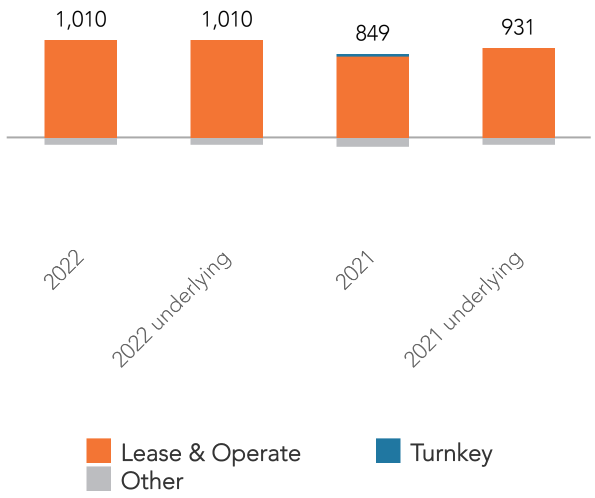
The shutdown of operations of *FPSO Cidade de Anchieta* only had a limited impact on revenue over the period, due to the extension of the contract (corresponding to the period of shutdown) beyond the original end date of the lease. As a consequence, the total contractual lease revenue remains unchanged, whereas the revenue of the period, recognized on a straight line basis over the remaining lease period, has been slightly impacted.

EBITDA

Directional EBITDA amounted to US$1,010 million, representing a 19% increase compared with US$849 million in 2021 with the increase attributable to the Lease and Operate segment. Adjusted for the non-recurring items (see paragraph 'Underlying Performance' in the same section), Underlying Directional EBITDA amounted to US$1,010 million in 2022, a 8% increase compared with US$931 million in 2021.

EBITDA Directional (in millions of US$)



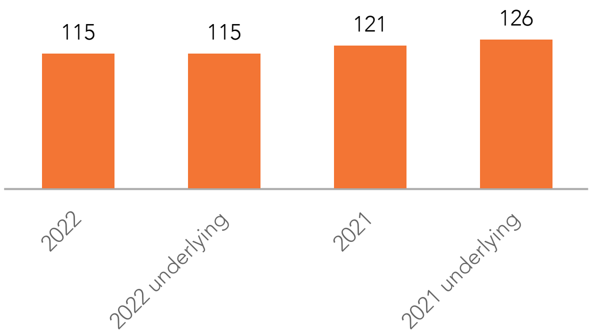
The variance of Underlying Directional EBITDA is further detailed by segment as follows:

- Underlying Directional Turnkey EBITDA decreased from US$19 million in the year-ago period to US$7 million in the current year. Although the Company recorded a significant increase in revenue related to projects under construction, there was not a commensurate impact on EBITDA due to several factors:
  - (i) FPSO *Liza Unity*, FPSO *Prosperity* and FPSO *ONE GUYANA* are 100% owned by the Company. In accordance with the Company policy for Directional reporting, the direct payments received during construction for these units are therefore recognized as revenue without contribution to gross margin;
  - (ii) Following the partial 45% divestment in *FPSO Alexandre de Gusmão* and *FPSO Almirante Tamandaré*, the first 25% of progress on the EPCI related work have been recognized without associated margin as per the Company "stage of completion" policy (associated margin being spread over the remaining construction period);
  - (iii) On the Company's overall project portfolio, strategic mitigation measures against inflation have been proving effective on controlling cost and protecting schedule. Nevertheless, parts of the portfolio remain sensitive to the pressure in the global supply chain as a result of the war between Russia and Ukraine and the continuing impact from the COVID-19 pandemic.
- Underlying Directional Lease and Operate EBITDA moved from US$989 million in the year-ago period to US$1,080 million in the current year period. This increase mainly resulted from the same drivers as for the Underlying Lease and Operate revenue: The additional contribution from FPSO *Liza Unity* and increased reimbursable scope was partially offset by (i) the end of Deep Panuke MOPU (as the last payments from the client contributed to the Underlying EBITDA of the year-ago period), (ii) the end of *FPSO Capixaba* lease contracts and associated demobilization costs and (iii) the lower average straight-lined lease day rate of *FPSO Kikeh*. As a result, full-year 2022 Underlying Directional Lease & Operate EBITDA margin was almost stable at 61% compared with 62% in 2021.

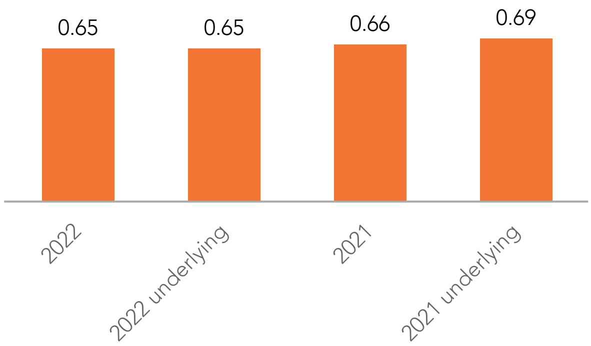
- In relation to *FPSO Cidade de Anchieta,* repair costs of the four tanks which were required for the safe restart of the vessel did not impact the Lease and Operate EBITDA as they met the criteria of capitalization under IAS16 and therefore have been recognized as an increase in the Property, plant and equipment value of the *FPSO Cidade de Anchieta*. The impairment of US$92 million did not have an impact on EBITDA, but is included in the net income (see below).
- The other non-allocated costs charged to EBITDA remained stable at US$(76) million in the year-ago period and US$(77) million in the current year.

Net income

Net Income Directional (in millions of US$)



Weighted Average Earnings Per Share Directional (in US$)



Underlying Directional depreciation, amortization and impairment increased by US$57 million year-on-year. This primarily resulted from (i) US$92 million *FPSO Cidade de Anchieta* impairment following the shutdown of the vessel and the capitalisation of associated tank repair costs (refer to section 4.3.13 Property Plant and equipment), (ii) FPSO *Liza Unity* joining the operating fleet in February 2022, which marked the beginning of the depreciation of the Unit partially offset by (i) *FPSO Capixaba* and Deep Panuke MOPU leaving the fleet, (ii) *FPSO Kikeh*'s lease extension, which resulted in a lower depreciation charge for the current period.

Directional net financing costs totaled US$(188) million in 2022 compared with US$(171) million in the year-ago period, mainly reflecting the additional interest generated by the FPSO *Liza Unity* project loan partially offset by the scheduled amortization of remaining projects loans of vessels under operation.

The Underlying Directional effective tax rate increased to 45% versus 36% in the year-ago period primarily driven by taxes applied to charter revenues of FPSOs in operation in Guyana and the impairment of *FPSO Cidade de Anchieta*.

As a result, the Company recorded a Directional net profit of US$115 million, or US$0.65 per share, a 9% and 6% decrease respectively when compared with the Underlying Directional net profit of US$126 million, or US$0.69 per share, in the year-ago period. This is mostly due to the *FPSO Cidade de Anchieta* impairment partially offset by strong operating performance.