

2022  
ANNUAL  
REPORT



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## 4 FINANCIAL INFORMATION 2022

### COMMITMENTS

As at December 31, 2022, the remaining contractual commitments for acquisition of intangible assets, property, plant and equipment and investment in leases amounted to US\$2,201 million (December 31, 2021: US\$1,600million). Investment commitments have increased principally due to the progress made on the construction of FPSO *Prosperity*, FPSO *Sepetiba*, FPSO *Alexandre de Gusmão*, FPSO *Almirante Tamandaré* and FPSO *ONE GUYANA*.

### CONTINGENT LIABILITY

As at December 31, 2022 the Company did not identify any contingent liabilities.

### 4.3.27 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

This note presents information about the Company's exposure to risk resulting from its use of financial instruments, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further qualitative disclosures are included throughout these consolidated financial statements.

### ACCOUNTING CLASSIFICATIONS AND FAIR VALUES

The Company uses the following fair value hierarchy for financial instruments that are measured at fair value in the statement of financial position, which require disclosure of fair value measurements by level:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2);
- Inputs for the asset or liability that are not based on observable market data (that is unobservable inputs) (Level 3).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

#### Accounting classification and fair values

	Notes	Fair value level	31 December 2022		31 December 2021	
			Total book value	Total fair value	Total book value	Total fair value
<b>Financial assets measured at amortized cost</b>						
Finance lease receivables	4.3.15	3	7,193	7,219	6,182	6,586
Loans to joint ventures and associates	4.3.16	3	52	51	51	49
<b>Total</b>			<b>7,244</b>	<b>7,270</b>	<b>6,233</b>	<b>6,635</b>
<b>Financial liabilities measured at amortized cost</b>						
US\$ project finance facilities drawn	4.3.23	2	8,679	8,678	7,850	7,825
Lease liabilities		3	46	46	56	56
Other debt	4.3.23	2	54	54	2	2
<b>Total</b>			<b>8,780</b>	<b>8,778</b>	<b>7,908</b>	<b>7,883</b>

#### Additional information

- In the above table, the Company has disclosed the fair value of each class of financial assets and financial liabilities for which the book value is different than fair value in a way that permits the information to be compared with the carrying amounts.
- There are financial assets and financial liabilities measured at fair value, namely the interest rate swaps, forward currency contracts and commodity contracts which are classified at a Level 2 on the fair value hierarchy. Level 2 is based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). The carrying amount for these financial assets and liabilities approximates the fair value as at December 31, 2022.
- The Company has not disclosed the fair values for financial instruments such as short-term trade receivables and payables, because their carrying amounts are a reasonable approximation of fair values as the impact of discounting is insignificant.
- Classes of financial instruments that are not used are not disclosed.
- No instruments were transferred between Level 1 and Level 2.
- No instruments were transferred between Level 2 and Level 3.

- None of the instruments of the Level 3 hierarchy are carried at fair value in the statement of financial position.
- No financial instruments were subject to offsetting as of December 31, 2022 and December 31, 2021.

The effects of the foreign currency related hedging instruments on the Company's financial position and performance including related information are included in the table below:

**Effect of the foreign currency, interest swaps and commodity contracts related hedging instruments**

	2022	2021
<b><i>Foreign currency forwards</i></b>		
Carrying amount	(53)	(80)
Notional amount	(3,343)	(2,845)
Maturity date	30-8-2023	2-8-2024
Hedge ratio	100%	100%
Change in discounted spot value of outstanding hedging instruments since 1 January	27	(158)
Change in value hedged rate for the year (including forward points)	(27)	158
<b><i>Interest rate swaps</i></b>		
Carrying amount	463	(144)
Notional amount	7,253	5,715
Maturity date	22-5-2031	12-4-2033
Hedge ratio	94%	92%
Change in discounted spot value of outstanding hedging instruments since 1 January	606	207
Change in value hedged rate for the year (including forward points)	(606)	(207)
<b><i>Commodity contracts</i></b>		
Carrying amount	(2)	
Notional amount	59	
Maturity date	22-12-2023	
Hedge ratio	100%	
Change in discounted spot value of outstanding hedging instruments since 1 January	(2)	
Change in value hedged rate for the year (including forward points)	2	