TechnipFMC

The energy architects

U.K. Annual Report and Accounts for the year ended December 31, 2022

This U.K. Annual Report and Accounts of TechnipFMC plc ("**TechnipFMC**", "**the Company**", "**we**", or "**our**") comprises the Strategic Report, Directors' Report, Directors' Remuneration Report, Remuneration Policy, and the TechnipFMC plc consolidated IFRS financial statements contained herein ("**U.K. Annual Report**").

This U.K. Annual Report is available for inspection at ***www.technipfmc.com*** and will be included in the materials for the 2023 annual general meeting of shareholders to be held on April 28, 2023 (the "**2023 Annual Meeting**").

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Strategic Report

Letter from Our Chair and CEO

March 17, 2023

Dear Shareholders,

2022 was a year in which we reinforced our position as the energy architect; delivering the knowledge, skills, and capabilities that help our clients address the essential need for energy security. We extended our leadership position in traditional energy, while leveraging those competences to support the energy transition. Successful collaboration, integration, and innovation are at the core of everything we do. Our capabilities and delivery models, and the strength of the energy market, have positioned us well for growth.

The bold step of forming TechnipFMC in 2017 created a pure-play company that designs, manufactures, and executes our clients' projects using our integrated Engineering, Procurement, Construction, and Installation ("**iEPCI™**") model and provides standardized configure-to-order solutions such as Subsea 2.0™. We continue to transform our industry, delivering client benefits in terms of lower costs and reduced time to first production, which drive repeat business and direct awards. From initial concept to life-of-field services, our record of delivery in traditional energy lays the foundation of our approach in offshore renewable energies.

We continued to strengthen our financial position in 2022, following the Spin-off of Technip Energies in 2021. We completed the disposal of our remaining shares of Technip Energies in the second quarter of 2022. We utilized a portion of the proceeds to further reduce our debt, providing us with the flexibility to begin shareholder distributions with the authorization of a $400 million share repurchase program. This repurchase program underscores our confidence in TechnipFMC's long-term outlook. We believe our shares are undervalued, and as a result we bought $100 million of our own stock in the second half of the year. We also reaffirmed our intent to initiate a quarterly dividend in the second half of 2023.

Growing and delivering

Our market leadership with both our Subsea and Surface Technologies businesses is continuing to accelerate, driven by the activity expansion in international markets.

We have a growing and diverse customer base in our Subsea business, and our Subsea Opportunity list – which highlights larger projects that are available to the entire industry – continues to represent a record level for potential award over the next two years. About 60% of our Subsea business came through direct or unannounced awards, with activity in all major basins. We also saw an increase in front end engineering and design ("**FEED**") contracts leading to awards.

In 2022, we saw increased activity in Brazil, Guyana, and the North Sea. In Brazil, we secured an EPCI contract for Petrobras Búzios 6. In Guyana, we secured contracts for ExxonMobil's Yellowtail and Gas to Energy projects, and we have been developing in-country talent at our new service base since 2017. We also signed an integrated FEED ("**iFEED™**") contract for Equinor's BM-C-33 development offshore Brazil, which will be the industry's largest integrated project award to date.

Activity was not limited to South America. In Norway, we secured our first iEPCI™ with Wintershall Dea for its Maria revitalization project, and in the United Kingdom ("**U.K.**"), we won the EPCI contract for Shell's Jackdaw development. We also secured the subsea production system scope for TotalEnergies's CLOV3 development, Angola – the first call-off on our framework agreement with TotalEnergies, which will use our configure-to-order Subsea 2.0™ technology. In addition, we renewed our five-year technology agreement with Halliburton to develop and commercialize new integrated subsea and subsurface production solutions, and we announced our first iEPCI™ award from Aker BP for its Utsira High development.

We also experienced growth in Surface Technologies. In North America, we saw increased drilling and completions activity. There was also a 25% increase in use of our iComplete™ integrated completions solution, which has been adopted in every major basin.

Surface Technologies is well positioned to exploit continued growth in the Middle East. Our new facility in the Kingdom of Saudi Arabia has begun operations and will be a key enabler in the supply of equipment to Aramco. We are also executing work from our ten-year framework agreement with ADNOC at our expanded facility in Abu Dhabi.

Beyond these near-term opportunities, exploration activity is now occurring in new offshore frontiers such as Suriname and Namibia and we expect significant investment to continue in onshore resources, where it will increasingly be led by markets in the Middle East.

Energy Transition and ESG

In renewable energies, we maintain focus on our three pillars: greenhouse gas ("**GHG**") removal, floating offshore renewables, and hydrogen. These leverage the integration expertise within our Subsea and Surface Technologies business units, and we are gaining traction with new alliance partners. We signed a technology agreement with Shell for the development of carbon capture and storage ("**CCS**"), and we advanced our strategic alliance with Talos Energy to develop and deliver CCS solutions. In the U.K., we were awarded options for floating offshore renewables projects. With Magnora Offshore Wind, we secured the option to lease for the N3 area offshore the Western Isles for the development of a 500-megawatt wind farm which would power the equivalent of 600,000 homes. With Orbital Marine Power, we secured two contracts to generate electricity using the world's most powerful floating tidal turbines. Early in 2023, our Deep Purple™ solution, which manages and utilizes hydrogen using offshore renewables, entered pilot testing in Norway.

Our actions and goals in Environmental, Social, and Governance ("**ESG**") derive from our Foundational Beliefs. We act responsibly, always considering our impact on the planet, people, and communities in which we operate. We monitor our progress using our 2021-2023 ESG Scorecard, with clear metrics designed to drive performance and accountability.

Under the Environmental Pillar, we made progress on our 50 by 30 commitment – our pledge to reduce Scope 1 and Scope 2 GHG emissions by 50% by 2030. This pledge drove actions in 2022 such as making operational changes designed to reduce emissions, and initiating global water management and global waste programs to enhance our efforts to decrease water consumption, increase water reuse, and decrease our waste generation.

Under our Social pillar, I am proud that our people participated in more than 400 iVolunteer activities and nearly 50 science, technology, engineering, and mathematics ("**STEM**") promotion events in 2022 as we strive to make a difference in our communities and introduce the next generation of talent to the energy industry. We are committed to improving the recruitment of female graduates and the proportion of underrepresented populations in senior management. In 2022, female graduate recruitment in our global graduate program was at 43%. We made solid progress towards awareness and behaviors around diversity, equity and inclusion, with 90% of our managers completing our comprehensive Inclusive Leadership Training, on track towards 100% completion. We were also named in the World's Top 400 Female-Friendly Companies by Forbes magazine.

Under the Governance pillar, we exceeded our three-year target for Serious Injury and Fatality ("**SIF**") prevention projects, conducted annual ethics and compliance training for all managers, and are on track to exceed three-year targets for human rights due diligence audits with high-risk suppliers. Our Pulse safety and Impact Quality programs were recognized as industry leaders when they won a National Ocean Industries Association ("**NOIA**") Safety at Seas Award for Culture of Safety in 2022. We continue to look for areas of improvement in our safety performance. Sadly, last year, one of our colleagues was fatally injured as a result of a "line of fire" accident that involved a third-party dropped object at a client's well site. We are committed to ensuring that our people return home safely every day.

Continuing to transform

The strategic transactions and investment we have made enable us to exploit the opportunities presented by the evolving energy industry. Our integrated model and focus on simplification, standardization, and industrialization will set us apart during this period of growth for the industry.

Our outlook for improved performance extends into the future. We expect $25 billion of Subsea inbound for our company from 2023 through 2025, driven by the strength of the offshore market, industry adoption of iEPCI™, and the increased contribution of Subsea 2.0™. When compared to 2022, our revised Subsea forecast for 2025 demonstrates a 650-basis point expansion in adjusted EBITDA margin to 18% and adjusted EBITDA of approximately $1.4 billion.

As the energy architect, we enable efficiencies and confidence in project delivery, building trust and lasting relationships. This is best evidenced by a significant volume of direct awards and our leading market position. Our investments in people, technology and innovative products and solutions will ensure our continued industry leadership – allowing us to take full advantage of the growth that lies ahead.

Everything we have done as TechnipFMC has made us a leader in the energy industry's evolution. We continue to transform, building on the talents of the 20,000 women and men who make up TechnipFMC. Our focus on industrialization and our steadfast commitment to never compromise on our Core Values and Foundational Beliefs will drive us towards even stronger financial leadership within our industry

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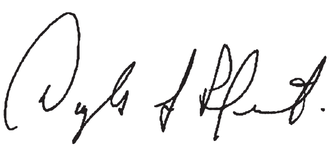


Douglas J. Pferdehirt
Chair and Chief Executive Officer

2022 Financial Performance

Total Company

- Inbound orders[1] improved to $8.1 billion, driven by increased customer expenditures and shift in spending to offshore and the Middle East
- Reduced debt outstanding by $638 million, enabled by cash provided by operating activities and proceeds from the divestiture of remaining shares in Technip Energies
- Announced a new $400 million share buyback program in July and repurchased $100 million of ordinary shares by year-end

$8.1 billion
Inbound orders

Subsea

- Inbound orders increased 36% year-over-year to $6.7 billion, including contract awards composed of project and services orders from more than 40 operators across all basins, illustrating growing diversity of our customer base
- Received integrated FEED award by Equinor for the BM-C-33 project offshore Brazil, and upon final investment decision would be the industry's largest integrated Engineering, Procurement, Construction and Installation ("**iEPCI™**") award to date
- Direct awards, iEPCI™ projects and Subsea Services represented approximately 70% of total Subsea orders

$6.7 billion
Inbound orders

Surface Technologies

- Inbound orders of $1.3 billion included an acceleration of orders in the Middle East in the second half of the year
- Expanded our manufacturing capabilities in Saudi Arabia, where we experienced an acceleration of orders from our Aramco backlog, providing support for continued growth in international revenue in 2023
- Extended market reach of iComplete™, our integrated completions system which minimizes complexity and eliminates intervention in the red zone, driven in part by further adoption of WellFlex™ flexibles solutions

$1.3 billion
Inbound orders

New Energy Initiatives

- Announced strategic agreements and partnerships for floating offshore renewables, including two tidal energy contracts with partner Orbital Marine Power in the U.K. and the Option to Lease Agreement for the ScotWind N3 area through our partnership, Magnora Offshore Wind
- Progressed Deep Purple™, our solution for integrating renewable energy with hydrogen to form a complete, zero-emission offshore energy system, with the development of a land-based pilot which will prepare the system for large-scale commercial use offshore

Tidal Energy Contracts
Announced

(1) Reported financial results for the 12 months ended December 31, 2022 and inbound and backlog as of December 31, 2022 are included in our Annual Report on Form 10-K ("**Form 10-K**").

For additional details regarding the Company's 2022 financial performance, please see the section entitled "*Directors' Remuneration Report*."

Company Overview

TechnipFMC plc, a public limited company incorporated and organized under the laws of England and Wales, with registered number 09909709, and with registered office at Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, United Kingdom ("**TechnipFMC**," the "**Company**," "**we**," or "**our**") is a global leader in the energy industry, delivering projects, products, technologies, and services. With our proprietary technologies and production systems, integrated expertise, and comprehensive solutions, we are transforming our customers' project economics. We have operational headquarters in Houston, Texas, United States, and in 2022 we principally operated across two business segments: Subsea and Surface Technologies.

We are uniquely positioned to deliver greater efficiency across project life cycles, from concept to project delivery and beyond. Through innovative technologies and improved efficiencies, our offering unlocks new possibilities for our customers in developing their energy resources and in their positioning to meet the Energy Transition challenge.

Enhancing our performance and competitiveness is a key component of our strategy, which is achieved through technology and innovation differentiation, seamless execution, and reliance on simplification to drive costs down. We are targeting profitable and sustainable growth by seizing market growth opportunities and expanding our range of services, including opportunities arising through the Energy Transition. We are managing our assets efficiently to ensure we are well-prepared to drive and benefit from the opportunities in many of the markets we serve.

Each of our more than 20,000 employees is driven by a steady commitment to clients and a culture of project execution, purposeful innovation, challenging industry conventions, and rethinking how the best results are achieved. This leads to fresh thinking, streamlined decisions, and smarter results, enabling us to achieve our vision of enhancing the performance of the world's energy industry.

History

In March 2015, FMC Technologies, Inc., a U.S. Delaware corporation ("**FMC Technologies**"), and Technip S.A., a French société anonyme ("**Technip**"), signed an agreement to form an exclusive alliance and to launch Forsys Subsea, a 50/50 joint venture that would unite the subsea skills and capabilities of two industry leaders. Forsys Subsea brought the industry's most talented subsea professionals together early in operators' project concept phase with the technical capabilities to design and integrate products, systems, and installation to significantly reduce the cost of subsea field development and enhance overall project economics.

Based on the success of the Forsys Subsea joint venture and its innovative approach to integrated solutions, in May 2016 Technip and FMC Technologies announced that the companies would combine through a merger of equals to create a global subsea leader, TechnipFMC, that would drive change by redefining the production of oil and gas. The business combination was completed on January 16, 2017 (the "**Merger**"), and on January 17, 2017, TechnipFMC began operating as a unified, combined company trading on the New York Stock Exchange ("**NYSE**") and on the Euronext Paris Stock Exchange ("**Euronext Paris**") under the symbol "FTI."

In 2017, our first year as a merged company, TechnipFMC secured several project awards as many operators moved forward with final investment decisions for major onshore projects and subsea developments. Several of the subsea awards incorporated the use of our integrated approach to project delivery, validating our unique business model aimed at lowering project costs and accelerating the delivery of initial hydrocarbon production. This was made possible by bringing together the complementary subsea work scopes of the merged companies.

In 2018, TechnipFMC delivered the industry's first three full-cycle, integrated projects and realized considerable growth in Subsea order inbound, driven in part by its unique integrated offering, iEPCI™. For all of 2019, the value of integrated subsea awards to TechnipFMC more than doubled versus the prior year, representing more than 50% of all Subsea project order inbound. The increase was driven by a wider adoption of the integrated business model, particularly by those clients with whom we have unique alliances. With the industry's most comprehensive and only truly integrated subsea market offering, we have continued to expand the deepwater opportunity set for our clients.

On August 26, 2019, we announced our intention to separate into two diversified pure-play market leaders – TechnipFMC and Technip Energies.

On February 16, 2021, we completed the separation of the Technip Energies business segment. The transaction was structured as a spin-off (the "**Spin-off**"), which occurred by way of a pro rata dividend (the "**Distribution**") to our shareholders of 50.1% of the outstanding shares in Technip Energies N.V. Each of our shareholders received one ordinary share of Technip Energies N.V. for every five ordinary shares of TechnipFMC held at 5:00 p.m., New York City time on the record date, February 17, 2021. Immediately following the completion of the Spin-off, we owned 49.9% of the outstanding shares of Technip Energies. As of December 31, 2022, we have fully divested our remaining ownership stake in Technip Energies.

On January 10, 2022, we announced that following a comprehensive review of the Company's strategic objectives and proceeded with the voluntary delisting of our shares from Euronext Paris. The delisting was completed on February 18, 2022.

Business Segments

Subsea

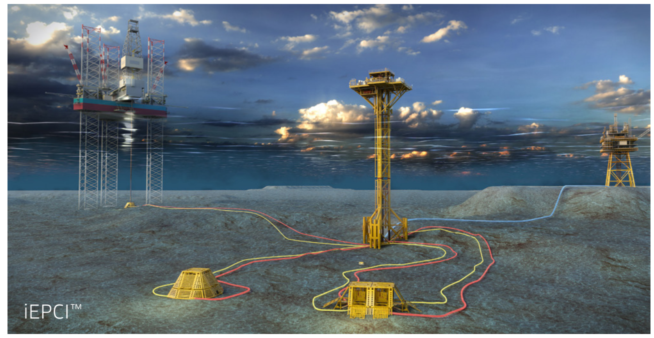
We are driving change in subsea energy production by safely providing innovative technologies and integrated solutions that improve economics, enhance performance, and reduce emissions. As a fully integrated technology and services provider, we continue to drive responsible energy development.

Our Subsea segment provides integrated design, engineering, procurement, manufacturing, fabrication, installation, and life of field services for subsea systems, subsea field infrastructure, and subsea pipeline systems used in oil and gas production and transportation.

We are an industry leader in FEED; subsea production systems ("**SPS**"); subsea flexible pipe, subsea umbilicals, risers, and flowlines ("**SURF**"); and subsea robotics. We also have the capability to install these products and related subsea infrastructure using our fleet of highly specialized vessels. By integrating the SPS and SURF work scopes, we are able to drive greater value to our clients through more efficient field layout and execution of the installation campaign. This capability, in conjunction with our strong commercial focus, has enabled the successful market introduction of an integrated subsea business model, iEPCI™, which spans a project's early phase design through life of field services.

Through iFEED™, we are uniquely positioned to influence project concept and design. Using innovative solutions for field architecture, including standardized configurable equipment, new technologies, digital services, and simplified installation, we can significantly reduce subsea development costs and accelerate time to first production.

iEPCI™ is our unique, fully integrated approach to designing, managing, and executing subsea projects. By combining complementary skills with innovative technologies, we boost efficiency, lower costs, and accelerate time to first oil and gas for our clients. As the first subsea provider to integrate SPS with SURF and a fleet of installation vessels, we successfully created a new market opportunity in 2016 through our iEPCI™ offering. iEPCI™ projects are partnerships built on knowledge sharing and mutual trust. Success is based on early engagement and a collaborative, cooperative approach, both internally and with our clients.



Our first-mover advantage and ability to convert iFEED™ studies into iEPCI™ contracts, often as direct awards, creates a unique set of opportunities for us that are not available to our peers. This allows us to deliver a fully integrated – and technologically differentiated – subsea system, and to better manage the complete work scope through a single contracting mechanism and a single interface, yielding meaningful improvements in project economics and time to first oil.

We continue to support our clients following project delivery by offering aftermarket and life of field services. Our wide range of capabilities and solutions, including integrated life of field ("**iLOF™**"), allows us to help clients increase oil and gas recovery and equipment uptime while reducing overall cost. Our iLOF™ offering is designed to unlock the full potential of subsea infrastructures during operations by transforming the way subsea services are delivered and proactively addressing the challenges operators face over the life of subsea fields. We provide production optimization, asset life extension insight, proactive debottlenecking, and condition-based maintenance.

Our Subsea business depends on our ability to maintain a cost-effective and efficient production system, achieve planned equipment production targets, successfully develop new products, and meet or exceed stringent performance and reliability standards.

Subsea segment products and services

Subsea Production Systems

Our SPS are used in the offshore production of crude oil and natural gas. Systems are placed on the seafloor and are used to control the flow of crude oil and natural gas from the reservoir to a host processing facility, such as a floating production facility, a fixed platform, or an onshore facility.

Our systems and products include subsea trees, chokes and flow modules, manifold pipeline systems, controls and automation systems, well access systems, multiphase and wet-gas flow meters, and additional technologies. The design and manufacture of our subsea systems requires a high degree of technical expertise and innovation. Some of our systems are designed to withstand exposure to the extreme hydrostatic pressure of deepwater environments, as well as internal pressures of up to 20,000 pounds per square inch ("**psi**") and temperatures of up to 400ºF. The development of our integrated subsea production systems includes initial engineering design studies and field development planning, and considers all relevant aspects and project requirements, including optimization of drilling programs and subsea architecture.

Subsea Processing Systems

Our subsea processing systems, which include subsea boosting, subsea gas compression, and subsea separation, are designed to accelerate production, increase recovery, extend field life, lower greenhouse gas emissions, and/or lower operators' production costs for greenfield, subsea tieback and brownfield applications. To provide these products, systems, and services, we utilize our engineering, project management, procurement, manufacturing, and assembly and test capabilities.

Subsea umbilicals, risers, and flowlines

We are a leading provider of SURF infrastructure. We develop, engineer, manufacture, and install umbilicals, rigid pipelines, and flexible pipes, connections, and tie-ins for subsea systems. Our rigid pipes are installed using our fleet of differentiated rigid pipelay vessels and are designed to optimize flow assurance through innovative insulation coatings, electric trace heating, plastic liners, and pipe-in-pipe systems.

Our vessels will typically perform the installation of our flexible pipes and umbilicals, but we also sell these products directly to energy companies or to other vessel operators. We offer a comprehensive range of umbilical systems including steel tube umbilicals, thermoplastic hose umbilicals, power and communication systems, and hybrid umbilicals. We are also qualifying a new hybrid flexible pipe technology, which is highly resistant to corrosive compounds, and will extend the operating envelope of flexible systems while reducing cost and weight.

Vessels

We have a fleet of 17 vessels. These are used for the installation and servicing of our products. We have sole ownership of nine vessels, ownership of six vessels as part of joint ventures, and two vessels operated under charter agreements.

Our Deep Arctic dive support vessel is making a positive impact through an upgrade to allow it to run as a battery hybrid

Subsea Services

Subsea Services provides a portfolio of well and asset services that drive value and efficiency throughout the life of our clients' subsea development cycle. Our vision is to deliver customer service excellence every day, with the purpose of maximizing the performance of our clients' well and asset operations. Well Services include all service offerings for the well:

- ROV Services: remotely operated vehicle ("**ROV**") drill support services, enabled by Schilling Robotics, TechnipFMC's underwater robotics group;
- Drilling Services: exploration and production wellhead systems and services; and
- Installation Services: Installation of trees and tubing hangers and completion of the well.

Asset Services include all service offerings for the asset:

- Maintenance Services: test, modification, refurbishment, and upgrade of subsea equipment and tooling;
- Asset Integrity Services: optimizing the performance of the subsea asset through product and field data, including inspection, maintenance and repair ("**IMR**"); and
- Production Management Services: enhanced well and field production, including real-time virtual metering and flow assurance services.

Intervention and Plug and Abandonment Services:

- Rig and vessel-based well intervention services and subsea plug and abandonment.

GEMINI® ROV System

To support our ROV Services offering, GEMINI® is a fully integrated, next generation ROV intervention system that provides unprecedented subsea productivity for our clients. The integration of ROV, manipulators and tooling, advanced automation, and computer vision technology enables a transition to highly automated subsea robotics, which reduces task time from hours to minutes, ensuring predictable results every time. GEMINI® transforms ROV remote intervention, enabling deepwater rigs to be more productive, reducing the cost and time to drill and complete wells, thereby reducing the carbon footprint. GEMINI® is an integral part of TechnipFMC's vision to deliver subsea energy by safely providing innovative solutions that improve economics, enhance performance, and reduce emissions.

Subsea Studio™ Digital Platform

Through Subsea Studio™, we connect data, technology, and expertise to optimize the development, execution, and operation of current and future subsea fields. Our open and connected ecosystem can exchange data efficiently with suppliers, partners, and clients, providing immediate access to relevant information, and improving efficiency and quality of decisions and planning. Subsea Studio™ establishes a data flow, or a "digital thread," that connects applications using common data models throughout a project's life cycle. Each decision is data-driven and each piece of actionable data is made readily available. We utilize this data to create value for our clients through efficiency gains, optimized productivity, and increased reliability.

Our Subsea Studio™ portfolio of digital solutions will be commercialized over time, beginning with Subsea Studio™ FD, which combines our subsea expertise and digital technologies to design, optimize, and select the best field development, thereby increasing quality and reliability and accelerating time to first oil.

Research, Engineering, Manufacturing, and Supply Chain ("REMS")

REMS is an organization formed in 2019 to support accelerated technology development and manufacturing innovation. We accomplish this by reducing the cycle time of engineering and manufacturing our products, including working with our suppliers to reduce their costs, and optimizing our processes and workflow management. Through REMS, we are focused on challenging existing technologies and implementing world-class manufacturing practices, including LEAN and process automation, to improve reliability while reducing total product cost and lead time to delivery. Our REMS organization supports both our Subsea and Surface Technologies segments and New Energy business.

Dependence on Key Customers

Generally, our customers in the Subsea segment are major integrated oil companies, national oil companies, and independent exploration and production companies. One Subsea customer accounted for 13% of our 2022 consolidated revenue.

Competition

We actively pursue alliances with companies engaged in the subsea development of oil and natural gas to promote our integrated systems for subsea production. These alliances are typically related to the procurement of subsea production equipment, although some of them are related to engineering, procurement, construction, and installation ("**EPCI**") services. Development of subsea fields, particularly in deepwater environments, involves substantial capital investments. Operators have also sought the security of alliances with us to ensure timely and cost-effective delivery of subsea and other energy-related systems that provide integrated solutions to meet their needs.

Our alliances establish important ongoing relationships with our customers. While these alliances do not contractually commit our customers to purchase our systems and services, they have historically led to, and we expect that they would continue to result in, such purchases.

The commitment to our customers goes beyond project delivery, and we nurture these alliances with transparency and collaboration to better understand their needs to ensure customer success.

We are the only fully integrated company that can provide the complete suite of subsea production equipment, umbilicals, and flowlines with the complete portfolio of installation and LOF services, enabling us to develop a subsea field as a single company. We compete with companies that supply some of the components, as well as installation companies. Our competitors include Aker Solutions ASA, Baker Hughes Company ("**Baker Hughes**"), Dril-Quip, Inc., McDermott International, Inc. ("**McDermott**"), National Oilwell Varco, Oceaneering International, Inc., SLB, and Subsea 7 S.A.

Seasonality

Seasonal weather conditions generally subdue drilling activity, reducing vessel utilization and demand for subsea services as certain activities cannot be performed. As a result, the level of offshore activity in our Subsea segment is negatively impacted during such periods.

Market Environment

Our Subsea inbound orders in 2022 increased more than 35% versus the prior year, reflecting the continued offshore market recovery and expansion. Innovative approaches to subsea projects, such as our iEPCI™ solution, have improved project economics, and many offshore discoveries can be developed economically well below today's crude oil prices. We have also seen an increase in direct awards, which account for more than 60% of inbound in 2022 as a result of our strong alliance partnerships. We believe deepwater development is likely to remain a significant part of many of our customers' portfolios.

As the subsea industry continues to evolve, we have taken actions to further streamline our organization, achieve standardization, and reduce cycle times. The rationalization of our global footprint will also further leverage the benefits of our integrated offering. We aim to continuously align our operations with activity levels, while preserving our core capacity in order to deliver current projects in backlog and fulfill future orders.

Economic activity improved over the course of 2022. Increased global demand and production curtailments by the OPEC+ countries have resulted in improved oil prices, which in turn supports market supply growth. Addressing the essential need for energy security is an increasing priority, which has grown in prominence as a result of the war in Ukraine.

Long-term demand for energy is forecast to rise, and we believe this outlook provides our customers with the confidence to increase investments in new sources of oil and natural gas production. We see Brazil and Guyana as key growth areas, in addition to the North Sea.

Strategy

We are driving change in subsea energy production by safely providing innovative technologies and integrated solutions that improve economics, enhance performance, and reduce emissions.

The energy landscape is evolving rapidly, yet oil and gas will remain important to the energy mix in the decades to come. Our vision for Subsea, which is focused on our integrated offering and enabled by our digital solutions and innovative products, unlocks new possibilities for growth in both oil and gas and in new energy sources. By capitalizing on our subsea expertise, core competencies, and integration capabilities, we will empower the production of oil and gas and new energies, while reducing carbon emissions.

Through our established Subsea services and our transformative offerings including iEPCI™ and the Subsea 2.0™ Configure to Order ("**CTO**") platform, we are making all types of energy produced offshore more sustainable, economical, and competitive.

As we look to the future, we remain focused on our innovative technologies and solutions, client relationships, and execution excellence. We will accomplish this by:

- Developing and empowering our people;
- Becoming a data-centric organization;
- Advancing automation and robotics; and
- Working toward all-electric fields.

We are industrializing our Subsea business with Subsea 2.0™ by using pre-engineered modular architectures to achieve a fully flexible suite of product offerings, while making an evolutionary shift from unique project requirements to a CTO execution model.

Our Subsea 2.0™ configurable product platform consists of pre-engineered products designed to provide the flexibility to accommodate customer needs and functional requirements, combining field-proven and new technologies.

Our CTO execution model requires no product engineering work to deliver these configurable products to our clients, ensuring quality, manufacturing, supply chain, and services are fully industrialized to deliver the value offered with Subsea 2.0™.

Our CTO Subsea 2.0™ program attributes include:

- Pre-engineered standard configurations;
- Pre-approved and qualified supply chain;
- Pre-defined quality, code, and surveillance requirements;
- Optimized manufacturing with dedicated capacity; and
- Pre-defined and developed services.

By pivoting from bespoke Engineer to Order ("**ETO**") solutions unique to every project to pre-engineered CTO products, we can leverage the efficiencies our execution model creates and bring value to our clients through reduced lead time, an optimized execution model, and improved predictability and reliability for delivery. CTO also allows us to drive manufacturing efficiency, improving throughput and increasing capacity of the existing manufacturing assets.

Acquisitions, Investments and Partnerships

Acquisitions

In 2022, we did not have any material acquisitions.

In 2018, we entered into a joint venture with Island Offshore Management AS ("**Island Offshore**") called TIOS AS. In August 2021, we acquired the remaining 49% interest in TIOS AS at a total price of $48.6 million. This will accelerate the development of TechnipFMC's integrated service model focused on maximizing value to our clients.

In 2018, we entered into a collaboration agreement with Magma Global Ltd. ("**Magma Global**") to develop a new generation of hybrid flexible pipe for use in the traditional and new energy industries. As part of the collaboration, we purchased a minority ownership interest in Magma Global. In October 2021, we purchased the remaining ownership interest in Magma Global for $64 million.

Investments

As part of our commitment to advancing Guyana's emerging energy industry, we officially opened our new service base in Georgetown, the country's capital, in April 2022. More than 85 Guyanese women and men are at the heart of our world-class Service Center, with this number projected to grow in response to the increased activity in the area over the next several years. The Guyana Service Center consists of a low bay, storage, and testing capabilities for both drilling and completion activities.

In the third quarter of 2022 we renewed our TechnipFMC and Halliburton technology alliance. This extends our agreement signed in 2017 with a focus on the development of innovative technologies for use in All-Electric Wells, Subsea Interventions, Subsea Fiber Optics and Carbon Capture and Storage. By teaming up on certain field domains, we are able to develop disruptive technologies to improve productivity, reduce cost, and lower emissions of our clients. We believe the alliance has a superior value proposition, leveraging TechnipFMC's pioneering integrated ecosystems (such as iEPCI™) and technology leadership with Halliburton's subsurface, well completion, and production knowledge and service offering.

Partnerships

Refer to the Other Business Information Relevant to Our Business Segments section of this U.K. Annual Report for information about our partnerships.

Surface Technologies

The Surface Technologies segment designs, manufactures, and services products and systems used by companies involved in land and shallow-water exploration and production of crude oil and natural gas, as well as some specialized equipment supporting carbon capture and storage ("**CCS**"), hydrogen storage, and geothermal. Our Surface Technologies product families include drilling, stimulation, production, measurement, digital, and services. We manufacture most of our products internally in facilities located worldwide.

Principal Products and Services

Drilling

We provide a full range of drilling and completion systems for both standard and custom-engineered applications. The customer base of our drilling and completion offerings is energy production, transportation, and storage companies.

Surface Wellheads and Production Trees

Our products are used to control and regulate the flow of crude oil and natural gas from the well. The wellhead is a system of spools and sealing devices from which the entire downhole well string hangs and provides the structural support for surface production trees. Production trees are comprised of valves, actuators, and chokes which can be combined into various configurations, depending on customer-specific requirements.

Surface wellheads and production trees are systems which are designed for onshore unconventional, onshore conventional, and offshore platform applications, and are typically sold directly to exploration and production operators during the drilling and completion phases of the well life cycle. Our surface wellhead and production tree systems are used worldwide, and provide global coverage and a full range of system configurations from conventional wellheads, Unihead® drill-through wellheads designed for faster installation and drill-time optimization, to high-pressure, high-temperature ("**HPHT**") systems for extreme production applications.

We also provide services associated with our surface wellhead and production tree portfolio, including service personnel and rental tooling, life of field maintenance, repair, and refurbishment, as well as digital monitoring and remote operational control and automation.

Our products are also used for geothermal production, CO_2 injection for CCS projects, and we have recently qualified designs to support underground hydrogen storage solutions.

Stimulation and Pressure Pumping

Our iComplete™ offering is the first integrated pressure control system for the onshore conventional stimulation market. Extensive knowledge in flexible pipes, manifold, and check valve technology has been adapted to make this a very reliable and predictable system. This is combined with our digital offering CyberFrac™ to improve safety by reducing manpower in the red zone, and boost efficiency in the field by automating operations and reducing unplanned stoppages by providing predictive analytics. Our system can also manage continuous pumping and multi-well operations, and ties in data from adjacent wells to monitor potential breakthroughs. All of this significantly reduces safety risk as well as the cost of operations for our customers.


iComplete™

Fracturing Tree and Manifold Systems

During the completion of a shale well, the well undergoes hydraulic fracturing. During this phase, durable and wear-resistant well-site equipment is temporarily deployed. Our equipment is designed to sustain the high pressure and highly erosive fracturing fluid which is pumped through the well into the formation.

Our equipment (fracturing tree systems, fracturing valve greasing systems, hydraulic control units, fracturing manifold systems, and rigid and flexible flowlines) is temporarily laid out between the wellhead and the fracturing pump truck during hydraulic fracturing. Exploration and production operators typically rent this equipment directly from us during the hydraulic fracturing activities. Associated with our fracturing equipment rental is fracturing rig-up/rig-down field service personnel as well as oversight and operation of the equipment during the multiple fracturing stages for a shale well.

Pressure Pumping

We design and manufacture equipment used in well completion and stimulation activities by major oilfield service and drilling companies, as well as by oil and gas exploration and production operators directly.

Flexibles

We have been a leading supplier of flexible lines since the 1970s and our Coflexip® product is an industry standard for drilling and stimulation operations offshore. We have adapted this product for use in high pressure, high volume stimulation and our PumpFlex™ and WellFlex™ products are being incorporated into most shale operations and are an integral part of our iComplete™ system. Our product is the only mechanical solution available today and has shown excellent wear resistance and durability in this very onerous application. The Coflexip® product is also used for specialty projects – refinery gas tanks, subsea production tie-in lines, tension leg platforms ("**TLPs**") and has recently been adapted for use in liquefied natural gas ("**LNG**") offloading in response to the new demands in Europe.

Flowline

We are a leading supplier of flowline products and services to the oilfield industry. From the original Chiksan® and Weco® products to our revolutionary equipment designs and integrated services, our family of flowline products and services provides our customers with reliable and durable pressure pumping equipment. Our facilities stock flowline products in the specific sizes, pressures, and materials common to each region. Our commitment is to help our customers worldwide attain maximum value from their pressure pumping assets by guaranteeing that the right products arrive at the job site in top working condition. Our total solutions approach includes the InteServ tracking and management system, mobile inspection and repair, strategically located service centers, and genuine Chiksan® and Weco® spare parts.

Production

Our upstream production offering includes well control, safety and integrity systems, multiphase meter modules, in-line separation and processing systems, compact ball valves for manifolds, and standard pumps. These offerings are differentiated by our comprehensive portfolio of in-house compact, modular, and digital technologies, and are designed to enhance field project economics and reduce operating expenditures with an integrated system that spans from wellhead to pipeline.

Our E-Mission™ suite addresses ways to reduce carbon intensity in the production of oil and gas products. By leveraging digital solutions to optimize the performance of assets on the production site, E-Mission™ helps to reduce flaring and CO_2 emissions, predicting methane escape events by using artificial intelligence, thereby preventing such events ever happening.

Our iProduction™ system is the first automated integrated production platform for onshore unconventionals. Components of this may be deployed at existing customer sites to upgrade their technology, improving safety and operating costs and reducing carbon emissions. We continue to work toward improved solutions in this space to render old and new projects better.

Our digital systems leverage two very specific core software products: UCOS for control and automation of assets, and InsiteX for data visualization and analytics. These are deployed in small standalone applications which address real customer issues and can be integrated seamlessly to form an ecosystem or system-level Digital Twin. These technologies help customers improve health and safety, reduce carbon intensity, reduce operating expense, reduce unplanned shutdowns, and increase productivity.

Well Control and Integrity Systems

We supply both hydraulic and electrical control components and safety systems designed to safely and efficiently run a wellpad, modules on an offshore platform, or a production facility. Our systems are based on standard, field-proven building blocks and designed for minimal maintenance during life of field operations.

Separation and Processing Systems

TechnipFMC provides industry-leading technology for the separation of oil, gas, sand, and water. These solutions are used in onshore production facilities and on offshore platforms worldwide. Our family of separation products delivers client success by increasing efficiency and throughput, and reducing the footprint of processing facilities. Our separation systems offering includes internal components for oil and gas multiphase separation, in-line deliquidizers, and solids removal, as well as fully assembled separation modules and packages designed and fabricated for oil and gas separation, fracturing flowback treatment, solids removal, and primary produced water treatment.

Standard Pumps and Skid Systems

We provide complete skid solutions, from design consultation through startup and commissioning. We offer a diverse line of reciprocating pumps, customized according to the application with pressure ranges available up to 10,000 psi and flow rates up to 1,500 gallons per minute.

Measurement

We are making measurement smarter with integrated flow measurement and automation solutions, from the wellhead to the final point of sale. We deliver accurate and reliable measurement for the transportation, distribution, and storage of energy products by truck, rail, vessel, aircraft, and pipeline. We have the right products and systems to help with any application challenge. Our customers can reduce complexity by dealing with one supplier as we bring together reliable and accurate measurement and control systems, automation, and key data insights.

Our systems are an industry standard in mechanical custody metering and we are focusing now on adapting technology for the emerging harsh gas environment in metering CO_2 and hydrogen, which will be critical to the Energy Transition.

Services

We offer our customers a comprehensive suite of service packages to ensure optimal performance and reliability of our equipment, upstream and midstream. These service packages include all phases of the asset's life cycle: from the early planning stages through testing and installation, commissioning and operations, replacement and upgrade, maintenance, storage, preservation, intervention, integrity, decommissioning, and abandonment.

Dependence on Key Customers

Generally, Surface Technologies' customers are major integrated oil companies, national oil companies, independent exploration and production companies, and oil and gas service companies. No single Surface Technologies customer accounted for 10% or more of our 2022 consolidated revenue.

Competition

We are the only pure-play global supplier in the Surface Technologies market space and are a market leader for many of our products and services. Some of the factors that distinguish us from other companies in the same sector include our technological innovation, reliability, product quality, and our problem-solving capability. Surface Technologies competes with other companies that supply surface production equipment and pressure control products. Some of our major competitors include Baker Hughes, Cactus, Inc., Forum Energy Technologies, Inc., Gardner Denver, Inc., SLB, Halliburton Co, and SPM Oil & Gas.

Market Environment

2022 saw higher drilling and completion activity than in 2021. Activity in North America recovered close to pre-pandemic levels. Outside of North America represented 54% of total segment revenue in 2022 and activity remained resilient. We continued to benefit from our exposure and investment to local content in the Middle East, which remains a strategic and growing market in the context of the current global energy outlook.

We are well positioned to benefit from ongoing opportunities in both North America and the Middle East, and in other international onshore and shallow water markets.

Strategy

We serve the onshore, platform, and shallow water subsea markets from well to export pipeline, providing our customers with breakthrough reductions in cost, lead time, and carbon intensity. We distinguish our offerings by three key strengths:

Core Technology. We are committed to applying technology within our core products to solve real customer problems, leveraging the benefits of smarter designs.

Decarbonization. We see it as our duty as an industry leader to develop ways for our customers to make the production of oil and gas less carbon intensive.

Digital and Automation. We are leveraging simple, pragmatic digital solutions to improve health and safety, reduce carbon, reduce operating cost, reduce non-productive time, and increase production.

Acquisitions, Investments, and Partnerships

We did not have any acquisitions and did not enter into any partnership agreements during 2022 or 2021.

In December 2021 we officially inaugurated our new facility in Dhahran, Saudi Arabia, and in 2022 started the manufacture of our first in-country orders. The facility is part of our continued investment in the Middle East to reinforce our leading position in delivering local solutions that extend asset life and improve project returns. The new facility positions us to respond to the expected increase in activity in the area while strengthening our capabilities, providing a solid platform for us to grow in what is a strategic market for our Surface Technologies business. The new facility will offer a broader range of capabilities and greater in-country value-add, supporting our full portfolio with high technology equipment in the drilling, completion, production, and pressure control sectors.

In 2022 we also committed to investing in a new manufacturing space at our ICAD facility in Abu Dhabi, and in September became the first company to be API6A qualified.

To support our developments in the Middle East, we are investing heavily in hiring, training, and developing personnel in the region. These investments position us to respond to the increasing demand for local content and increasing opportunity in the region. They strengthen our capabilities, providing a solid platform for us to grow in what is a strategic market for our Surface Technologies business, recognized by our record inbound award from Saudi Aramco and our ten-year framework agreement with ADNOC, from which we received the first $128 million commitment in the second half of 2022.

Other business information relevant to our business segments

Capitalizing on Energy Transition

Since our inception as an integrated company in 2017, TechnipFMC has been pursuing innovation to reduce emissions within the conventional energy space. We have also been exploring ways to position ourselves in the Energy Transition by delivering differentiated solutions and leveraging our core competencies and existing resources.

We believe offshore will be the next frontier of the Energy Transition and we are ready to accelerate and grow our contribution. This is the role of New Energy at TechnipFMC. Our goal is to be a key enabler of the carbon transportation and storage and offshore renewables industry. To get there, we will leverage our subsea and surface expertise, our technology know-how, our collaborative and innovative mindset, and our demonstrated capabilities in project integration. We will continue collaborating with energy companies and technology providers to bring to market innovative solutions that are best suited to offshore applications, while leveraging our Company's existing assets, technologies, and installation expertise. Utilizing our expertise in integrated projects, we are able to serve as a system architect, from technology development to project delivery and life of field services.

As a result of our evolution in the new energies arena, we are further refining our approach, which we define within three main markets:

Project integration, associated with proprietary technology leadership, is perhaps TechnipFMC's strongest point of differentiation. We see strong integration potential across offshore renewable markets. For example, by combining wind and hydrogen, we could maximize energy generation and efficiency, since the incremental capital expenditure and operational expenditure needed is much lower than a standalone product for the same energy generation. We will approach these new integration opportunities in renewable energies with a new execution model, which is integrated Offshore Novel Energies ("**iONE™**"). iONE™ builds on the success of our iEPCI™ model in oil and gas, and leverages that experience in the new energy space. By acting as system integrator in a complex and rapidly changing environment, we can play a meaningful role in enabling offshore renewable solutions.

The markets

We believe one of the safest and most efficient storage locations for greenhouse gases is offshore, in naturally occurring reservoirs and saline aquifers.

TechnipFMC is applying a configure-to-order model in its traditional and new energy businesses to create superior value for its clients through robust project execution performance. This effort is eliminating product and process development work from projects, producing execution stability and ensuring product cost, quality, and lead time targets are consistently met.

Configurability and simplification are being applied to our integrated carbon transportation and storage solutions. Standard configure-to-order modules for onshore carbon treatment and compression will minimize project-specific engineering while enabling custom system solutions to be built from pre-engineered products. Standard all-electric control systems for offshore carbon transportation and storage will also be configurable to meet project-specific needs. These control systems will have the flexibility to manage a wide range of functionalities, from manifold/tree valve and choke actuation to downhole and seabed reservoir monitoring systems.

Existing equipment developed by our Surface Technologies and Subsea businesses can be leveraged to achieve this aim. Our efforts in this area include:

- Development of our Integrated Carbon Transportation and Storage System ("**iCTS™**");
- A strategic alliance with Talos Energy to accelerate carbon transportation and storage ("**CTS**");
- The acquisition of Magma Global, manufacturer of the key gas transportation technologies thermoplastic composite pipe and hybrid flexible pipe; and
- An agreement to commercialize PETRONAS' unique natural gas processing membrane, which reduces emissions of CO_2 and hydrogen sulfide by integrating the technology into our onshore and offshore production portfolio.

TechnipFMC aspires to lead the offshore floating renewables industry by leveraging our differentiated technologies, product standardization, and system integration approach. This emerging market is predicted to grow from very limited today to an installed base of 15 GW by 2030. Our efforts in this area include:

- A partnership with Magnora ASA, Magnora Offshore Wind, to develop floating offshore wind projects. The partnership secured an Option Agreement for area N3 in the U.K.'s Western Isles from the Crown Estate Scotland in the ScotWind leasing round in January 2022;
- A partnership with Floating Power Plant, a renewable energy technology company, for an offshore green hydrogen pilot for the Canary Islands which will leverage Deep Purple™ (see below);
- A strategic investment in Orbital Marine Power, the world's most powerful floating tidal energy turbine, which we believe to be the most mature tidal technology. In July 2022, our collaboration with Orbital Marine Power was awarded two Contracts for Difference to generate 7.2MW of predictable clean energy on Orkney as part of U.K. Government renewable energy auction; and
- Development of best in class 66KV dynamic inter-array cables ("**IAC**") – a key component of offshore floating renewables infrastructure used to transmit electricity generated offshore to the grid. System engineering, cable engineering, supply and installation will be provided by our existing manufacturing plant in the U.K. and our vessel fleet.

We believe hydrogen will become a crucial carrier for the storage and transportation of energy, as well as bringing reliability, stability, and efficiency to renewable sources. Our strategy covers two areas: green hydrogen produced offshore by the electrolysis of water using renewable energy, and off-grid energy systems delivering renewable, stable power to traditional energy installations and remote islands. Our efforts in this area include:

- Deep Purple™ is our system to provide sustainable offshore renewable energy production by integrating wind energy and hydrogen production and storage. A pilot production began in Norway in January 2023;
- The Hardanger Hydrogen Project, with several partners including Statkraft, where TechnipFMC will qualify its subsea H_2 storage and provide subsea storage for the next commercial phases of the project;
- Offering separate hydrogen solutions and the combination/system integration of those; infrastructure including pipeline and storage (both subsea storage and underground storage) and hydrogen wellhead products; and
- Participation in Storengy's HyPSTER (Hydrogen Pilot STorage for large Ecosystem Replication) pilot project in France, where we have re-engineered and repurposed a Surface Technologies wellhead to facilitate the large-scale storage of green hydrogen in underground salt caverns.

Sources and Availability of Raw Materials

Our business segments purchase carbon steel, stainless steel, aluminum, steel castings and forgings, polymers, microprocessors, integrated circuits and various other materials from the global marketplace. We typically do not use single-source suppliers for the majority of our raw material purchases, however, certain geographic areas of our businesses, or a project or group of projects, may heavily depend on certain suppliers for raw materials or supply of semi-finished goods. We believe the available supplies of raw materials are adequate to meet our needs, leveraging our CTO strategy.

Research and Development

We are engaged in research and development ("**R&D**") activities directed toward the improvement of existing products and services, the design of specialized products to meet customer needs, and the development of new products, processes, and services. A large part of our product development spending has focused on the improved design and standardization of our Subsea products to meet our customer needs.

more than
20,000
employees

Employees

As of December 31, 2022, we had more than 20,000 employees.

Segment and Geographic Financial Information

The majority of our consolidated revenue and segment operating profits is generated in markets outside of the United States ("**U.S**."). Each segment's revenue is dependent upon worldwide oil and gas exploration and production activity.

Financial information about our segments and geographic areas is incorporated herein by reference from Note 3 to our consolidated financial statements of this U.K. Annual Report.

Order Backlog

Information regarding order backlog is incorporated herein by reference from the section entitled "*Business Review*" of the Strategic Report contained in this U.K. Annual Report.

Website Access

Our U.K. Annual Reports are available free of charge through our website at ***www.technipfmc.com***, under "*Investors*" as soon as reasonably practicable. Unless expressly noted, the information on our website or any other website is not incorporated by reference in this U.K. Annual Report and should not be considered part of this U.K. Annual Report or any other filing we make.

Business Review

Introduction

In this U.K. Annual Report, the Company is reporting in its consolidated financial statements the results of its operations for the year ended December 31, 2022 which were prepared in accordance with U.K.-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006 (the "**Companies Act**").

The basis of presentation, critical accounting estimates and significant accounting policies are set out in Note 1 to the consolidated financial statements contained in this U.K. Annual Report.

Key Performance Indicators

We are a global leader in energy projects, technologies, systems and services. We have manufacturing operations worldwide, strategically located to facilitate efficient delivery of these products, technologies, systems and services to our customers. We report our results of operations in two segments: Subsea and Surface Technologies. Management's determination of our reporting segments was made on the basis of our strategic priorities and corresponds to the manner in which our Chief Executive Officer reviews and evaluates operating performance to make decisions about resource allocations to each segment.

A summarized description of our products and services and annual financial data for each segment can be found in Note 3 to our consolidated financial statements.

We focus on economic and industry-specific drivers and key risk factors affecting our business segments as we formulate our strategic plans and make decisions related to allocating capital and human resources. The results of our segments are primarily driven by changes in capital spending by oil and gas companies, which largely depend upon current and anticipated future crude oil and natural gas demand, production volumes, and consequently, commodity prices. We use crude oil and natural gas prices as an indicator of demand. Additionally, we use both onshore and offshore rig count as an indicator of demand, which consequently influences the level of worldwide production activity and spending decisions. We also focus on key risk factors when determining our overall strategy and making decisions for capital allocation. These factors include risks associated with the global economic outlook, product obsolescence and the competitive environment. We address these risks in our business strategies, which incorporate continuing development of leading edge technologies and cultivating strong customer relationships.

Our Subsea segment is affected by changes in commodity prices and trends in deepwater oil and natural gas production and benefits from the current market fundamentals supporting the demand for new liquefied natural gas facilities.

Our Surface Technologies segment is primarily affected by changes in commodity prices and trends in land-based and shallow water oil and natural gas production. We have developed close working relationships with our customers. Our results reflect our ability to build long-term alliances with oil and natural gas companies and to provide solutions for their needs in a timely and cost-effective manner. We believe that by closely working with our customers, we enhance our competitive advantage, improve our operating results and strengthen our market positions.

As we evaluate our operating results, we consider business segment performance indicators such as segment revenue, operating profit and capital employed, in addition to the level of inbound orders and order backlog. A significant proportion of our revenue is recognized under the percentage of completion method of accounting. Cash receipts from such arrangements typically occur at milestones achieved under stated contract terms. Consequently, the timing of revenue recognition is not always correlated with the timing of customer payments. We aim to structure our contracts to receive advance payments that we typically use to fund engineering efforts and inventory purchases. Working capital (excluding cash) and net debt, are therefore, key performance indicators of cash flows.

In both of our segments, we serve customers from around the world. During 2022, approximately 80% of our total sales were recognized outside of the United States. We evaluate international markets and pursue opportunities that fit our technological capabilities and strategies.

The Spin-off

On February 16, 2021, we completed the separation of the Technip Energies business segment. The transaction was structured as a Spin-off, which occurred by way of a Distribution to our shareholders of 50.1% of the outstanding shares in Technip Energies N.V. Each of our shareholders received one ordinary share of Technip Energies N.V. for every five ordinary shares of TechnipFMC held at 5:00 p.m., New York City time on the record date, February 17, 2021. Technip Energies N.V. is now an independent public company and its shares are traded under the ticker symbol "TE" on the Euronext Paris stock exchange. As of December 31, 2022, we fully divested our remaining ownership interest in Technip Energies.

For the year ended December 31, 2022, we recorded expenses from discontinued operations due to a change in estimate of liabilities recognized in connection with the Spin-off.

Consolidated Results of Operations

Management's report of the consolidated results of operations is provided on the basis of comparing actual results of operations for the year ended December 31, 2022 to actual results of operations for the year ended December 31, 2021.

(In millions, except percentages)	Year Ended December 31,		Change	
	2022	2021	$	%
Revenue	$6,725.7	$6,413.3	$312.4	4.9%
Costs and expenses				
Cost of sales	5,776.0	5,542.5	233.5	4.2%
Selling, general and administrative expense	620.3	647.0	(26.7)	(4.1)%
Research and development expense	67.0	79.0	(12.0)	(15.2)%
Impairment, restructuring and other expenses	1.1	66.7	(65.6)	(98.4)%
Total costs and expenses	6,464.4	6,335.2	129.2	2.0%
Other income (expense), net	21.8	(0.4)	22.2	5,550.0%
Foreign exchange gain (loss), net	(68.8)	6.8	(75.6)	(1,111.8)%
Income from associates	44.6	0.6	44.0	7,333.3%
Income (loss) from investment in Technip Energies	(27.7)	8.5	(36.2)	(425.9)%
Income before net interest expense and income taxes	231.2	93.6	137.6	147.0%
Net interest expense	(160.6)	(188.1)	27.5	14.6%
Loss on early extinguishment of debt	(29.8)	(61.9)	32.1	51.9%
Income (loss) before income taxes	40.8	(156.4)	197.2	126.1%
Provision for income taxes	125.7	81.6	44.1	54.0%
Net loss from continuing operations	(84.9)	(238.0)	153.1	64.3%
Profit (loss) from discontinued operations	(26.4)	605.2	(631.6)	(104.4)%
Net profit (loss)	(111.3)	367.2	(478.5)	(130.3)%
(Profit) loss from continuing operations attributable to non-controlling interests	(25.4)	0.8	(26.2)	(3,275.0)%
Less: Profit from discontinued operations attributable to non-controlling interests	–	(1.9)	1.9	100.0%
Profit from discontinued operations attributable to TechnipFMC plc	–	(1.9)	1.9	100.0%
Net income (loss) attributable to TechnipFMC plc	$(136.7)	$366.1	(502.8)	(137.3)%

Revenue

Revenue increased by $312.4 million in 2022 compared to 2021. Subsea revenue increased year-over-year, as a result of higher project and services activity. Surface Technologies revenue increased, as a result of the increase in operator activity in North America, driven by an increase in U.S. rig count year-over-year.

Gross Profit

Gross profit (revenue less cost of sales) as a percentage of sales increased to 14.1% in 2022 compared to 13.6% in 2021. Subsea gross profit increased year over year due to improved margins in backlog and an increase in installation and services activity. Surface Technologies gross profit increased year-over-year, mostly due to an increase in volume of activities and increases in pricing in North America.

Selling, General and Administrative Expense

Selling, general, and administrative expenses decreased by $26.7 million year-over-year, driven by a decrease in costs associated with our support functions.

Impairment, Restructuring and Other Expense

We incurred $1.1 million of restructuring, impairment and other expenses in 2022, compared to $66.7 million in 2021, largely related to exiting our operations in Russia and Canada. Impairment, restructuring and other charges incurred in 2021 included $49.1 million of impairment charges relating to our operating lease right-of-use assets and property, plant and equipment. See Note 22 to our consolidated financial statements for further details.

Other Income (Expense), Net

For the years ended December 31, 2022 and 2021, we recorded an income of $21.8 million and loss of $0.4 million which reflects gains and losses associated with the remeasurement of net cash positions, gains and losses on sales of property, plant and equipment and non-operating gains and losses.

Foreign Exchange Gain (Loss)

Foreign exchange decreased by $75.6 million year-over-year, due to exposure to certain currencies with limited derivative hedging markets.

Income from Associates

For the years ended December 31, 2022 and 2021, we recorded an income of $44.6 million and $0.6 million, respectively, from investments in associates. Income generated by our investments in associates during 2022 increased year-over-year, driven by an increase in the operational activity of our investments. Income generated by our investments in associates during 2021 was offset by a $36.7 million impairment of our Magma Global investment. See Note 2 to our consolidated financial statements for further details.

Income (Loss) from Investment in Technip Energies

For the years ended December 31, 2022 and 2021, we recorded a $27.7 million loss and $8.5 million of income, respectively, as a result of our investment in Technip Energies. The amounts recognized primarily represent fair value revaluation gains (losses) of our investment. See Note 33 to our consolidated financial statements for further details.

Loss on Early Extinguishment of Debt

We recognized $29.8 million of loss on early extinguishment of debt during the year ended December 31, 2022, which related to premium paid and write-off of debt issuance costs in connection with the repurchase of the 2021 Notes. We recognized $61.9 million of loss on early extinguishment of debt for the year ended December 31, 2021, which related to premium paid and write-off of debt issuance costs in connection with the repurchase of the 2021 Notes and the repayment of our 3.45% Senior notes due 2022. See Note 19 to our consolidated financial statements for further details.

Net Interest Expense

Net interest expense decreased by $27.5 million in 2022 compared to 2021, largely due to the reduction in outstanding debt.

Provision for Income Taxes

Our provision for income taxes for 2022 and 2021 reflected effective tax rates of 308.1% and (52.2)%, respectively. The year-over-year increase in the effective tax rate was primarily due to the change in geographical profit mix year over year.

Our effective tax rate can fluctuate depending on our country mix of earnings, since our foreign earnings are generally subject to higher tax rates than those of the United Kingdom.

Discontinued Operations

Income (loss) from discontinued operations, net of income taxes, was a loss of $26.4 million and income of $605.2 million for the years ended December 31, 2022 and 2021, respectively. See Note 33 to our consolidated financial statements for further details.

Operating Results of Business Segments

Segment operating profit is defined as total segment revenue less segment operating expenses. Certain items have been excluded in computing segment operating profit and are included in corporate items. See Note 3 to our consolidated financial statements included in this U.K. Annual Report for further information.

We report our results of operations in U.S. dollars; however, our earnings are generated in various currencies worldwide. In order to provide worldwide consolidated results, the earnings of subsidiaries functioning in their local currencies are translated into U.S. dollars based upon the average exchange rate during the period. While the U.S. dollar results reported reflect the actual economics of the period reported upon, the variances from prior periods include the impact of translating earnings at different rates.

Subsea

(In millions, except %)	Year Ended December 31, 2022	2021	Favorable/(Unfavorable) $	%
Revenue	$5,461.2	$5,329.1	$132.1	2.5%
Operating profit	$359.3	$147.2	$212.1	144.1%
Operating profit as a percentage of revenue	6.6%	2.8%		3.8pts

Subsea revenue increased by $132.1 million, due to higher project installation activity in Brazil and the United Kingdom, which was partially offset by the negative impact of foreign exchange.

Subsea operating profit for the year ended December 31, 2022, increased versus the prior year, due to the improved margins in backlog and an increased mix of installation and service activities.

Surface Technologies

(In millions, except %)	Year Ended December 31, 2022	2021	Favorable/(Unfavorable) $	%
Revenue	$1,264.5	$1,084.2	$180.3	16.6%
Operating profit	$43.1	$37.9	$5.2	13.7%
Operating profit as a percentage of revenue	3.4%	3.5%		(0.1) pts.

Surface Technologies revenue increased by $180.3 million, or 16.6% year-over-year, driven by an increase in North America activity. Approximately 56% of total segment revenue was generated outside of North America for the year ended December 31, 2022.

Surface Technologies operating profit increased versus the prior year, due to an increase in volume of activities and increase in pricing in North America.

Corporate Items

(In millions, except %)	Year Ended December 31, 2022	2021	Favorable/(Unfavorable) $	%
Corporate expense	$(74.7)	$(106.8)	$32.1	30.1%

Corporate expenses decreased by $32.1 million or 30.1% year-over-year, driven by the decreased costs associated with our support functions.

Inbound Orders and Order Backlog

Inbound orders represent the estimated sales value of confirmed customer orders received during the reporting period.

(In millions)	Inbound Orders Year Ended December 31,	
	2022	2021
Subsea	$6,738.3	$4,960.9
Surface Technologies	1,340.8	1,793.3
Total inbound orders	$8,079.1	$6,754.2

Order backlog is calculated as the estimated sales value of unfilled, confirmed customer orders at the reporting date. Backlog reflects the current expectations for the timing of project execution. See Note 5 to our consolidated financial statements contained in this U.K. Annual Report for more information on order backlog.

(In millions)	Order Backlog December 31,	
	2022	2021
Subsea	$8,131.5	$6,533.0
Surface Technologies	1,221.5	1,124.7
Total order backlog	$9,353.0	$7,657.7

Subsea – Order backlog for Subsea as of December 31, 2022, increased by $1.6 billion from December 31, 2021. Subsea backlog of $8.1 billion as of December 31, 2022, was composed of various subsea projects, including Petrobras Búzios 6, Mero I, Mero II and Marlim; Total Energies Mozambique LNG, Lapa NE and Clov 3; ExxonMobil Yellowtail and Payara; Shell Jackdaw and Gumusut; Husky West White Rose; Equinor Halten East; Tullow Jubilee South East; Wintershall Maria and Dvalin; and Harbour Talbot.

Surface Technologies – Order backlog for Surface Technologies as of December 31, 2022, increased by $96.8 million compared to December 31, 2021.

Liquidity and Capital Resources

Most of our cash is managed centrally and flows through centralized bank accounts controlled and maintained by TechnipFMC globally and in many operating jurisdictions to best meet the liquidity needs of our global operations.

Net Debt – Net Debt is a non-IFRS financial measure reflecting cash and cash equivalents, net of debt. Management uses this non-IFRS financial measure to evaluate our capital structure and financial leverage. We believe net debt, or net cash, is a meaningful financial measure that may assist investors in understanding our financial condition and recognizing underlying trends in our capital structure. Net debt should not be considered an alternative to, or more meaningful than, cash and cash equivalents as determined in accordance with IFRS or as an indicator of our operating performance or liquidity.

The following table provides an IFRS reconciliation of our cash and cash equivalents to net debt, utilizing details of classifications from our consolidated statements of financial position:

(In millions)	December 31, 2022	December 31, 2021
Cash and cash equivalents	$1,057.1	$1,327.4
Short-term debt and current portion of long-term debt	(418.8)	(277.9)
Long-term debt, less current portion	(999.3)	(1,778.5)
Lease liabilities	(872.5)	(772.8)
Net debt	$(1,233.5)	$(1,501.8)

Cash Flows from Continuing Operations

Cash flows for the periods ended December 31, 2022 and 2021, were as follows:

	Year Ended December 31,	
(In millions)	2022	2021
Cash provided by operating activities from continuing operations	$443.7	$727.4
Cash provided by investing activities from continuing operations	157.5	0.1
Cash required by financing activities from continuing operations	(883.6)	(1,439.7)
Net cash attributable to discontinued operations	–	(2,754.1)
Effect of exchange rate changes on cash and cash equivalents	12.1	(14.0)
Decrease in cash and cash equivalents	$(270.3)	$(3,480.3)
(Increase) decrease in working capital from continuing operations	$(70.2)	$468.3
Free cash flow from continuing operations	$280.3	$479.5

Operating cash flows from continuing operations – During 2022, we generated $443.7 million in operating cash flows from continuing operations, as compared to $727.4 million in 2021, resulting in a $283.7 million decrease compared to 2021. The decrease in cash generated by operating activities from continuing operations in 2022 as compared to 2021 was primarily due to timing differences on project milestones, vendor payments for inventory, and timing of income tax refund.

Investing cash flows from continuing operations – Investing activities from continuing operations provided $157.5 million and $0.1 million in 2022 and 2021, respectively. The increase of $157.4 million in cash provided by investing activities was primarily due to a $172.1 million increase in proceeds received from sales of our investment in Technip Energies and a decrease in capital expenditures, partially offset by a decrease in proceeds from sales of assets during 2022.

Financing cash flows from continuing operations – Financing activities from continuing operations used $883.6 million and $1,439.7 million in 2022 and 2021, respectively. The decrease of $556.1 million in cash used for financing activities was due primarily to the decreased debt pay down and issuance activity of $683.7 million, partially offset by $100.2 million of share repurchases during 2022.

The change in working capital represents total changes in operating current assets and liabilities.

Free cash flow from continuing operations is defined as operating cash flows from continuing operations less capital expenditures. The following table reconciles cash provided by operating activities from continuing operations, which is a directly comparable financial measure determined in accordance with IFRS, to free cash flow (non-IFRS measure).

	Year Ended December 31,	
(In millions)	**2022**	**2021**
Cash provided by operating activities from continuing operations	$443.7	$727.4
Capital expenditures	(163.4)	(247.9)
Free cash flow from continuing operations	$280.3	$479.5

Debt and Liquidity

We are committed to maintaining a capital structure that provides sufficient cash resources to support future operating and investment plans. During 2022, we reduced our total debt position as follows:

- We repaid $161.0 million of our 3.40% 2012 Private placement notes and
- We completed a tender offer and purchased for cash $430.2 million of the outstanding 2021 Notes. We paid a cash premium of $21.5 million to the tendering note holders and wrote-off $8.3 million of debt issuance costs. Concurrent with the tender offer, the Company obtained consents of holders with respect to the 2021 Notes to certain proposed amendments ("**Proposed Amendments**") to the indenture governing these notes. The Proposed Amendments, among other things, eliminated substantially all of the restrictive covenants and certain event of default triggers in the indenture.

Availability of borrowings under the Revolving Credit Facility is reduced by the outstanding letters of credit issued against the facility. As of December 31, 2022, there were $45.4 million letters of credit outstanding and availability of borrowings under the Revolving Credit Facility was $954.6 million.

As of December 31, 2022, we were in compliance with all debt covenants. See Note 19 to the consolidated financial statements contained in this U.K. Annual Report, for further information related to our outstanding debt instruments.

Credit Ratings – Our credit ratings with Standard and Poor's ("**S&P**") are BB+ for our long-term unsecured, guaranteed debt (2021 Notes) and BB for our long-term unsecured debt (the Private placement notes). Our credit ratings with Moody's are Ba1 for our long-term unsecured, guaranteed debt.

Credit Risk Analysis

For the purposes of mitigating the effect of the changes in exchange rates, we hold derivative financial instruments. Valuations of derivative assets and liabilities reflect the fair value of the instruments, including the values associated with counterparty risk. These values must also take into account our credit standing, thus including the valuation of the derivative instrument and the value of the net credit differential between the counterparties to the derivative contract. Adjustments to our derivative assets and liabilities related to credit risk were not material for any period presented.

The income approach was used as the valuation technique to measure the fair value of foreign currency derivative instruments on a recurring basis. This approach calculates the present value of the future cash flow by measuring the change from the derivative contract rate and the published market indicative currency rate, multiplied by the contract notional values. Credit risk is then incorporated by reducing the derivative's fair value in asset positions by the result of multiplying the present value of the portfolio by the counterparty's published credit spread. Portfolios in a liability position are adjusted by the same calculation; however, a spread representing our credit spread is used. Our credit spread, and the credit spread of other counterparties not publicly available, are approximated using the spread of similar companies in the same industry, of similar size, and with the same credit rating. Additional information about credit risk is incorporated herein by reference to Note 30 to the consolidated financial statements contained in this U.K. Annual Report.

At this time, we have no credit-risk-related contingent features in our agreements with the financial institutions that would require us to post collateral for derivative positions in a liability position.

Financial Position Outlook

Overview

We are committed to a strong balance sheet and ample liquidity that will enable us to access capital markets throughout the cycle. We believe our liquidity continues to exceed the level required to meet our requirements and plans for cash for the next 12 months. Our capital expenditures can be adjusted and managed to match market demand and activity levels. Based on current market conditions and our future expectations, our capital expenditures for 2023 are estimated to be approximately $250 million. Projected capital expenditures do not include any contingent capital that may be needed to respond to contract awards.

Market Risk

We are subject to financial market risks, including fluctuations in foreign currency exchange rates and interest rates. In order to manage and mitigate our exposure to these risks, we may use derivative financial instruments in accordance with established policies and procedures. We do not use derivative financial instruments for speculative purposes. At December 31, 2022 and 2021, substantially all of our derivative holdings consisted of foreign currency forward contracts and foreign currency instruments embedded in purchase and sale contracts.

These forward-looking disclosures only address potential impacts from market risks as they affect our financial instruments and do not include other potential effects that could impact our business as a result of changes in foreign currency exchange rates, interest rates, commodity prices or equity prices.

Foreign Currency Exchange Rate Risk

We conduct operations around the world in a number of different currencies. Many of our significant foreign subsidiaries have designated the local currency as their functional currency. Our earnings are therefore subject to change due to fluctuations in foreign currency exchange rates when the earnings in foreign currencies are translated into U.S. dollars. We do not hedge this translation impact on earnings. A 10% increase or decrease in the average exchange rates of all foreign currencies as of December 31, 2022, would have changed our revenue and income before income taxes attributable to TechnipFMC by approximately $318.6 million and $2.1 million, respectively.

When transactions are denominated in currencies other than our subsidiaries' respective functional currencies, we manage these exposures through the use of derivative instruments. We primarily use foreign currency forward contracts to hedge the foreign currency fluctuation associated with firmly committed and forecasted foreign currency denominated payments and receipts. The derivative instruments associated with these anticipated transactions are usually designated and qualify as cash flow hedges, and as such the gains and losses associated with these instruments are recorded in other comprehensive income until such time that the underlying transactions are recognized. Unless these cash flow contracts are deemed to be ineffective or are not designated as cash flow hedges at inception, changes in the derivative fair value will not have an immediate impact on our results of operations since the gains and losses associated with these instruments are recorded in other comprehensive income. When the anticipated transactions occur, these changes in value of derivative instrument positions will be offset against changes in the value of the underlying transaction. When an anticipated transaction in a currency other than the functional currency of an entity is recognized as an asset or liability on the balance sheet, we also hedge the foreign currency fluctuation of these assets and liabilities with derivative instruments after netting our exposures worldwide. These derivative instruments do not qualify as cash flow hedges.

Occasionally, we enter into contracts or other arrangements containing terms and conditions that qualify as embedded derivative instruments and are subject to fluctuations in foreign exchange rates. In those situations, we enter into derivative foreign exchange contracts that hedge the price or cost fluctuations due to movements in the foreign exchange rates. These derivative instruments are not designated as cash flow hedges.

For our foreign currency forward contracts hedging anticipated transactions that are accounted for as cash flow hedges, a 10% increase in the value of the U.S. dollar would have resulted in an additional loss of $61.9 million in the net fair value of cash flow hedges reflected in our consolidated balance sheet as of December 31, 2022.

Interest Rate Risk

We assess effectiveness of forward foreign currency contracts designated as cash flow hedges based on changes in fair value attributable to changes in spot rates. We exclude the impact attributable to changes in the difference between the spot rate and the forward rate for the assessment of hedge effectiveness and recognize the change in fair value of this component immediately in earnings. Considering that the difference between the spot rate and the forward rate is proportional to the differences in the interest rates of the countries of the currencies being traded, we have exposure in the unrealized valuation of our forward foreign currency contracts to relative changes in interest rates between countries in our results of operations.

As is customary for some of our projects, we often agree to provide products and services under fixed-price contracts. We are subject to material risks in connection with such fixed-price contracts, including bearing greater risk of paying some, if not all, of any cost overruns. It is not possible to estimate with complete certainty the final cost or margin of a project at the time of bidding or during the early phases of its execution. Rising interest rates could cause actual expenses incurred in executing these fixed-price contracts to vary substantially from those originally anticipated.

TechnipFMC's floating rate debt amounted to $264.2 million compared to an aggregate total debt of $1,418.1 million. To ensure liquidity, cash is invested on a short-term basis. Financial products are subject to fluctuations in currency interest rates.

As of December 31, 2022, a 1% (100 basis points) increase in interest rates would lower the fair value of the fixed rate Senior notes and Private placements by $26.3 million before tax. A 1% (100 basis points) decrease in interest rates would raise the fair value by $20.5 million before tax.

A 1% (100 basis points) increase in interest rates would generate an additional profit of $6.4 million before tax in the net cash position. A 1% (100 basis points) decrease in interest rates would generate a loss of the same amount.

Reconciliation of US GAAP to IFRS

In accordance with the Securities and Exchange Commission ("**SEC**"), TechnipFMC is required to prepare its Annual Report on Form 10-K for the three years ended December 31, 2022 in accordance with accounting principles generally accepted in the United States of America ("**US GAAP**") and SEC rules and regulations pertaining to annual financial information.

To assist TechnipFMC's shareholders in understanding the differences in the basis of preparation of the TechnipFMC's consolidated financial statements, the tables below set out reconciliations from US GAAP to IFRS for Net Loss attributable to TechnipFMC plc for the years ended December 31, 2022 and 2021, respectively, together with a reconciliation of Total Equity from US GAAP to IFRS as of December 31, 2022 and December 31, 2021. These reconciliations set out all significant differences which are expected to result from the conversion from US GAAP to IFRS.

In the consolidated financial statements as of December 31, 2022 and for the two years then ended, the main differences between US GAAP and IFRS for TechnipFMC relate to the following:

(In millions)	December 31, 2022	December 31, 2021
Total TechnipFMC plc stockholders' equity in accordance with US GAAP	$3,276.7	$3,418.4
Leases	(62.3)	(54.7)
Goodwill	142.2	142.2
Impairment of property, plant and equipment	(23.0)	(24.0)
Defined benefit plans	(22.1)	(3.7)
LIFO inventory adjustments	15.8	10.9
Other	0.7	(2.5)
Total equity in accordance with IFRS	$3,328.0	$3,486.6

(In millions)	Year Ended 2022	Year Ended 2021
Net income (loss) attributable to TechnipFMC plc in accordance with US GAAP	$(107.2)	$13.3
Leases	(8.6)	(9.5)
Discontinued operations	–	392.1
Impairment of property, plant and equipment	(1.0)	(1.0)
Defined benefit plans	(12.2)	(31.9)
LIFO inventory adjustments	5.6	(0.7)
Other	(13.3)	3.8
Net income (loss) attributable to TechnipFMC plc in accordance with IFRS	$(136.7)	$366.1

Leases

Under the US GAAP leasing accounting guidance effective from January 1, 2019, at lease commencement, a lessee classifies a lease as a finance lease or an operating lease. Under the IFRS accounting guidance, lessees do not classify leases and all leases are treated under a single model that is similar to a finance lease model under US GAAP. TechnipFMC classified majority of its leases as operating lease under US GAAP that resulted in significant accounting differences between the two standards.

Goodwill

Both US GAAP and IFRS require initial measurement of assets acquired, liabilities assumed and non-controlling interests in a business combination, subject to certain exceptions, at fair value. There are certain differences between fair value measurements under US GAAP and related measurement concepts in IFRS. Technip and FMC Technologies merged on January 16, 2017. On the merger date, the recognized goodwill under IFRS was higher when compared to the value of goodwill under US GAAP as of January 16, 2017.

In 2020, due to a different valuation methodology applied to calculate the goodwill impairment charge under US GAAP and IFRS, the difference in fair values of our Surface International operating segment resulted in a higher goodwill impairment charge under US GAAP.

Impairment of property, plant and equipment

US GAAP has a higher hurdle for impairment of long-lived assets (property, plant and equipment) than IFRS, meaning it is less likely for impairment charges to be recognized. Therefore, the US GAAP impairment test yielded different results in 2017 that resulted in a positive impact to IFRS earnings in subsequent years.

Defined benefit plans

There are differences between the methodologies for defined benefits under IFRS compared to US GAAP. The most notable differences relate to accounting for actuarial gains and losses, recognition of prior service costs, special event accounting and calculation of the expected return on plan assets.

Under US GAAP all actuarial gains and losses are deferred in OCI and subsequently amortized to net income through a corridor approach as elected by TechnipFMC. Under IFRS actuarial gains and losses are recognized immediately in OCI for long-term benefit plans. Gains and losses are not subsequently recognized in net income in subsequent periods for these plans. Several small short-term plans (such as jubilee plans) do expense gains and losses directly in net income in the year incurred.

Under US GAAP prior service costs or credits from plan amendments are initially deferred in OCI and subsequently recognized in net income over the average remaining service period of active employees affected by the plan amendment. Under IFRS all past service costs and credits are immediately recognized in profit or loss at the earlier of when the amendment occurs or when the related restructuring or termination costs are recognized.

Under US GAAP special events such as settlements and curtailments are recognized differently from IFRS. Under US GAAP settlements are triggered through lump sums exceeding a specified threshold in a given year, resulting in accelerated recognition of actuarial gains and losses. Under IFRS, settlements are triggered based on non-routine lump sum payments, with the settlement impact calculated as the difference between the cash payout and the present value of the benefit held on the balance sheet. Curtailments have different definitions of when to recognize, with US GAAP triggering a curtailment when an event causes a significant decrease in the plan's future service and IFRS triggering a curtailment based on a significant reduction in employee headcount based on a specific event. The net income impact under IFRS is calculated as the change in present value due to the curtailment, and US GAAP using a more complicated formula depending on whether the curtailment is a gain or loss, and whether any outstanding prior service cost exists.

The US GAAP expected return on plan assets is calculated using the expected long-term rate of return on invested assets in the underlying portfolio. Under IFRS, a "net interest" expense (income) on the net defined benefit liability (asset) is recognized as a component of defined benefit cost, based on the discount rate used to determine the obligation.

LIFO adjustments

TechnipFMC has several subsidiaries that utilize LIFO cost accounting method under US GAAP. While LIFO is an allowable method under US GAAP, it is prohibited under IFRS. TechnipFMC records an adjustment to reverse the impact from LIFO costing method under IFRS in its consolidated financial statements.

Discontinued operations

In the comparative period presented in these financial statements, the Spin-off of Technip Energies and related income from discontinued operations is accounted for differently under IFRS vs. US GAAP. Under IFRS, income from discontinued operations includes gain on Spin-off of Technip Energies, loss from discontinued operations (from January 1, 2021 through the Spin-off date) and losses on subsequent sales of Technip Energies shares during the period when Technip Energies was an equity method investment. See Note 33 for further details. Under US GAAP, loss from discontinued operations represented loss from Technip Energies from January 1, 2021 through the Spin-off date.

Other

TechnipFMC recorded other various insignificant differences including differences from deferred taxes.

Non-GAAP measures

In addition to financial results determined in accordance with US GAAP, we provide non-GAAP financial measures (as defined in Item 10 of Regulation S-K of the Securities Exchange Act of 1934, as amended) below.

Net income, excluding charges and credits, as well as measures derived from it (including diluted earnings (loss) per share, excluding charges and credits; Income before net interest expense and taxes, excluding charges and credits ("**Adjusted Operating profit**"); Depreciation and amortization, excluding charges and credits; Earnings before net interest expense, income taxes, depreciation and amortization, excluding charges and credits ("**Adjusted EBITDA**"); and net debt) are non-GAAP financial measures.

Management believes that the exclusion of charges and credits from these financial measures enables investors and management to more effectively evaluate TechnipFMC's operations and consolidated results of operations period-over-period, and to identify operating trends that could otherwise be masked or misleading to both investors and management by the excluded items. These measures are also used by management as performance measures in determining certain incentive compensation. The foregoing non-GAAP financial measures should be considered in addition to, not as a substitute for or superior to, other measures of financial performance prepared in accordance with US GAAP.

The following is a reconciliation of the most comparable financial measures under US GAAP to the non-GAAP financial measures.

	Year Ended December 31, 2022						
(In millions)	Loss from continuing operations attributable to TechnipFMC plc	Income attributable to non-controlling interests from continuing operations	Provision for income taxes	Net interest expense and loss on early extinguishment of debt	Income before net interest expense and income taxes (Operating profit)	Depreciation and amortization	Earnings before net interest expense, income taxes, depreciation and amortization (EBITDA)
TechnipFMC plc, as reported	$(61.9)	$25.4	$105.4	$150.7	$219.6	$377.2	$596.8
Charges and (credits):							
Impairment and other charges	4.7	–	–	–	4.7	–	4.7
Restructuring and other charges	16.9	–	0.4	–	17.3	–	17.3
Loss from investment in Technip Energies	27.7	–	–	–	27.7	–	27.7
Foreign exchange loss	–	–	–	–	–	–	23.9
Adjusted financial measures	$(12.6)	$25.4	$105.8	$150.7	$269.3	$377.2	$670.4

Free cash flow from continuing operations is defined as operating cash flows from continuing operations less capital expenditures. The following table reconciles cash provided by operating activities from continuing operations, which is the most directly comparable financial measure determined in accordance with US GAAP, to free cash flow (non-GAAP measure).

(In millions)	Year Ended December 31, 2022
Cash provided by operating activities from continuing operations	$352.1
Capital expenditures	(157.9)
Free cash flow from continuing operations	$194.2

Environmental, Social, and Governance

Our decisions regarding corporate responsibility, governance, and sustainability are founded on the principles that guide our Company. Our Core Values and Foundational Beliefs provide the framework for all of our decision making. The three pillars of ESG – Environmental, Social, and Governance – support us in being responsible corporate citizens and drive our ambitions to be more sustainable.

We have been realizing these ambitions through measures that seek to hold us accountable. From 2018 to 2020, we utilized a three-year sustainability roadmap that sought to guide our efforts and focus our attention on these priorities. The roadmap focused on three aspirational objectives – supporting our communities, promoting gender diversity and equality, and respecting the environment. The 2018-2020 roadmap set performance goals designed to align with our Code of Business Conduct, and aspects of both the UN Global Compact and the UN's Sustainable Development Goals. We developed groups of experts in our business to implement our strategy, share knowledge and best practices and initiate global and local efforts, and these groups led us to advancements in our Company in this area with a number of accomplishments.

Building on this approach, in 2020, we established a scorecard with an extensive set of ESG goals measured over 2021-2023 (the "**Scorecard**"), with clear, verifiable metrics designed to drive behavior over the long term. Our unique Scorecard depicts our progress toward specific, measurable ESG goals relevant to our business in relation to the planet, people, and communities in which we operate. The Scorecard contains data-driven metrics under each pillar of "E," "S," and "G" and spans a variety of types of initiatives, including efforts to reduce greenhouse gas emissions, advance social governance initiatives such as gender diversity and giving back to our communities, support safety and integrity, and advancing human rights practices.

We believe this approach drives change and holds us accountable for delivering on our commitments. It is punctuated by a direct link to our executive compensation program. In 2021, we introduced a feature of our program that ties 25% of our executives' annual cash incentive to our Scorecard performance. We believe that this allows us to drive leadership behavior with meaningful metrics and further supports our ESG mission. For more information on how ESG metrics are tied to our executive compensation program, please see the section entitled "D*irectors' Remuneration Report*" below.

A snapshot of our 2022 progress toward our ESG goals in our 2021-2023 Scorecard is set out below.

While the Scorecard measures specific achievements in ESG, our activities are not limited to those that are measured on our Scorecard, or to actions and monitoring required by law. Our achievements and activities in ESG, including the achievements reflected in the ESG Scorecard and the activities that are not depicted in the Scorecard, are presented over the following pages.

(1) Metric shows against target and is cumulative
(2) Metric shows against target and is annual

Detailed explanation of our progress is set out in the respective *Environmental, Social, and Governance* sections below.

In our ESG approach, we are informed by several important global frameworks described below.

UN Global Compact Alignment

TechnipFMC supports the Ten Principles of the United Nations ("**UN**") Global Compact. We integrate the UN Global Compact's ten principles in the areas of Human Rights, Labor, Environment, and Anti-Corruption into our business strategy, culture, and daily operations.

The UN Global Compact is also a call for action to achieve its 17 Sustainable Development Goals ("**SDGs**"). These societal goals are at the heart of the UN's 2030 Agenda for Sustainable Development and are aimed at ending poverty, protecting the planet, and ensuring that all people enjoy peace and prosperity by 2030. At TechnipFMC, our targets are designed to align with the UN SDGs for which we believe we can achieve the greatest positive impact, given their relevance to our business and sustainability strategy. The application of these SDGs throughout this section are identified by the SDG icon labels.

TechnipFMC is taking greater environmental responsibility, positioning ourselves as leaders, and playing our part in the journey to a net zero-carbon society by disclosing clear, comparable, and consistent information, including in our Scorecard, about the risks and opportunities presented by climate change. We continue to proactively optimize our processes, particularly around risk management and measuring strategy resilience in line with our Company Core Values and Foundational Beliefs and regulatory requirements.

Governance of Environmental, Social, and Governance Matters

Board Oversight

All Board members participate in oversight of ESG matters. Oversight is concentrated in the Environmental, Social, and Governance Committee ("**ESG Committee**"), which, as set forth in its charter, has principal responsibility of overseeing ESG matters. These areas of oversight include:

- Environmental stewardship, responsible investment, corporate citizenship, human rights, and ESG risk management;
- Reviewing and monitoring the development and implementation of targets, standards, metrics, or methodologies to track the Company's ESG performance; and
- Reviewing the Company's engagement with shareholders and public disclosures with respect to ESG matters.

In addition to oversight by the ESG Committee, the Audit and Compensation and Talent Committees also oversee certain ESG matters that align with their areas of oversight.

Board of Directors ESG Oversight

ESG Committee

- Policies, programs, and strategies related to environmental stewardship, responsible investment, corporate citizenship, human rights, and ESG risk management
- Development and implementation of targets, standards, metrics, and methodologies related to ESG
- Public disclosures with respect to ESG matters
- Policies that support integrity in everything we do, including respect for humanity

Compensation and Talent Committee

- Review global strategy and initiatives related to diversity, equity, and inclusion efforts and to contributions to the world around us
- Executive compensation structure which includes ESG performance as a performance measure in our Annual Incentive Plan (as detailed in the "*Directors' Remuneration Report*" section)

Audit Committee

- Certain Health, Safety and Environmental ("**HSE**") matters
- Along with the ESG Committee, systems and controls for the prevention of bribery and receive reports on non-compliance

Management-Level Oversight

TechnipFMC's Executive Leadership Team sets the overall direction and approach toward our ESG efforts. The ESG Steering Committee, composed of members of the executive leadership team directly responsible for various aspects of the ESG program, is responsible for the specific Company's initiatives toward corporate responsibility and sustainability and actions to further those initiatives. The ESG Steering Committee is responsible for setting the direction and long-term strategy to achieve our ESG-related plans, the development and implementation of targets, standards, and metrics, or methodologies to achieve our ESG goals and publication of our external communication on ESG topics. The ESG Steering Committee regularly receives updates and provides guidance to subject-matter experts in each of the ESG pillars that coordinate activity across the Company that underpins our ESG strategy.

For more information on other internal ESG-related groups, please see the Environmental Governance section below.

Environmental

This Environmental section details our efforts to mitigate the impact we have on our planet. The Scorecard, which is published annually and tied to bonus schemes throughout the Company to encourage positive behaviors, and our 50 by 30 goal, cover three distinct areas of our environmental efforts: Scope 1 and Scope 2 GHG emissions, lower carbon intensity offerings to clients, waste and water management.

Since establishing our Scorecard commitments, our environmental measurement and reporting methods have evolved, improved, and have led to meaningful change in our Company. For instance, in 2021, where regulatory requirements to comprehensively monitor water/waste did not exist, some workplaces did not have the capabilities to adequately report their water and waste consumption, but since then, sites have implemented measuring capabilities that allowed them to report their efforts and to identify opportunities to rationalize resource usage. We have seen tangible, measurable progress toward achieving our goals. We believe the Scorecard is a unique approach, which has been successful in holding us accountable.

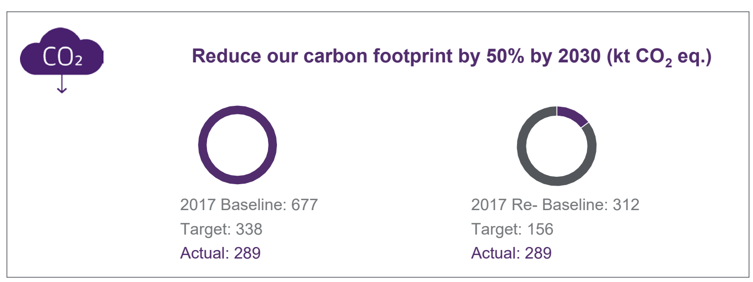
In addition to our Scorecard commitments, we have set other indicators that measure our environmental footprint and potential risks. As we progress into the third year of the Scorecard, our measuring and reporting methods will continue to evolve as we learn more about our behaviors and identify improvement opportunities.

50 by 30

50 by 30

We aim to reduce our Scope 1 and Scope 2 GHG emissions by 50% by 2030

Our 50 by 30 target – to reduce our Scope 1 and Scope 2 GHG emissions by 50% by 2030 – was announced in November 2020. It covers CO_2 equivalent ("**CO_2e**") emissions from fuel combustion and refrigerants usage as well as emissions from the purchase of electricity, heat, cooling, and steam by the Company for its own use. TechnipFMC calculates Scope 1 and Scope 2 GHG emissions in alignment with the GHG Protocol Corporate Accounting and Reporting Standard. Activity data from fuel purchased, refrigerants, and energy consumption is collected and reported on a periodic basis and published emission factors are used to calculate the Scope 1 and Scope 2 GHG emissions.



Metric shows against target and is annual

We continue our journey to achieve these targets, taking into account the evolving market, and the availability of renewable sources for fuel and purchased energy which play an important role in meeting the new targets.

Our efforts to reduce GHG emissions focus on three areas: purchased energy and fuel from renewable sources, increased energy efficiency, and consideration of technologies that support the company's decarbonization journey.

Our business units, functions, and workplaces all work to identify opportunities to reduce our consumption of fuel and energy and increase our efficiency in consuming resources, and to focus on reduction opportunities.

Our recent activity reflects a decrease in intensity of carbon usage.

The table below describes the annual quantity of Scope 1 and Scope 2 GHG emissions resulting from activities for which the Company has operational control over, reported in tonnes of CO2e, reflecting an adjusted 2017 base year and our operational scope after the Spin-off. The Scope 2 GHG emissions reflect the average emissions intensity of the grids that supply the energy to our workplaces and considering the renewable energy ratio for the grid.

Scope 1 and Scope 2 GHG emissions from workplaces of the Company in the U.K. represent 1.1% from the Scope 1 and 2 GHG emissions for the total Company.

GHG Emissions (in Tonnes CO_2e equivalent)	2020*		2021*		2022	
	Scope 1	Scope 2	Scope 1	Scope 2	Scope 1	Scope 2
GHG Emissions by Scope	291,856	46,153	236,347	40,825	250,067	39,360
TOTAL GHG Emissions	338,009		277,172		289,427	

* Results reflect adjusted 2017 baseline, which has been adjusted to reflect our operational scope after the Spin-Off.

Our total company GHG emissions (Scope 1 and 2) in 2022 increased by approximately 4% as compared to 2021. Our increase in fuel consumption (Scope 1 GHG emissions) in 2022 led to this increase. The decrease in our Scope 2 emissions reflects increased use of renewable energy. In addition, our GHG emissions intensity decreased in 2022 as noted below. We continue to refine our reporting methodologies and remain committed to focusing on further reducing our emissions.

Given the emissions stemming from our vessels, which comprise over 75% of our total Scope 1 emissions, our OneFleet team continues implementing measures to increase energy efficiencies aboard our vessels and to evaluate the use of biofuels in the fleet, considering the associated logistics and viability. In 2021, OneFleet reduced the GHG Scope 1 emissions when operating a vessel that underwent a hybridization process. The hybridization process of this vessel made possible the reduction of the number of engines running in operational mode and, thus, reduced fuel consumption. The fleet has also made adjustments to its operating parameters to enhance fuel conservation, consistent with operational and commercial requirements.

GHG Emissions Intensity

Our 50 by 30 target takes into account the absolute value of Scope 1 and Scope 2 GHG emissions. Due to the nature of our business, it is important to assess our emissions based on our activity to understand our emissions when project activity increases. Currently, the GHG emissions intensity factor is calculated by dividing the total Scope 1 and Scope 2 GHG emissions by the hours worked. Hours worked has been acknowledged as being the most representative indicator of the Company's overall activity and is frequently used in HSE standards in the industry. In 2022, the GHG intensity decreased by 5% as compared to 2021.

GHG Emissions Intensity (kg CO_2e/workhours)	2020	2021	2022
	5.90	5.61	5.35

Energy Consumption

Our total energy consumed for the year ended December 31, 2022 was approximately 1.1 million MWh. Total energy consumption is the total of (i) the annual energy consumed from activities for which the Company is responsible for (including the combustion of fuel) plus (ii) the annual quantity of energy consumed resulting from the purchase of electricity, heat, steam, or cooling by the Company for its own use ("**purchased energy**").

From the total energy consumption, approximately 160,000 MWh comes from purchased energy. There was an absolute increase of 22% of the purchased energy consumed in 2022 compared to the purchased energy consumed in 2021 due to increased activity. 52% of our 2022 purchased energy came from renewable sources. This percentage of renewable energy accounts for the portion of renewable energy our workplaces received from the grid. When considering total energy consumption, which includes energy from fuel consumption, the renewable energy for 2022 was 7% of the Company's total energy consumption.

Energy consumed by the Company in the U.K. represents 2% of the total energy consumed by the Company. The total amount of purchased electricity, heat, steam, or cooling consumed by the Company in the U.K. is 8% of the total purchased energy consumed by the Company.

Our Scorecard Commitments

Our clients' carbon footprint

18%

Target: 33%
Actual: 18%

Metric shows against target and is cumulative

We offer lower-carbon solutions to the energy industry that aim to help reduce our clients' carbon footprint. In Subsea, our Subsea 2.0™ products and all-electric offering as well as iEPCI™ result in lower carbon footprints. In Surface, E-Mission™, electrification, and methane guiding principles have helped to reduce emissions.

In the Scorecard, we set a target to reduce our clients' carbon footprint by achieving 33% of our orders linked to lower carbon intensity offerings ("**CI Orders**") by 2023. This metric reflects the cumulative average percentage of CI Orders for the Scorecard period of 2021-2022. As of the end of 2022, our average percentage of CI Orders was 18%.

Water management

6%

Target: 10%
Actual: 6%

Metric shows against target and is cumulative

At TechnipFMC, we prioritize water conservation at the Company's workplaces. We have internal, risk-based requirements for water management to promote water reuse and wastewater treatment.

Our methodology to collect and calculate environmental key performance indicators has been enhanced since we started our company in 2017. We have developed methodologies for data collection, increased the number of sites reporting while building these efforts into normal operational processes, and generally increased awareness of the need to promote sensible use of resources. Due to the nature of our business, our activity fluctuates with the projects that are executed at our workplaces. As such, we have developed methodologies to normalize consumption to reflect additional data collection efforts. We have also considered the average for water consumption since the beginning of the three-year plan that started in 2021 to report this metric for the current year. The reduction in water consumption is reported using this average. For 2021-2022, the average reduction in water consumption was 6%.

Waste management

61%

Target: 53%
Actual: 61%

Metric shows against target and is annual

Increasing material reuse and promoting recycling is a key part of our environmental management system and operating strategy. We strive for circularity in our business and operations by reducing material use at source, minimizing waste generation, and increasing waste recycling and reuse.

As of the end of 2022, waste generation increased by 8% in comparison with 2021. The increase in waste generation was primarily due to waste from construction at some of our workplaces, which does not occur regularly. We were able to send some of this waste stream to recycling, contributing to an increase in our waste generated to waste recycled/reused ratio. This also contributed to an increase in the recycling rate in 2022, which was 61%, in contrast with 46% in 2021.

The Scorecard metric has prompted behavioral changes in this area as well. For example, we have become aware that there are some workplaces located in regions where the region’s infrastructure does not support waste recycling or reuse and, thus, this increases the treatment of waste through landfills or other waste treatment methods. This impacts the performance of waste recycling and reuse metric. We continue to explore opportunities for resource conservation in these areas.

In 2022, the Company initiated a Global Water Management program and a Global Waste Management program to continue enhancing performance in these areas by implementing an assessment at each workplace and a decision-making hierarchy for water consumption and reuse as well as waste minimization, which will include the identification of recycling and reuse opportunities.

Beyond the Scorecard

Our efforts under the Environmental pillar go beyond those detailed in the Scorecard, as we demonstrate in the following pages.

Since 2011, our Dunfermline site in the UK has generated its own power from a wind turbine

In Brazil, seven of our eight sites operate with 100% electricity from hydro and renewables

In Singapore, we're generating electricity and reducing CO_2 emissions with 6,000 solar cells

Renewable Resources

We are already using certain renewable resources for our own energy consumption. Since 2011, we have generated electricity using a wind turbine to power our manufacturing operations in Dunfermline, Scotland. Our facilities in Brazil began with changing to lower energy light bulbs and currently seven of TechnipFMC's eight operating facilities in Brazil operate with electricity that is 100% from the country's vast hydro-based resources and other renewable sources. As more resources become available, we will look to employ hybrid battery and biofuel solutions as transportation fuel, with the potential for conversion of our offshore fleet.

We continue to outline options to utilize renewable resources and offset our use of nonrenewable sources.

Air Emissions

As part of our environmental management approach, in addition to GHG emissions, we monitor other air emissions on a monthly basis at those workplaces that have compliance obligations for the reporting of such emissions. These include but are not limited to sulfur oxides ("**SOx**"), nitrogen oxides ("**NOx**"), and volatile organic compounds ("**VOC**"). We monitor air emissions from our workplaces in line with our commitment to manage and reduce the impact of our operations on local air quality.

Environmental Governance

In addition to the ESG Steering Committee, TechnipFMC has internal organizations responsible for executing and overseeing the environmental aspects of our "E" strategy. The structure consists of an Environmental Operating Committee and an Environmental Network.

The Environmental Operating Committee is composed of members from our business units and functions who meet to clarify workstream objectives, determine goals, KPIs and milestones; decide on organization and processes related to the environment as part of our ESG strategy; define mitigations and elevate risks and concerns as well as opportunities to the ESG Steering Committee; review and agree on standards, scopes, and products; align their functions to the strategy; and facilitate communications within their functions on environmental matters within ESG, including the implementation of plans to achieve goals and ensure targets are met.

The Environmental Network coordinates a network of HSE specialists and professionals from other functions from all regions and business units. The Environmental Network's responsibilities include the setting of environmental programs, supporting the enhancement of environmental performance, sharing of best practices and lessons learned, and developing global environmental initiatives involving local working groups, regions and projects to reduce our environmental footprint.

As part of the environmental governance framework, environmental data is collected on a periodic basis through our Quality, Health, Safety, Environment, and Security ("**QHSES**") reporting system from each workplace where TechnipFMC has operational control for both, whether owned or leased workplaces. This data reflects the environmental performance of entities involved (e.g., offices, manufacturing, yards and spoolbases, and fleet operations). A monthly report is distributed to our business units and functions leadership to inform the current conditions and identify opportunities for improvement in managing our environmental footprint in the areas of GHG emissions, energy consumption, waste generation, water consumption, and environmental incidents. These monthly reports are discussed at the Environmental Network meetings, where specialists and professionals discuss ways to improve reporting metrics, identify opportunities for improvement, and promote data quality and completeness.

Management Systems and Standards

All workplaces and projects within the Company are managed by dedicated QHSES managers and directors, with a team of QHSES professionals responsible for the application of the environmental rules in their respective areas to enable our environmental requirements to be well implemented. Our Code of Business Conduct requires managers to inform employees, contractors, and suppliers of applicable environmental rules, procedures, and expected behaviors, and that people reporting to them receive the required environmental training. Our Code of Conduct is discussed further in the section entitled "*Our Compliance Program*."

A key element of the Company's environmental program is our Global Environmental Management Standard, applicable to all our workplaces. The standard details the minimum requirements for identifying any potential environmental risk of our activities, products, and services, and opportunities to manage the related impacts by identifying and implementing appropriate controls, improving as a consequence our environmental performance. This process allows us to identify, monitor, and mitigate environmental risks at every business level. The standard is in line with the ISO 14001 requirements and in compliance with applicable environmental regulations.

To continue the development of our standards around GHG Management, we developed a standard in 2022 to account for GHG emissions in projects and products. This standard promotes a responsible and consistent approach to GHG emissions accountability for these two important aspects of our business. Different functions, including Global Environmental, Global Sourcing and Procurement, Subsea Projects, Surface Product Management and Digitalization, are working together to determine the path forward to meet the requirements of the GHG emissions management for projects and products standard to facilitate alignment in the process.

We continue to commit resources and expertise to eliminate hazards, reduce risks, and prevent injury, ill health, and environmental pollution related to our activities through design, process improvement, and technologies. As such, 46 workplaces had an active ISO 14001 certification during 2022, including 21 workplaces that were re-certified. The management system used to certify these entities is the same used across the organization.

46 workplaces

ISO 14001 certified

Environmental Events

We have a consistent procedure for recording, reporting, and investigating environmental incidents, using our QHSES incident management and analysis tool. In case of an unexpected environmental event, containment and mitigation measures are immediately initiated. Incidents are recorded and assigned an "actual" and "potential" impact rating. We formally investigate any potential or actual event then implement corrective actions to prevent recurrence. Events deemed as having high-level consequences are notified to the management team through a "first alert" process and all high-potential consequence incidents are subject to in-depth investigation. The Company did not have any significant incidents with an adverse impact on the environment in 2022.

In order to manage our environmental incidents effectively, we also monitor our total environmental incident rate ("**TEIR**") (by reference to 200,000 worked hours) and our total relevant incidents rate ("**REIR**") (by reference to 200,000 worked hours). The total REIR captures all significant environmental incidents within our responsibility. This indicator enables us to understand the effectiveness of our incident management system. The REIR also assists us in monitoring our actual risk in terms of environmental incident management. It covers all incidents of a certain environmental impact, triggering management attention, including incidents which:

a. involve a discharge/release above regulatory or client limits;

b. reach warning levels provided by regulatory agencies;

c. may cause public concern;

d. impact work; and

e. require external support for containment or clean-up.

The REIR for 2022 is 0.02 versus 0.01 in 2021.

Social

The second pillar of our ESG strategy is Social. Its roots are also in Sustainability, one of our Foundational Beliefs, with particular reference to our impact on people and the communities where we operate. Our Social actions are also closely linked to two of our other Foundational Beliefs, Integrity and Respect. Our actions seek to empower our people to be the difference, while helping TechnipFMC exhibit the power of inclusion by exercising the value of diversity.

There are three Social commitments on our ESG Scorecard which drive intentional actions in support of our diversity, equity, and inclusion journey – Awareness & Culture, Fair Representation, and Community.

Our Social actions and commitments are not limited to those covered by the Scorecard. The Scorecard goals and our ongoing progress are detailed below.

Our Scorecard Commitments

Commitment to improving the recruitment of female graduates

43%

of all graduates hired globally in 2021-2022 were women

Fair representation

43% — Female graduate recruitment[1] Target: 45% Actual: 43%	21% — Underrepresented populations in senior management (Gender)[2] Target: 26% Actual: 21%	25% — Underrepresented populations in senior management (Nationality/race)[2] Target: 23% Actual: 25%

(1) Metric shows against target and is cumulative
(2) Metric shows against target and is annual

TechnipFMC is committed to improving the recruitment of female graduates and the proportion of underrepresented populations in senior management. As of the end of 2022, we recruited 43% female participants to our graduate program. Our target is to recruit 45% female graduates by 2023.

Under our 2021-2023 Scorecard, we also aim to increase underrepresented populations in senior management: our target is to increase the percentage of females in senior management to 26% by the end of 2023. As of the end of 2022, female representation in senior management is at 21%. We further aim to increase the percentage of underrepresented nationalities (nationalities outside North American and European countries) and U.S. minorities in senior management to 23%, and as of 2022 we have exceeded our target, with 25%. The protection of personal information varies widely from country to country thereby making it difficult to track certain characteristics. Instead, we link to nationality and U.S.

minorities, encouraging the development of local talent around the globe. Given the evolving nature of this population, we will continue to keep leadership succession high on the agenda to maintain or further improve fair representation.

A goal to always include female representation in the succession plans for our leadership roles and resulting efforts to identify internal talent early has translated into an increase in depth and representation of females and underrepresented nationalities and U.S. minorities. We have maintained 38% representation of females in our Executive Leadership Team and this year TechnipFMC was named for the first time as one of the World's Top 400 Female-Friendly Companies by Forbes.

Awareness and Culture

90%

Inclusive leadership training
Target: 100%
Actual: 90%

Metric shows against target and is cumulative

In February 2021, our Inclusive Leadership Learning journey began for all managers. The launch of this curriculum focused on the development of inclusive behaviors, the importance of allyship, and unconscious biases. This initiative was recognized by employees by winning the Company's internal 2021 Driving Change Awards in the Employee Development and Engagement category.

As part of the Scorecard, our goal is for 100% completion of this curriculum by managers by 2023. In 2022, we exceeded our interim expectations with 90% of managers completing the curriculum, against our 2023 target of 100%.

Community

72%

Volunteering initiatives
Target: 800%
Actual: 574%

79%

STEM initiatives
Target: 150%
Actual: 119%

Metric shows against target and is cumulative

TechnipFMC is focused on making a long-term, positive impact in the communities where we live and work. We encourage our employees to actively engage in "doing something good" through active engagement in health, education, and local employment. Initiatives include our global volunteering program, which encourages employees to perform four hours of volunteering each year at the Company's expense, and promoting science, technology, engineering and mathematics ("**STEM**") careers.

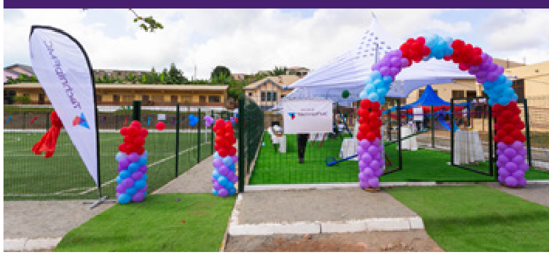
We are working toward participating in 800 volunteering initiatives and 150 STEM initiatives by 2023. As at the end of 2022, we exceeded our targets with 559 volunteering and 118 STEM initiatives, being 70% and 79%, respectively, of our three-year target. The launch of the iVolunteer platform in May 2022 provided a global solution and introduced employees to face-to-face and virtual volunteering opportunities, including opportunities to volunteer a number of hours on paid time. Our employees' dedication and generosity are examples of corporate social responsibility at TechnipFMC.

Beyond the Scorecard

There are many initiatives that we do not measure in the Scorecard, such as supporting a school in Ghana, creating awareness through international UN calendar events, and more formal initiatives such as the launch of supplier diversity and continued growth of our employee networks and resource groups ("**ENRGs**"). We explore those areas over the following pages.

Community Highlights

School sports field open for play



The Twin City Special School in Sekondi-Takoradi, Ghana, unveiled their brand-new sports field and playground, courtesy of team TechnipFMC. It is the only public dedicated school in the area to have its own sports field. The Ghana Education Service awarded us a citation to mark its appreciation for the team's impactful project.

International Calendar Events

In 2022, Corporate Communications and Inclusion & Diversity departments highlighted the following international events to create awareness and support our continued commitment to inclusion: International Women's Day, PRIDE Month, International Women in Engineering Day, Mental Health Awareness Month, and International Day of Persons with Disabilities.

Supplier Diversity at TechnipFMC

In 2022, TechnipFMC established a supplier diversity business case and roadmap which resulted in the creation of the Supplier Diversity policy and launch in the United States. Collaborating with the National Minority Supplier Development Council (NMSDC) and the Petrochemicals and Energy Industry Group (PEIG) within NMSDC establishes a basis to create awareness and facilitate alignment with the Supplier Diversity policy in this journey.

Employee Networks and Resource Groups

The following ENRGs continued to use their grass root efforts to strengthen engagement, retention, and social responsibility: VALOR (Veterans & Advocates Leading Organizational Responsibilities - U.S.; XYZ (generations) - U.S.; BOLD (Black Organization for Leadership & Development) - U.S.; STRIVE (Supporting TechnipFMC Reach Its Vision of Equity) - Australia; Parents Network - U.S.; IDEA (Inclusion, Development & Equality for All) - U.K.; EmPower Women's Network - U.S.; and SAFE (Suporte, Acessibilidade, Fala & Equidade) - Brazil.

Employee Matters

Our people are at heart of everything we do, and they drive our culture of strong execution, purposeful innovation, and challenging industry conventions. We are committed to the development of our employees, and our employee guidelines are specified in our Code of Business Conduct, which applies to all employees, regardless of their roles, and no matter where they work

We believe that all of our employees are entitled to fair treatment, courtesy, and respect, wherever they work: in the office, on vessels, on industrial and construction sites, or in client offices. We do not tolerate any form of abuse or harassment, and we will not tolerate any action, conduct, or behavior that is humiliating, intimidating, or hostile.

Furthermore, our hiring and employee development decisions are fair and objective. Employment decisions are based only on relevant qualifications, performance, demonstrated skills, experience, and other job-related factors, with our goal of creating a diverse, tolerant, equitable, and inclusive workforce.

Workforce Overview

Our workforce consists of the following:

	December 31, 2019[1]	December 31, 2020[1]	December 31, 2021	December 31, 2022
Permanent employees	21,522	19,078	19,103	20,301
Temporary employees (fixed-term)[2]	1,637	1,054	1,507	1,671
Employees on payroll	**23,159**	**20,132**	**20,610**	**21,972**
Contracted workforce	2,560	635	1,392	1,374
Total Workforce	**25,719**	**20,767**	**22,002**	**23,346**

(1) 2019 and 2020 figures have been recalculated to exclude Technip Energies.
(2) Temporary employees include interns and apprentices.

From 2020 through 2022, TechnipFMC had the following number of executive officers and employees:

	Male Employees			Female Employees			Total			% of Female Employees		
	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022
Directors (non-executive directors)	10	4	4	3	4	4	14	8	8	28%	50%	50%
Executive officers (including Douglas J. Pferdehirt)	5	5	5	3	3	3	8	8	8	38%	38%	38%
Senior managers	92	57	55	19	14	13	111	71	68	19%	20%	19%
Employees on payroll (overall)	26,948	16,084	16,943	8,135	3,979	4,242	37,083	20,063	21,185	23%	20%	20%

Figures for 2020 and 2021 include Technip Energies.
Figures for 2022 include Germany.

Unique worldwide footprint

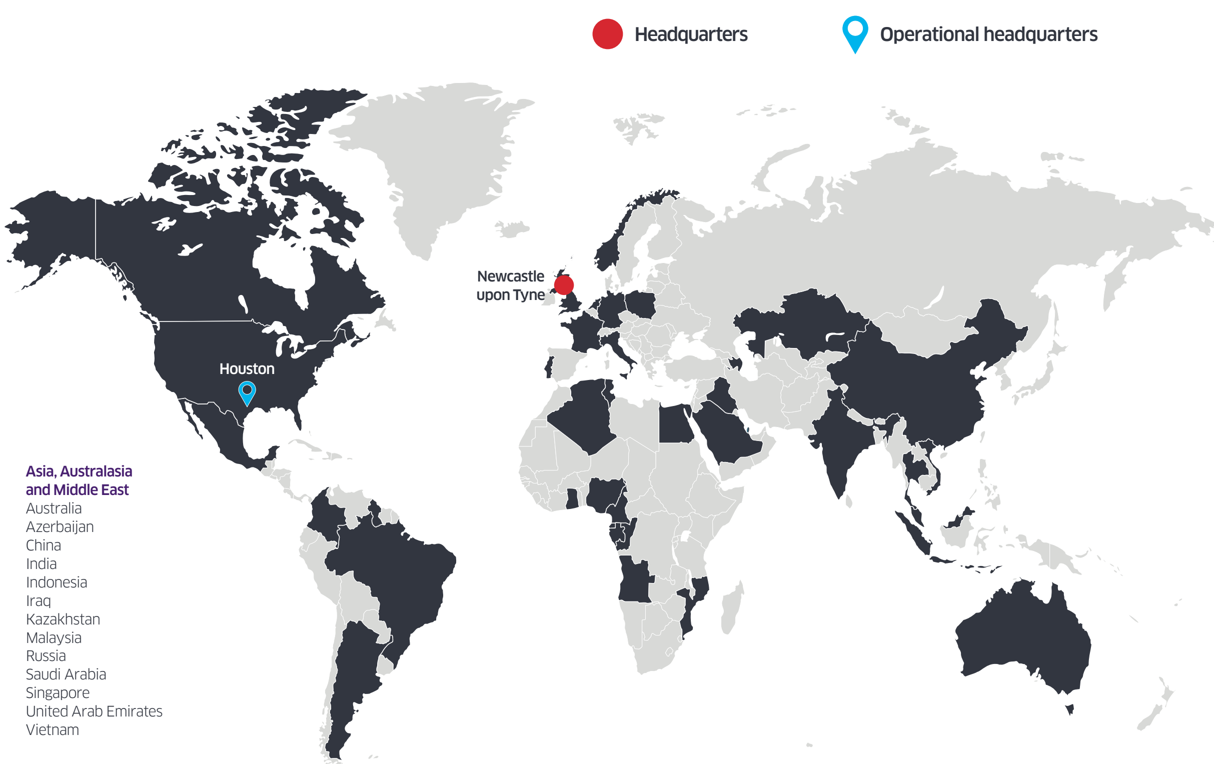
North America
Canada
Mexico
United States

South America
Argentina
Brazil
Colombia
Guyana

Europe
France
Germany
Italy
Netherlands
Norway
Poland
Portugal
United Kingdom

Africa
Algeria
Angola
Cameroon
Congo-Brazzaville
Egypt
Equatorial Guinea
Gabon
Ghana
Mozambique
Nigeria
Tunisia

Asia, Australasia and Middle East
Australia
Azerbaijan
China
India
Indonesia
Iraq
Kazakhstan
Malaysia
Russia
Saudi Arabia
Singapore
United Arab Emirates
Vietnam



Attracting Talent

In 2022, we revisited our Employee Value Proposition ("**EVP**") with active involvement of leaders, new employees and a cross-section of experienced employees to ensure it resonates with everyone and aligns with Company ambitions.

We encouraged and included more people from our business to share their inspiring experiences and stories that truly reflect the diversity and plurality we have in the company. People from different cultures, generations, genders, races, disabilities, and sexual preferences are represented by what they all have in common: inspiring experiences lived at TechnipFMC. We continue to explore how best we can share these experiences with external candidates as well as internally through different channels. Significant effort was put into improving candidate experiences when accessing our website's new career page, as well as on our internal EVP-dedicated web page.

Our global recruitment system is being optimized to provide a more dynamic, modern, and attractive experience with relevant content. Our onboarding program will be further simplified, with better global alignment and more efficient communication to make the experience of new employees and line managers more streamlined and connected.

Key performance indicators linked to talent acquisition are now available and accessible to key stakeholders through our internal tracking platform. 2022 saw a reduction in recruiting lead times, even in a year of increased hiring volume.

Developing and Keeping Talent

In 2022, we continued to mature 'Talking Talents' (launched in 2020), a process where leaders meet to talk about their employees and identify key talents. This then becomes the basis for developing employees into our three main career pathways, Leadership, Project Management, and Technology. We continued to see an improvement in our Leadership Succession Planning, both in terms of depth and in representation of underrepresented nationalities and gender. In 2022, 82% of our succession plans up to three levels below CEO had at least one female successor compared to 79% in 2021.

In 2022, we also launched the Check-In process, where managers and employees meet at least quarterly to discuss goals, share feedback and have in-depth discussion about the employee's development. This replaced the annual Performance Appraisal process and has been a success since its implementation, as evidenced by employee perception surveys and positive feedback from employees and managers. The Check-In process is designed to build trust, improve engagement and performance at work. It gets employees to stay future focused, own their careers and gets leaders to focus on the development of people on their team.

Leadership You, introduced in 2021, is our internal leadership development initiative which provides development opportunities not only for our leaders, but for all of our employees. It is driven by a global, enterprise-wide learning and knowledge management ecosystem. We have also made other development tools available for all employees. Examples include Individual Development Plan, Continuous Multi Source Feedback, Employee Development Guide, Check-in Conversations Workshops, and Inclusive Leadership Training.

Employee attrition in 2022 was marginally higher than in 2021 at 8.89% reflective of trends across the industry and beyond. However, key talent attrition was lower at 7.65% as a result of dedicated efforts on providing learning and development opportunities and key talent moves identified in succession plans. Our internal hiring rate that refers to the number of jobs posted that were filled internally improved from 14% in 2021 to 19% in 2022. We continue to focus on internal talent mobility in 2023.

As we see a potential up-cycle in our industry, sharpening our focus on talent attraction and retention by enabling our people to grow, develop, and share knowledge will be imperative. The importance of being able to offer learning and knowledge-sharing opportunities in a digital and global environment has been key to our success. Building on our solid foundations, we delivered impactful courses, initiatives, and solutions across all of our business segments, in addition to being particularly focused on leadership, technology, and project management.

Technical Expertise Program

The global Technical Expertise Program ("**TEP**") recognizes and rewards employees who have demonstrated technical mastery in their discipline, as well as:

a. technical impact, whether it is operational performance, product development, or project management;

b. people development, by inspiring others, enabling the full potential of people and teams, mentoring, sharing knowledge and expertise, and attracting other technical talent;

c. business impact, by developing business with existing or new customers, new solutions in existing markets, or new markets altogether; and

d. industry leadership: through internal and external professional visibility as a thought leader, both individually and as a representative of the Company's technical leadership.

The Technical Expertise Program currently has about 592 members, and in 2022 we added various resources to support these experts and enable other employees to connect with them, including:

a. A Find the Expert search tool which has filters to select experts by level, scientific expertise, discipline, sub-discipline, location and organization, as well as a free text search;

b. A public (internal) calendar for program events;

c. Home pages for each of the seven major disciplines where their members are displayed along with content from their TEP Talks; and

d. An open community of practice for members (and aspiring members) of the program where employees can reach out to them.

We took a more intentional approach to supporting and leveraging our Technology Fellows, who are the highest tier in the Company's Technical Expertise Program, in 2022, facilitating conventions for them in which they collaborate on business and technical problems and prioritize opportunities to add value for the company, the members of the Technical Expertise Program, and the technical community in general. A new Fellows Blog was created for them to share their knowledge in an informal format. They identified and are sponsoring a major new global initiative on intellectual property called "Think IP."

As champions of "Think IP," they will share their knowledge broadly across the Company's learning ecosystem, using knowledge management platforms such as The Bridge to connect with employees. The Bridge has 44 chartered global knowledge-sharing networks. The related knowledge repository, The Well, has more than 5,100 pages (up from 4,000 in 2021), which received in excess of 824,000 visits in 2022 (up from 650,000 in 2021). The Well is connected with the Company's competency management platform and provides direct access to competency-based content. Employees in all regions access these and other knowledge management social learning tools such as an Experts Explain webinar series and Illuminate podcasts to increase their knowledge about business and technical topics, and to share their own knowledge.

Learning and Training

Engagement in our iLearn learning platform continues to see significant growth and use, as we continue to embrace our digital transformation and more engaging content. In 2022, there were almost 28,000 pieces of creative and innovative learning content available, with ongoing releases of new and meaningful courses, to support skills development for our employees and enhance their performance in their roles. In 2022, almost 418,000 training hours (doubled from 2020) and 374,000 course completions (up 2x from 2020) were completed with 90% of completions being done online, which resulted in 20.5 training hours per employee (up from 5.85 hours per employee in 2020). The top areas of learning in 2022 were Health, Safety, Environment, and Security, Quality, Our Company, Human Resources, and Engineering.

Employee Networks and Resource Groups (“ENRGs”)

TechnipFMC’s ENRGs aim to engage and reinforce our commitment to creating an environment where all employees can achieve their full potential. We continue to promote ENRGs globally by improving participation and sponsorship. ENRGs contribute in three ways:

- Encouraging meaningful employee engagement and development of future leaders;
- Acting as a resource for attraction and retention of talent; and
- Sharing new ideas and perspectives for a changing workforce.

Equal Opportunity and Fair Representation

Three of our Foundational Beliefs – integrity, respect, and sustainability – are tangibly embedded in our commitment to diversity, equity, inclusion and fair representation. Our employment decisions related to recruitment, selection, evaluation, compensation, and development, among others, are not influenced by unlawful or unfair discrimination on the basis of race, religion, gender, age, ethnic origin, nationality, sexual orientation, gender identity or gender reassignment, marital status, or disability.

There are three Social commitments on our ESG Scorecard which drive intentional actions in support of our inclusion and diversity journey – Awareness & Culture, Fair Representation, and Community.

TechnipFMC is committed to improving the recruitment of female graduates and the proportion of underrepresented populations in senior management. In 2021 and 2022, we recruited 43% female participants to our graduate program. We also aim to increase underrepresented populations in senior management: our target is to increase the percentage of females in senior management to 26% by the end of 2023. As of the end of 2022, female representation in senior management is at 21%. We further aim to increase the percentage of underrepresented nationalities (nationalities outside North American and European countries) and U.S. minorities in senior management to 20% by the end of 2023, and as of 2022 we have exceeded our target, with 25%. We have maintained 38% representation of females in our Executive Leadership Team and this year TechnipFMC was named for the first time, one of the World’s Top 400 Female-Friendly Companies by Forbes.

In February 2021, our Inclusive Leadership Learning journey began for all managers. The launch of this curriculum focused on the development of inclusive behaviors, the importance of allyship, and unconscious biases. This initiative was recognized by employees by winning the Company’s internal 2021 Driving Change Awards in the Employee Development and Engagement category. 90% of our managers have completed this curriculum.

It is our policy to encourage and give full and fair consideration to applications for employment from disabled people, and to assist with their training and development in light of their aptitudes and abilities. If an existing employee becomes disabled, it is the Company’s policy wherever practicable to provide continuing employment under our usual terms and conditions, and to provide training, career development, promotion opportunities, and a safe work environment based on the requested, reasonable needs to disabled employees to the fullest extent possible.

In December 2022, we celebrated International Day of Persons with Disabilities. We had various initiatives to promote inclusion and respect featuring our colleagues throughout the globe, including:

- Inspiring stories featuring perspectives from leadership, people with disabilities, and careers of disabled children;
- Creating awareness of invisible disabilities in a podcast; and
- Webcast with Paralympian Andy Barrow sharing his story after suffering a life-changing spinal cord injury while playing rugby.

Other global days marked by TechnipFMC in 2022 include International Women’s Day, PRIDE month, and International Women in Engineering Day, among others.

Giving back to the community

TechnipFMC is focused on making a long-term, positive impact in the communities where we live and work. We encourage our employees to actively engage in 'doing something good'' through active engagement in health, education, and local employment. Initiatives include our global volunteering program, which encourages employees to perform four hours of volunteering each year at the Company's expense, and promoting science, technology, engineering, and mathematics ("**STEM**") careers.

We are working toward participating in 800 volunteering initiatives and 150 STEM initiatives during the 2021-2023 period. As at the end of 2022, we exceeded our targets with 559 volunteering and 118 STEM initiatives, being 70% and 79%, respectively, of our three-year target. Whether it is building a new soccer field for school children, opening their homes to those displaced by conflict, or walking in an event to raise charitable donations, the efforts of our employees have helped us exceed our targets.

Employee Engagement and Well-being

In 2022, we continued to implement actions identified through the global employee engagement survey conducted in 2021. Through a combination of global as well as local actions and communications, we kept employees involved and engaged. The key actions we took in 2022 are captured below;

1. **Greater connection to senior leadership**
   a. The ELT Connect series was successfully established with ten sessions having taken place since October 2021. This series continues to be offered to all employees every other month.
   b. ELT members are participating in and seeking out employee feedback via town halls and other GBU/function meetings as well as increased Yammer participation.
   c. Most local leaders have begun hosting quarterly town hall meetings.
2. **Increase in well-being and recognition**
   a. A safe return to premises has taken place at all locations. Workplace Options, a well-being program, was established and is available for most of our employees.
   b. ELT and leadership are working to recognize employees' efforts through quarterly meetings and recognition programs as well as through regular check-ins and use of the continuous feedback platform.
   c. Managers were asked to make development of employees a top priority and encourage teams to establish development goals. Crucial learning opportunities through iLearn including Leadership You and the Inclusive Leadership program are available.
3. **Provide awareness on business prospects and clear direction on long-term strategy**
   a. TechnipFMC continues to strengthen and demonstrate our leadership in the Energy Transition as the New Energy organization builds and seeks out opportunities to expand our portfolio in greenhouse gas removal, floating offshore renewables and hydrogen.
   b. New business and progress are communicated using internal channels – PoP, Yammer, webcasts, and podcasts.
   c. Quarterly updates regarding our business earnings and long-term strategy are sent out via email, PoP, and podcasts, and Managers' packs sent out on a quarterly basis include a shareable document detailing an overview of company performance. In addition, dedicated external and internal websites pertaining to analysts have been developed.

Our next global engagement survey is scheduled for middle of 2023.

We launched a program called “Your Wellbeing Program” from Workplace Options in 2021, which provides all our employees and family members with access to mental health resources, counselling and health coaching. As committed by our Chair and CEO in 2020, we annually mark the month of October as mental health awareness month with several activities to promote awareness. The 2022 activities included Take 5 Moments, webinars, employees podcasts, a virtual yoga event, and a Global Wellbeing Questionnaire, which allows people to learn more about their physical, emotional, and practical well-being. A new Global Wellbeing & Mental Health Yammer page was created for employees to stimulate discussions around the topic. Employees around the world are able to share their own stories to better assist and educate us as we continue to push the message that “it’s okay not to be okay.”

Internal Communication

We have a robust internal communications strategy and support communication channels that ensure that we communicate with our employees in a timely and effective manner. The effectiveness of internal communication is continually monitored and adjusted based on a focus group feedback program that reaches multiple levels across the Company. New digital tools help us gauge the effectiveness of our digital communication platforms. Employees are regularly consulted and provided with information on changes and events that may affect them through channels such as regular meetings, employee representatives, and the Company’s intranet site. These consultations and meetings ensure that employees are kept informed of the financial and economic factors affecting the Company’s performance and matters of concern to them.

Labor Relations and Collective Agreements

We seek to maintain constructive relationships and regular dialogue and consultation with works councils and trade unions, and to comply with relevant local laws and collective agreements in relation to collective or individual labor relations. The Company’s European Works Council (“**EWC**”) meets at least twice a year with management and all of our eligible European entities joined the EWC by the end of 2019.

Governance

The third pillar of our ESG strategy is Governance, which is touched by all of our Foundational Beliefs: Safety, Quality, Sustainability, Integrity and Respect.

Each of the commitments covered in our ESG Scorecard is tied closely to making a positive impact on our people and the communities where we operate – leadership in HSES, human rights due diligence, and ethics and compliance training – but also links to the aspirations of our other Foundational Beliefs, because how we do business is as important as why we do business.

Our Governance actions and commitments are not limited to those covered by the Scorecard. Our progress toward our Scorecard commitments is detailed below.

Our Scorecard Commitments

Leadership in HSE

100%

SIF Prevention Projects
Target: 400
Actual: 650

Metric shows against target and is cumulative

At TechnipFMC, we are committed to upholding a strong safety culture by rolling out Serious Incidents and Fatalities Prevention (“**SIFP**”) programs, which are a cornerstone of our prevention mindset. SIFP is a proactive high-impact risk prevention program which aims to shift the organization’s focus from reactive to proactive risk reduction by incorporating field experience into enhanced safety practices. The objectives are to prevent serious injuries, to proactively reduce our overall risk profile by putting mitigation strategies in place, and to bring visibility to critical issues requiring the support of leadership. Our SIFP program gained widespread momentum since its launch in 2018. In 2022, 592 SIFP projects were raised from which 360 were implemented and closed.

Our further actions in HSE are discussed in greater detail in the section entitled “*Health, Safety, and Environment*” below.

Human rights due diligence

75%

Audits on high-risk suppliers
Target: 100%
Actual: 75%

Metric shows against target and is cumulative

We are raising the bar on workers’ welfare through human rights audits of our suppliers in high-risk countries and those suppliers engaged in high-risk activities with respect to worker welfare. Under our ESG objectives, we have undertaken a commitment to complete 100% of human rights audits scheduled each year on our 100 most significant suppliers in countries where there are high risks of human rights abuses. In 2021, we laid the groundwork for all of the audits (developing questionnaires, selecting suppliers, creating an audit toolbox, etc.) and completed the first phase of the audits. By the end of 2022, we met our objectives for the second year of our Scorecard by completing 100% of the selected desk audits and more than 60% of the selected on-site audits of our most significant high-risk suppliers.

The audits consist of three levels:

(1) In our Level 1 Due Diligence phase, we issued our Self-Assessment Questionnaire ("**SAQ**") that was developed based on industry standard best practices, and received a 100% response rate from the 100 selected suppliers. Based on these questionnaire responses, and with the use of due diligence tools, we completed a due diligence review of all 100 suppliers, and met our 2021 goal of completing the first round of Level 2 "Desk Audits" for selected suppliers.

(2) In our Level 2 Phase, in 2022, we conducted the remaining 57 Desk Audits of selected suppliers. This process involved follow-up inquiries with the selected suppliers to assess risk levels and activities, in order to determine whether on-site audits were warranted for such companies.

(3) For our Level 3 "On-Site" Audits, in 2022, we met our objective to complete 14 of our 24 selected audits.

Our goal for 2023 is to complete the remaining ten on-site audits (at a minimum), along with any additional desk audits as needed. In addition, an annual review is conducted each year (starting in 2022) to update the selected supplier list as needed.

Ethics and compliance

100%

Annual training for all managerial levels
Target: 100%
Actual: 100%

Metric shows against target and is annual

Our Code of Business Conduct helps us recognize and address the ethical dimensions of our everyday decisions. It provides practical guidance about what is expected of all of us. Board oversight of our ESG strategy and executive remuneration further ensures fairness. This commitment targets 100% completion of our Ethics and Compliance e-learning by all managers every year. We systematically roll out the program and are measuring completion rates of the courses.

For 2022, we met our expectations, with 100% of managers taking required ethics and integrity courses.

Beyond the Scorecard

Our efforts under the Governance pillar go beyond those detailed in the Scorecard, as we demonstrate in the following pages.

Our Compliance Program

How TechnipFMC conducts its business around the world is as important as why TechnipFMC does business. We act in accordance with our Core Values and our Foundational Beliefs in all that we do. We aspire to develop business relationships with like-minded partners who are guided by a similar set of principles of business conduct. Integrity is one of the most critical cornerstones of the way we conduct business, and we hold ourselves to the highest integrity principles, which drive our compliance program.

Our Code of Business Conduct is built on our Foundational Beliefs of Safety, Integrity, Quality, Respect, and Sustainability, and gives us a common language and playbook for decisions and actions that help us live our Core Values. Our Code of Business Conduct helps us recognize and address the ethical dimensions to our everyday decisions. In addition to our Code of Business Conduct, we maintain a world-class compliance program that is designed on a risk-based approach and focuses on the following priorities:

- Anti-bribery and corruption: our standards and processes provide a clear and comprehensive framework for our business in all of the countries in which we operate, in compliance with all applicable laws.
- Human rights: the protection of human rights is an essential business principle we promote for our employees in the workplace and across our supply chain.
- Trade controls and foreign boycotts: we implement policies and procedures pertaining to international trade laws and regulations imposed by applicable authorities.
- Data privacy: we implement appropriate security and access measures to protect personal data stored in information systems.

Our compliance program is supported by a global team of professionals embedded across our organization, who are responsible for the provision of advice, counsel, and training, as well as the auditing of our program and its controls. This is designed to mitigate and monitor compliance risk in support of our operations. Our program is led by a Chief Compliance Officer, who reports dually to our Executive Vice President and Chief Legal Officer, and to the Chair of the Board of Directors' ESG Committee. Our Chief Compliance Officer regularly reports compliance matters to management and formally reports to the ESG Committee quarterly. These reports include continuous enhancements to our compliance program and allegations regarding potential non-compliance with our Code of Business Conduct.

We believe it is up to all of us to uphold the principles in our Code of Business Conduct. We encourage employees and others to raise questions and concerns to ensure that we are leading by example. Suspected breaches of our Code of Business Conduct can be reported through various means, including through an independent third party via the dedicated reporting helpline. TechnipFMC has a zero-tolerance policy on retaliation against employees for reporting suspected violations of our policies or Code of Business Conduct.

Anti-Corruption and Anti-Bribery Compliance Controls

The Company is committed to conducting business around the world ethically, lawfully, and in accordance with our Core Values and our Foundational Beliefs. Therefore, all employees, as well as our business partners and supply chain, are expected to conduct their activities in an ethical and lawful manner on a day-to-day basis.

All acts of fraud and corruption (including bribes, kickbacks, and self-dealing) are strictly forbidden. We compete fairly on the strength of our technology, service, and execution excellence. We do not tolerate corruption in any form and do not make or accept improper payments to obtain or retain business with those in government or the private sector, or as a reward for awarding subcontractor or supplier contracts. We are committed to complying with all international and national legislation against illegal payments, including prohibitions on facilitation payments (to expedite routine and administrative government action) except in extraordinary circumstances where the safety or security of an employee is in immediate danger.

We conduct due diligence of potential business partners before entering into a relationship to better enable us to identify partners that share our commitment to ethical business practices and partners whose other relationships do not create the appearance of a potential conflict of interest. Our Code of Business Conduct highlights our commitment to integrity, and in conjunction with our standards and procedures, we have implemented a variety of anti-bribery and corruption-related operational standards that translate our general principles into concrete operating procedures.

We have also developed an Anti-Bribery and Corruption Standard, which applies to all our directors, officers, employees, and contracted personnel, aimed at providing a clear and comprehensive operational framework for the conduct of our business in all of the countries in which we operate. The Anti-Bribery and Corruption Standard sets out the Company's principles for strict compliance with applicable anti-bribery and corruption laws.

The Company pays particular attention to indicators that could cast doubt on the honesty and integrity of third parties involved in our business. We have developed a Business Partner Standard, which applies to all our directors, officers, employees, and contracted personnel. It establishes the due diligence requirements and procedures for third-party government intermediaries and joint ventures/consortia partners, and enables us to assess and manage bribery and corruption risks while conducting business globally.

We have a Gifts, Hospitality, and Travel Standard, which applies to all our directors, officers, employees, and contracted personnel, setting forth our rules related to the receipt or provision of gifts, hospitality, or travel, and establishing procedures for the approval, reporting, and accounting of such. The Gifts, Hospitality, and Travel Standard serves to assist employees in ensuring that gifts and hospitality, whether given or received as part of a usual courtesy of business, are not and cannot be considered as bribes.

We also have a Social Donations, Sponsorships, and Charitable Contributions Standard, which applies to all our directors, officers, employees, and contracted personnel, setting forth our rules relating to making contributions to our communities. As a responsible corporate citizen, TechnipFMC believes in contributing to the communities where we conduct business around the world by supporting worthy causes, donations, and activities. Under appropriate circumstances, social donations, sponsorships, and charitable contributions provide an important way for TechnipFMC to play a constructive role in the societies and communities in which we live, work, and conduct business. This standard, which applies to all our directors, officers, employees, and contracted personnel, sets forth our rules associated with these activities so that our contributions are not misused for improper purposes, such as to disguise illegal payments to government officials.

Code of Business Conduct

Our Code of Business Conduct is built on our Foundational Beliefs and gives our directors, officers, and employees a common language and playbook for decisions and actions that help us live our Core Values. We are committed to establishing and maintaining an effective compliance program that is intended to increase the likelihood of preventing, detecting, and correcting violations of Company policy and the law. Moreover, we have a helpline in place for employees, officers, directors, and external parties to anonymously report violations of our Code of Business Conduct or complaints regarding accounting and auditing practices. Reports of possible violations of financial or accounting policies are reported to our Audit Committee.

Our Code of Business Conduct and its related standards are applicable to all directors, employees, business partners, and supply chain members, as well as all of our business transactions, and all of our majority-owned or controlled subsidiaries. We will also use our best efforts to induce our joint venture and consortium members to adopt the standards or agree to abide by an equivalent set of standards. In sum, our compliance program is designed to effectively mitigate and monitor risks relevant to our enterprise to enable us to preserve the interests of our stakeholders in accordance with our Core Values and Foundational Beliefs.

Our employees are encouraged and expected to report violations or suspected violations of our Code of Business Conduct. Various channels are available, including the option to report concerns to their managers, to anyone in the corporate compliance or legal department, the employee's human resources representative, or an independent third party via a dedicated reporting helpline and website.

We treat all reports of suspected violations of our Code of Business Conduct confidentially and will share the information only with those who have the responsibility and authority to investigate and properly resolve the issue. In addition, we have a zero-tolerance policy on retaliation against employees for reporting suspected violations of our policies or Code of Business Conduct or for cooperating with an investigation. We encourage employees and others to raise questions and concerns to ensure that we are leading by example.

We will disclose amendments to, or waivers of, our Code of Business Conduct that are required to be disclosed under the U.S. Securities and Exchange Commission ("**SEC**") and NYSE rules or any other applicable laws, rules, and regulations on our website at ***www.technipfmc.com***. The information on our website is not a part of this U.K. Annual Report and is not incorporated into any of our filing made with the SEC. Any waiver of our Code of Business Conduct for our officers and directors must be approved by the Board or a relevant Board committee. We have not made any such waivers, and do not anticipate making any such waiver.

Human Rights

Respect is one of our Foundational Beliefs. It guides how we fundamentally do business and what we never compromise on, no matter the circumstances. We believe that everyone is entitled to honest, fair, and courteous treatment. We do not tolerate any form of modern slavery and we express a strong commitment for respecting human rights, and are against the use of child, forced, indentured, or involuntary labor, regardless of where we conduct business.

Our Code of Business Conduct reflects our commitment to acting ethically and lawfully and recognizing human rights on a global basis. It is our policy that our Code of Business Conduct be shared and discussed with our clients, suppliers, and business partners to better explain our rules of conduct and reinforce our culture of accountability. We aim to develop business relationships with like-minded subcontractors, suppliers, and business partners who are guided by a similar set of principles of business conduct, and aspire to only do business with counterparties who respect human rights and uphold labor laws.

TechnipFMC has published its statement on slavery and human trafficking for the financial year ending December 31, 2021 in accordance with section 54 of the U.K. Modern Slavery Act 2015. This document is available on our website at ***www.technipfmc.com*** under the heading "*About us > Ethics and Compliance > Slavery and Human Trafficking Statement*". Our statement addressing 2022 shall be published later this year on our website.

The Company endeavors to ensure compliance with human rights regulations and principles within the scope of our operations and in accordance with the following international human rights regulations and principles:

- The United Nations Guiding Principles on Business and Human Rights
- The 1948 Universal Declaration of Human Rights
- The International Labour Organization's Fundamental Conventions

The Company remains a member of the United Nations Global Compact.

The Company also adopted a Human Rights Standard setting forth recognized human rights principles so that our operations are executed in compliance with the same and so that everyone with whom we work is treated with respect and dignity. Our Standard codifies the Worker Welfare Principles developed by *Building Responsibly*. The Company remains a proud member of this group of leading engineering and construction companies that are working together to promote the rights and welfare of workers across the industry, representing more than 580,000 employees and operating in over 100 countries. We continue working on our human rights strategy to embed respect for human rights in our operations and business relationships and to promote the protection of human rights for our employees in the workplace and across our supply chain as a foundational business practice. We have created an internal Human Rights Working Group, bringing together our support functions and operations to foster and promote a better working environment for our employees and our suppliers. The group conducted an internal human rights risk assessment to assess our processes against international standards, Building Responsibly principles, and our clients' human rights expectations. The assessment also looked at the standardization of our processes across the Company and at our human rights expectations toward our suppliers. For example, we have developed Suppliers and Subcontractors Integrity expectations, including commitment to human rights principles and have started deploying these expectations with our partners, requiring adherence to the same in the execution of their operations. Also, we continue to assess how our company-wide due diligence processes and monitoring processes could be reinforced in this area.

Supply Chain and Customer Matters

In line with our aspiration to develop business relationships with like-minded clients, sub-contractors, suppliers, and business partners who are guided by a similar set of principles of business conduct, it is our policy that our Code of Business Conduct be shared and discussed with clients, suppliers, and our business partners to better explain our rules of conduct and reinforce our culture of accountability. We will do business only with those suppliers who respect human rights and uphold labor laws. In undertaking sourcing, we focus on sustainability and consider our impact on the planet, people, and communities in which we operate.

Our Code of Business Conduct requires directors, officers, and employees to ensure that:

a. Our suppliers, customers, and business partners are aware of our commitment to creating a diverse and tolerant workforce.

b. Managers make contractors and suppliers aware of applicable Health, Safety, Environment, and Security ("**HSES**") rules, procedures, and expected behaviors, and their role in HSES culture wherever we operate.

c. Our business partners and suppliers do not engage in inappropriate labor practices, including child or indentured labor.

d. Appropriate due diligence is conducted on all consultants, suppliers, business partners, and agents, and ensures that third parties understand TechnipFMC's policy of zero tolerance for corruption.

e. We exercise appropriate due diligence on subcontractors, suppliers, and other vendors to prevent money laundering.

f. All payments to subcontractors, suppliers, consultants, and agents are made in accordance with our financial standards, including the requirement that payment be made in the country in which the work was performed.

We aspire to develop business relationships with like-minded clients, subcontractors, suppliers, and business partners who are guided by a similar set of principles of business conduct. Our goal is to build and sustain long-lasting relationships with governments, customers, partners, suppliers, and local communities where we have operations. Stakeholder considerations are embedded throughout our discussions and decisions, including in the discussions and decisions of our board of directors during the past financial year. The supply of goods and services is critical to our success as a business. We implement processes and procedures to enable us to manage our supply chain and supplier relationships effectively. As part of these processes and procedures, we work to identify and engage suppliers who can meet the demands of our business at a competitive cost.

Our local procurement teams are essential in this process and facilitate regular dialogue with our suppliers, while navigating local cultural, language, and time-zone differences.

We regularly assess the performance of our suppliers to ensure they meet our standards and expectations in the delivery, quality, and response to supply chain matters. We are committed to operating our business with a focus on safety, integrity, quality, respect, and sustainability and we aspire to work with suppliers who are guided by a similar set of principles of business conduct. We actively assess and monitor our suppliers' compliance with rules, regulations, principles, and guidelines relating to modern slavery, sustainability, human rights, anti-bribery, tax evasion, and data protection, amongst others.

Health, Safety, and Security

Health and safety are integral parts of our business, based on our genuine care and concern for the people and environment. Safety is one of our five Foundational Beliefs and is at the heart of everything we do. At TechnipFMC, we are all responsible for creating a safe and secure workplace.

We believe that all injuries are preventable. By fostering an incident-free environment, we drive our clients' success without compromising safety, health, security, or environmental sustainability. We act responsibly and openly at every step, assuring our customers and partners of our competence and inspiring their trust.

Protecting people at all times

All our employees, partners, and contractors have the responsibility and the authority to stop the work if they consider conditions are unsafe. Pulse, our global HSE culture and engagement program, provides our people with the right skills, tools, and behaviors to maintain and strengthen our HSE culture. It empowers our people to foster an incident-free working environment.

In 2022, we won the National Ocean Industries Association's Culture of Safety Award. The award honors overall organizational immersion in and commitment to safety, which has resulted in remarkable, measurable, and sustained safety performance over a prolonged period of time.

We have adopted the International Association of Oil & Gas Producers ("**IOGP**") life-saving rules, which are fully aligned with our Global HSE management system. We are working with our industry to prevent serious incidents in the workplace. To anchor the IOGP life-saving rules in day-to-day activity, a series of e-learning modules was released, providing an opportunity for all our employees, partners, and subcontractors to improve general awareness, understanding, and compliance.

Our programs aim to de-risk our operations with a particular focus on dropped object, energy release, and uncontrolled moves, which are the most common causes of work-related incidents at the Company.

We monitor and report on key safety metrics in line with industry standards. We include in our data both employees and contractors in joint arrangements where we directly manage the performance of these operations.

Making an impact on Mental Health

We are making mental health and well-being a global priority – that's why we recognize the whole of October as Mental Health Awareness Month, with a wide range of activities.

Our Global Employee Assistance Program ("**EAP**") helps employees navigate daily life, whether managing remote work, coping with major life events, or even dealing with a global pandemic. The EAP gives employees and their family members direct access to professional coaches for in-the-moment counseling or referrals to community experts and extended care providers.

Safety Performance

Whilst we had no work-related fatalities in prior years, sadly, we experienced a tragic accident at a client surface well site in 2022. One of our colleagues was fatally injured as a result of a "line of fire" accident that involved a dropped object.

Not every day is a "safe day" yet and the safety of our employees, partners, and contractors remains at the forefront of our HSE journey.

In 2022, 53.5 million hours were worked at the Company's facilities and project sites worldwide.

Safety Performance	2020	2021	2022
Total Recordable Incident Rate (TRIR)[1]	0.29	0.26	0.31
Lost Time Injury Frequency (LTIF)[1]	0.09	0.11	0.06
Leadership and Management Walkthrough Frequency[1]	18.72	21.86	26.15
Fatal Accident Frequency[1]	0	0	0.0037

(1) The rates are calculated across 200,000 hours worked. Incidents as defined by the U.S. Department of Labor's Occupational Safety and Health Administration standards are considered. The cut-off date is December 31, 2022.

In 2022, we continued our emphasis on effective controls, human performance, and leadership engagement for higher-risk work activities. Active leadership engagement is a key contributor to a powerful safety culture. Our leaders reinforce our culture through training, participation, and site visits. We will continue to stay focused and strive toward zero serious injuries or fatalities for today and the future.

Strong Health and Safety Culture

Our Pulse program is designed to drive the development of our people to adopt safety leadership behaviors. A key principle is to align mindsets to develop a single, global health and safety culture. The program is summarized by the

Pulse formula for success: Inspire, Interact, Intervene. Each element of the formula integrates the principles of human performance: lead by example, actively listen to others and promote safety conversations, collaborate with colleagues, and welcome and praise all interventions you receive or observe. In 2022, 114 sessions were delivered and more than 1,800 TechnipFMC employees attended a Pulse session, ranging from senior managers and managers/supervisors to site workers and including partners and subcontractors.

Prevention mindset

Risk management is an integral part of our business. As part of our risk management process, risks are regularly identified, monitored and mitigated at every business level. We continuously focus on assessing and lowering risks to prevent incidents in all the work we do. We regularly evaluate the Company's safety risk profile within the context of our operations, our contractors, subcontractors, and customer relationships.

We investigate incidents including those near misses with potential to harm people or the environment. We implement lessons learned and we strive for continual improvement of our health and safety management and work practices.

In 2022, we have taken important actions to further reduce our risk profile and to prevent serious injuries, described below.

- 592 SIFP projects were raised from which 360 were implemented and closed in 2022.
- The key risk conditions remain unchanged with the top three being: dropped objects, energy release, and uncontrolled moves. The root causes analysis from serious incidents we faced in 2022 revealed one common contributing factor: the presence of personnel in the line of fire. In 2023, we will focus and prioritize SIFP projects that contribute to removing or reducing exposure of personnel in the line of fire and we will strive to process and close out these SIFP projects in a timely manner.
- Stop Work Authority ("**SWA**") is a cornerstone of our Foundational Belief in Safety. Our Global HSE policy states: "Every person has the right to stop the work if they consider conditions are unsafe, in any way." In 2022, we drove a fresh energy to SWA. Supporting materials were developed to help leaders actively promote SWA by demonstrating their support for both givers and receivers of SWA interventions. By removing the barriers to psychological safety, we are creating a culture where SWA is expected, accepted, welcomed, celebrated, and rewarded. Changes were made to our QHSE digital management system so that we can more easily identify and celebrate SWA.

Making the Safe Choice: Human Performance in HSE

Even with the most advanced technology, equipment and processes, we recognize that people are central to everything we do at TechnipFMC. The "human in the loop" might be responsible for the design, handling, installation, operation, or obsolescence of our products or services. For this reason, the quality of our risk perception and decision making is essential in ensuring the safety of our people, partners and the environment.

In response to trends both in our organization and the industry more broadly, we launched the Safe Choice program in January 2023 to equip and empower our people with the motivation and mindset for safe decision making at all levels in an organization. Safe Choice provides new personal knowledge on decision making, cognitive biases, fast and slow thinking, and present motivation linked directly to an organization's current safety tools and systems.

Safe Choice is a proven intervention across many industries which enhances existing policies, strategies, processes, and procedures by focusing on human factor/human performance in driving HSE performance.

We began rolling out the Safe Choice program to our frontline personnel – defined as all TechnipFMC personnel whose primary job sites are on client locations. These include Technical Service Personnel ("**TSPs**"). Field Service Technicians ("**FSTs**"), and all construction workers on TechnipFMC-owned vessels. This is Wave 1 of the Safe Choice implementation. Wave 2, planned for Q4 2023, will expand the roll out to all personnel at our spool and service bases, as well as those working in our manufacturing facilities and workshops. Managers and leaders at all levels are fully committed to deploying Safe Choice successfully and to ensuring the safety and protection of our people, assets and the environment.

Security

Security within TechnipFMC is considered a fundamental service, that is governed at a corporate and regional level. Our Global Security Team operates a 24/7 Global Security Operations Center. In addition, we appoint Security Correspondents who have security responsibilities in addition to their primary function of acting as an extension of the Global Security Team. They are responsible for implementing the Global Security Program and maintaining security at a local or project level. The Global Security Program comprises programs for Asset (vessels and sites), Project, Personal, and Travel security. Global Security is also the custodian of the Incident and Crisis Management program, that has 36 identified Incident management teams, three business unit crisis management teams, and a corporate crisis management team.

Decision making and section 172 of the Companies Act

Our success depends on our ability to engage effectively with our stakeholders. Accordingly, our Board processes are structured to support our directors in discharging their duties under the Companies Act, particularly in relation to the Board's decision-making functions. Our Board considers, both individually and collectively, that they have acted in a way they consider in good faith and would be most likely to promote the success of the company for the benefit of its members as a whole, having regard to matters set out in section 172(1)(a) to (f) of the Companies Act in the decisions taken during the financial year ending December 31, 2022. In particular, we refer to:

- **Likely consequences of any decision in the long term:** We operate a sophisticated, global business in a highly competitive industry that has been negatively impacted by low commodity prices. Enhancement of our performance and competitiveness is a key component of our strategy, and this is achieved through technology innovation and differentiation, seamless execution, and simplification that drives cost down. We are targeting profitable and sustainable growth, seizing market growth opportunities, expanding our range of services, and managing our assets efficiently to ensure that we are well-positioned to benefit from the opportunities we see in many of the segments we serve in order to deliver a long-term beneficial impact on the company and our clients (further details are set out in the paragraph entitled "*Shareholder Engagement*" of the Remuneration Report).
- **Interests of employees:** In 2022, each of our more than 20,000 employees was critical to delivering the strategy and success of the company. We are committed to our employees, and our employee guidelines are specified in our Code of Business Conduct, which applies to all employees, regardless of their roles, and no matter where they work. Employee matters are one of our primary considerations in the way we do business and we take our responsibility to provide a fair and inclusive work environment seriously (further details are set out in the paragraphs entitled "*Social*" and "*Employee Matters*" of this Strategic Report).
- **Fostering business relationships with suppliers, customers, and others:** In line with our aspiration to develop business relationships with like-minded clients, sub-contractors, suppliers, and business partners who are guided by a similar set of principles of business conduct, it is our policy that our Code of Business Conduct be shared and discussed with clients, sub-contractors, suppliers, and our business partners to better explain our rules of conduct and reinforce our culture of accountability. Our goal is to build and sustain long-lasting relationships with governments, customers, partners, suppliers, sub-contractors, and local communities where we have operations (further details are set out in the paragraphs entitled "*Supporting Communities*" and "*Supply Chain and Customer Matters*" of this Strategic Report).
- **Impact of operations on the community and the environment:** The Environment is the first pillar of our ESG strategy. We believe our environmental responsibility requires us to operate in a manner that minimizes the impact of our operations on the environment, develop sustainable solutions to reduce carbon emissions within our overall environmental footprint, and avoid any environmental incidents in our operations and activities. We also support and encourage our employees to volunteer and support their community development programs in line with our Code of Business Conduct and the Social pillar of our ESG strategy. Since the formation of TechnipFMC, we have adopted

company-wide, consecutive three-year ESG road maps which include our commitments in terms of Environmental, Social, and Governance for the period 2021-2023 through our Environmental, Social, and Governance Scorecard (further details are set out in the section entitled "*Environmental, Social, and Governance*" of this Strategic Report).

- **Maintaining a reputation for high standards of business conduct:** Our Code of Business Conduct is built on our Foundational Beliefs of Safety, Integrity, Quality, Respect, and Sustainability, and gives us, including our directors and each and every employee, a common language and playbook for decisions and actions that help us live our core values. Available in several languages, our Code of Business Conduct helps us recognize and address the ethical dimensions to our everyday decisions (further details are set out in the paragraph entitled "*Our Compliance Program*" of this Strategic Report).
- **The need to act fairly as between shareholders of the company:** To provide the opportunity to better understand shareholder views, our Board and executive team maintain a shareholder engagement program to solicit feedback across a number of shareholder matters. We believe this engagement is important as we seek to develop long-term relationships with our shareholders and ensure that they fully understand our strategy and the ways in which we seek to unlock value across our business portfolio. Our intention is to ensure that our shareholders are kept updated on significant matters and relevant emerging trends. Our 2022/2023 Off-Season Shareholder Outreach Campaign involved our active outreach to shareholders representing approximately 55% of TechnipFMC's ordinary shares in issue with respect to our board leadership and governance, executive compensation, and corporate responsibility and sustainability. Through our shareholder engagement efforts, the Board is able to consider different perspectives, including shareholders' input, within the context of company-wide matters including our pay-for-performance philosophy, business, and strategies. We continue our efforts to engage with our shareholders through meaningful and ongoing dialogue as an important part of our Board's corporate governance commitment (further details are set out in the paragraph entitled "*Shareholder Engagement*" of the Remuneration Report).

Principal Risks and Uncertainties

Important risk factors that could impact our ability to achieve our anticipated operating results and growth plan goals are presented below. The following principal risks and uncertainties should be read in conjunction with discussions of our business and the factors affecting our business located elsewhere in this U.K. Annual Report and in our other public filings.

Summary Risk Factors

The following is a summary of some of the risks and uncertainties that could materially adversely affect our business, financial condition, and results of operations. You should read this summary together with the more detailed description of each risk factor contained below.

Risks Related to Our Business and Industry

- Demand for our products and services depends on oil and gas industry activity and expenditure levels and the demand for and price of crude oil and natural gas.
- Competition and unanticipated changes relating to competitive factors in our industry, including ongoing industry consolidation, may impact our results of operations.
- Our success depends on our ability to develop, implement, and protect new technologies and services and intellectual property related thereto.
- Cumulative loss of several major contracts, customers, or alliances may have an adverse effect on us, and the credit and commercial terms of certain contracts may subject us to further risks.

- The COVID-19 pandemic, and any resurgence thereof, and disruptions in the political, regulatory, economic, and social conditions of the countries in which we conduct business, could adversely affect our business or results of operations.
- The Depository Trust Company ("**DTC**") may cease to act as a depository and clearing agency for our shares.
- Our existing and future debt may limit cash flows available to our operations and to service our outstanding debt, and the terms thereof may restrict our ability to access the capital markets.
- Our acquisition and divestiture activities involve substantial risks.
- Increasing scrutiny and expectations regarding ESG matters could result in additional costs or risks or otherwise adversely affect our business.
- Uncertainties with respect to the energy transition may adversely affect our business.

Risks Related to Our Operations

- We may lose money on fixed-price contracts.
- Our failure to timely deliver our backlog could affect future sales, profitability, and customer relationships.
- We face risks relating to our reliance on subcontractors, suppliers, and our joint venture partners.
- A failure or breach of our IT infrastructure or that of our subcontractors, suppliers, or joint venture partners, including as a result of cyberattacks, could adversely impact our business and results of operations.
- Pirates endanger our maritime employees and assets.
- New capital asset construction projects for vessels and manufacturing facilities are subject to risks, including delays and cost overruns.

Risks Related to Legal Proceedings, Tax, and Regulatory Matters

- The industries in which we operate or have operated expose us to potential liabilities, including the installation or use of our products, which may not be covered by insurance or may be in excess of policy limits, or for which expected recoveries may not be realized.
- Our operations require us to comply with existing and future laws and regulations, violations of which could have a material adverse effect on our financial condition, results of operations, or cash flows.
- As an English public limited company, we must meet certain additional financial requirements before we may declare dividends or repurchase shares and certain capital structure decisions may require stockholder approval which may limit our flexibility to manage our capital structure.
- Uninsured claims and litigation against us could adversely impact our financial condition, results of operations, or cash flows.
- The IRS may not agree that we should be treated as a foreign corporation for U.S. federal tax purposes and may seek to impose an excise tax on gains recognized by certain individuals.
- U.S. tax laws and/or guidance could also affect our ability to engage in certain acquisition strategies and certain internal restructurings.
- We are subject to the tax laws of numerous jurisdictions; and challenges to the interpretation of, or future changes to, such laws could adversely affect us.
- We intend to be treated exclusively as a resident of the U.K. for tax purposes, but other tax authorities may seek to treat us as a tax resident of another jurisdiction, and we may not qualify for benefits under tax treaties entered into between the U.K. and other countries.

General Risk Factors

- Our businesses are dependent on the continuing services of our key managers and employees.
- Seasonal and weather conditions could adversely affect demand for our services and operations.
- Currency exchange rate fluctuations could adversely affect our financial condition, results of operations, or cash flows.
- We are exposed to risks in connection with our defined benefit pension plan commitments.
- We may be unable to obtain sufficient bonding capacity for certain contracts, and the need for performance and surety bonds could reduce availability under our credit facility.
- Our revenues and earnings could be adversely affected by high levels of inflation resulting in increased supply costs and impacts on pricing and demand.
- Our operating results, sales, profits, cash flows, liquidity, financial position, wage expenses, employee retention and capital expenditures could be adversely affected by rising interest rates, which have increased the cost of borrowing and increased volatility in the capital markets.

Risks Related to Our Business and Industry

Demand for our products and services depends on oil and gas industry activity and expenditure levels, which are directly affected by trends in the demand for and price of crude oil and natural gas.
We are substantially dependent on conditions in the oil and gas industry, including (i) the level of exploration, development and production activity and (ii) capital spending. Any substantial or extended decline in these expenditures may result in the reduced pace of discovery and development of new reserves of oil and gas and the reduced exploration of existing wells, which could adversely affect demand for our products and services and, in certain instances, result in the cancellation, modification, or re-scheduling of existing orders in our backlog. These factors could have an adverse effect on our revenue and profitability. The level of exploration, development, and production activity is directly affected by trends in oil and natural gas prices, which historically have been volatile and are likely to continue to be volatile in the future.

Factors affecting the prices of oil and natural gas include, but are not limited to, the following:

- demand for hydrocarbons, which is affected by worldwide population growth, economic growth rates, and general economic and business conditions;
- costs of exploring for, producing, and delivering oil and natural gas;
- political and economic uncertainty, socio-political unrest and geopolitical conflicts, including the continued conflict between Russia and Ukraine, which has resulted in substantial reduction of natural gas imports from Russia to Europe and significant volatility in the costs of both wholesale gas and power;
- governmental laws, policies, regulations and subsidies related to or affecting the production, use, and exportation/importation of oil and natural gas;
- the ability or willingness of the Organization of Petroleum Exporting Countries and the ten other oil producing countries, including Russia, Mexico and Kazakhstan ("**OPEC+**") to set and maintain production level for oil;
- oil refining and transportation capacity and shifts in end-customer preferences toward fuel efficiency and the use of natural gas;
- technological advances affecting energy consumption;
- development, exploitation, relative price, and availability of alternative sources of energy and our customers' shift of capital to the development of these sources;

- volatility in, and access to, capital and credit markets, which may affect our customers' activity levels, and spending for our products and services;
- decrease in investors' interest in hydrocarbon producers because of environmental and sustainability initiatives; and
- natural disasters.

The oil and gas industry has historically experienced periodic downturns, which have been characterized by diminished demand for oilfield services and downward pressure on the prices we charge. The oil and natural gas market remains quite volatile, and price recovery and business activity levels are dependent on variables beyond our control, such as geopolitical stability, increasing attention to global climate change resulting in pressure upon shareholders, financial institutions and/or financial markets to modify their relationships with oil and gas companies and to limit investments and/or funding to such companies, increasing likelihood of governmental regulations, enforcement, and investigations and private litigation due to increasing attention to global climate change, OPEC+'s actions to regulate its production capacity, changes in demand patterns, and international sanctions and tariffs. Continued volatility or any future reduction in demand for oilfield services could further adversely affect our financial condition, results of operations, or cash flows.

We operate in a highly competitive environment and unanticipated changes relating to competitive factors in our industry, including ongoing industry consolidation, may impact our results of operations.
We compete on the basis of a number of different factors, such as product offerings, project execution, customer service, and price. In order to compete effectively we must develop and implement innovative technologies and processes, and execute our clients' projects effectively. We can give no assurances that we will continue to be able to compete effectively with the products and services or prices offered by our competitors.

Our industry, including our customers and competitors, has experienced unanticipated changes in recent years. Moreover, the industry is undergoing consolidation to create economies of scale and to control the value chain, which may affect demand for our products and services because of price concessions from our competitors or decreased customer capital spending. This consolidation activity could impact our ability to maintain market share, maintain or increase pricing for our products and services or negotiate favorable contract terms with our customers and suppliers, which could have a significant negative impact on our financial condition, results of operations or cash flows. We are unable to predict what effect consolidations and other competitive factors in the industry may have on pricing, capital spending by our customers, our selling strategies, our competitive position, our ability to retain customers or our ability to negotiate favorable agreements with our customers and suppliers.

The COVID-19 pandemic, and any resurgence thereof, have had, and may continue to have, an adverse impact on our financial condition, results of operations, and cash flows.
The COVID-19 pandemic, and any resurgence thereof, have had, and may continue to have an adverse impact on the economies and financial markets of many countries and our financial condition, operating results, and cash flows. These effects may be compounded by actions taken by governments and businesses, and may include adverse revenue and net income effects; disruptions to our operations; potential project delays or cancellations; downward revisions to customer budgets; impacts from illness, school closures, and other community response measures, which may lead to disruptions and decreased productivity of our employees, subcontractors, partners, and vendors; temporary closures of our facilities or the facilities of our customers and suppliers, and other risk factors discussed in this Risk Factors section, including risks related to the demand for oil and gas. The pandemic has led to global supply chain challenges, which could adversely impact our ability to acquire certain equipment and materials, impact our ability complete projects and cause delays in completing projects, and materially and negatively impact our business results, operations, revenue, growth and overall financial condition. Additionally, shift from the pandemic-led contraction to economic growth has resulted in and may continue to cause high inflation and logistical bottlenecks.

Our success depends on our ability to develop, implement, and protect new technologies and services and the intellectual property related thereto.
Our success depends on the ongoing development and implementation of new product designs, including the processes used by us to produce and market our products.

We continually attempt to develop new technologies for use in our business. However, there is no guarantee of future demand for those technologies because customers may be reluctant or unwilling to adopt our new technologies. In addition, we may also have difficulty negotiating satisfactory terms that would provide acceptable returns on our investment in the research and development of new technologies.

Development of new technology is critical to maintaining our competitiveness. However, we cannot assure that we will be able to successfully develop technology that our customers demand. Demand for our products and services may decline if we cannot keep pace with technological advances. Technology that is unavailable to us or that does not work as we expect, could adversely affect us. New technologies, services or standards could render some of our products and services obsolete, which could reduce our competitiveness and have a material adverse impact on our business, financial condition, cash flows and results of operation.

Additionally, we are exploring opportunities in greenhouse gas removal, offshore floating renewables (wind, wave and tidal energy), and hydrogen. Many technologies involved in those projects are novel and will need to be further developed before we can determine whether a renewable energy project is technologically feasible.

Our success also depends on our ability to protect and maintain critical intellectual property assets related to these developments. If we are not able to obtain patents, maintain trade secrets or obtain other protection of our intellectual property rights, if our patents are unenforceable or the claims allowed under our patents are not sufficient to protect our technology, or if we are not able to adequately protect our patents or trade secrets, we may not be able to continue to develop our services, products and related technologies. Additionally, our competitors may be able to independently develop technology that is similar to ours without infringing on our patents or gaining access to our trade secrets. If any of these events occurs, we may be unable to meet evolving industry requirements or do so at prices acceptable to our customers, which could adversely affect our financial condition, results of operations, or cash flows.

Due to the types of contracts we enter into and the markets in which we operate, the cumulative loss of several major contracts, customers, or alliances may have an adverse effect on our results of operations, and the credit and commercial terms of certain contracts may subject us to further risks.
We often enter into large, long-term contracts that, collectively, represent a significant portion of our revenue. These agreements, if terminated or breached, may have a larger impact on our operating results or our financial condition than shorter-term contracts due to the value at risk. Moreover, the global market for the production, transportation, and transformation of hydrocarbons and by-products, as well as the other industrial markets in which we operate, is dominated by a small number of companies. As a result, our business relies on a limited number of customers. If we were to lose several key contracts, customers, or alliances over a relatively short period of time, we could experience a significant adverse impact on our financial condition, results of operations, or cash flows.

Additionally, certain of our customers may require us to provide extended payment terms or other forms of financial support as a condition of obtaining commercial contracts. We have long-term contracts involving significant amounts to be paid by our customers toward the later stage of a project. Pursuant to these contracts, we may deliver products and services representing an important portion of the contract price before receiving any significant payment from the customer. Such arrangements could restrict the use of our cash and other resources for other projects and opportunities and our business could also be adversely affected if the financial condition of our customers erodes.

Disruptions in the political, regulatory, economic, and social conditions of the countries in which we conduct business could adversely affect our business or results of operations.
We operate in various countries across the world. Instability and unforeseen changes in any of the markets in which

we conduct business, including economically and politically volatile areas or conflict or rumor of conflict could have an adverse effect on the demand for our services and products, our financial condition, or our results of operations. These factors include, but are not limited to, the following:

- nationalization and expropriation;
- potentially burdensome taxation;
- inflationary and recessionary markets, including capital and equity markets;
- volatility in economic conditions including tightening of credit markets, inflation, rising interest rates, and currency exchange rate fluctuations and devaluations;
- civil unrest, labor issues, political instability, disease outbreaks, terrorist attacks, cyberterrorism, military activity, and wars, including the continued conflict between Russia and Ukraine;
- increasing attention to global climate change resulting in pressure from shareholders, financial institutions and/or financial markets;
- supply disruptions in key oil producing countries;
- the ability of OPEC+ to set and maintain production levels and pricing;
- trade restrictions, trade protection measures, price controls, or trade disputes;
- sanctions, such as prohibitions or restrictions by the U.S. against countries that are the targets of economic sanctions, or are designated as state sponsors of terrorism;
- foreign ownership restrictions;
- import or export licensing requirements;
- restrictions on operations, trade practices, trade partners (including as a result of the U.K.'s withdrawal from the European Union), and investment decisions resulting from domestic and foreign laws, and regulations;
- regime changes;
- changes in, and the administration of, treaties, laws, and regulations including in response to public health issues;
- inability to repatriate income or capital;
- reductions in the availability of qualified personnel;
- foreign currency fluctuations or currency restrictions; and
- fluctuations in the interest rate component of forward foreign currency rates.

DTC may cease to act as the depository and clearing agency for our shares.

Our shares were issued into the facilities of the DTC with respect to shares listed on the NYSE. DTC is a widely used mechanism that allows for rapid electronic transfers of securities between the participants in their respective systems, which include many large banks and brokerage firms. DTC has general discretion to cease to act as the depository and clearing agency for our shares. If DTC determines at any time that our shares are not eligible for continued deposit and clearance within its facilities, then we believe that our shares would not be eligible for continued listing on the NYSE, and trading in our shares would be disrupted. Any such disruption could have a material adverse effect on the trading price of our shares.

Our existing and future debt may limit cash flow available to invest in the ongoing needs of our business and could prevent us from fulfilling our obligations under our outstanding debt.

We have substantial existing debt. As of December 31, 2022, our total debt was $1.4 billion. We also have the capacity under our debt agreements to incur substantial additional debt.

Our level of debt could have important consequences. For example, it could:

- require us to dedicate a substantial portion of our cash flows from operations to the payment of debt service, reducing the availability of our cash flows to fund working capital, capital expenditures, acquisitions, distributions, and other general partnership purposes;
- increase our vulnerability to adverse economic or industry conditions;
- limit our ability to obtain additional financing to react to changes in our business; or
- place us at a competitive disadvantage compared to businesses in our industry that have less debt.

Additionally, any failure to meet required payments on our debt or to comply with any covenants in the instruments governing our debt, could result in an event of default under the terms of those instruments. In the event of such default, the holders of such debt could elect to declare all the amounts outstanding under such instruments to be due and payable. Such default could also trigger a cross-default on our other debt.

Our loans denominated in United States dollars ("**USD**"), at our option, under our Revolving Credit Facility bear interest at an adjusted rate linked to the London Interbank Offered Rate ("**LIBOR**") and our euro-denominated loans under the Revolving Credit Facility bear interest at an adjusted rate linked to the Euro Interbank Offered Rate ("**EURIBOR**"). LIBOR, EURIBOR and certain other interest "benchmarks" may be subject to further regulatory guidance and/or reform that could cause interest rates under our current or future debt agreements to perform differently than in the past or cause other unanticipated consequences. The U.K.'s Financial Conduct Authority (the "**FCA**"), which regulates LIBOR, has announced that the publication of LIBOR on the current basis would cease and no longer be representative immediately after December 31, 2021 (in the case of all sterling, euro, Swiss franc and Japanese yen settings, and one-week and two-month USD settings) and immediately after June 30, 2023 (in the case of all remaining USD settings). Despite this deferral in regard to USD, the FCA has confirmed that use of USD LIBOR will not be permitted in most new contracts after December 31, 2021 and while the FCA is requiring the LIBOR administrator to publish one-, three- and six-month sterling and Japanese yen LIBOR rates for a limited time following December 31, 2021 using a synthetic methodology, such synthetic LIBOR rates are also only permitted for legacy use. If the methods of calculating LIBOR change from their current form while we continue to rely on LIBOR, or if we adopt alternative benchmarks for our current or future debt, interest rates on our debt obligations may be adversely affected.

The terms of the agreements governing our existing indebtedness restrict our current and future operations, particularly our ability to respond to changes or to take certain actions.

The terms of the agreements governing our indebtedness contain a number of restrictive covenants that limit our flexibility in conducting our business and restrict our ability to take specific actions, including (subject to various exceptions) restrictions on incurring indebtedness, paying dividends, making certain loans and investments, selling assets or incurring liens which may limit our ability to compete effectively, or to take advantage of new business opportunities. In addition, the restrictive covenants in the credit agreement, dated February 16, 2021, (as amended) that governs our $1.0 billion three-year senior secured multi-currency revolving credit facility (the "**Revolving Credit Facility**") require us to maintain specified financial ratios and satisfy other financial condition tests.

A breach of the covenants or restrictions under our existing indebtedness could result in an event of default under the applicable indebtedness. Such default may allow the creditors to accelerate the related debt and may result in the acceleration of any other debt to which a cross-acceleration or cross-default provision applies. An event of default under our Revolving Credit Facility would also permit the lenders to terminate all commitments to extend further credit under that facility. Furthermore, if we were unable to repay the amounts due and payable under our Revolving Credit Facility, lenders thereunder could proceed against the collateral granted to them to secure that indebtedness. In the event our lenders or noteholders accelerate the repayment of our borrowings, we and our subsidiaries may not have sufficient assets to repay that indebtedness.

These restrictions may affect our ability to grow in accordance with our strategy. In addition, our financial results, our substantial indebtedness and our credit ratings could adversely affect the availability and terms of our financing.

Our acquisition and divestiture activities involve substantial risks.
We have made and expect to continue to pursue acquisitions, dispositions, or other investments that may strategically fit our business and/or growth objectives. We cannot provide assurances that we will be able to locate suitable acquisitions, dispositions, or investments, or that we will be able to consummate any such transactions on terms and conditions acceptable to us. Even if we do successfully execute such transactions, they may not result in anticipated benefits, which could have a material adverse effect on our financial results. If we are unable to successfully integrate and develop acquired businesses, we could fail to achieve anticipated synergies and cost savings, including any expected increases in revenues and operating results. We may not be able to successfully cause a buyer of a divested business to assume the liabilities of that business or, even if such liabilities are assumed, we may have difficulties enforcing our rights, contractual or otherwise, against the buyer. We may invest in companies or businesses that fail, causing a loss of all or part of our investment. In addition, if we determine that an other-than-temporary decline in the fair value exists for a company in which we have invested, we may have to write down that investment to its fair value and recognize the related write-down as an investment loss.

In connection with the Spin-off, we agreed to indemnify Technip Energies for certain liabilities, and Technip Energies agreed to indemnify us for certain liabilities. If we are required to act on these indemnities to Technip Energies, our financial results could be negatively impacted. Additionally, any indemnity from Technip Energies may not be sufficient to insure us against the full amount of liabilities for which we are responsible and Technip Energies may not be able to satisfy its indemnification obligations in the future.

Increasing scrutiny and expectations regarding ESG matters could result in additional costs or risks or otherwise adversely affect our business.
There has been increasing attention from stakeholders, investors, customers, and regulators on renewable energy and ESG practices and disclosures, including practices and disclosures related to greenhouse gases and climate change, and diversity and inclusion initiatives and governance standards. If we are unable to meet the ESG standards, investment and/or lending criteria, or current and future regulatory requirements set by these investors, regulators, customers, or other stakeholders, we may lose investment and our ability to raise capital and our reputation may be negatively affected. In addition, negative attitudes toward or perceptions of fossil fuel products and their relationship to the environment and climate change may reduce the demand for production of oil and gas in areas of the world where our customers operate or otherwise limit our customers' access to capital or ability to conduct operations, including via new regulation, and reduce future demand for our products and services. Any of these trends may, in turn, adversely affect our financial condition, results of operations and cash flows.

While we may at times engage in voluntary initiatives (such as voluntary disclosures, certifications, or goals, among others) or commitments to improve the ESG profile of our company and/or products, such initiatives or achievements of such commitments may be costly and may not have the desired effect. For example, expectations around company's management of ESG matters continues to evolve rapidly, in many instances due to factors that are out of our control. In addition, we may commit to certain initiatives or goals and we may not ultimately be able to achieve such commitments or goals, either on the timeframes or costs initially anticipated or at all, due to factors that are within or outside of our control. Moreover, actions or statements that we may take based on based on expectations, assumptions, or third-party information that we currently believe to be reasonable may subsequently be determined to be erroneous or be subject to misinterpretation. Even if this is not the case, our current actions may subsequently be determined to be insufficient by various stakeholders, and we may be subject to investor or regulator engagement on our ESG initiatives and disclosures, even if such initiatives are currently voluntary. The increasing attention and pressure from the shareholders, financial institutions and/or financial markets could also increase the likelihood of governmental investigations and private litigation.

Additionally, certain market participants, including major institutional investors and capital providers, use third-party benchmarks and scores to assess companies' ESG profiles in making investment or voting decisions. Unfavorable ESG ratings could lead to increased negative investor sentiment toward us or our industry, which could negatively impact our share price as well as our access to and cost of capital. To the extent ESG matters negatively impact our reputation, it may also impede our ability to compete as effectively to attract and retain employees or customers, which may adversely impact our operations. We also expect there to be increasing ESG-related regulations, disclosure-related and otherwise, which could magnify any of the risks identified in this risk factor. For more information, see our risk factor titled "*Compliance with environmental and climate change-related laws and regulations may adversely affect our business and results of operations.*" Our customers and suppliers may be subject to similar risks, which may also result in augmented or additional risks.

We are exploring investments in Energy Transition, and uncertainties with respect to these markets may adversely affect our business.
Uncertainties with respect to the energy transition may adversely affect our business. As a result of our evolution in the renewable energies arena, we are exploring opportunities in greenhouse gas removal, offshore floating renewables, and hydrogen. While we have subsea and surface expertise, as well as capabilities in project integration, we are exploring opportunities that are new to us, and therefore involve uncertainties and risks.

The market for renewable energy is also intensively competitive and rapidly evolving. If the demand for renewable energy fails to grow sufficiently, if new geopolitical, legislative or regulatory initiatives emerge and governments around the world reduce subsidies and economic incentives on renewable energy projects, or if market opportunities manifest themselves in areas that we do not focus on, our New Energy business may not succeed.

Limited operating experience or limited brand recognition in new energy markets may also limit our goals and targets on business expansion.

Risks Related to Our Operations

We may lose money on fixed-price contracts.
As is customary for some of our projects, we often agree to provide products and services under fixed-price contracts. We are subject to material risks in connection with such fixed-price contracts, including bearing greater risk of paying some, if not all, of any cost overruns. It is not possible to estimate with complete certainty the final cost or margin of a project at the time of bidding or during the early phases of its execution. Actual expenses incurred in executing these fixed-price contracts can vary substantially from those originally anticipated for several reasons including, but not limited to, the following:

- unforeseen additional costs related to the purchase of substantial equipment, material, and components necessary for contract fulfillment or labor shortages in the markets where the contracts are performed;
- increasing costs from inflation, rising interest rates as well as supply chain disruptions;
- mechanical failure of our production equipment and machinery;
- delays caused by local weather conditions and/or natural disasters (including earthquakes, floods and public health crises such as the COVID-19 pandemic), which may become more frequent or severe as a result of climate change; and
- a failure of suppliers, subcontractors, or joint venture partners to perform their contractual obligations.

The realization of any material risks and unforeseen circumstances could also lead to delays in the execution schedule of a project. We may be held liable to a customer should we fail to meet project milestones or deadlines or to comply with other contractual provisions. Additionally, delays in certain projects could lead to delays in subsequent projects that were scheduled to use equipment and machinery still being utilized on a delayed project.

Pursuant to the terms of fixed-price contracts, we are not always able to increase the price of the contract to reflect factors that were unforeseen at the time our bid was submitted, and this risk may be heightened for projects with longer terms. Depending on the size of a project, variations from estimated contract performance, or variations in multiple contracts, could have a significant impact on our financial condition, results of operations or cash flows.

Our failure to timely deliver our backlog could affect future sales, profitability, and relationships with our customers.
Many of the contracts we enter into with our customers require long manufacturing lead times due to complex technical and logistical requirements. These contracts may contain clauses related to liquidated damages or financial incentives regarding on-time delivery, and a failure by us to deliver in accordance with customer expectations could subject us to liquidated damages or loss of financial incentives, reduce our margins on these contracts, or result in damage to existing customer relationships. The ability to meet customer delivery schedules for this backlog is dependent upon a number of factors, including, but not limited to, access to raw materials required for production, an adequately trained and capable workforce, subcontractor performance, project engineering expertise and execution, sufficient manufacturing plant capacity, and appropriate planning and scheduling of manufacturing resources. Failure to deliver backlog in accordance with expectations could negatively impact our financial performance.

We face risks relating to our reliance on subcontractors, suppliers, and our joint venture partners.
We generally rely on subcontractors, suppliers, and our joint venture partners for the performance of our contracts. Although we are not dependent upon any single supplier, certain geographic areas of our business or a project or group of projects may depend heavily on certain suppliers for raw materials or semi-finished goods.

Any difficulty in engaging suitable subcontractors or acquiring equipment and materials could compromise our ability to generate a significant margin on a project or to complete such project within the allocated time frame. If subcontractors, suppliers or joint venture partners refuse to adhere to their contractual obligations with us, or are unable to do so due to a deterioration of their financial condition, we may be unable to find a suitable replacement at a comparable price, or at all. Moreover, the failure of one of our joint venture partners to perform their obligations in a timely and satisfactory manner could lead to additional obligations and costs being imposed on us as we may be obligated to assume our defaulting partner's obligations or compensate our customers.

Any delay, failure to meet contractual obligations, or other event beyond our control or not foreseeable by us, that is attributable to a subcontractor, supplier or joint venture partner, could lead to delays in the overall progress of the project and/or generate significant extra costs. Even if we are entitled to make a claim for these extra costs against the defaulting supplier, subcontractor or joint venture partner, we may be unable to recover the entirety of these costs and this could materially adversely affect our business, financial condition or results of operations.

A failure or breach of our IT infrastructure or that of our subcontractors, suppliers, or joint venture partners, including as a result of cyberattacks, could adversely impact our business and results of operations.
The efficient operation of our business is dependent on the security and integrity of our IT systems, physical assets, and data that we process and maintain. Accordingly, we rely upon the capacity, reliability, and security of our IT hardware and software infrastructure and our ability to expand and update this infrastructure in response to changing needs and evolving threats. We have been and are continuously subject to cyberattacks, including phishing, malware, ransomware and other security incidents. No such attack has had a material adverse effect on our business, however, this may not be the case with future attacks. Our systems and physical assets may be vulnerable to damages from such attacks, as well as from natural disasters, failures or security vulnerabilities in hardware or software, power fluctuations, unauthorized access to data and systems, theft, loss or destruction of data (including confidential customer, employee or contractor information), human error, and other similar disruptions, and we cannot give assurance that any security measures we have implemented or may in the future implement will be sufficient to identify and prevent or mitigate such disruptions. Hybrid working arrangements also present increased cybersecurity risks due to the prevalence of social engineering and other attacks in relation to non-corporate and home workers. If a cyberattack, power outage, connectivity issue, or other event occurred that impacted our employees' ability to work remotely, it may be difficult or, in certain cases, impossible, for us to continue our business for a substantial period of time.

We rely on third parties to support the operation of our IT hardware, software infrastructure, and cloud services, and in certain instances, utilize web-based and software-as-a-service applications, across a broad array of services and functions (e.g., human resources, finance, data transmission, communications, risk compliance, among others). The security and privacy measures implemented by such third parties, as well as the measures implemented by any entities we acquire or with whom we do business, may not be sufficient to identify or prevent cyberattacks, and any such attacks may have a material adverse effect on our business. While our agreements with third parties, such as vendors, typically contain provisions that seek to eliminate or limit our exposure to liability for damages from a cyberattack, we cannot ensure such provisions will withstand legal challenges or cover all or any such damages.

Threats to our IT systems and to those of our subcontractors, suppliers and joint venture partners arise from numerous sources, not all of which are within our or their control, including fraud or malice on the part of insiders or third parties, accidental technological failure, electrical or telecommunication outages, failures of computer servers or other damage to our property or assets, outbreaks of hostilities, terrorist acts, and social engineering (e.g., phishing). The frequency and magnitude of cyberattacks and other security incidents is expected to increase in the future and attackers are becoming more sophisticated. We, as well as other critical business partners, may be unable to anticipate, detect or prevent future attacks, particularly because the methodologies utilized by attackers change frequently or are not recognized until launched, and attackers are increasingly using techniques and tools designed to circumvent controls, to avoid detection, and to remove or obfuscate forensic evidence. The failure of our or others' security controls and measures to prevent, detect, contain or remediate cyberattacks or other significant security incidents could disrupt our business and result in numerous adverse consequences, including reduced effectiveness and efficiency of operations, inappropriate disclosure of confidential and proprietary information, including personal data, litigation or regulatory investigations, actions and fines included for a breach of data protection laws, reputational harm, increased overhead costs including due to compliance requirements, and loss of important information, which could have a material adverse effect on our business and results of operations. In addition, we may be required to incur significant costs to protect against or to mitigate damage caused by these attacks, disruptions or other security incidents in the future. Our insurance coverage may not cover all of the costs and liabilities we incur as the result of these events, and if our business continuity and/or disaster recovery plans do not effectively and timely resolve issues resulting from a cyberattack, we may suffer material adverse effects on our business.

Pirates endanger our maritime employees and assets.
We face material piracy risks in the Gulf of Guinea, the Somali Basin, and the Gulf of Aden, and, to a lesser extent, in Southeast Asia, Malacca, and the Singapore Straits. Piracy represents a risk for both our projects and our vessels, which operate and transport through sensitive maritime areas. Such risks have the potential to significantly harm our crews and to negatively impact the execution schedule for our projects. If our maritime employees or assets are endangered, additional time may be required to find an alternative solution, which may delay project realization and negatively impact our business, financial condition, or results of operations.

New capital asset construction projects for vessels and manufacturing facilities are subject to risks, including delays and cost overruns, which could have a material adverse effect on our financial condition, or results of operations.
From time to time, we carry out capital asset construction projects to maintain, upgrade, and develop our asset base, and such projects are subject to risks of delay and cost overruns that are inherent in any large construction project, resulting from numerous factors including, but not limited to, the following:

- shortages of key equipment, materials or skilled labor;
- inflation, including rising costs of labor;
- delays in the delivery of ordered materials and equipment;
- design and engineering issues; and
- shipyard delays and performance issues.

Failure to complete construction in time, or the inability to complete construction in accordance with design specifications, may result in the loss of revenue. Additionally, capital expenditures for construction projects could materially exceed the initially planned investments, or there could be delays in putting such assets into operation.

Risks Related to Legal Proceedings, Tax, and Regulatory Matters

The industries in which we operate or have operated expose us to potential liabilities, including the installation or use of our products, which may not be covered by insurance or may be in excess of policy limits, or for which expected recoveries may not be realized.

We are subject to potential liabilities arising from, among other possibilities, equipment malfunctions, equipment misuse, personal injuries, and natural disasters, any of which may result in hazardous situations, including uncontrollable flows of oil, gas or well fluids, or other sources of energy, fires, and explosions. Our insurance against these risks may not be adequate to cover our liabilities. Further, the insurance may not generally be available in the future or, if available, premiums may not be commercially justifiable. If we incur substantial liability and the damages are not covered by insurance or are in excess of policy limits, or if we were to incur liability at a time when we were not able to obtain liability insurance, such potential liabilities could have a material adverse effect on our business, results of operations, financial condition or cash flows.

Our operations require us to comply with numerous regulations, violations of which could have a material adverse effect on our financial condition, results of operations, or cash flows.

Our operations and manufacturing activities are governed by international, regional, transnational, and national laws and regulations in every place where we operate relating to matters such as environmental protection, health and safety, labor and employment, import/export controls, currency exchange, bribery and corruption, and taxation. These laws and regulations are complex, frequently change, and have tended to become more stringent over time. In the event the scope of these laws and regulations expands in the future, the incremental cost of compliance could adversely impact our financial condition, results of operations, or cash flows.

Our international operations are subject to anti-corruption laws and regulations, such as the U.S. Foreign Corrupt Practices Act ("**FCPA**"), the U.K. Bribery Act of 2010 (the "**Bribery Act**"), the anti-corruption provisions of French law n° 2016-1691 dated December 9, 2016 relating to Transparency, Anti-corruption and Modernization of the Business Practice ("**Sapin II Law**"), the Brazilian law n° 12,846/13, or the Brazilian Anti-Bribery Act (also known as the Brazilian Clean Company Act), and economic and trade sanctions, including those administered by the United Nations, the European Union, the Office of Foreign Assets Control of the U.S. Department of the Treasury ("**U.S. Treasury**"), and the U.S. Department of State. The FCPA prohibits corruptly providing anything of value to foreign officials for the purposes of obtaining or retaining business or securing any improper business advantage. We may deal with both governments and state-owned business enterprises, the employees of which are considered foreign officials for purposes of the FCPA. The provisions of the Bribery Act extend beyond bribery of foreign public officials and are more onerous than the FCPA in a number of other respects, including jurisdiction, non-exemption of facilitation payments, and penalties. Economic and trade sanctions restrict our transactions or dealings with certain sanctioned countries, territories, and designated persons.

As a result of doing business in countries throughout the world, including through partners and agents, we are exposed to a risk of violating anti-corruption laws and sanctions regulations. Some of the international locations in which we currently operate or may operate, in the future, have developing legal systems and may have higher levels of corruption than more developed nations. Our continued expansion and worldwide operations, including in developing countries, our development of joint venture relationships worldwide, and the employment of local agents in the countries in which we operate increase the risk of violations of anti-corruption laws and economic and trade sanctions. Violations of anti-corruption laws and economic and trade sanctions are punishable by civil penalties, including fines, denial of export privileges, injunctions, asset seizures, debarment from government contracts (and termination of existing contracts), and revocations or restrictions of licenses, as well as criminal fines and imprisonment. In addition, any major violations could have a significant impact on our reputation and, consequently, on our ability to win future business.

We have implemented policies and procedures designed to minimize and detect potential violations of laws and regulations in a timely manner but we can provide no assurance that such policies and procedures will be followed at all times or will effectively detect and prevent violations of the applicable laws by one or more of our employees, consultants, agents, or partners. The occurrence of any such violation could subject us to penalties and material adverse consequences on our business, financial condition, results of operations, or cash flows.

Compliance with environmental and climate change-related laws and regulations may adversely affect our business and results of operations.
Environmental laws and regulations in various countries affect the equipment, systems, and services we design, market, and sell, as well as the facilities where we manufacture our equipment and systems, and any other operations we undertake. We are required to invest financial and managerial resources to comply with environmental laws and regulations, and believe that we will continue to be required to do so in the future. Failure to comply with these laws and regulations may result in the assessment of administrative, civil, and criminal penalties, the imposition of remedial obligations, the issuance of orders enjoining our operations, or other claims and complaints. Additionally, our insurance and compliance costs may increase as a result of changes in environmental laws and regulations or changes in enforcement. These laws and regulations, as well as any new laws and regulations affecting exploration and development of drilling for crude oil and natural gas, are becoming increasingly strict and could adversely affect our business and operating results by increasing our costs, limiting the demand for our products and services, or restricting our operations.

Regulatory requirements related to ESG (including sustainability) matters have been, and are being, implemented in the United Kingdom in particular, in relation to financial market participants. Such regulatory requirements are being implemented on a phased basis. We expect regulatory requirements related to, and investor focus on, ESG (including sustainability) matters to continue to expand in the U.K., the U.S., and more globally. For example, in the United States, the SEC has proposed climate-related disclosure requirements addressing governance, strategy, risk management, emissions metrics, and financial impacts, among other things, which could require us to incur additional costs for monitoring and compliance.

Existing or future laws and regulations relating to greenhouse gas emissions and climate change may adversely affect our business.
Climate change continues to attract considerable public and scientific attention. As a result, numerous laws, regulations, and proposals have been made and are likely to continue to be made at the international, national, regional, and state levels of government to monitor and limit emissions of carbon dioxide, methane, and other GHGs. These efforts have included cap-and-trade programs, carbon taxes, GHG reporting and tracking programs and regulations that directly limit GHG emissions from certain sources. Such existing or future laws, regulations, and proposals concerning the release of GHGs or that concern climate change (including laws, regulations, and proposals that seek to mitigate the effects of climate change) may adversely impact demand for the equipment, systems and services we design, market and sell. For example, oil and natural gas exploration and production may decline as a result of such laws, regulations, and proposals, and as a consequence, demand for our equipment, systems and services may also decline. In addition, such laws, regulations, and proposals may also result in more onerous obligations with respect to our operations, including the facilities where we manufacture our equipment and systems. Such decline in demand for our equipment, systems and services and such onerous obligations in respect of our operations may adversely affect our financial condition, results of operations, or cash flows.

As an English public limited company, we must meet certain additional financial requirements before we may declare dividends or repurchase shares and certain capital structure decisions may require stockholder approval which may limit our flexibility to manage our capital structure. We may not be able to pay dividends or repurchase our ordinary shares in accordance with our announced intent, or at all.
Under English law, we will only be able to declare dividends, make distributions, or repurchase shares (other than out of the proceeds of a new issuance of shares for that purpose) out of "distributable profits." Distributable profits are a company's accumulated, realized profits, to the extent that they have not been previously utilized by distribution or capitalization, less its accumulated, realized losses, to the extent that they have not been previously written off in a reduction or reorganization of capital duly made. In addition, as a public limited company incorporated in England and

Wales, we may only make a distribution if the amount of our net assets is not less than the aggregate of our called-up share capital and non-distributable reserves, to the extent that the distribution does not reduce the amount of those assets to less than that aggregate.

Our articles of association permit us by ordinary resolution of the stockholders to declare dividends, provided that the directors have made a recommendation as to its amount. The dividend shall not exceed the amount recommended by the Board of Directors. The directors may also decide to pay interim dividends if it appears to them that the profits available for distribution justify such payment. When recommending or declaring payment of a dividend, the directors are required under English law to comply with their duties, including considering our future financial requirements.

In addition, the Board of Directors' determinations regarding dividends and share repurchases will depend on a variety of other factors, including our net income, cash flows generated from operations or other sources, liquidity position, and potential alternative uses of cash, such as acquisitions, as well as economic conditions and expected future financial results. Our ability to declare and pay future dividends and make future share repurchases will depend on our future financial performance, which in turn depends on the successful implementation of our strategy and on financial, competitive, regulatory, technical, general economic conditions, demand and selling prices for our products and services, and other factors specific to our industry or specific projects, many of which are beyond our control. Therefore, our ability to generate cash depends on the performance of our operations and could be limited by decreases in our profitability or increases in costs, regulatory changes, capital expenditures, or debt servicing requirements.

Any failure to pay dividends or repurchase shares of our ordinary shares could negatively impact our reputation, harm investor confidence in us, and cause the market price of our ordinary shares to decline.

Uninsured claims and litigation against us, including product liability and claims and intellectual property litigation, could adversely impact our financial condition, results of operations, or cash flows.

We could be impacted by the outcome of pending litigation, as well as unexpected litigation or proceedings. We have insurance coverage against operating hazards, including product liability claims and personal injury claims related to our products or operating environments in which our employees operate, to the extent deemed prudent by our management and to the extent insurance is available. However, our insurance policies are subject to exclusions, limitations, and other conditions and may not apply in all cases, for example, where willful wrongdoing on our part is alleged. Additionally, the nature and amount of that insurance may not be sufficient to fully indemnify us against liabilities arising out of pending and future claims and litigation. Additionally, in individual circumstances, certain proceedings or cases may also lead to our formal or informal exclusion from tenders or the revocation or loss of business licenses or permits. Our financial condition, results of operations, or cash flows could be adversely affected by unexpected claims not covered by insurance.

In addition, the tools, techniques, methodologies, programs, and components we use to provide our services may infringe upon the intellectual property rights of others. Infringement claims generally result in significant legal and other costs. The resolution of these claims could require us to pay damages, enter into license agreements or develop alternative technologies. The development of these technologies or the payment of royalties under licenses from third parties, if available, would increase our costs. If a license were not available, or we are not able to develop alternative technologies, we might not be able to continue providing a particular service or product, which could adversely affect our financial condition, results of operations, or cash flows.

We are subject to governmental regulation and other legal obligations related to privacy, data protection, and data security. Our actual or perceived failure to comply with such obligations could harm our business.

We are subject to international data protection laws, such as the General Data Protection Regulation 2016/679, or GDPR, in the European Economic Area, or EEA, and the U.K. equivalent ("**U.K. GDPR**"). The GDPR, U.K. GDPR and implementing legislation in the EEA and U.K. impose several stringent requirements for controllers and processors of personal data which have increased our obligations, including, for example, by requiring more robust disclosures to individuals, notifications, in some cases, of data breaches to regulators and data subjects, and a record of processing and other policies and procedures to be maintained to adhere to the accountability principle.

In addition, we are subject to the GDPR and U.K. GDPR's rules on transferring personal data outside of the EEA and U.K. (including to the U.S.), and recent legal developments in Europe have created complexity and uncertainty regarding such transfers. On July 16, 2020, the Court of Justice of the European Union ("**CJEU**") invalidated the EU-US Privacy Shield Framework ("**Privacy Shield**") under which personal data could be transferred from the EEA (and the U.K.) to US entities who had self-certified under the Privacy Shield scheme, and the decision cast uncertainly on when transfers could be made under the standard contractual clauses; compliance with such may require us to change processes by which we transfer data outside of the EEA and U.K., including to the U.S. We currently rely on the standard contractual clauses to transfer personal data outside the EEA and U.K. The European Commission has published revised standard contractual clauses for data transfers from the EEA: the revised clauses have been mandatory for relevant, new transfers since September 27, 2021 and for relevant, existing transfers, since December 27, 2022. The U.K.'s Information Commissioner's Office has published new data transfer standard contracts for transfers from the U.K. under the U.K. GDPR. This new documentation has been mandatory for relevant, new data transfers since September 21, 2022; existing standard contractual clauses arrangements must be migrated to the new documentation by March 21, 2024. We will be required to implement the latest U.K. data transfer documentation for data transfers subject to the U.K. GDPR within the relevant time frames. As the enforcement landscape further develops, and supervisory authorities issue further guidance on personal data export mechanisms, including circumstances where the standard contractual clauses cannot be used, and/or start taking enforcement action, we could suffer additional costs, complaints and/or regulatory investigations or fines, and/or if we are otherwise unable to transfer personal data between and among countries and regions in which we operate, it could affect the manner in which we provide our services, the geographical location or segregation of our relevant systems and operations, and could adversely affect our financial results.

We are also subject to evolving EU and U.K. privacy laws on cookies and e-marketing. Recent European court and regulator decisions are driving increased attention to cookies and tracking technologies, regulators are also increasingly focusing on compliance with requirements in the online behavioral advertising ecosystem, and current national laws that implement the ePrivacy Directive are highly likely to be replaced by an EU regulation known as the ePrivacy Regulation which will significantly increase fines for non-compliance. If regulators start to enforce the strict approach in recent guidance, this could lead to substantial costs, and require significant systems changes.

Failure to comply with the requirements of GDPR, U.K. GDPR and the local laws implementing or supplementing the GDPR could result in fines (for example, non-compliance with the GDPR or U.K. GDPR, specifically, may result in administrative fines or monetary penalties, by each regime, up to the greater of €20,000,000/ £17,000,000 or up to 4% of the total worldwide annual turnover of the preceding financial year). In addition, we may also face regulatory investigations and enforcement action, reputational damage, and civil claims including representative actions and other class action type litigation, potentially amounting to significant compensation or damages liabilities, as well as associated costs, diversion of internal resources, and reputational harm.

We are likely to be required to expend significant capital and other resources to ensure ongoing compliance with the GDPR, U.K. GDPR and other applicable data protection legislation, and we may be required to put in place additional control mechanisms which could be onerous and adversely affect our business, financial condition, results of operations, or cash flows.

The IRS may not agree that we should be treated as a foreign corporation for U.S. federal tax purposes and may seek to impose an excise tax on gains recognized by certain individuals.

Although we are incorporated in the U.K., the U.S. Internal Revenue Service (the "**IRS**") may assert that we should be treated as a U.S. "domestic" corporation (and, therefore, a U.S. tax resident) for U.S. federal income tax purposes pursuant to Section 7874 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"). For U.S. federal income tax purposes, a corporation (i) is generally considered a "domestic" corporation (or U.S. tax resident) if it is organized in the U.S. or of any state or political subdivision therein, and (ii) is generally considered a "foreign" corporation (or non-U.S. tax resident) if it is not considered a domestic corporation. Because we are a U.K. incorporated entity, we would be considered a foreign corporation (and, therefore, a non-U.S. tax resident) under these rules. Section 7874 of the Code

("**Section 7874**") provides an exception under which a foreign incorporated entity may, in certain circumstances, be treated as a domestic corporation for U.S. federal income tax purposes.

We do not believe this exception applies. However, the Section 7874 rules are complex and subject to detailed regulations, the application of which is uncertain in various respects. It is possible that the IRS will not agree with our position. Should the IRS successfully challenge our position, it is also possible that an excise tax under Section 4985 of the Code (the "**Section 4985 Excise Tax**") may be assessed against certain "disqualified individuals" (including former officers and directors of FMC Technologies, Inc.) on certain stock-based compensation held thereby. We may, if we determine that it is appropriate, provide disqualified individuals with a payment with respect to the Section 4985 Excise Tax, so that, on a net after-tax basis, they would be in the same position as if no such Section 4985 Excise Tax had been applied.

In addition, there can be no assurance that there will not be a change in law or interpretation, including with retroactive effect, that might cause us to be treated as a domestic corporation for U.S. federal income tax purposes.

U.S. tax laws and/or guidance could affect our ability to engage in certain acquisition strategies and certain internal restructurings.

Even if we are treated as a foreign corporation for U.S. federal income tax purposes, Section 7874, U.S. Treasury regulations, and other guidance promulgated thereunder may adversely affect our ability to engage in certain future acquisitions of U.S. businesses or to restructure the non-U.S. members of our group. These limitations, if applicable, may affect the tax efficiencies that otherwise might be achieved in such potential future transactions or restructurings.

In addition, the IRS and the U.S. Treasury have issued final and temporary regulations providing that, even if we are treated as a foreign corporation for U.S. federal income tax purposes, certain intercompany debt instruments issued on or after April 4, 2016 will be treated as equity for U.S. federal income tax purposes, therefore limiting U.S. tax benefits and resulting in possible U.S. withholding taxes. Although the U.S. Treasury, through guidance, removes certain documentation requirements that would otherwise be imposed with respect to covered debt instruments, announces an intention to further modify and possibly withdraw certain classification rules relating to covered debt instruments, and further indicates that these rules generally are the subject of continuing study and may be further materially modified, the current regulations may adversely affect our future effective tax rate and could also impact our ability to engage in future restructurings if such transactions cause an existing intercompany debt instrument to be treated as reissued for U.S. federal income tax purposes.

We are subject to the tax laws of numerous jurisdictions; challenges to the interpretation of, or future changes to, such laws could adversely affect us.

We and our subsidiaries are subject to tax laws and regulations in the U.K., the U.S., France, and numerous other jurisdictions in which we and our subsidiaries operate. These laws and regulations are inherently complex, and we are, and will continue to be, obligated to make judgments and interpretations about the application of these laws and regulations to our operations and businesses. The interpretation and application of these laws and regulations could be challenged by the relevant governmental authorities, which could result in administrative or judicial procedures, actions, or sanctions, which could be material.

On December 22, 2017, the Tax Cuts and Jobs Act was signed into law in the U.S., which made extensive changes to the U.S. taxation of multinational companies, and is subject to continuing regulatory and possible legislative changes, especially given the new Administration and Congress in the U.S. In addition, the U.S. Congress, the U.K. Government, the European Union, the Organization for Economic Co-operation and Development (the "**OECD**"), and other government agencies in jurisdictions where we and our affiliates do business have an extended focus on issues related to the taxation of multinational corporations. For instance, in October 2021, the OECD released additional proposals under Base Erosion and Profit Shifting that provide for a global minimum tax of 15%, and to date approximately 140 countries have tentatively signed a framework agreeing in principle to this initiative. The implementation of this global minimum tax, however, is contingent upon the independent actions of participating countries and is subject to further negotiation among OECD member states. New tax initiatives, directives, and rules, such as the U.S. Tax Cuts and Jobs Act, the OECD's Base Erosion and Profit Shifting initiative, and the European Union's Anti-Tax Avoidance Directives, may increase our tax burden and require additional compliance-related expenditures. As a result, our financial condition, results of operations, or cash flows may be adversely affected. Moreover, the U.S. government, and other jurisdictions in which we do business, may enact significant changes to the taxation of business entities including, among others, the imposition of minimum taxes or surtaxes on certain types of income. The likelihood of these changes being enacted or implemented is unclear. Further changes, including with retroactive effect, in the tax laws of the U.S. (such as the recent United States Inflation Reduction Act which, among other changes, introduced a 15% corporate minimum tax on certain U.S. corporations and a 1% excise tax on certain stock redemptions by U.S. corporations, which the U.S. Treasury indicated may also apply to certain stock redemptions by a foreign corporation funded by certain U.S. affiliates), the U.K., the European Union, or other countries in which we and our affiliates do business could adversely affect us.

We may not qualify for benefits under tax treaties entered into between the U.K. and other countries.

We operate in a manner such that we believe we are eligible for benefits under tax treaties between the U.K. and other countries. However, our ability to qualify for such benefits will depend on whether we are treated as a U.K. tax resident, the requirements contained in each treaty and applicable domestic laws, on the facts and circumstances surrounding our operations and management, and on the relevant interpretation of the tax authorities and courts. For example, because of Brexit, we may lose some or all of the benefits of tax treaties between the U.S. and the remaining members of the European Union, and face higher tax liabilities, which may be significant. Another example is the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (the "**MLI**"), which entered into force for participating jurisdictions on July 1, 2018. The MLI recommends that countries adopt a "limitation-on-benefit" ("**LOB**") rule and/or a "principal purpose test" ("**PPT**") rule with regards to their tax treaties. The application of the LOB rule or the PPT rule could deny us treaty benefits (such as a reduced rate of withholding tax) that were previously available and as such there remains uncertainty as to whether and, if so, to what extent such treaty benefits will continue to be available. The position is likely to remain uncertain for a number of years.

The failure by us or our subsidiaries to qualify for benefits under tax treaties entered into between the U.K. and other countries could result in adverse tax consequences to us (including an increased tax burden and increased filing obligations) and could result in certain tax consequences of owning and disposing of our shares.

We intend to be treated exclusively as a resident of the U.K. for tax purposes, but French or other tax authorities may seek to treat us as a tax resident of another jurisdiction.

We are incorporated in the U.K. English law currently provides that we will be regarded as a U.K. resident for tax purposes from incorporation and shall remain so unless (i) we are concurrently a resident in another jurisdiction (applying the tax residence rules of that jurisdiction) that has a double tax treaty with the U.K. and (ii) there is a tiebreaker provision in that tax treaty which allocates exclusive residence to that other jurisdiction.

In this regard, we had a permanent establishment in France to satisfy certain French tax requirements imposed by the French Tax Code with respect to the Merger. The assets and liabilities pertaining to this permanent establishment were contributed on December 27, 2022 to one of our French subsidiaries with retroactive effect as of January 1, 2022, in accordance with a tax ruling issued by the French tax authorities, as a result of which this permanent establishment has been deregistered before the close of the 2022 fiscal year. Although it is intended that we will be treated as having our exclusive place of tax residence in the U.K., the French tax authorities may claim, for the period prior to the reorganization, that we were a tax resident of France if we were to have failed to maintain our "place of effective management" in the U.K. over that period as a result of the activities of such permanent establishment. Any such claim would be settled between the French and U.K. tax authorities pursuant to the mutual assistance procedure provided for by the tax treaty concluded between France and the U.K. There is no assurance that these authorities would reach an agreement that we will remain exclusively a U.K. tax resident; an adverse determination could materially and adversely affect our business, financial condition, results of operations, or cash flows. A failure to maintain exclusive tax residency in the U.K. could result in adverse tax consequences to us and our subsidiaries and could result in certain adverse changes in the tax consequences of owning and disposing of our shares.

General Risk Factors

Our businesses are dependent on the continuing services of our key managers and employees.
We depend on key personnel. The loss of any key personnel could adversely impact our business if we are unable to implement key strategies or transactions in their absence. The loss of qualified employees or failure to retain and motivate additional highly skilled employees required for the operation and expansion of our business could hinder our operation and expansion, as well as our ability to successfully conduct research activities and develop marketable products and services.

Seasonal and weather conditions could adversely affect demand for our services and operations.
Our business may be materially affected by variation from normal weather patterns, such as cooler or warmer summers and winters. Adverse weather conditions, such as tropical storms in the Gulf of Mexico or Indo-Pacific or extreme winter conditions in Canada, and the North Sea, may interrupt or curtail our operations, or our customers' operations, cause supply disruptions or loss of productivity, and may result in a loss of revenue or damage to our equipment and facilities, which may or may not be insured. In addition, acute or chronic physical impacts of climate change, such as sea level rise, coastal storm surge, inland flooding from intense rainfall and hurricane-strength winds may damage our facilities or the facilities of key third parties. Increasing concentrations of greenhouse gases in the Earth's atmosphere may produce climate changes that increase variation from normal weather patterns, such as increased frequency and severity of storms, floods, droughts, and other climatic events, as well as changes to temperature and precipitation patterns, which could further impact our operations. Significant physical effects of climate change could also have a direct effect on our operations and an indirect effect on our business by interrupting the operations of those with whom we do business. Any of these events or outcomes could have a material adverse effect on our business, financial condition, cash flows, or results of operations.

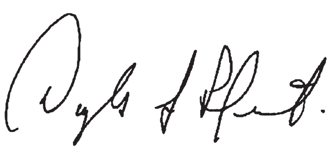
Currency exchange rate fluctuations could adversely affect our financial condition, results of operations, or cash flows.
We conduct operations around the world in many different currencies. Because significant portions of our revenue and expenses are denominated in currencies other than our reporting currency, the U.S. dollar, changes in exchange rates will produce fluctuations in our revenue, costs, and earnings, and may also affect the book value of our assets and liabilities and related equity. We hedge transaction impacts on margins and earnings where a transaction is not in the functional currency of the business unit, but we do not hedge translation impacts on earnings. Our efforts to minimize our currency exposure through such hedging transactions may not be successful depending on market and business conditions. Moreover, our ability to hedge certain currencies in which we conduct operations, specifically currencies in countries such as Angola and Nigeria, may be limited; therefore, we may be subject to increased foreign currency exposures. As a result, fluctuations in foreign currency exchange rates may adversely affect our financial condition, results of operations, or cash flows.

We are exposed to risks in connection with our defined benefit pension plan commitments.
We have funded and unfunded defined benefit pension plans, which provide defined benefits based on years of service and salary. We are required to recognize the funded status of defined benefit post-retirement plans as an asset or liability in the consolidated balance sheet and recognize changes in that funded status in comprehensive income in the year in which the changes occur. Further, we are required to measure each plan's assets and its obligations that determine its funded status as of the date of the consolidated balance sheet. Each defined benefit pension plan's assets are invested in different asset classes and their value may fluctuate in accordance with market conditions. Any deterioration in the value of the defined benefit pension plan assets could therefore increase our obligations. Any such increases in our net pension obligations could adversely affect our financial condition due to increased additional outflow of funds to finance the pension obligations.

In addition, applicable law and/or the terms of the relevant defined benefit pension plan may require us to make cash contributions or provide financial support upon the occurrence of certain events. We cannot predict whether, or to what extent, changing market or economic conditions, regulatory changes or other factors will further increase our pension expense or funding obligations. For further information regarding our pension liabilities, see Note 20 for further information.

We may be unable to obtain sufficient bonding capacity for certain contracts, and the need for performance and surety bonds could reduce availability under our credit facility.
In line with industry practice, we are often required to post standby letters of credit to customers or enter into surety bond arrangements in favor of customers. Those letters of credit and surety bond arrangements generally protect customers against our failure to perform our obligations under the applicable contracts. If we are unable to renew or obtain a sufficient level of bonding capacity in the future, we may be precluded from bidding for certain contracts or contracting with certain customers. Additionally, even if we are able to successfully renew or obtain performance or payment bonds, we may be required to post letters of credit in connection with the bonds. The letters of credit would reduce availability under our credit facility. Furthermore, under standard terms in the surety market, sureties issue bonds on a project-by-project basis and can decline to issue bonds at any time or require the posting of additional collateral as a condition to issuing or renewing any bonds. If we were to experience an interruption or reduction in the availability of bonding capacity as a result of these or any other reasons, we may be unable to compete for or work on projects that require bonding.

On behalf of the Board



Douglas J. Pferdehirt
Chair and CEO

March 17, 2023

Directors' Report

The Board of Directors (the "**Board**") presents its report together with the audited financial statements of the Company and our consolidated subsidiaries for the year ended December 31, 2022.

The Company complies with the U.K. Companies Act 2006 (the "**Companies Act**") reporting requirements provided by Companies (Miscellaneous Reporting) Regulations 2018 (SI 2018/860). All information required has been incorporated in the Strategic report and this Directors' Report.

Directors

The directors of the Company who held office during the year ended December 31, 2022, and at the date of this Directors' Report, were as follows:

Executive Director

<u>**Chair and CEO**</u>

Douglas J. Pferdehirt

Non-Executive Directors

Claire S. Farley
Eleazar de Carvalho Filho
Robert G. Gwin (effective February 1, 2023)
Peter Mellbye (not standing for re-election at 2023 annual general meeting of shareholders)
John O'Leary
Margareth Øvrum
Kay G. Priestly
John Yearwood
Sophie Zurquiyah

The appointment and replacement of the directors is governed by the Companies Act and the Company's articles of association (the "**Articles of Association**").

The Board is responsible for promoting the long-term success of the Company. The Board is responsible for implementation, understanding, and pursuit of a sound strategy for the success of the Company, relying upon a framework of corporate governance and internal controls that are designed to protect the Company's assets. The day-to-day management of the business is delegated to the executive leadership team apart from matters specifically reserved for the Board's decision. The Board delegates some of its duties and powers to Board committees, each of which has a written charter, available on the Company's website.

The current directors of the Company have been appointed pursuant to the Articles of Association. Subject to the Articles of Association and the Companies Act, a director may be appointed by an ordinary resolution at an annual meeting of shareholders or by a decision of the Board.

Subject to the provisions of the Companies Act, the Articles of Association, the business of the Company is managed by the Board, which may exercise all the powers of the Company whether relating to the management of the business of the Company or not. The Board may delegate authorities to committees, and may delegate the day-to-day management and decision making to the Chief Executive Officer.

Share Capital and Articles of Association of the Company

As at the close of business on March 6, 2023, being the latest practicable date prior to the publication of this Directors' Report, the issued and fully paid share capital of the Company was as follows:

Class of shares	Number of shares	Nominal value
Ordinary	441,308,014	$441,308,014

There are no specific restrictions on the size of a holding, voting rights, or on the transfer of shares. No person has any special rights of control over the Company's share capital and all issued shares are fully paid. The Board is not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or voting rights.

Pursuant to a shareholder resolution passed at the Company's 2022 annual general meeting of shareholders on April 29, 2022 ("**2022 AGM**"), the Directors have the authority to allot and issue such number of ordinary shares as represents one third of the Company's issued share capital, being an aggregate nominal amount equal to $150,722,858, for general purposes plus an additional number of ordinary shares as represents a further one third of the Company's issued share capital, being an aggregate nominal amount equal to $150,722,858, in connection with a rights issue, in each case on a preemptive basis. The Directors are further authorized by a shareholder resolution passed at the 2022 AGM to allot and issue such number of the aforementioned ordinary shares as represents 5% of the Company's issued share capital, being an aggregate nominal value equal to $22,608,428, for general purposes plus an additional number of the aforementioned ordinary shares as represents a further 5% of the Company's issued share capital, being an aggregate nominal amount equal to $22,608,428, in connection with an acquisition or specified capital investment, in certain circumstances, as if the preemption rights set out in section 561(1) of the U.K. Companies Act 2006 did not apply. Each authorization relating to the allotment of shares expires at the earlier of (a) the conclusion of the Company's annual general meeting of shareholders in 2023 ("**2023 AGM**") or (b) at the close of business on July 29, 2023. New authorities are being recommended by the Board of Directors for approval by shareholders at our 2023 AGM. Specific powers relating to the ability of the Company to repurchase ordinary shares are included in the Articles of Association provided such repurchase is in accordance with the repurchase contracts and counterparties approved by shareholders at the 2021 Annual General Meeting.

Shareholders shall not be entitled to vote at any shareholders' meetings or at a separate meeting of the holders of any class of shares, either in person or by representative or proxy, in respect of any share held by them unless all amounts presently payable by them in respect of that share have been paid.

Subject to the Articles of Association and the Companies Act, a shareholder (or any person appearing to be interested in any such shareholder's shares) may be served with a notice under section 793 of the Companies Act. If the Board is satisfied that such shareholder or person has failed to supply to the Company the required information for the prescribed period, or in purported compliance with the section 793 notice, has made a statement that is materially false or inadequate, the Board may direct that the shareholder shall not be entitled to attend or vote in respect of these shares.

The Company operates a TechnipFMC Incentive Award Plan for which certain employees are eligible. Details are set out in Note 18 to the consolidated financial statements contained in this U.K. Annual Report, and in the proxy statement related to our 2023 AGM, as required by the U.S. Securities and Exchange Commission (the "Proxy Statement") available on our website at ***www.technipfmc.com*** under the heading "*Investors > Events and presentations > Shareholders' meeting.*"

The process of amending the Articles of Association is subject to the procedure outlined in the Companies Act.

Share Repurchases

A share repurchase program authorization was granted by shareholders at the 2021 Annual General Meeting of Shareholders ("**Annual General Meeting**") on May 20, 2021 with a five-year validity period from that date. These authorities will expire on May 21, 2026.

Historic reports on share repurchases can be found at: ***https://investors.technipfmc.com/stock-information/share-repurchase-program***. The Company does not currently hold any treasury shares and all ordinary shares repurchased under the share repurchase program were canceled and not held as treasury shares. The objective of the share repurchase program was to reduce the Company's issued share capital. Purchases of the Company's ordinary shares under the share repurchase program were carried out on the NYSE. The Company purchased 10,065,498 ordinary shares during the financial year ending December 31, 2022.

The Company established an Employee Benefit Trust ("**EBT**"), an offshore discretionary employee benefit trust, in 2017, for the purposes of administering the Company's share-based awards granted under shareholder-approved incentive plans. As at the close of business on March 6, 2023, being the latest practicable date prior to the publication of this Directors' Report, the EBT held 6,019 ordinary shares of the Company.

Significant Shareholdings

As at the close of business on March 6, 2023, being the latest practicable date prior to the publication of this Directors' Report, the Company's significant shareholders who had notified the Company that they hold 5% or more of the Company's ordinary shares were as follows:

Name and Address of Beneficial Owner	Shares	Percent of Class[1]
T. Rowe Price Associates, Inc. 100 E. Pratt Street Baltimore, MD 21202	58,933,447[2]	13.4%
FMR, LLC 245 Summer Street Boston, MA 02210	42,290,758[3]	9.6%
T. Rowe Price Mid-Cap Value Fund, Inc. 100 E. Pratt Street Baltimore, MD 21202	25,656,726[4]	5.8%

(1) The calculation of percentage of ownership of each listed beneficial owner is based on 441,308,014 Ordinary Shares outstanding on March 6, 2023.

(2) Based solely on a Schedule 13G/A filed with the SEC on February 14, 2023, T. Rowe Price Associates, Inc. has sole voting power over 21,945,617 Ordinary Shares and sole dispositive power over 58,933,447, Ordinary Shares.

(3) Based solely on a Schedule 13G filed by FMR LLC and Abigail P. Johnson, a Director and the Chairman and the Chief Executive Officer of FMR LLC, with the SEC on February 9, 2023. FMR LLC has sole voting power with respect to 42,290,585 shares and sole dispositive power with respect to 42,290,758 shares. Ms. Johnson has sole dispositive power with respect to 42,290,758 shares.

(4) Based solely on a Schedule 13G/A filed with the SEC on February 14, 2023, T. Rowe Price Mid-Cap Value Fund, Inc. has sole voting power over 25,656,726 Ordinary Shares.

Directors' Indemnities

Each of our directors is covered by appropriate directors' and officers' liability insurance, and there are also deeds of indemnity in place between the Company and each director. These deeds of indemnity provide for the Company to indemnify the directors in respect of any proceedings brought by third parties against them personally in their capacity as directors of the Company. The Company would also fund ongoing costs in defending a legal action as they are incurred rather than after judgment has been given. In the event of an unsuccessful defense in an action against directors in a criminal or civil action, individual directors would be liable to repay defense costs to the extent funded by the Company.

Company Details and Branches Outside the United Kingdom

The Company is a public limited company incorporated in England and Wales with registered number 09909709, and with our registered office at Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, United Kingdom.

Dividend

There were no dividends paid or declared during the year ended December 31, 2022.

Employee Engagement and Business Relationship

Further information on our work on strengthening social dialogue and internal communication, as part of our labor relations, along with information on how we promote cultural and ethnic diversity, including the provision of employment to people with disabilities, is described in the section entitled "*Employee Matters*" of the Strategic Report. Advancing gender diversity is a strategic objective for the Company. More information can be found in the section entitled "*Social*" of the Strategic Report. More information on how we take into consideration the need to engage with our employees and foster business relationships can be found in the section entitled "*Decision making and section 172 of the Companies Act*" of the Strategic Report.

Greenhouse Gas Emissions and Energy Consumption

The annual quantity of GHG emissions measured in tonnes of CO_2 equivalent resulting from activities for which the Company is responsible and has operational control over (including the combustion of fuel and the operation of any facility), is described in the section entitled "*Environmental*" of the Strategic Report.

The annual quantity of emissions from the purchase of electricity, heat, steam, or cooling by the Company for its own use is described in the section entitled "*Environmental*" of the Strategic Report.

The annual energy measured in kWh consumed from activities for which the Company is responsible (including the combustion of fuel and the operation of any facility) and the annual quantity of energy consumed resulting from the purchase of electricity, heat, steam, or cooling by the Company for its own use, is described in the section entitled "*Environmental*" of the Strategic Report.

Events since December 31, 2022

No other significant events since December 31, 2022 are reported.

Future Developments

Expected future developments of the Company and our subsidiaries are set out in the Strategic Report.

Change in Control

The Companies Act requires the Company to identify (i) those significant arrangements to which the Company is party that take effect, alter, or terminate upon a change of control of the Company following a takeover bid, (ii) the effects of any such agreements, and (iii) any agreements with the Company and our directors or employees for compensation for loss of office or employment that occurs because of a takeover bid.

Provisions under executive severance agreements entered into by each of the Company's executives, except for our Executive Chair, may be triggered in the event of a change of control if certain conditions are met.

The impact of a change in control on the remuneration of the directors of the Company is set out in the paragraph entitled "*Potential Payments upon Change in Control*" of the Directors' Remuneration Policy.

Political Donations

The Company has not made any political donations or incurred any political expenditure during the year ended December 31, 2022. In addition, the Company has not made any contributions to a non-U.K. political party during the year ended December 31, 2022.

Financial Risk Management Objectives/Policies and Hedging Arrangements

The Board believes that one of its most important roles is the oversight of the Company's management of risk, which the Board accomplishes through its Enterprise Risk Management program. Management presents to the Board the risk areas that it believes to be the most significant and the plan for the assessment, monitoring, and management of those risks. The Board has ultimate responsibility for overall risk management oversight; however, it has designated the Audit Committee with oversight of financial risk. The Audit Committee discusses with management on a regular basis financial reporting, liquidity, contract management, legal and regulatory compliance, information-related risks, including cybersecurity, taxes, and foreign exchange. The Audit Committee reviews the potential financial impacts of these risks, the steps the Company takes to ensure that appropriate processes are in place to identify, manage, and control financial and business risks and that the Company has adequate insurance coverage to mitigate these risks. In cases where a practice or procedure is identified, or an operational incident occurs that could heighten the possibility of a negative impact on our operations or financial results, our management reports to the Board the steps to be taken to ensure that the risk is appropriately managed.

Please refer to Note 30 of the consolidated financial statements contained in this U.K. Annual Report for information on the Company's financial risk management objectives and policies and hedging policies and arrangements.

Research and Development

Please refer to the paragraph entitled "*Research and Development*" of the Strategic Report.

Directors' Responsibility Statements

The directors are responsible for preparing the U.K. Annual Report and Accounts for the year ended December 31, 2022 and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group financial statements in accordance with U.K.-adopted international accounting standards and company financial statements in accordance with U.K. Generally Accepted Accounting Practice (U.K. Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the group and of the profit or loss of the Company and the group for that period.

In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgments and accounting estimates that are reasonable and prudent
- State whether U.K.-adopted international accounting standards have been followed for the group financial statements and U.K. Accounting Standards, comprising FRS 101, have been followed for the company financial statements, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and the group will continue in business

The directors are responsible for ensuring that the Company keeps adequate accounting records that are sufficient to show and explain the Company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the group and enable them to ensure that the financial statements and the U.K. Annual Report comply with the Companies Act.

They are also responsible for safeguarding the assets of the Company and the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the Company's website. Legislation in the U.K. governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

The directors consider that the annual report and accounts, taken as a whole, is fair, balanced, and understandable and provides the information necessary for shareholders to assess the Company's and the group's position and performance, business model, and strategy.

Each of the current directors, whose names and functions are listed in the section entitled "*Directors*" of this Report confirm that, to the best of their knowledge:

- the group financial statements, which have been prepared in accordance with U.K.-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the group;
- the company financial statements, which have been prepared in accordance with United Kingdom Accounting

Standards, comprising FRS 101, give a true and fair view of the assets, liabilities, and financial position of the Company; and

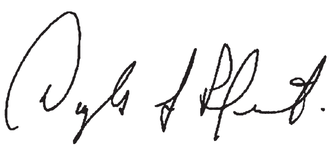
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company and the group, together with a description of the principal risks and uncertainties that it faces.

Statement as to Disclosure to the Auditor

In the case of each director in office at the date the directors' report is approved:

- so far as each director is aware, there is no relevant audit information of which the Company's and the group's auditor is unaware; and
- they have each taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's and the group's auditor is aware of that information.

On behalf of the Board



Douglas J. Pferdehirt
Chair and CEO

March 17, 2023

Directors' Remuneration Report

Introduction and Compliance Statement

The purpose of this Directors' Remuneration Report is to inform shareholders of the remuneration of the directors of TechnipFMC for the period ended December 31, 2022. This report is divided into three sections:

i. The letter from the Chair of the Compensation and Talent Committee;

ii. The Annual Report on Remuneration for 2022 including an upfront "At-a-Glance" section to highlight the key aspects of remuneration policy; and

iii. The Directors' Remuneration Policy approved by shareholders at the 2021 Annual General Meeting on May 20, 2021 (for reference only).

Pursuant to English law, the Directors' Remuneration Report forms part of the statutory annual report of the Company for the year ended December 31, 2022, and has been prepared by the Compensation and Talent Committee on behalf of the Board in accordance with the laws, rules, and regulations applicable to the Company.

The Annual Report on Remuneration (elements of which are audited) describes the directors' fixed and variable pay, share awards, benefits, and pension arrangements, as required by Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, as amended. At the 2023 Annual General Meeting on April 28, 2023, the Directors' Remuneration Report will be subject to a non-binding advisory shareholder vote.

Letter from the Chair of the Compensation and Talent Committee

Dear Shareholders,

On behalf of the Board, I am pleased to present the Directors' Remuneration Report of the Company, covering the period from January 1, 2022 to December 31, 2022.

Our compensation program is designed to directly link our Chair and CEO's pay to his performance and the achievements of TechnipFMC's overall performance and business strategies to create and preserve value for our shareholders.

Unlocking Shareholder Value

In 2021, the Board of Directors and Executive Officers led the successful Spin-off of Technip Energies and the emergence of TechnipFMC as a leading technology provider to the traditional and new energy industries, delivering fully integrated projects, products, and services.

Since then, we have continued our transformation and taken meaningful actions that led to shareholder value creation.

Strategic actions that led to shareholder value creation

Concluded the sale of our remaining 49.9% ownership stake in Technip Energies, generating total proceeds of $1.2 billion since the completion of the Spin-off.

Delisted from the Euronext Paris in February 2022, reducing complexity and costs while aligning revised business profile with more appropriate company peer set.

Announced our intent to initiate a dividend beginning in the second half of 2023.

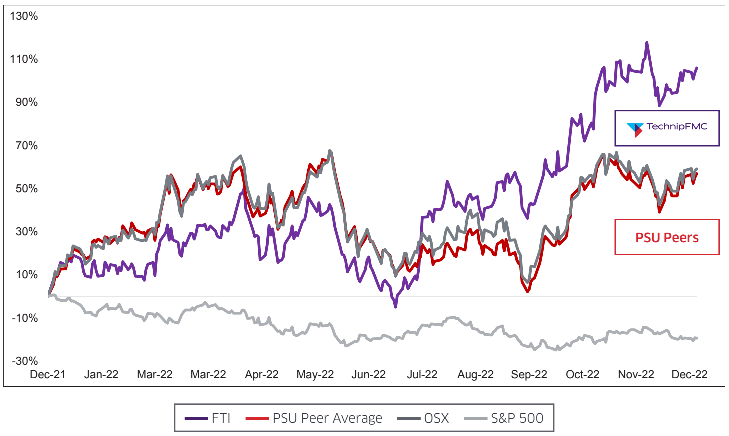
In July 2022, we initiated a $400 million share buyback program, repurchasing $100 million in 2022.

Reduced net debt by $1.5 billion to $309.5 million since March 31, 2021, achieving our target of $500 million.

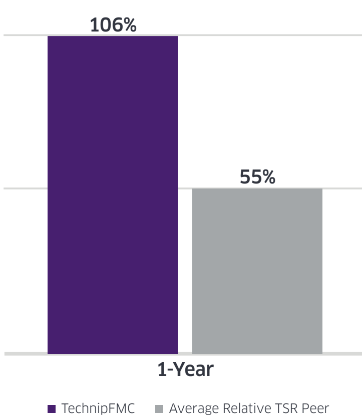
We Significantly Outperformed our Peers in 2022

Driven by the value creation from these and other strategic actions, we significantly outperformed our peer group in 2022 as evidenced by the performance of our stock, our relative total shareholder return ("**TSR**") and relative degree of alignment for 2022.

Our stock increased x1.06 times in 2022 and We Significantly Performed Over our Peers and Major Indexes



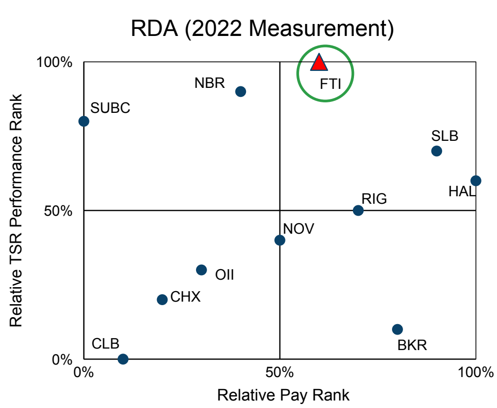
We Delivered Incremental Value Creation Over our Peers



We delivered ~$1.4 billion of incremental value creation to shareholders in 2022 relative to PSU peers

For a list of PSU peers, refer to *Long-Term Equity Incentives* section below

CEO Pay Is Aligned with Relative Performance for 2022



Shareholder Engagement and Response to 2021 Remuneration Report Vote

At our 2022 Annual General Meeting, 56.2% of votes cast approved our 2021 Remuneration Report with 43.8% votes cast voting against the report (percentages subject to rounding). This vote outcome prompted us to engage with shareholders and proxy advisory firms to connect and specifically understand the reasons behind the voting results.

Our shareholder engagement plan was actioned in three ways:

- **Undertook a shareholder perception study.** During August and September 2022, we engaged a highly regarded strategic communications firm to carry out a perception study with shareholders to gain anonymous insight and feedback on topics such as our business strategy, capital allocation, management performance and corporate governance topics, including our executive compensation programs.
- **Held face-to-face meetings with shareholders.** During December 2022, our Chair and CEO and SVP, Investor Relations and Corporate Development traveled to meet in person with institutional shareholders representing 35% of our Ordinary Shares outstanding. These meetings followed our perception study and allowed for a more robust discussion of several topics raised by our shareholders.
- **Annual shareholder engagement sessions.** In addition to direct engagement with portfolio management teams, we held shareholder engagement sessions, as part of our regular annual practice, but also to get feedback and address concerns following the low Remuneration Report vote for our 2021 compensation program. We heard directly from them on various elements of our corporate governance, including executive compensation and our goals and achievements in addressing environmental and social issues/topics. In these sessions we offered the participation of our Lead Independent Director and Chair of Compensation and Talent Committee as requested by shareholders.

What We Heard From Shareholders

During 2021-2022 engagement, our shareholders recommended changes to our long-term incentive ("**LTI**") plan that further aligned our compensation practices with their interests. These changes included: (1) the reintroduction of return on invested capital ("**ROIC**") as a performance measure in our LTI plan; and (2) increased rigor of the relative TSR payout scale in our LTI plan. These changes were made in our plan for the 2022 plan year, and our shareholders favorably acknowledged these changes in our 2022-2023 engagement.

Additionally, shareholders indicated concerns on the removal of performance conditions in outstanding 2019 and 2020 performance share unit awards. The Spin-off in 2021 resulted in the emergence of TechnipFMC as a leading technology provider to the traditional and new energy industries with a compelling and distinct investment profile. Following the Spin-off, the performance conditions were removed to pay out at target on the vesting date, since it was no longer possible to measure 2019-2021 and 2020-2022 performance against the set goals. We heard from our shareholders that they did not support this action, even with the rationale we provided. We accept this feedback and do not intend to remove performance conditions for our performance-based awards in the future.

What We Did Based on Shareholder Feedback

Outlined below is a summary of our shareholder engagement, shareholder feedback, and the actions we took to address them:

Shareholder engagement team

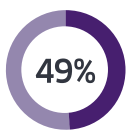
Chair and CEO • SVP, Investor Relations and Corporate Development • EVP, Chief Legal Officer and Secretary • EVP, People and Culture • Other members of senior leadership, as applicable.

We contacted

Shareholders representing 55% of our outstanding shares.

We met with

Shareholders representing 49% of our outstanding shares.



We discussed

- Company overview.
- Actions taken in 2022 to increase shareholder value.
- Executive compensation philosophy, results of say-on-pay, and actions taken to date to address shareholder feedback.
- Requested additional feedback on Executive Compensation.
- Corporate governance and Board leadership.
- ESG governance and ESG objectives aligned to our short-term incentive program.

What we heard from shareholders	What we did
Add return-based component to Performance Share Unit ("PSU") awards	**We reintroduced return on invested capital ("ROIC")** as a measure weighted at 50% of the total PSU award
Increase rigor of relative TSR	**We revised the relative TSR component of PSUs** to pay at target when achieving a 50th percentile position versus our Relative TSR Peer Group. Payout continues to be capped at 100% in the case of negative absolute TSR.
Expanded disclosure on short-term incentive payouts aligned to ESG Scorecard objectives	**We expanded disclosures on progress toward our ESG Scorecard objectives that link to the 2022 payout of the ESG component of our annual short-term incentive.**
Continue to have a strong link between compensation and performance	90% of the Chair and CEO's compensation and 79% of compensation for other NEOs was at-risk and based on performance. 70% of our long-term incentive is performance based, which is higher weighting than market prevalence and our compensation peers.
Maintain performance conditions for LTI awards	**We do not intend to remove or change performance conditions for future LTI awards.** The removal of performance conditions for the 2019 and 2020 performance awards was a one-time event related to a significant structural change that unlocked shareholder value and made it difficult to measure performance under outstanding awards (i.e., the Spin-off of Technip Energies).

Shareholder engagement and the outcome of our annual say-on-pay vote will continue to inform our future compensation decisions

Remuneration Arrangements in 2022

Details of Mr. Pferdehirt's remuneration are provided in our Annual Report on Remuneration and summarized in the section below. The Committee reviewed and approved Mr. Pferdehirt's remuneration and all payments were in line with our shareholder approved Remuneration Policy.

Proposed Remuneration Arrangements in 2023

The current Directors' Remuneration Policy was approved by shareholders at the 2021 Annual General Meeting and will remain in place for a period of up to three years.

The Committee has reviewed the continued appropriateness of the current arrangements. Recognizing that the current Policy was intentionally designed with operational flexibility, and aligned with North American market practices, as well as U.K./European market practices; and taking into account the current global and industry challenges, as well as the Spin-off of Technip Energies, the Committee has concluded that the Policy remains appropriate and as result is not proposing any substantive changes.

We look forward to hearing your views on our director compensation arrangements, and your continued support at the 2023 Annual General Meeting.

Yours sincerely,

John O'Leary
Director and Compensation and Talent Committee Chair

March 17, 2023

Annual Report on Remuneration: At-a-Glance – 2022 Highlights

2022 Performance Impact on Compensation

The table below outlines the elements of our compensation program that are directly tied to Company performance.

BPI Measure *% Weighting*	**2022 Target**	**Definition**	**Why it matters**
Adjusted EBITDA as a Percentage of Revenue % *25% Weighting*	10.1%	Adjusted earnings before interest, taxes, depreciation, and amortization, calculated as a percentage of revenue	Reflects our performance in leveraging cost efficiencies, and driving profitability improvement, which help create a sustainable business
Free Cash Flow *25% Weighting*	$175 million	Cash provided by operating activities, less capital expenditures	Measures our ability to generate cash as an indicator of the financial health and liquidity of the Company
ESG Performance *25% Weighting*	Year 2 progress toward three-year ESG objectives	Performance relative to the TechnipFMC ESG Scorecard	Directly links our compensation program to our ESG commitments and objectives, including our 2021-2023 ESG Scorecard

Please refer to the Business Review section of this U.K. Annual Report for a reconciliation to the most directly comparable GAAP measures.

Our pay-for-performance program aims to motivate our Chair and CEO to achieve and exceed both our short-term and long-term goals and objectives by including an appropriate mix of long-term equity compensation and annual cash incentive compensation. As intended by our program, our Chair and CEO compensation was directly impacted by our performance.

2022 Performance Impact on Annual Cash Incentive

The annual cash incentive comprises 13% of 2022 total target at-risk compensation for our Chair and CEO. Our Chair and CEO achieved a payout of 125% of target for the annual cash incentive, based on the following:

- The total payout for the business performance indicators (which make up 75% of the annual cash incentive plan) was 108% based on the following:
  - Performance for Adjusted EBITDA as a Percentage of Revenue was calculated to be 94%.
  - Performance on Free Cash Flow Conversion measures was calculated to be 111%.
  - 2022 performance towards our 2021-2023 ESG objectives was confirmed at 120%.
- The payout for the individual annual performance indicator (which makes up 25% of the annual incentive plan) was 174%

Overview of our Compensation Practices

Our compensation practices are designed to align with shareholder interests and incorporate strong governance practices that support the guiding principles of our executive director compensation program, which include the following:

- Attract talented individuals by providing market competitive levels of compensation
- Align to our pay-for-performance philosophy
- Link the interests of our Chair and CEO with the interests of the Company and shareholders
- Align our Chair and CEO’s interests with our long-term financial and strategic objectives
- Maintain flexibility to better respond to the cyclical energy industry
- Encourage prudent risk-taking by our Chair and CEO

What We Do:	What We Don’t Do
▸ Pay for performance by aligning performance measures with our strategy and shareholder interests ▸ Majority of Chair and CEO compensation is performance-based, “at-risk” long-term compensation ▸ Maintain a clawback policy in the event of malfeasance or fraud ▸ Require robust executive and non-executive director share ownership requirements ▸ Engage an independent, external compensation consultant ▸ Benchmark compensation against relevant global and industry peer groups ▸ Cap PSU payout at target when relative TSR exceeds peers’ TSR, but absolute TSR is negative	▸ No single-trigger vesting upon a change-in-control ▸ No guaranteed bonuses ▸ No uncapped incentives ▸ No tax gross-ups on any severance payments ▸ No excessive perquisites, benefits, or pension payments ▸ No discounting, reloading, or repricing of stock options ▸ No hedging and pledging of Company securities

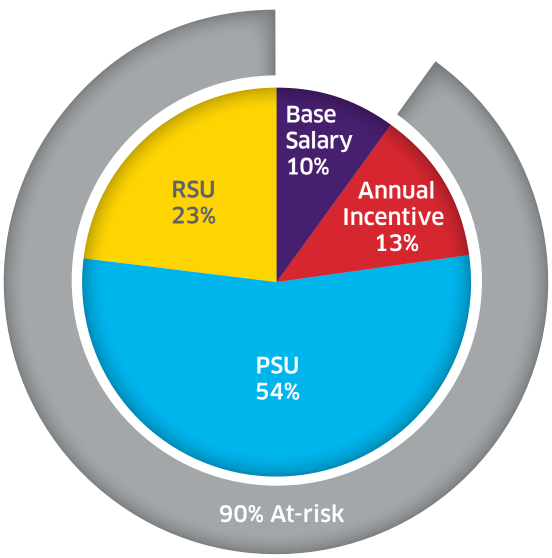
Annual Report on Remuneration: Report for the Year Ended December 31, 2022

The Compensation and Talent Committee presents the Annual Report on Remuneration and the statement of the Chair of the Compensation and Talent Committee, which will be submitted to shareholders as an advisory vote at the 2023 Annual General Meeting. Some of the information contained in the Annual Report on Remuneration is subject to audit. Where the information is subject to audit, the information is identified in the relevant heading.

As intended by our pay-for-performance program, and as outlined in the sections below, our 2022 compensation for our Chair and CEO was directly impacted by our performance against key financial, operational, and individual metrics.

Below is an illustration of the Chair and CEO's remuneration.

Chair and CEO



Fixed	10%
At-risk[1]	**90%**
Cash	23%
Equity	**77%**
Short-Term Performance	13%
Long-Term Performance	**77%**

(1) RSUs are included in variable pay because their delivered value is based on share price at vesting.

Executive Director's Single Figure Table (Audited Information)

The below table sets forth the single figure of remuneration for the Chair and CEO for the periods ended December 31, 2022 and 2021.

A proportion of the annual incentive and long-term incentive awards (the variable and at-risk element), 77% is subject to share price appreciation. During 2022, we did not exercise the use of discretion as a result of share price appreciation or depreciation.

Year	Salary(1)	Taxable Benefits(2)	Annual Incentive Awards(3)	Long-Term Incentive Awards(4)	Pension Related Benefits(5)	Total Fixed Remuneration	Total Variable Remuneration	Total
Chair and CEO: Douglas J. Pferdehirt								
2022	$1,236,000	$60,811	$4,987,404	$–	$209,382	$1,506,193	$4,987,404	$6,493,597
2021	$1,236,000	$68,077	$7,738,789	$10,744,161	$305,339	$1,609,416	$18,482,950	$20,092,366

(1) Salary provides a fixed level of market competitive compensation to our executive director that reflects his major responsibilities. Base pay is set with reference to market median of peer group, based on responsibility, experience, individual performance, and contributions to the business. Salary for our Chair and CEO is unchanged since March 1, 2018 with the exception of a 30% temporary pay reduction in 2020.

(2) The taxable benefits for 2022 for the Chair and CEO include all: (i) personal use of Company automobile of $23,097.23 (ii) financial planning services of $19,360 (iii) U.K. tax preparation fees of $1,239.43, (iv) company paid life insurance fees of $578.45, (v) club dues of $5,378.19, (vi) spousal travel of $9,613, and (vii) taxable travel expenses of $1,544.

The taxable benefits for 2021 for the Chair and CEO include all: (i) personal use of Company automobile of $19,057 (ii) financial planning services of $18,000 (iii) U.K. tax preparation fees of $1,657, (iv) company paid life insurance fees of $578, (v) club dues of $5,344, and (vi) security services of $23,441.

(3) The amount disclosed in the Annual Incentive Awards column for 2022 for the Chair and CEO represents the sum of annual cash incentive bonus and time-based (non-performance based) RSUs awarded in 2022. In 2022, the Chair and CEO's annual cash incentive was $2,077,407, calculated using a target bonus of 135% of salary, a BPI rating of 108%, and an API rating of 174%. The time-based (non-performance based) RSUs awarded in 2022 were valued at $2,909,997.32 comprising 30% of the Chair and CEO's long-term equity incentive target value of $9,700,000, consisting of 369,289 shares vesting on March 8, 2025.

The amount disclosed in the Annual Incentive Awards column for 2021 for our Chair and CEO represents the sum of annual cash incentive and time-based (non-performance based) RSUs awarded in 2021. In 2021, our Chair and CEO's annual cash incentive was $2,694,789, calculated using a target bonus of 135% of salary, a BPI rating of 162%, and an API rating of 160%. The time-based (non-performance based) RSUs awarded in 2021 were valued at $2,910,000, comprising 30% of the Chair and CEO's long-term equity incentive target value of $9,700,000 consisting of 364,661 shares and vesting on March 1, 2024. The Chair and CEO received a one-time long-term equity grant of $2,134,000 in four-year cliff vesting RSUs, consisting of 267,419 shares vesting on April 1, 2025

(4) The amount disclosed in the Long-term Incentive Awards column for 2021 for our Chair and CEO represents the value of performance-based RSUs that were converted to time based RSUs as a result of the Spin-off as measurement of performance against the set goals was not possible following the Spin-off. The value was calculated using the target value (100% i.e., 1,284,707 shares) and the stock price at the time of the conversion ($8.09).

Dividend equivalents of $350,881 attributable to the vested shares have been included in the table above for 2021.

There were no performance-based RSUs with a concluding performance period in 2022.

(5) The amount disclosed in the Pension-Related Benefits column represents the value of Company contributions to the U.S. 401(K) and non-qualified defined contribution plans.

Executive Director Remuneration Received in Respect of 2022 (Audited Information)

One of the Compensation and Talent Committee's primary goals in establishing our executive director compensation philosophy and designing our compensation program is to ensure that compensation incentivizes an executive director to achieve key strategic goals, deliver strong operational and sustainable financial performance, and deliver long-term value for our shareholders. With this as a guiding principle, the Compensation and Talent Committee adopted a program that links a significant percentage of an executive director's compensation to key performance objectives that, if achieved, would result in the creation of shareholder value over both the short- and long-term.

Base salary

Base salary is set with reference to a competitive range around the size-adjusted market median data, reflecting factors such as individual performance, experience, and business conditions within the parameters of our Directors' Remuneration Policy.

The Compensation and Talent Committee reviews base salary for the Chair and CEO on an annual basis, and determines and approves any changes, with input from the Compensation and Talent Committee's independent compensation consultant.

Pension Related Benefits

Retirement benefits for 2022 have been calculated in line with the U.K. reporting regulations. The Chair and CEO does not have entitlement to a Defined Benefit pension plan. Details of the aggregate benefits accrued in the U.S. Qualified Savings Plan (401k) and the U.S. Non-Qualified Savings Plan by the Chair and CEO are shown below.

The value of the benefits under the schemes is calculated based on the Company's contributions which are based on a percentage of employee salary. Retirement contributions for the Chair and CEO relate to our U.S. Qualified Savings Plan (401k) and U.S. Non-Qualified Savings Plan, which are both defined compensation ("**DC**") schemes.

Values relating to DC Schemes[4]	DC Scheme Balance at Year End[1] $'000	Company Contributions Over Year[2] $'000	Normal Retirement Age[3]
Chair and CEO	5,493	209	N/A

(1) Accrued balance at 2022 year end in the U.S. Qualified Savings Plan (401k) and the U.S. Non-Qualified Savings Plan (which is a defined contribution scheme)

(2) Company contributions in 2022 to the U.S. Qualified Savings Plan (401k) and the U.S. Non-Qualified Savings Plan

(3) Benefits under the qualified plan can be withdrawn at termination from the company, and benefits under the U.S. Non-Qualified Savings Plan can be withdrawn after six months post-termination, therefore retirement age does not apply.

(4) Chair and CEO is not entitled to a Defined Benefit Scheme

Benefits

The Company also provides limited perquisites to the Chair and CEO, facilitating the performance of their roles and to ensure a competitive total compensation package. The perquisites we provide to our Chair and CEO may include financial planning and personal tax assistance, personal use of Company automobiles, dining club memberships and country club memberships, car allowances, executive physicals, and other minor expenses associated with their business responsibilities. The value of perquisites deemed to be personal is imputed as income to an executive director, and we do not gross up for the taxes due on such imputed income. Additional allowances or benefits may be granted to our Chair and CEO, if considered appropriate and reasonable.

Reflecting the safety concerns associated with their roles, the Company provides a security program for our Chair and CEO. The Compensation and Talent Committee believes this is in the best interests of shareholders as the personal safety and security of our executive director is critical to the stability of the Company. The security program was developed based on a risk assessment determined to be appropriate by our security team and an external consultant. We do not consider the security measures provided to our Chair and CEO to be a personal benefit, but rather reasonable and necessary expenses for the benefit of the Company.

Elements of 2022 Executive Director Compensation

Our executive director compensation program comprises of short-term and long-term components that link our Chair and CEO's pay to his performance and advancement of TechnipFMC annual and long-term performance and business strategies. In addition, the program also aligns the executive director's interests with those of shareholders and encourages retention of a high-performing executive director.

The table below summarizes these elements, along with their purpose and key characteristics. However, a more detailed explanation is available in further sections.

Element	Purpose	Key Characteristics
Base Salary	To provide market competitive compensation for the role	▸ Fixed cash compensation ▸ Reflects major responsibilities of the Chair and CEO's role ▸ Set with reference to market median of compensation peer group, based on responsibility, experience, and performance
Annual Cash Incentive	To drive and reward the achievement of short-term Company strategic goals and individual contributions	▸ Variable cash compensation ▸ Target value based on role, set with reference to market median ▸ Paid based on achievement of business performance targets (75%) and achievement of individual performance targets (25%) ▸ 2022 business performance targets were adjusted EBITDA as a Percentage of Revenue (25%), Free Cash Flow from Operations (25%), ESG Scorecard measures (25%) and individual performance measures (25%) ▸ Actual payout can range from 0% to 200% of target
Performance Share Units (PSUs)	To drive and reward the achievement of long-term results and align interests of the Chair and CEO with shareholders' interests	▸ Payout linked to the achievement of TechnipFMC relative TSR (50%) and ROIC (50%) for the 2022 to 2024 performance period ▸ Realized value based on payout based on performance and post-grant share price appreciation ▸ Actual payout can range from 0% to 200% of target
Restricted Stock Units (RSUs)	Further align the Chair and CEO's interests with the interests of our shareholders by incentivizing them to increase share price, while reinforcing the retention impact of our compensation program	▸ Realized value based in part on post-grant share price appreciation ▸ 50% of after-tax RSUs must be retained for at least one year following vesting ▸ Three-year ratable vesting with 1/3 vesting each year
Health and Welfare Benefits, Retirement Benefits, and Perquisites	To facilitate the performance of the role and ensure a market competitive total compensation package	▸ Health and welfare benefits, the same as benefits offered to other employees of the Company in the respective countries ▸ Retirement savings offered through participation in our U.S. Qualified Savings Plan (401k) and non-qualified defined contribution plans, similar to plans offered to other U.S. employees ▸ Limited perquisites including financial planning, tax assistance, use of company cars, club memberships, executive physicals, and security services where necessary ▸ Limited participation in other programs dependent on geography and tenure (non-U.S.-based executive director)

Compensation Peer Group

We compete with energy industry companies, as well as with other industries and professions, for executive director talent. In making decisions about target compensation levels, the Compensation and Talent Committee reviews data from peer group proxy statements as well as general industry and industry-specific market surveys.

In looking for potential peer companies, the Compensation and Talent Committee evaluated companies with reasonably similar business characteristics, which included:

- **Applicable Industry Focus** – Prioritize public companies with energy or engineering and construction elements that trade on major U.S. stock exchanges
- **Relevant Size Range** – Revenue between 1/3 to 3x TechnipFMC's projected 2022 revenue, market capitalization, and assets
- **Comparable Quantitative Characteristics** – Projected EBITDA margins less than 25%, non-US revenue greater than 33% of total revenue, and total employees between 1/3 to 3x TechnipFMC's projected number of employees
- **Comparable Business Characteristics** – Similar margin profile, sales per full-time employee, and asset intensity
- **Comparable Qualitative Characteristics** – Prioritized companies that are logistically and technically complex, mature stage businesses, and business-to-business focused

Following this evaluation, the Committee determined that the following companies continue to constitute the peer group for benchmarking executive director compensation decisions for 2022 and 2023.

Compensation Peer Group Constituents	
AECOM	Jacobs Engineering Group Inc.
APA Corporation	KBR, Inc.
Baker Hughes	National Oilwell Varco, Inc.
ChampionX Corp.	Oceaneering International
Chart Industries, Inc.	Quanta Services, Inc.
Devon Energy Corporation	SLB
Dover Corporation	Transocean Ltd.
Fluor Corporation	Valmont Industries
Halliburton Company	Weatherford International plc

Base Salary

We provide our Chair and CEO with a market competitive base salary to compensate him for services performed during the year. We set base salary by referencing market median total target compensation. When setting the Chair and CEO's base salary, we consider factors such as individual performance, experience, and contributions to the business, while staying within an appropriate range of the market median for the role.

The Compensation and Talent Committee reviews base salary for the Chair and CEO on an annual basis. For the CEO, the Compensation and Talent Committee determines and approves any changes, with input from the Compensation and Talent Committee's independent compensation consultant.

Chair and CEO	Base Salary (2021)	Base Salary (2022)	Change %
Douglas J. Pferdehirt	$1,236,000	$1,236,000	0%

Annual Cash Incentive (Audited Information)

2022 Annual Cash Incentive Target

We provide our Chair and CEO with an annual cash incentive to drive and reward the achievement of short-term Company strategic goals and individual contributions. Our Chair and CEO has an annual cash incentive target, set as a percentage of base salary and can earn 0% to 200% of their annual cash incentive target, depending on Company and individual performance.

The Compensation and Talent Committee reviews and approves target annual cash incentive percentages for our Chair and CEO annually, based on a review of market median total compensation data for our peers. The targets are set at appropriate levels to incentivize the achievement of short-term financial, ESG goals for the Company, as well as individual goals. The annual cash incentive also ensures that we provide market-competitive levels of total compensation.

The following were the 2021 and 2022 annual cash incentive targets for our Chair and CEO:

Chair and CEO	2021	2022	Increase
Douglas J. Pferdehirt	135%	135%	0%

Annual Cash Incentive Performance Indicators

75% of the annual cash incentive is based on business performance indicators (“**BPI**”), and 25% of the plan is based on individual annual performance indicators (“**API**”).

75% BPI
Assessment of overall Company performance based on business performance indicators

+

25% API
Assessment of individual performance based on qualitative factors reflected in the executive director’s annual performance objectives

The payout under both the BPI and API components may range from 0% to 200% of target depending on performance.

BPI Component – 75% of Annual Cash Incentive

The BPI components are intended to drive the achievement of key financials and ESG objectives. Each component is assessed independently from the other components and has a maximum possible payout of 200% of target. Furthermore, if performance with respect to any BPI fails to meet the threshold level the payout is 0%

Target Setting for BPI Measures

Performance targets related to our annual cash incentive are set at “stretch” targets that are considered difficult and challenging but achievable with superior execution based on our long-range plans. Given the cyclical nature of our industry sector, as well as the variability in some of our metrics caused by the life cycle progression of a few very large projects, our targets can vary in absolute terms when compared to prior year targets but are set to ensure that achievement will require the same or improved execution to achieve the targets.

In setting performance goals, the Compensation and Talent Committee considers the Company's annual financial plans, strategic initiatives, and projections, which are impacted by the following factors:

- The overall business climate and the cyclical nature of our business
- Underlying market conditions for our products and services
- Volatility in commodity prices
- Our competitors' performance
- Anticipated changes in customer activity
- Our prior-year performance

These inputs inform discussions regarding both the targets and the ranges around the target to ensure the goals are sufficiently difficult without incentivizing inappropriate risk taking.

2022 Measures and Results

The 2022 BPI measures for the annual cash incentive are outlined below:

BPI Measure *% Weighting*	**2022 Target[1]**	**Definition**	**Why it matters**
Adjusted EBITDA as a Percentage of Revenue % *25% Weighting*	10.1%	Adjusted earnings before interest, taxes, depreciation, and amortization, calculated as a percentage of revenue	Reflects our performance in leveraging cost efficiencies, and driving profitability improvement, which help create a sustainable business
Free Cash Flow *25% Weighting*	$175 million	Cash provided by operating activities, less capital expenditures	Measures our ability to generate cash as an indicator of the financial health and liquidity of the Company
ESG Performance *25% Weighting*	Year 2 progress toward three-year ESG objectives	Performance relative to the TechnipFMC ESG Scorecard	Directly links our compensation program to our ESG commitments and objectives, including our 2021-2023 ESG Scorecard

The 2022 results versus target for Adjusted EBITDA[1] as a Percentage of Revenue and Free Cash Flow are outlined below.

2022 BPI Measure	2022 Goals[1]			2022 Performance[2]	
	Threshold Performance	Target Performance	Maximum Performance	Performance %	Payout %
Adjusted EBITDA as a Percentage of Revenue % *25% Weighting*	8.6%	10.1%	11.6%	10.0%	94%
Free Cash Flow *25% Weighting*	$0 million	$175 million	$350 million	$194 million	111%

(1) Financial targets and actual performance based on Adjusted EBITDA exclude non-recurring charges and credits, such as impairments, restructuring costs, integration costs, foreign exchange impact, as well as other items identified in TechnipFMC's Form 10-Q and Form 10-K filings. Free cash flow is defined as cash provided by operating activities less capital expenditures. For the calculation of adjusted EBITDA, please refer to the Business Review Section of this U.K. Annual Report for a reconciliation to the most directly comparable GAAP measures. For the calculation of free cash flow, please refer to the Business Review section of the consolidated financial statements of this U.K. Annual Report for a reconciliation to the most directly comparable GAAP measures.

(2) Payout for performance between the threshold, target, and maximum payouts are interpolated on a straight-line basis. The final weighted payout percentage for BPI is rounded to the nearest whole percent for calculating the annual cash incentive payout.

In accordance with established guidelines, the goals are adjusted for the cumulative effect of changes in accounting principles, significant acquisitions and divestitures, and foreign exchange movements. These changes are intended to ensure that performance is measured on a like-for-like basis relative to the goals that were set.

2022 Results for the 2021-2023 ESG Scorecard

To align our executives' incentives with our ESG commitments, we link our Scorecard performance to our executive compensation program. This complements the extensive efforts that inform our approach to ESG matters to drive behaviors and create outcomes that make a positive impact on the planet, people, and communities in which we operate.

Determination of Payout for 2022

The Compensation and Talent Committee took a comprehensive approach to reflect on the progress made in 2022 towards the achievement of the 2021-2023 ESG Scorecard objectives and focused on overall results, behaviors and measurable actions that showed advancement in areas of ESG that are important to the Company, in assessing the determination of the payout related to this component:

- In making its assessment, the Committee also received input from the ESG Committee and the Audit Committee. Both the ESG and Audit Committees have responsibility for assessment of specified objectives on the Scorecard, and the ESG Committee has responsibility for the certification of the Scorecard results.
- The Committee recognized that, as of Year 2, the majority of objectives were either in line or above target, with a few requiring accelerated efforts in 2023 to achieve Year 3 targets.
- The Committee recognized the considerable efforts made by the Company to advance ESG initiatives and move forward towards inherent and sustainable behavior in all the ESG pillars.
- Furthermore, the Committee recognized the significant progress to raise awareness of how individual employee actions contribute to the achievement of goals and the embedment of these efforts into the Company's culture as demonstrated by the progress above expectations made in Scorecard targets such as community volunteering, STEM volunteering, completion of inclusive leadership curriculum and SIFP programs among others.

Based upon this comprehensive and holistic assessment, the Compensation and Talent Committee recommended a payout of 120% for the 2021-2023 ESG Scorecard component of the 2022 Annual Cash Incentive. A summary of Year 2 (2021 and 2022 combined) results against 2021-2023 targets is provided below.

(1) Metric shows against target and is cumulative
(2) Metric shows against target and is annual

For further information on the results of the second year of our 2021-2023 Scorecard, please see the section entitled "*Environmental, Social, and Governance.*"

API Component – 25% of Annual Cash Incentive
Each February, the individual performance goals are established for the Chair and CEO.

These objectives are set at "stretch" levels (i.e., objectives that are difficult and challenging but should be achievable with superior execution) and are set using a rigorous evaluation process. If our Chair and CEO failed to achieve any of his objectives, the API multiple would likely be 0%, absent any mitigating factors. If the Chair and CEO met some, but not all of the objectives, the API multiple would fall between the range of 0% to 200%, depending upon the number of objectives accomplished, their relative importance and difficulty as determined by the Compensation and Talent Committee, and any factors that may have prevented achievement of certain objectives.

For 2022, the Chair and CEO received an API rating of 174%.

In determining the 2022 API rating for our Chair and CEO, the Compensation and Talent Committee took into account a comprehensive view of his 2022 performance and contributions, including exceeding expectations on many of his 2022 key annual objectives as well as the significant growth in shareholder value created during 2022 as a result of key strategic actions taken since the Spin-off.

The objectives established and their achievements against those goals as well as the assessment as determined by the Committee were as follows:

Douglas J. Pferdehirt
Chair and CEO

Objective	Achievements	Assessment
Strategy and Growth: ▸ Advance technology ▸ Achieve ESG Scorecard objectives ▸ Address key business challenges	▸ Advanced qualification of key technology and multi-year supply agreement with customer. ▸ Addressed supply chain challenges by leveraging CEO-level relationships resulting in the avoidance of material project disruptions, and mitigation of inflationary pressures. ▸ Drove company-wide ESG Scorecard objectives resulting in solid progress towards achievement of three-year objectives. See "*2022 results for the 2021-2023 ESG Scorecard*" section. ▸ Delivered on company financial strategy post Spin-off, including selling down remaining shareholding in Technip Energies, reducing debt structure and authorizing a $400 million share repurchase program.	Above expectations
Execute on Key Business Deliverables: ▸ Deliver key financial commitments ▸ Strengthen market position and grow our business ▸ Secure key alliances and contracts	▸ Delivered above target inbound, revenue and EBITDA for Subsea business. ▸ Grew Surface business in North America and in the Middle East. Passed key audit in Saudi Arabia manufacturing facility and increased number of E-Mission™ installations in North America. ▸ Secured key licenses for offshore floating wind and tidal energy to continue to drive growth in the New Energy business.	Above expectations
Personal / Board Development ▸ Participate in Boards and Committees that align with our business and diversity objectives ▸ Recruit Board talent to promote interest of shareholders and success of TechnipFMC	▸ Recruited and nominated new non-executive director to TechnipFMC's Board of Directors. ▸ Nominated to American Petroleum Industry (API) Executive Committee. ▸ Assumed global responsibility with Advancing Women Executives (AWE).	Met expectations

Continued overleaf >

Douglas J. Pferdehirt
Chair and CEO

Objective	Achievements	Assessment
Organizational Readiness ▸ Ensure succession planning in place / incorporate diversity ▸ Execute organizational effectiveness to better support our customers and grow our business	▸ Continued succession planning actions to increase diversity of key leadership within the organization. ▸ Simplified Surface organization to improve efficiency, manage cost and meet customer needs. ▸ Centralized engineering function, implemented OneEngineering organization, increasing efficiency, and reducing cost and lead times for customers.	Above expectations
Promote Foundational Beliefs ▸ Integrity – Complete regulatory obligations in Brazil and U.S. ▸ Sustainability – Achieve metrics; equity, community engagement and environment ▸ QHSE – Fully implement and expand Pulse (HSES) and Impact Quality (Quality) transformation programs	▸ Completed regulatory obligations in Brazil and U.S. ▸ Actively contributed to advancement in gender and racial diversity through AWE and CEO Action for Racial Equity Advisory Boards. ▸ Actively led TechnipFMC as a top contributor to both United Way and American Heart Association. ▸ Promoted human rights through active industry leadership. ▸ Appointed leader of Industrialization and Quality function to lead the simplification, standardization, and industrialization of the organization. ▸ On track to exceed 2023 SIFP (Serious Injury and Fatality Prevention) target. ▸ One fatality in 2022, did not achieve zero fatality target.	Below expectations
Overall Rating for Mr. Pferdehirt		**174%**

Determination of 2022 Annual Cash Incentive Payout for the Chair and CEO

The Chair and CEO's 2022 annual cash incentive payout was calculated to be $2,077,407 based on the following table:

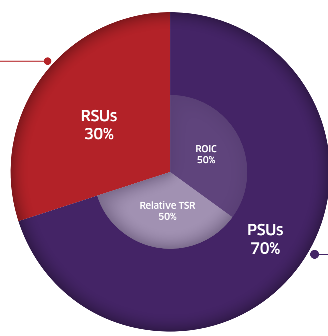
Chair and CEO	Target Bonus (% of Salary)	BPI Rating (75% Weight)	API Rating (25% Weight)	Overall Weighted Rating	Actual Bonus (% of salary)	Actual Bonus ($)
Douglas J. Pferdehirt	135%	108%	174%	125%	168%	$2,077,407

Long-Term Equity Incentives (Audited Information)

Long-term equity incentive awards, granted in the form of TechnipFMC equity, represent the largest component of the Chair and CEO's annual target compensation opportunity, grounded in our compensation philosophy of paying for performance and aligning our Chair and CEO's interests with those of our shareholders. Awards are made in the form of two complementary vehicles, PSU awards and RSU awards, providing a balanced focus on performance, sustainable long-term value creation, and retention.

Long-Term Equity Mix

Awards vest at the end of three years subject to continued employment, with 50% of after-tax RSUs held for at least one year following vesting.



Awards vests based on relative TSR and ROIC performance measured over three years.

The Compensation and Talent Committee reviews and approves equity awards for our Chair and CEO on an annual basis. The awards are based on market competitiveness on total target compensation and aim to provide appropriate levels of retention and incentives for achieving the Company's long-term goals.

For 2022, the Compensation and Talent Committee set the target value of equity awards for our Chair and CEO reference to market median total compensation data.

Chair and CEO	2021 Long-Term Incentive Target Award	2022 Long-Term Incentive Target Award
Douglas J. Pferdehirt	9,700,000	9,700,000

2022 Performance Stock Unit Awards (70% of Equity Award) – Conditional Share Awards – (Audited Information)

The Compensation and Talent Committee sets the performance targets associated with PSU awards prior to the beginning of each three-year performance period. For awards in 2022, PSU awards comprised 70% of the total long-term equity award and payout will be based on relative TSR performance and ROIC for the three-year period of 2022-2024.

We believe that these are meaningful measures of our long-term performance and motivate our Executive Directors to achieve superior share price compared to our key competitors, thus aligning their interests with shareholder interests. We further reinforce this by requiring a minimum threshold of relative performance for payout and by capping payout in the case of negative TSR.

PSU Measure	Weighting	Definition	Why It Matters
Relative TSR	50% of PSU award	Relative TSR: Cumulative three-year increase in volume-weighted average price and dividends relative to peers	Assesses our overall performance in the eyes of our shareholders and the broader stock market, relative to companies with which we compete for customers and investors that are subject to similar macroeconomic factors
ROIC	50% of PSU award	Three-year average net operating profit after tax divided by a three-year average invested capital.	Assesses our profitability and how effectively we use capital over the three-year period to generate income.

The relative TSR performance for our 2022 PSU awards will be measured against a group of ten companies (collectively, "**Relative TSR Peer Group**," and each a "**TSR Peer**") that the Compensation and Talent Committee believes best reflects the companies that we compete with for both investments and customers. The financial and operational performance of these companies is therefore most directly relevant to TechnipFMC, and we are all subject to similar macroeconomic factors.

2022 Relative TSR Peer Group		
Baker Hughes	**Nabors Industries Ltd.***	**Transocean Ltd.***
Champion X Corp.*	National Oilwell Varco, Inc.	Oceaneering International, Inc.
Core Laboratories N.V.*	SLB	
Halliburton Company	Subsea 7 S.A.	

*New peers for 2022

In comparison to our prior Relative TSR Peer Group, the following companies were removed due to no longer being comparable peers due to divestitures, business profile, or not having a comparable market cap: The Weir Group PLC, Aker Solutions ASA, Oil States Intl., Inc., Forum Technologies, Inc

The vesting date for the 2022 PSU awards is March 8, 2025, with a performance period of January 1, 2022 through December 31, 2024.

The Compensation and Talent Committee approved the following targets in relation to the 2022 PSU awards:

Relative TSR

The Relative TSR payout scale for the 2022-2024 PSU award is outlined below:

Performance Achievement	Relative TSR Performance	Payout (% of earned PSUs)
Below Threshold	Below 25th percentile	0%
Threshold	25th percentile	50%
Target	50th percentile	100%
Maximum or above	75th percentile or greater	200%

Note: If the Company's absolute TSR is negative for the performance period, the payout in respect of the TSR element will be capped at target, regardless of our relative performance. For performance achievement between the levels identified above, payout percentage will be interpolated on a straight-line basis.

ROIC

The 2022-2024 ROIC target was calculated based on a three-year average net operating profit after tax divided by a three-year average invested capital. This will measure our profitability and how effectively the Company uses capital over the three year performance period to generate financial returns. ROIC targets align with the Company's long-term plan at the time it was approved.

The results for the ROIC three-year period of 2022-2024 will be disclosed at the end of the performance period.

PSU Grant Detail

	2021 PSU Grant	2022 PSU Grant[2]
Number of PSUs/ conditional share awards awarded	948,120	861,675
Share Price on Grant Date	$7.98	$7.88
Fair Value on the date of award[1]	$7,565,998	$6,789,999
Fair Value of award as a % salary	612%	549%
Face Value on the date of award at maximum performance[1]	$15,131,995	$13,579,998
Face Value of award at maximum performance as a % salary	1224%	1099%

(1) Calculated using the grant price, equal to the closing price on the New York Stock Exchange on the date of grant, April 1, 2021.
(2) Calculated using the grant price, equal to the closing price on the New York Stock Exchange on the date of grant, March 8, 2022.

2022 Time-Based RSU Awards (30% of Equity Award) – Conditional Share Awards (Audited Information)

Time-based RSU awards further align our Chair and CEO's interests with the interests of our shareholders by incentivizing them to increase share price, while reinforcing the retention impact of our compensation program.

RSUs are subject to three-year cliff vesting terms, with no phased vesting, meaning our Chair and CEO must remain employed through the vesting date of March 1, 2024, with exceptions only for retirement, death, and disability. Once vested, our Chair and CEO receives ownership and the voting rights of the underlying Ordinary Shares.

The number of RSUs granted to our Chair and CEO was determined by dividing the target value set for our Chair and CEO by the closing price of the Company's Ordinary Shares on the NYSE on the grant date.

On vesting, 50% of the after-tax number of RSUs must be held for a period of at least one year to incentivize our Chair and CEO to retain the shares and increase share price, further aligning our Chair and CEO's interests with our shareholders.

RSU Grant Detail

	2021 RSU Grant[1]	2022 RSU Grant[2]
Number of RSUs/ conditional share awards	632,079	369,289
Share Price on Grant Date	$7.98	$7.88
Face Value on the date of award[1]	$5,043,990	$2,909,997
Award as a % salary	408%	235%

(1) Calculated using the grant price, equal to the closing price on the New York Stock Exchange on the date of grant, April 1, 2021. Includes RSUs for both 2021 annual grant and additional one-time grant.

(2) Calculated using the grant price, equal to the closing price on the New York Stock Exchange on the date of grant, March 8, 2022.

Statement of Directors' Shareholding and Share Interests

Share Ownership and Retention Requirements (Audited Information)

The Compensation and Talent Committee oversees the Company's directors' share ownership and retention policy to ensure a continuing alignment of director and shareholder interests.

None of the Directors exercised stock options in 2022.

Share Ownership Requirement

Our Chair and CEO is required to own shares in an amount equal to six times his base salary. Qualifying shares include ordinary shares, time-based RSU awards, and performance-based RSUs where the performance period is final and approved. Unexercised stock options, performance-based RSUs where the performance period is not final, and shares held in Company retirement plans are not included in the ownership calculation. An executive director has five years to satisfy an ownership multiple, pro-rated 20% each year, from the effective date of appointment.

Our Chair and CEO met his pro-rated share ownership requirement as of December 31, 2022.

Share Retention Requirements

An executive director is required to retain, for a period of at least one year after the vesting date, shares equivalent to at least one-half of the net after-tax number of shares deposited in his or her account for RSUs. The purpose of this additional requirement is to impose a holding period during which an executive director must retain ownership of a significant portion of vested equity compensation.

We believe that the combination of the share ownership and share retention requirements more closely aligns the interests of an executive director with the long-term interest of our shareholders. We regularly evaluate and monitor compliance with our share ownership and retention policy, and the Board will review compliance on at least an annual basis. All executive directors met their pro rata ownership and retention requirements under the Company's policy in 2022.

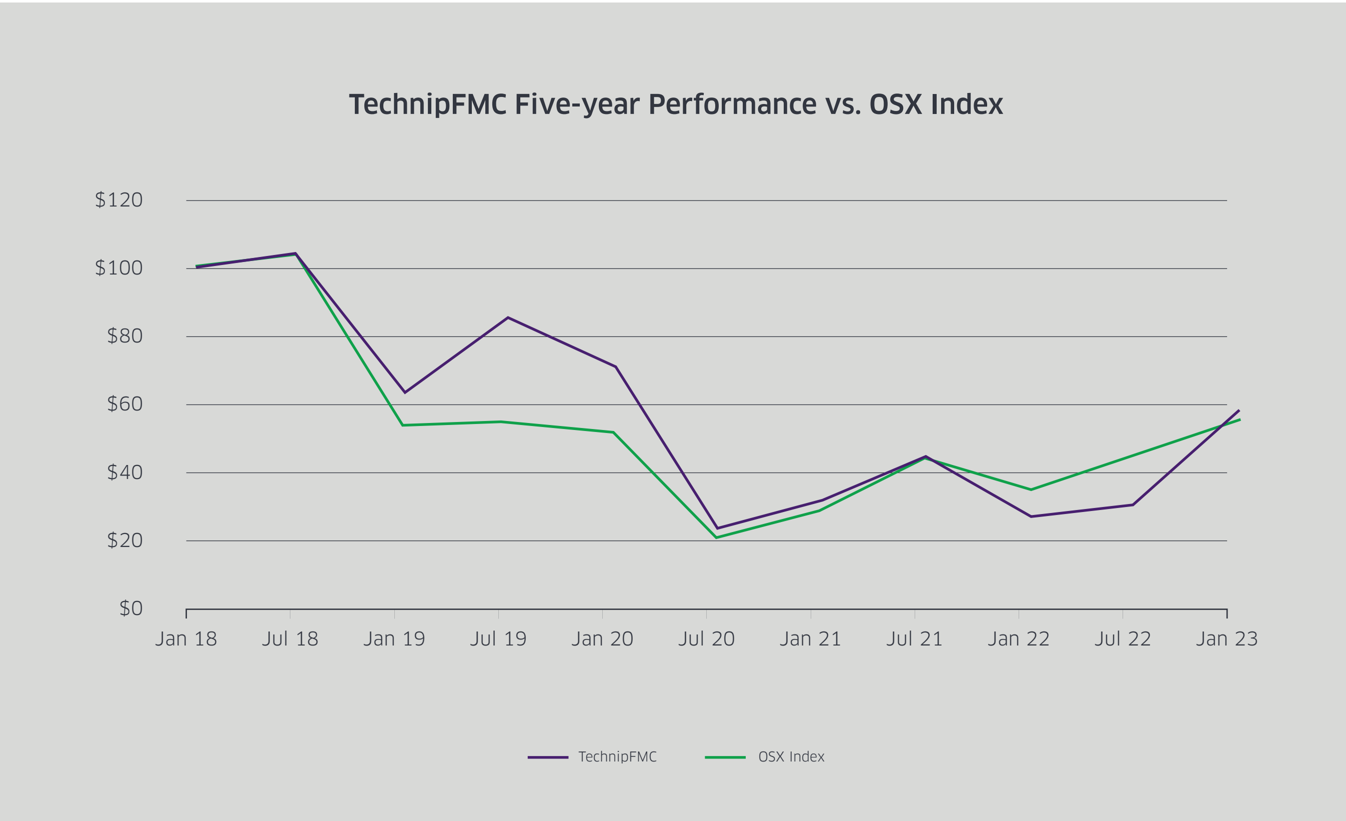
The table below sets forth the beneficial interests in the share capital of the Company held by our Chair and CEO and his connected persons for the period ending December 31, 2022:

Name	Share Ownership Requirements (% of salary)	Number of Shares Required to Hold[1]	Number of Shares Owned Outright (including Connected Persons)	Vested but Unexercised Stock Options	Unvested and Unexercised Stock Options	RSUs Time Based	RSUs Subject to Performance Conditions	Weighted Average Exercise Price of Vested Options	Weighted Average Period to Vest of RSUs
Chair and CEO	600%	608,368	890,547	970,547	0	2,332,011	1,809,795	$20.38	14.87

(1) Number of Shares Required to Hold is based on the share price as at December 31, 2022 of $12.19. An executive director has five years from appointment to meet the full ownership requirements. Unexercised Stock Options and RSUs Subject to Performance Conditions where the performance period is not final are not used to meet ownership requirements.

TSR Performance Graphs and Table for the Chair and CEO

The figure below indicates the Company's TSR performance against the Philadelphia Oil Service Sector ("**OSX**") index. Note that the OSX index is not used for plan payout, but provided as a reference point to demonstrate TSR performance for the oil service industry as a whole during this period. The OSX index is an index of companies in the oil services sector and we consider it an appropriate benchmark for our performance.



Summary of Chair and CEO Pay[1]	2018	2019	2020	2021	2022
Total Single Figure of Remuneration	$5,437,504	$7,861,135	$6,282,074	$20,092,366	$6,493,597
Annual Cash Incentive Award Paid as a % of Maximum	65%	87%	50%	81%	62%
Long-Term Incentive Award Paid as a % of Maximum	0%	25%	12.5%	50%	0%

(1) For more details on the calculation of the Total Single Figure of Remuneration, please see the paragraph entitled "*Executive Director's Single Figure Table*". Data shown is the data for Douglas Pferdehirt.

Percentage Change in Remuneration of the Chair and CEO, non-executive directors and employees

The following table shows the percentage change in base salary, annual cash incentive, and benefits for our Chair and CEO, non-executive directors, and for the average of all employees of the Company in the U.S. was as follows. The Company considers that the remuneration of employees in the U.S. is an appropriate comparator against that of the Chair and CEO, rather than of the whole Company, on the basis that the Chair and CEO's remuneration tracks market practice and the regulatory environment in the U.S. and U.K./Europe. TechnipFMC plc has a limited number of employees, and comparison versus this group would not provide meaningful information.

	2021 to 2022			2020 to 2021			2019 to 2020		
	Salary[1]	Bonus	Benefits[2]	Salary	Bonus	Benefits	Salary	Bonus	Benefits
Douglas J. Pferdehirt	0%	-23%	-28%	30%	62%	26%	-20%	-43%	-9%
Average US Employee	1.5%	39.0%	7.7%	125%	129%	2.7%	20.5%	-11.1%	-11.5%
Non-Executive Directors									
	Salary	Bonus	Benefits	Salary	Bonus	Benefits	Salary	Bonus	Benefits
Eleazar de Carvalho Filho	0%	N/A	-100%	30%	N/A	-87.7%	-20%	N/A	230%
Claire S. Farley	0%	N/A	0%	30%	N/A	0%	-20%	N/A	N/A
Peter Mellbye	0%	N/A	100.0%	30%	N/A	-89%	-20%	N/A	281%
John O'Leary	0%	N/A	-100%	30%	N/A	-88%	-20%	N/A	230%
Margaret Øvrum	0%	N/A	589.0%	30%	N/A	0%	N/A	N/A	N/A
Kay G. Priestly	0%	N/A	-83%	30%	N/A	-31%	-20%	N/A	230%
John Yearwood	0%	N/A	-100%	30%	N/A	-85%	-20%	N/A	N/A
Sophie Zurquiyah	0%	N/A	-65%	-	-	-	-	-	-
Pascal Colombani	-	-	-	-	-	-	-2%	N/A	230%
Marie-Ange Debon	-	-	-	-	-	-	-17%	N/A	230%
Didier Houssin	-	-	-	-	-	-	-22%	N/A	230%
Joseph Rinaldi	-	-	-	-	-	-	-20%	N/A	36%
James M. Ringler	-	-	-	-	-	-	-16%	N/A	69%
Arnaud Caudoux	-	-	-	-	-	-	N/A	N/A	N/A

(1) For Non-Executive Directors, amount provided is annual cash retainer and meeting fees.

(2) Non-Executive Directors are not eligible for any taxable benefits other than U.K. tax preparation assistance – the cost of U.K. tax preparation increased from an average cost of $804 for 2021 to an average cost of $1864 in 2022. In 2021, Mr. de Carvalho Filho had a taxable benefit total of $445.84 while in 2022 he had $0. In 2021, Ms. Farley had a taxable benefit total of $0 while in 2022 she had $0. In 2021, Mr. Mellbye had a taxable benefit total of $0 while in 2022 he had $493.37. In 2021, Mr. O'Leary had a taxable benefit total of $445.84 while in 2022 he had $0. In 2021, Ms. Øvrum had a taxable benefit total of $875.47 while in 2022 she had $6,034.70. In 2021, Ms. Priestly had a taxable benefit total of $2,522.66 while in 2022 she had $433.20. In 2021, Mr. Yearwood had a taxable benefit total of $283.81 while in 2022 he had $0. In 2021, Ms. Zurquiyah had a taxable benefit total of $1,410.49 while in 2022 she had $493.37. Values were converted to USD using the 12/31/2022 exchange rate.

CEO Pay Ratio Reporting

The table below sets out the ratio at median, 25th and 75th percentile of the total remuneration received by our Chair and CEO compared to the total remuneration received by our U.K. employees — as well as comparing to base salary only. Total remuneration reflects all remuneration received by an individual in respect of the relevant years, and includes salary, benefits, pension benefits, and value received from incentive plans. We believe that the median pay ratio shown in the table below is representative of pay and progression policies of the Company in the U.K.

Financial year	Total Remuneration				Base Salary Only		
	Option	P25 (Lower Quartile)	P50 (Median)	P75 (Upper Quartile)	P25 (Lower Quartile)	P50 (Median)	P75 (Upper Quartile)
2022	C	118:1	98:1	71:1	26:1	22:1	17:1
2021	C	335:1	271:1	200:1	24:1	19:1	16:1
2020	C	113:1	89:1	64:1	21:1	16:1	12:1
2019	C	133:1	115:1	80:1	24:1	22:1	15:1

Financial year	CEO		U.K. Employees					
			P25		P50		P75	
	Base Salary	Total Remuneration	Base Salary	Total Remuneration	Base Salary	Total Remuneration	Base Salary	Total Remuneration
2022	$1,236,000	$6,493,597	$46,891	$55,095	$56,712	$66,304	$72,777	$91,836

The Company has decided to use Option C to select the P25, P50 and P75 employees. This option was chosen since this provided the most reliable and accurate data to be used for pay ratio reporting, based on our system capabilities. The data used was as of December 31, 2022. We used a database that includes base salary, benefits, pensions, and incentive plans and selected the employees by comparing them on a full-time equivalent basis among 1,963 employees. For each of the percentiles, we selected a sample of 20 employees around the percentile, added overtime and shift allowance, and used the median of that sample. Overtime and shift allowance has the highest impact in this quartile. Due to operational constraints, we are not able to build a database including those extra elements for all employees. There has been no deviation from the single figure methodology in calculating the total remuneration for the three quartile employees, and the methodology applied is the same as 2019. The current median ratio is representative of the Company's pay progression policies at the Company. The 2021 median ratio was an anomaly due to the one-time conversion of 2019 and 2020 outstanding equity awards that was done because of the Spin-off of Technip Energies.

Relative Importance of Spend on Pay

The table below sets out data for 2021 and 2022.

Relative spend information	2021	2022	% Change
Remuneration for All Global Employees	$1,344,223,620	$1,396,560,000	3.75%
Distributions to Shareholders	-	-	—%

Remuneration of Non-Executive Directors (Audited Information)

The following table presents the fees paid to the Company's current and former non-executive directors for the year ended 31 December 2022, pursuant to our Directors' Remuneration Policy, which was approved at our 2018 annual general meeting of shareholders. Our current Chair and CEO, Mr. Pferdehirt, is not included in the table below as he was an employee during 2022 and did not receive any additional compensation for his service as a director.

Board of Director Members

Non-Executive Director	2022 ($000s)					2021 ($000s)				
	Base fees[1]	Additional fees[1]	Stock Awards[2]	Taxable benefits[3]	Total	Base fees[1]	Additional fees[1]	Stock Awards[2]	Taxable benefits[3]	Total
Eleazar de Carvalho Filho	100	10.0	175	0.0	285.0	100	8	175	0.4	283.4
Claire S. Farley	100	60.0	175	0.0	335.0	100	54	175	0.0	329.0
Peter Mellbye	100	17.5	175	0.5	293.0	100	18	175	0.4	293.4
John O'Leary	100	25.0	175	0.0	300.0	100	17	175	0.4	292.4
Margaret Øvrum	100	10.0	175	6.0	291.0	100	8	248	0.9	356.9
Kay G. Priestly	100	30.0	175	0.4	305.4	100	28	175	2.5	305.5
John Yearwood	100	20.0	175	0.0	295.0	100	15	175	0.3	290.3
Sophie Zurquiyah	100	10.0	175	0.5	285.5	75	5	175	1.4	256.4

(1) Includes the amount of fees paid for attendance at committee meetings and additional fees paid to the Chair of each Board committee and to the Lead Independent Director.

(2) Restricted stock unit grants were valued at $7.98 and $7.88 on April 1, 2021 and March 8, 2022 respectively, the closing price on the NYSE of the Company's Ordinary Shares on such date. The annual RSU grant vests after one year of service but is settled in Ordinary Shares on a date elected by the non-executive director that is either (a) after a period of one to ten years from the grant date or (b) upon their separation from Board service. The restricted stock units are forfeited if a director ceases service on the Board prior to the vesting date of the restricted stock units, except in the event of death or disability. Unvested restricted stock units will be settled and are payable in Ordinary Shares upon the death or disability of a director or in the event of a change in control of the Company.

(3) Includes assistance for annual individual U.K. tax return provided by Deloitte. Total amount is based on utilization by the respective director in a given tax year.

Director Share Ownership (Audited Information)

To further align the interests of non-executive directors with the interests of the Company's shareholders, each non-executive director is subject to a share ownership requirement of five times the annual cash retainer. The following table shows, as of 31 December 2022, the number of our Ordinary Shares owned by each of our non-executive directors.

Non-Executive Director	Share ownership requirements	Number of shares required to hold	Number of shares owned outright[1]	Interest in shares	Total number of shares held
Eleazar de Carvalho Filho	500,000	41,017	94,601	22,208	116,809
Claire S. Farley	500,000	41,017	124,905	22,208	147,113
Peter Mellbye	500,000	41,017	81,389	22,208	103,597
John O'Leary	500,000	41,017	83,996	22,208	106,204
Margaret Øvrum	500,000	16,407	31,067	22,208	53,275
Kay G. Priestly	500,000	41,017	79,557	22,208	101,765
John Yearwood	500,000	24,610	63,939	22,208	86,147
Sophie Zurquiyah	500,000	8,203	21,929	22,208	44,137

(1) Includes Ordinary Shares owned by the individual and Ordinary Shares subject to RSUs credited to individual accounts of non-executive directors as part of the annual equity grant. As of 31 December 2022, the number of Ordinary Shares subject to RSUs credited to each non-executive director as part of the annual equity grant was 22,208. The annual RSU grant vests after one year of service but is settled in Ordinary Shares on a date elected by the non-executive director that is either (a) after a period of one to ten years from the grant date or (b) upon their separation from Board service. RSUs granted prior to 2020 vested after one year of service and will be settled upon separation from Board service. Directors have no power to vote or dispose of shares underlying the RSUs until they are distributed. Until such distribution, these directors have an unsecured claim against us for such units.

All of our Directors met their pro-rated share ownership requirements as of December 31, 2022.

Application of the policy in 2023

Compensation for directors is recommended annually by the Compensation and Talent Committee with the assistance of Fredrick W. Cook & Co., Inc. (“**FW Cook**”) and approved by the Board.

The Directors’ Remuneration will be implemented with effect from the 2023 Annual General Meeting (April 28, 2023) as follows:

Salary and Benefits

Chair and CEO Base salary for 2023 is $1,328,720.

Benefits and Pension

No changes are being made.

Annual Bonus

The bonus opportunity and operation for 2023 will be in line with the Directors’ Remuneration Policy. The measures and weightings for the year will be as follows:

BPI	75%
Adjusted EBITDA as a Percentage of Revenue	*25%*
Free Cash Flow Conversion	*25%*
ESG Performance	*25%*
API	**25%**
Total	**100%**

The 2023 BPI targets and min/max thresholds are commercially sensitive and will be disclosed in our 2023 U.K. Annual Report.

2023 Long-Term Equity Incentive Plan

Our annual 2023 Long-Term Equity grant (excluding any exceptional, one-time grants) is expected to be based on the measures outlined in the table below.

Long-Term Equity	Weighting	Vesting	Performance Measure	Why It Matters
Performance Stock Units	70% of total long-term equity	Three-year cliff vesting	Relative TSR (50% of PSU award) ROIC (50% of PSU award) *Performance is measured over a three-year period and subject to three-year cliff vesting*	TSR assesses our overall performance in the eyes of our shareholders and the broader stock market, relative to companies with which we compete for customers and investors that are subject to similar macroeconomic factors ROIC measures our profitability as well as our effective utilization of capital
Restricted Stock Units	30% of total long-term equity	Three Year Ratable vesting with 1/3 vesting each year.	N/A	Further align our Chair and CEO's interests with the interests of our shareholders by incentivizing them to increase share price, while reinforcing the retention impact of our compensation program

We believe that both ROIC and relative TSR closely align with value creation and is a meaningful measure of our long-term performance and motivates our executives to generate returns and achieve superior share price compared to our key competitors, thus aligning their interests with shareholder interests. We further reinforce this by requiring a minimum threshold of relative performance for payout and by capping payout in the case of negative TSR.

The relative TSR performance for our 2023 PSU awards will be measured against a Relative TSR Peer Group that the Compensation and Talent Committee believes best reflects the companies that we compete with for both investments and customers. For 2023 we intend to retain the same Relative TSR Peer Group as 2022. The financial and operational performance of these companies are most directly relevant to TechnipFMC, and we are all subject to similar macro-economic factors. The 2023 relative TSR peer group is outlined below:

2023 Relative TSR Peer Group		
Baker Hughes	Nabors Industries Ltd.	Transocean Ltd.
Champion X Corp.	National Oilwell Varco, Inc.	Oceaneering International, Inc.
Core Laboratories N.V.	SLB	
Halliburton Company	Subsea 7 S.A.	

Relative TSR Performance

The Relative TSR payout scale for the 2023-2025 PSU award is outlined below:

Performance Achievement	Relative TSR Performance	Payout (% of earned PSUs)
Below Threshold	Below 25th percentile	0%
Threshold	25th percentile	50%
Target	50th percentile	100%
Maximum or above	75th percentile or greater	200%

Note: If the Company's absolute TSR is negative for the performance period, the payout in respect of the TSR element will be capped at target, regardless of our relative performance. For performance achievement between the levels identified above, payout percentage will be interpolated on a straight-line basis.

Return On Invested Capital

The 2023-2025 ROIC target was calculated based on a three-year average net operating profit after tax divided by a three-year average invested capital. This will measure our profitability and how effectively the Company uses capital over the three year performance period to generate financial returns. ROIC targets align with the Company's long-term plan at the time it was approved.

The results for the ROIC three-year period of 2023-2025 will be disclosed at the end of the performance period.

Non-Executive Director fees

For the year ending December 31, 2022, our non-executive director compensation program consists of cash consideration and restricted stock unit awards. The following table describes the components of our non-executive director compensation program.

Compensation Element	Compensation 2022	Compensation 2023	% increase
Annual Retainer	$100,000 paid in cash.	$100,000 paid in cash.	0%
Annual Equity Grant	$175,000 in RSUs, vesting after one year of service. Non-executive directors can elect the year in which they will take receipt of the equity grants from either (a) a period of one to ten years from the grant date or (b) upon their separation from Board service. The elections are made prior to the beginning of the grant year and are irrevocable after December 31 of the year prior to grant.	$175,000 in RSUs, vesting after one year of service. Non-executive directors can elect the year in which they will take receipt of the equity grants from either (a) a period of one to ten years from the grant date or (b) upon their separation from Board service. The elections are made prior to the beginning of the grant year and are irrevocable after December 31 of the year prior to grant.	0%
Annual Chair Fee	$20,000 for Audit Committee	$20,000 for Audit Committee	0%
	$15,000 for Compensation and Talent Committee	$15,000 for Compensation and Talent Committee	0%
	$10,000 for Environmental, Social, and Governance Committee	$10,000 for Environmental, Social, and Governance Committee	0%
Annual Lead Independent Director Fee	$50,000	$50,000	0%
Meeting Fee	$2,500 per committee meeting	$2,500 per committee meeting	0%
Stock Ownership Requirement	**Five times annual retainer**	**Five times annual retainer**	**0%**

Our Chair and CEO is an employee and does not receive any additional compensation for his service as a director. Each non-executive director receives reimbursement for reasonable incidental expenses incurred in connection with the attendance at Board and committee meetings.

Activities of the Compensation and Talent Committee in 2022

Our Compensation and Talent Committee comprising independent non-executive directors oversees our executive director compensation program and determines the compensation for our Chair and CEO on behalf of the Board. The Compensation and Talent Committee is responsible for, among other things, reviewing, evaluating, and approving:

- The agreements, plans, policies, and programs of the Company to compensate its independent directors, Chair and CEO, and other officers, as applicable; and
- All awards of equity securities or equity derivatives to an executive director of the Company, in addition to other officers, as well as the total number of equity securities or equity derivatives to be allocated to all other employees at the discretion of the CEO, consistent with equity plans approved by the Company's shareholders.

The Compensation and Talent Committee also reviews the Company's incentive compensation arrangements to ensure that they do not incentivize excessive risk-taking and evaluates compensation policies and practices that could mitigate any such risk.

The Compensation and Talent Committee's charter may be viewed on our website at ***www.technipfmc.com*** under the heading "*About us > ESG*."

Under its charter, the Compensation and Talent Committee has the sole authority to retain and terminate a compensation consultant, outside counsel, or any other advisors engaged to assist in the evaluation of compensation of directors, as well as the sole authority to approve the consultant's fees and its terms, which are then paid by the Company (within any budgetary constraints imposed by the Board). Our Chair and CEO does not discuss compensation matters with the Compensation and Talent Committee's consultant, except as needed to respond to questions from the consultant.

In late 2020, the Compensation and Talent Committee conducted a competitive search of leading compensation consulting firms, including in-depth interviews with management and members of the Compensation and Talent Committee. As an outcome of this search, the Committee engaged FW Cook as its executive compensation consultant effective March 2021. During 2022, FW Cook provided advice to the Compensation and Talent Committee on the prevalence and design of executive compensation programs. In addition, FW Cook advised the Committee on 2022 director and executive compensation matters, updates on executive compensation trends and applicable legislative and governance activity, and on the Compensation Peer Group used to establish the market value of executive jobs and inform pay practices.

The Committee assesses FW Cook's independence and objectivity by considering seven factors:

1. The provision of other services to TechnipFMC by FW Cook;
2. The amount of fees paid to FW Cook, as a percentage of FW Cook's total revenue;
3. FW Cook's policies and procedures that are designed to prevent conflicts of interest;
4. Any business or personal relationship of FW Cook (or the spouse of the compensation advisor) with the members of our Board, the Compensation and Talent Committee, or our executive officers;
5. Any stock of TechnipFMC owned by FW Cook (or the compensation advisor's immediate family members);
6. Any business or personal relationship of the compensation advisor (or the spouse of the compensation advisor) or FW Cook (including any employee of FW Cook) with any individual who served as an executive officer of TechnipFMC since December 31, 2022.
7. Other factors deemed relevant to the independence of FW Cook from TechnipFMC any Committee member of TechnipFMC or any member of TechnipFMC's management.

The Compensation and Organization Development Committee has considered and assessed all relevant factors, including those required by the SEC, that could give rise to a potential conflict of interest and determined that FW Cook's work performed during 2022 did not raise any conflicts of interest.

FW Cook was paid approximately $226,412 in time and expense fees related to executive compensation services provided in 2022. FW Cook provides no services to TechnipFMC or its management other than the services provided to the Committee in its capacity as the Committee's independent advisor on executive and Board of Directors compensation matters. In accordance with its annual practice and pursuant to the SEC rules and NYSE listing standards, the Committee annually reviews and considers the independence of FW Cook.

Compensation and Talent Committee Members

All members of the Compensation and Talent Committee are independent. The Compensation and Talent Committee met four times in 2022 and all members attended each meeting. From January 1, 2022 to December 31, 2022, the members of the Compensation and Talent Committee of the Board were Claire S. Farley, John O'Leary, and John Yearwood.

The Compensation and Talent Committee's Activities during the Year Ended December 31, 2022

Each year, the Compensation and Talent Committee approves an annual calendar which sets out the key activities in accordance with its charter. The key activities of the committee in 2022 were as follows:

Q1	Q2–Q3	Q4
▸ Approve compensation decisions and equity awards for directors and officers ▸ Approve Company performance achievements for prior year in relation to annual short-term and long-term incentive plans ▸ Review and discuss executive compensation strategy, structure, and programs ▸ Approve annual compensation disclosures in Company Proxy statement and U.K. Annual Report	▸ Review executive director share ownership guidelines and compliance ▸ Discuss shareholder engagement outcomes and review annual meeting vote results ▸ Determination of the Compensation Peer Group	▸ Review internal governance policies (e.g., claw-back, insider trading policy, anti-hedging, pledging) and compliance ▸ Approve equity programs, annual equity budget for non-executives, and impact on shareholder dilution ▸ Review of peer compensation practices and executive leadership compensation versus Compensation Peer Group ▸ Provide feedback on potential framework for annual and long-term incentive plans for the upcoming fiscal year ▸ Review the Company's strategy related to succession planning for senior leadership roles

Statement of Voting at Annual Shareholders' Meeting

At our 2022 Annual General Meeting, 56.2% of votes cast approved our 2021 Remuneration Report with 43.8% voting against the report (percentages subject to rounding), and 150,290 votes (less than 0.1%) abstaining. At our 2021 Annual General Meeting, our Remuneration Policy was approved by 69.8% of shareholders, with 30.2% of votes cast against the policy and 425,039 votes abstaining. The Compensation and Talent Committee has carefully considered the results of these votes as it completed its annual review of our compensation program, and has taken actions to respond to the concerns of shareholders: we have included return on invested capital ("**ROIC**"), increased the rigor of the Relative TSR payout scale in our 2022 Long-Term Incentive Plan, and confirmed that we do not intend to remove or change performance conditions for future awards. An integral component in the evaluation and review of our compensation program is our shareholder engagement initiatives, explained in further detail in the letter from our Compensation and Talent Committee Chair.

We have continued our shareholder engagement program of soliciting feedback on our director compensation program structure and decisions, and our Compensation and Talent Committee considers shareholder feedback as it evaluates and reviews the compensation program each year.

On behalf of the Board

John O'Leary
Director and Compensation and Talent Committee Chair

March 17, 2023

Remuneration Policy

The Directors' Remuneration Policy was approved at the 2021 Annual General Meeting on May 20, 2021 and took effect from that date. There are no proposed changes to the policy, and therefore, no requirement for a shareholder vote at the 2023 Annual General Meeting. The policy will continue to apply until the annual general meeting of shareholders in 2024, or until an earlier vote is held.

The Directors' Remuneration Policy (also referenced as the "**Remuneration Policy**") is set out in this section for reference only. The Remuneration Policy as approved in 2021 is set forth in our 2020 U.K. Annual Report and Accounts, which is available on our website at ***www.technipfmc.com*** under "*Investors > AGM materials.*"

Decision Making Process for Remuneration

Our Compensation and Talent Committee, comprising independent non-executive directors, oversees our executive compensation program and determines the compensation for our executive officers on behalf of the Board. The Compensation and Talent Committee is responsible for, among other things, reviewing, evaluating, and approving the agreements, plans, policies, and programs of the Company to compensate its Chair and CEO and its independent directors. The Compensation and Talent Committee also reviews the Company's incentive compensation arrangements to ensure that they do not incentivize excessive risk-taking and evaluates compensation policies and practices that could mitigate any such risk.

In 2021, the Compensation and Talent Committee retained FW Cook as its principal compensation consultant to provide information and advice to the Compensation and Talent Committee on executive and director compensation and related governance matters. This included evaluating our director and executive compensation programs against general market and peer data and providing updates on current executive compensation trends and applicable legislative and governance activity.

In determining the target compensation package for the Chair and CEO, the Compensation and Talent Committee compares each element and combined total of the Chair and CEO's compensation to data for relevant roles within the Compensation Peer Group. In setting target compensation, the Compensation and Talent Committee also considers market median data, as well as other factors including the experience, tenure, role criticality, and performance of the Chair and CEO. The Compensation and Talent Committee, in partnership with its independent compensation consultant, determines and approves any changes to compensation for the Chair and CEO, who is not present during these discussions. In addition, any changes to the Chair and CEO's target compensation are in accordance with the shareholder-approved Directors' Remuneration Policy.

To avoid conflicts of interest, no board member is present in the discussion of their own remuneration and independent advice is provided by our Committee advisors.

Future Policy Table for Executive Directors

The table and accompanying notes below describe each component of the Company's executive directors' remuneration package.

Base Salary	
Purpose and link to strategy	To attract and retain exceptionally talented individuals who deliver superior operational performance in the Company's businesses and create an environment that fosters the innovation necessary for continued growth of the Company's revenue, earnings, and shareholder returns.
Operation	Normally reviewed annually or following a change in responsibilities with changes usually taking effect from March 1. The Compensation and Talent Committee considers the following parameters when setting and reviewing base salary levels: ▸ pay increases for other employees across the Company; ▸ economic conditions and governance trends; ▸ the individual's performance, skills, and responsibilities; ▸ base salaries of companies of a similar size and international scope; and ▸ market pay levels. Salaries are normally paid in the currency of the executive director's home country.
Maximum payment	Salary increases will ordinarily be in line with increases awarded to other employees in the Company. The Compensation and Talent Committee reserves the discretion to increase salary levels in appropriate circumstances such as where the nature or scope of the executive director's role or responsibilities changes or in order to be competitive at the median level of peer companies. Salary adjustments may also reflect wider market conditions in the geography in which the executive director is based.
Performance assessment	Overall performance of the executive director is considered by the Compensation and Talent Committee when setting salaries annually.
Provisions to recover sums paid or the withholding of payments	Not applicable.

Pension and Other Retirement Benefits	
Purpose and link to strategy	Provides competitive post-retirement benefits.
Operation	Provision of market competitive retirement benefits, inclusive of cash in lieu, that may vary based on the location. The Chair and CEO currently participates in the Company's U.S. Qualified Savings Plan (401k) and U.S. Non-Qualified Savings Plan. These plans are also offered to other U.S. employees. Further detail on current pension provisions for executive directors is disclosed in the Annual Report on Remuneration.
Maximum payment	Retirement or pension benefits vary by geography and this makes it difficult to provide a maximum payment level. Based on the single figure valuation approach, for the 2022 financial year, the employer contributions to the U.S. Qualified Savings Plan (401k) and non-qualified pension plan for the Chair and CEO was $209,382. However, it is recognized that this value may fluctuate yearly.
Performance assessment	None.
Provisions to recover sums paid or the withholding of payments	Not applicable.

Annual Performance Bonus	
Purpose and link to strategy	Incentivizes achievement of the Company's annual financial and strategic targets. Provides focus on key financial metrics and the individual's contributions to the Company's performance.
Operation	▸ Performance measures and stretching targets are set annually in advance by the Compensation and Talent Committee by reference to the annual operating plan. ▸ The majority of the bonus will be based on financial performance. However, operational, strategic, and individual targets may also be used. ▸ 75% of the bonus is based on a BPI comprising financial and ESG metrics, and 25% of the bonus is based on an API comprising personal targets. ▸ The award is usually paid out in cash after the end of the financial year. ▸ The Compensation and Talent Committee has discretion to amend the level of payment if it is not deemed to reflect appropriately the individual's contribution or the overall business performance. Any discretionary adjustments will be detailed in the following year's annual report on remuneration. ▸ The Compensation and Talent Committee retains the discretion to make other bonus payments on an exceptional basis when it considers this to be appropriate in the context of Company and executive performance, and when it is considered to be in the best interests of our shareholders. Where such bonuses are paid, we would seek to restrict the value to the limit in this policy.
Maximum payment	▸ The maximum annual bonus target for 2022 is currently set at 270% of base salary for the Chair and CEO. This equates to 200% of target value. ▸ For threshold performance, the bonus pays out from 0% of target value. ▸ For "on-target" performance up to 100% of target value may be earned. ▸ For maximum performance up to 200% of target value may be earned. The Compensation and Talent Committee retains the discretion to increase the bonus target in circumstances it deems appropriate, such as for a change in market levels.
Performance assessment	▸ Performance measures and stretching targets are set annually by the Compensation and Talent Committee by reference to the annual operating plan and renewed throughout the year by the Compensation and Talent Committee and the Environmental, Social, and Governance Committee. ▸ The Compensation and Talent Committee has discretion to vary the weighting of these measures over the life of this Remuneration Policy. Further details are set out in the annual report on remuneration.
Provisions to recover sums paid or the withholding of payments	Clawback provisions apply as described on page 63 of the 2017 U.K. Annual Report on Remuneration.

Long-term Incentive Schemes	
Purpose and link to strategy	Incentivizes executives to deliver superior long-term returns to shareholders.
Operation	Long-term incentives are granted under the TechnipFMC plc Incentive Award Plan (the "**Incentive Plan**"). This is an omnibus arrangement whereby a variety of award types may be granted, including: performance stock units, restricted stock units, stock options, cash settled awards, and share appreciation rights. For 2022, long-term award grants comprise: ▸ Performance Stock Units ("**PSUs**"): an award of shares subject to performance conditions assessed over a period of three years; and ▸ Restricted Stock Units ("**RSUs**"): an award of shares that vest three years from grant. Stock options have been excluded from the long-term award grants since 2020. However, the Committee retains the right to issue stock options in the future should it consider it to be appropriate. The type and weighting of awards granted each year is determined annually by the Compensation and Talent Committee at its discretion. A minimum of 50% will be performance based. However, it is the current intention of the Compensation and Talent Committee for the weighting for the Chair and CEO based on the fair value at the grant date to be, for 2022: ▸ 70% Performance Stock Units; and ▸ 30% Restricted Stock Units. The Compensation and Talent Committee has discretion to vary the weighting of the performance measures over the life of this Remuneration Policy. Executive directors will be eligible for any dividends paid and accumulated on RSUs and PSUs during the performance or vesting period. No dividend equivalents will be payable on Stock Options.
Maximum payment	▸ The maximum grant date fair value of long-term incentive awards granted to the Chair and Chief Executive Officer will be $18 million per annum. ▸ PSUs pay out at 25% of target for achievement of threshold performance. ▸ The Compensation and Talent Committee retains the discretion to adjust the actual value of awards granted under the Plan in circumstances it deems appropriate but in no way should the total exceed $18 million.

Continued below >

Performance Assessment (applicable to performance based RSUs only)	▸ Long-term incentive awards except PSUs are not subject to achievement of performance targets other than vesting periods. This is in line with market practice in the U.S. ▸ For PSUs, the vesting of awards is linked to a range of performance measures that may include, but are not limited to: ▸ a growth measure (for example, net sales, EPS); ▸ a measure of the Company performance on environmental, social, and governance metrics; ▸ a measure of efficiency (for example, operating margin, operating cash conversion, ROIC); and ▸ a measure of the Company's relative performance in relation to its peers (for example, relative total shareholder return). ▸ Measures and targets will be determined by the Compensation and Talent Committee annually at its discretion prior to grant and will be set out in the annual report on remuneration. ▸ The Compensation and Talent Committee has discretion to amend the performance conditions in exceptional circumstances if it considers it appropriate to do so. Any such amendments would be disclosed and explained in the following year's annual report on remuneration.
Provisions to recover sums paid or the withholding of payments	Clawback provisions apply as described on page 63 of the 2017 U.K. Annual Report on Remuneration.

All Employee Share Scheme	
Purpose and link to strategy	To enable executive directors to participate in share purchase schemes applicable to all-employees on the same basis as other employees.
Operation	Whilst the Company does not currently operate all employee share purchase schemes were it to obtain shareholder approval to do so during the term of the remuneration policy executive directors would be eligible to participate in such a plan on the same terms as other eligible employees not inconsistent with this policy.
Maximum payment	Subject to the terms of any such Plan approved and consistent with all employee limits.
Performance assessment	None
Provisions to recover sums paid or the withholding of payments	None

Benefits and Perquisites	
Purpose and link to strategy	To provide market competitive benefits and to facilitate the performance of executive directors in their duties.
Operation	Executive directors are eligible to receive benefits, that may include, but are not limited to: financial planning, personal tax assistance, use of company cars and club memberships (primarily business related), medical, vision and dental benefits, sickness, death and dismemberment benefits, work related travel, and security expenses for the director and spouse and matching charity contributions. Benefits may vary by location. The Compensation and Talent Committee has discretion to offer additional allowances or benefits to executive directors, if considered appropriate and reasonable. These may include relocation expenses, housing allowance and school fees where an executive director has to relocate from his/her home location as part of his/her duties.
Maximum payment	The actual value of benefits and perquisites varies year on year depending on the cost to the business and individual director's circumstances. The benefits package is set at a level that the Compensation and Talent Committee considers: ▸ provides an appropriate level of benefits depending on the role and individual circumstances; and ▸ in line with comparable benefits in companies of a similar size and complexity in the market.
Performance assessment	None.
Provisions to recover sums paid or the withholding of payments	Not applicable.

Legacy Obligations

The Compensation and Talent Committee reserves the right to make any remuneration payments that are outside of this Remuneration Policy if they were agreed to prior to this Remuneration Policy being enacted, provided that the terms of payment were consistent with any applicable shareholder approved Remuneration Policy in force at the time they were agreed or were otherwise approved by shareholders. The Compensation and Talent Committee also reserves the right to make any remuneration payments that were agreed to prior to the relevant individual becoming an executive director of the Company. Payments include share-based and cash-based incentives and/or salary, benefits, pension, and other payments.

Performance Target Selection

The performance targets for the annual bonus and long-term incentive plan are set each year prior to the grant date, taking into account: market practice at peer companies; practice within the wider group; and our strategic and financial business plan over the short and long-term.

The measures we select are chosen due to their link and importance to the strategy and our Key Performance Indicators. We select measures intended to provide a balance between growth, efficiency, and relative outperformance.

Non-Qualified Deferred Compensation

Our U.S.-based executives, including our Chair and CEO, are eligible to participate in the U.S. Non-Qualified Savings Plan, which provides executives and other eligible employees with the opportunity to participate in a tax advantaged savings plan comparable to the U.S. Qualified Savings Plan (401k). The investment options offered to participants in the U.S. Non-Qualified Savings Plan are similar to those offered in our U.S. Qualified Savings Plan (401k). Participants may elect to defer up to 90% of their base pay and/or annual cash incentive into the U.S. Non-Qualified Savings Plan. The Company contributes 5% of the employee's contributions to the U.S. Non-Qualified Savings Plan. Participants are 100% vested in their contributions and the employer contributions. For those participants in the U.S. Non-Qualified Savings Plan eligible to receive the non-elective contribution, we will contribute an additional 2% of the employee's contributions to the U.S. Non-Qualified Savings Plan. Similar to the U.S. Qualified Savings (401k) Plan, eligible participants in the U.S. Non-Qualified Savings Plan become vested in their non-elective contributions after three years of service with the Company. In addition, for these eligible participants, we will make a contribution on annual compensation that exceeds the maximum compensation limit required by the U.S. Internal Revenue Code of 1986, as amended, for our U.S. Qualified Savings Plan (401k). The intent of our contributions to the U.S. Non-Qualified Savings Plan is so that eligible employees receive the same contribution as a percentage of eligible earnings from the company regardless of compensation level. All vested funds must be distributed upon an employee's termination or retirement from the Company.

Approach to Recruitment Remuneration

- The Compensation and Talent Committee's approach to recruitment remuneration is to pay no more than is necessary to attract appropriate candidates to the role.
- The Compensation and Talent Committee will seek to structure pay for any new director in line with the remuneration policy. The Compensation and Talent Committee does not envisage paying above the levels set out in the policy for a new executive's ongoing package.
- Where it is necessary to "buy out" an individual's awards from a previous employer, the Compensation and Talent Committee will seek to match the expected value of the awards and to grant awards that vest over a time frame similar to those given up, with a commensurate reduction in quantum where the new awards will be subject to performance conditions that are not as stretching as those on the awards given up. Where recruitment payments or awards are intended to replace pay forfeited by the individual, the value of such awards will not be limited to those limits set out in the remuneration policy, but will be determined by the Compensation and Talent Committee at its discretion.
- The Compensation and Talent Committee may agree to relocation expenses and other associated expenses when negotiating the employment conditions.
- For an internal promotion, any outstanding incentive awards or bonuses may be permitted to continue, or be adjusted to reflect the new position.

Service Agreements

Our Chair and CEO and non-executive directors have not entered into service agreements. Our Chair and CEO has severance and change in control protections as detailed in relation to potential loss of office payments are set out below.

If an Executive Director were to be subsequently appointed under a Service Agreement during the term of the Policy, it is intended that the Service Agreement would likely contain provisions in relation to the following:

ITEM	Provision (not definitive) *
Remuneration	Base salary
	Pension and retirement benefits
	Healthcare and life insurance benefits
	Annual leave
	Financial planning assistance
	Miscellaneous – car benefits, club membership, security arrangements, etc.
	Eligibility for the annual cash incentive plan and long-term equity awards, subject to the terms of the Incentive Plan
Change of control	The extent to which there are any specific provisions and their source
Term and Notice Period	Term of agreement and minimum notice period from employer and employee
Severance /Termination period	Form and level
Restrictive covenants	During employment and period post-employment as applicable

*Summary details to be subsequently confirmed post appointment in the following year's Annual Report on Remuneration.

Illustrations of Application of Directors' Remuneration Policy

The chart below illustrates the potential value of total remuneration that could be received by the Chair and CEO under the 2021 Policy. The chart illustrates remuneration payable at minimum, target, and maximum payouts along with maximum payout incorporating an illustrative share price appreciation on shares granted under the long-term variable pay plan. The total remuneration under each scenario is made up of fixed pay (base pay, taxable benefits, and retirement benefits per the single figure of remuneration, as well as face value of restricted stock awards at grant), annual variable pay (annual bonus at minimum, target, and maximum performance) and long-term variable pay (performance stock awards at minimum, target, and maximum performance, and including 50% share price appreciation).

Performance	Fixed pay	Annual variable pay	Long-term variable pay
Threshold performance / Minimum pay-out	Chair and CEO Base pay for 2022: $1,236,000 Chair and CEO taxable benefits as per the single figure of remuneration: $60,811 Chair and CEO retirement benefits as per the single figure of remuneration: $209,382 Chair and CEO face value of restricted stock awards at grant: $2,909,997	n/a	n/a
On-target / "expected" performance	Fixed Pay (see above)	On-target bonus (100% of target). For 2022: 135% of salary for the Chair and CEO.	Performance Stock Units at 100% of target. For 2022: face value of $6,789,999 for the Chair and CEO.
Maximum performance	Fixed Pay (see above)	Maximum bonus (200% of target). For 2022: 270% of salary for the Chair and CEO.	Performance Stock Units at 200% of target. For 2022: face value of $13,579,998 for the Chair and CEO.

Policy on Payment for Loss of Office

The Compensation and Talent Committee will seek to ensure that all payments for loss of office are reasonable and in the long-term interests of shareholders and the business. The Compensation and Talent Committee will generally take into account the circumstance of the loss of office and performance of the director.

The Compensation and Talent Committee reserves the right to:

- pay legal fees, financial planning or outplacement costs;
- pay an annual bonus for the year of cessation;
- retain or accelerate vesting of outstanding long-term incentive awards; and
- continue taxable benefits and retirement benefits during the period.

It is our policy to offer severance benefits to our executive directors because we believe that severance benefits provide important financial protection to directors in the event of involuntary job loss, are consistent with the practices of peer companies and are appropriate for the retention of executive talent. Under our executive severance plan, if our Chair and CEO is terminated without cause, he is entitled to receive 18 months of severance pay (limited to base pay and the target annual cash incentive), his pro-rated target annual cash bonus through the date of termination, the continuation of medical and dental benefits for 18 months at the employee premium rate, outplacement assistance, and financial planning and tax preparation assistance for the last calendar year of employment. The availability of these severance benefits is conditioned on the Chair and CEO’s compliance with non-disclosure, non-compete, and non-solicitation covenants.

In the event of a termination without cause, termination for good reason, or voluntary retirement, any performance-based incentive payments are subject to our actual attainment of performance goals. The terms of our executive severance plan are consistent with the market practice of large public companies surveyed by FW Cook. Change in control severance benefits, as described below, and severance benefits are exclusive of one another, and in no circumstance would any executive director receive benefits under both a change in control and the executive severance plan.

Non-executive directors may be terminated early by either the Company or the non-executive director giving one month’s written notice. Non-executive directors are not entitled to any severance compensation on termination. However, all vested share awards will be settled at the discretion of the Compensation and Talent Committee and the Compensation and Talent Committee retains the right to accelerate vesting for any outstanding share awards.

Potential Payments upon Change in Control

It is the Company's policy to operate change in control benefits to ensure that directors have an incentive to continue to work in the Company's best interest during the period of time when a change in control transaction is taking place and in order to ensure continuity of management. The benefits payable upon a change in control are comparable to benefits offered to director positions at peer companies.

The Company has entered into an executive severance agreement with our Chair and CEO. Pursuant to this agreement, in the event of termination following a qualifying change in control and a qualifying adverse change in employment circumstances, the Chair and CEO will be entitled to the following benefits:

- full vesting of any share awards;
- three times his annual base pay and annual target bonus;
- a pro-rated payment equal to the amount of his annual target bonus for the year which he is terminated;
- accrued but unpaid base pay and unused paid time off;
- elimination of ownership and retention guidelines;
- awards granted under the Company's Incentive Plan and other incentive arrangements adopted by the Company will be treated pursuant to the terms of the applicable plan;
- an amount equal to the total monthly premium payable for his coverage (and if applicable spouse and dependent coverage) under the Company's health, dental, vision, prescription drug, life, accidental death and dismemberment insurance, and long-term disability insurance coverage for 36 months;
- reimbursement for the costs of all outplacement services obtained by him within 18 months of the termination date (limited to the lesser of 15% of his base pay on termination and $50,000); and
- reimbursement for legal fees and other litigation costs incurred in good faith by the Chair and CEO as a result of the Company's refusal to provide severance benefits under the executive severance agreement, contesting the validity, enforceability or interpretation of the agreement or as a result of any conflict between the parties pertaining to the agreement.

The severance payment is required to be paid in a single lump sum payment no later than 30 days after the date of termination.

A "qualifying termination" includes: (a) an involuntary termination of the Chair and CEO's employment by the Company and our subsidiaries for reasons other than "cause," disability or death within 24 months of the change in control; (b) a voluntary termination by the Chair and CEO for "good reason" within 24 months of the change in control; or (c) a breach by the Company or any successor of any provision in the executive severance agreement.

Under the executive severance agreements, an executive will be considered terminated for "cause" for:

- willful and continued failure to substantially perform the executive officer's employment duties in any material respect (other than any such failure resulting from physical or mental incapacity or occurring after an executive officer has provided notification to the Company of a voluntary termination for a "good reason") after proper written demand has been provided to the executive officer and the executive officer fails to resume substantial performance of the executive officer's duties on a continuous basis within 30 days of receipt of such demand;
- willfully engaging in conduct which is demonstrably and materially injurious to the Company or an affiliate; or
- conviction for, or pleading guilty or not contesting, a felony charge under federal or state law.

It is intended that any new executive director would be retained on similar loss of office terms to the current executive directors. Non-executive directors are not entitled to any compensation on termination and have a one-month notice period. However, all share awards will automatically be accelerated on a change of control of the Company.

Future Policy Table for Non-Executive Directors

Directors Fees

Purpose and link to strategy	Non-executive directors' compensation is designed to reward the time and talent required to serve on the board of a company of our size, complexity, and geographical spread, acknowledging the significant international travel required to discharge their duties to the Company. The Board seeks to provide sufficient flexibility in the form of compensation delivered to meet the needs of individuals who are located in different countries, while ensuring that a substantial portion of directors' compensation is linked to the long-term success of the Company.
Operation and maximum payment	Our Incentive Plan allows the non-executive members of our Board to receive up to $500,000 annually in cash and grant date fair value of equity. The Incentive Plan, however, grants the Board the authority to pay less than the amount provided under the Incentive Plan. Non-executive directors are compensated in both cash and restricted stock units which reflects practice amongst peer companies. Fees are reviewed periodically against market levels. The table below sets out the policy for 2022:

Compensation Element	Compensation
Annual Retainer	$100,000 paid in cash
Annual Equity Grant	$175,000 in RSUs that vest after one year (Non-executive directors will be eligible for any dividends paid and accumulated on RSU during the vesting period).
Annual Chair Fee	$20,000 for Audit Committee
	$15,000 for Compensation and Talent Committee
	$10,000 for Environmental, Social, and Governance Committee
Annual Lead Independent Director Fee	$50,000
Committee Meeting Fee	$2,500 per committee meeting
Share Ownership Requirement	Five times annual retainer (over five years)

The Compensation and Talent Committee retains the discretion to increase the value of compensation or alter the weighting of share awards and cash at its discretion, should this be considered appropriate. Where any discretion is exercised, the basis of this exercise should be disclosed in the next remuneration report.

Directors Fees	
Performance assessment	None, although overall performance of the non-executive directors is considered by the Compensation and Talent Committee when setting fee levels.
Provisions to recover sums paid or the withholding of payments	Not applicable.

Other Benefits
Each non-executive director receives reimbursement for reasonable incidental expenses incurred in connection with the attendance at Board and committee meetings. Directors who are not the Company's employees do not participate in any employee benefit plans.

Share Ownership Requirements
To further align the interests of non-executive directors with the interests of the Company's shareholders, each non-executive director is expected to acquire and retain the Company's Ordinary Shares and/or RSUs having a value equal to at least five times the amount of each director's annual cash retainer. A director has five years from his or her initial appointment date as a director to meet this requirement. The ownership requirement is pro-rated over the five-year period. Each of the Company's non-executive directors met their pro rata ownership requirements. The annual RSU grant vests after one year of service but is settled in Ordinary Shares on a date following vesting and previously elected by the director. The RSUs are forfeited if a director ceases service on the Board prior to the vesting date of the RSUs, except in the event of death or disability. Unvested RSUs will be settled and are payable in Ordinary Shares upon the death or disability of a director or in the event of a change in control of the Company. Non-executive Directors have the opportunity to elect the year in which they will take receipt of the equity grants from either (a) a period of one to ten years from the grant date or (b) upon their separation from Board service. The elections are made prior to the beginning of the grant year and are irrevocable after December 31 of the year prior to grant.

Other Provisions
The directors' appointment letters provide for a one-month notice period, unless the director is terminated for cause in which case the Company is not required to give notice. All of our non-executive directors have been subject to annual re-election since 2019. No compensation payable if required to stand down.

Differences between Remuneration Policy for Executive Directors and Other Employees

The Remuneration Policy for the executive directors is designed with regard to the employee remuneration policy across the Company. However, there are some differences in the structure of the Remuneration Policy for the executive directors and other senior employees, which the Compensation and Talent Committee believes are necessary to reflect the different levels of responsibility and market practices.

Statement of consideration of employment conditions elsewhere in the Company

The Compensation and Talent Committee generally considers pay and employment conditions elsewhere in the Company when considering the Chair and CEO's remuneration. While the Compensation and Talent Committee gave consideration to these factors, there was no consultation with employees when the Remuneration Policy was developed. When considering base salary increases, the Compensation and Talent Committee considers levels of base pay increases offered to other employees. The section "*CEO Pay Ratio Reporting*" in this Report provides comparisons of the remuneration received by our Chair and CEO to the remuneration received by our U.K. employees as well as our global employees.

Statement of consideration of shareholder views

Our relationship and ongoing dialogue with our shareholders is an important part of our Board's corporate governance commitment. Our Lead Independent Director and Compensation and Talent Committee Chair, or our executives and management from our Legal, People and Culture, and Investor Relations groups, meet with shareholders regularly on a variety of topics. Management provides reports to the Board and its committees regarding the key themes and results of these conversations, including typical investor concerns and questions, and emerging issues related to governance, compensation, safety, and sustainability.

At our 2020 annual general meeting of shareholders, 86.4% of votes cast approved our 2019 Remuneration Report with 13.6% voting against the report. This vote outcome prompted us to engage with shareholders and proxy advisory firms earlier than usual to connect and understand the reasons behind the support.

As such, we contacted shareholders and proxy advisory firms after our 2020 Annual Meeting to seek their views specifically on our executive compensation program and any governance-related feedback, including those related to negative votes for some of our directors. These transparent and productive discussions allowed us to better understand potential disconnects between our disclosure and how our compensation program actually operates.

Furthermore, in early 2020, we further engaged our shareholders in order to discuss more broadly our Board leadership structure, our general Board practices, our executive compensation program, and our sustainability efforts. We welcomed our shareholders' feedback and suggestions in maintaining the balance between strengthening the link between pay and performance, retaining and motivating our executives, and appropriately compensating our executives for outperformance, while increasing long-term shareholder value.

Overall, for our 2020-2021 engagement, we contacted proxy advisory firms and our top shareholders representing approximately 42% of our Ordinary Shares outstanding. Management, and in some instances, our Lead Independent Director or our Compensation and Talent Committee Chair, held meetings with proxy advisory firms and shareholders representing approximately 18% of our Ordinary Shares outstanding.

At our 2022 Annual General Meeting, 56.2% of votes cast approved our 2021 Remuneration Report with 43.8% votes cast voting against the report (percentages subject to rounding). This vote outcome prompted us to engage with shareholders and proxy advisory firms to connect and specifically understand the reasons behind the voting results. For more information on our 2022-2023 shareholder engagement, please see the "*Letter from the Chair of the Compensation and Talent Committee*" above.

Changes in the Remuneration Policy

In seeking a renewal of the 2018 remuneration policy, the Compensation Committee reviewed the policy in the context of its implementation and considered the views of shareholders as well considering evolving governance and market practices. The policy was found to continue to be fit for purpose with minor changes intended to provide the Committee with enough flexibility to act in the best interests of the business and its stakeholders over the next three years. These changes include:

- Introduction of an ESG measure into the annual cash incentive plan, in order to directly link our compensation program to our ESG commitments and objectives
- Increase in the maximum grant date fair value of annual long-term equity award granted to the Chair and CEO from $15 million per annum to $18 million per annum, to provide flexibility for the future to adjust compensation mix and proportion of equity-based compensation during a period of volatility in the oil and gas sector. However, this change did not impact the 2021 long-term equity grant, which will remain below $15 million.
- Adjustment to the balance of performance based long-term equity to be a minimum of 50% (from a minimum of 60%), to reflect continuing volatility in the sector and to reflect market norms in North America. However, the weighting for the 2021 long-term equity grant for the Chair and CEO will be 60% performance based.

Independent auditors' report to the members of TechnipFMC plc

Report on the audit of the financial statements

Opinion

In our opinion:

- TechnipFMC plc's group financial statements and company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2022 and of the group's loss and the group's cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- the company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the U.K. Annual Report and Accounts (the "Annual Report"), which comprise: Consolidated and Company Statements of Financial Position as at 31 December 2022; Consolidated Statements of Income, Consolidated Statements of Other Comprehensive Income, Consolidated Statements of Cash Flows, Consolidated Statements of Changes in Stockholders' Equity, and Company Statement of Changes in Shareholders' Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Overview

Audit scope

- We conducted full scope audits on 3 components and specified procedures, the audit of specified balances or the audit of classes of transactions on a further 27 components. The scope of work at each component was determined by its contribution to the group's overall financial position and its risk profile.

- We engaged our network firms in Brazil, France, Norway, Singapore, UK and the US to perform the audit procedures as they related to those components in their respective locations.
- The components where audit work was performed provided coverage of 57% of revenue at the transactional level.

Key audit matters

- Revenue recognition (group)
- Carrying value of investments in subsidiaries (parent)

Materiality

- Overall group materiality: USD 38m (2021: USD 40m) based on 0.6% of Revenue.
- Overall company materiality: USD 36m (2021: USD 37m) based on 1% of total assets subject to a capped allocation of group materiality.
- Performance materiality: USD 28.5m (2021: USD 30m) (group) and USD 27m (2021: USD 28m) (company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Accounting for the separation of, and retained investment in, Technip Energies N.V., which was a key audit matter last year, is no longer included because of the conclusion of the transaction during the prior year. Otherwise, the key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition (group) Revenue from products and services recognised over time accounted for approximately 63% of group's total revenue for the year. Contract revenue is recognised over the term of the contract with reference to the percentage stage of completion at each reporting date based on the cost-to-cost method. The judgement involved in assessing the percentage of completion calculation can be complex and requires an accurate forecast of total contract costs. This is particularly important in respect of large contracts (contract values greater than USD 75m) with low margins (below 2%) and a percentage of completion of less than 90%, where we determined that there was a greater risk of manipulation, particularly in relation to costs to complete. The risk identified is in respect of the accuracy assertion. Please refer to Note 1.5 Use of critical accounting estimates, judgements and assumptions, Note 3	In auditing the group's fixed price construction contracts, we performed the following procedures: - We tested key internal financial controls, including the review and approval of life of project forecast costs and revenues and project margin calculations; - For a sample of contracts, we obtained the percentage of completion calculations, agreed key contractual terms back to signed contracts including the contract price, tested the mathematical accuracy of the cost to complete calculations and re-performed the calculation of revenue, profit recognised in the year, and the contract assets and liabilities based on the cost-to-cost percentage of completion method; - We discussed the sample of contracts selected with project managers and other members of senior management to understand the status of the contract, any changes from previous years, the key assumptions underpinning the

Segment information and Note 5 Revenue in the group financial statements.	revenue and costs, and the existence of any claims or litigation. For a sample of variation orders, we obtained the signed contract amendments; - For costs incurred to date, we tested a sample to appropriate supporting documentation. To test the forecasted costs to complete, we obtained the breakdown of forecasted costs and tested elements of the forecasts by obtaining executed purchase orders and agreements, comparing estimated costs to other similar projects and challenging and corroborating management's judgements and assumptions to appropriate supporting documentation. This included testing vessel rates to underlying cost information and assessing the appropriateness of vessel days by comparing to operational shipping schedules and a sample of comparable completed projects; - We assessed the competency and objectivity of the project engineers and performed comparative analysis tests to assess the accuracy of forecasts in previous reporting periods against actual expenditure; and - We assessed the adequacy of contingency provisions against contract specific risks and management's assessment of the technical contingencies and the potential for liquidated damages on projects with delays. Based on our procedures, we did not identify any material issues.
Carrying value of investments in subsidiaries (parent) The total carrying value of investments presented within the Company financial statements as at 31 December 2022 is USD 4,084.8m. In line with IAS 36, management performed an exercise to evaluate the existence of impairment triggers for each material investment balance at the Company level. We focused on this area given the significance of the balance, the management judgements involved in determining impairment triggers. Please refer to Note 2.4 Use of critical accounting estimates, judgments and assumptions and Note 3 Investments in subsidiaries in the Company financial statements.	In auditing the carrying value of investments in subsidiaries we performed the following procedures: - We considered external and internal sources of information which could be indicative of impairment triggers including: - Considered oil price movements, a key driver of the performance of the sector and therefore the group; - Compared the market capitalisation of the group at 31 December 2022 and post year end against the carrying value of the investments; - Considered recent analyst reports on the group; and - Compared current year backlog and order intake to prior years. - We performed a look back test by comparing the 2022 actual performance against the 2021 budgeted performance; - We also checked the consistency of Long Range Plan information used in management's trigger assessment to other information obtained during our audit; - We considered and challenged the impact of the group reorganisation during 2022 and whether there was any

	indication of an impairment trigger in either of the two remaining material investment balances; - We assessed management’s consideration of impairment reversal; and - We reviewed the disclosures provided in the financial statements to ensure compliance with IAS 36. As a result of our procedures, we concurred with management’s assessment that no impairment triggers existed in relation to the carrying value of investments in subsidiaries at the year end and that no impairment reversal was necessary. Based on our procedures, management's disclosures are appropriate.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the company, the accounting processes and controls, and the industry in which they operate.

The group financial statements are a consolidation of a large number of components which make up the group’s operating businesses within the two business unit segments: Subsea and Surface Technologies. In establishing the overall approach to the group audit, we determined the type of work that needed to be performed at the components either by us, as the group engagement team, or component auditors from other PwC network firms operating under our instruction.

The group’s components vary significantly in size and we identified three components that, in our view, required a full scope audit due to their relative size or risk characteristics. Where component audits were performed by teams other than the group engagement team, members of the group engagement team maintained oversight over the work performed by the component teams across the audit. We maintained regular communication and conducted formal interim and year-end conference calls with all full and specified procedure component teams. We also visited the US and Norway component teams during the year. Of the 30 components in scope, we considered three to be financially significant to the group: EWHG (USA), Technip Brasil Engenharia Ltda (Brazil) and GKOS FTI Kongsberg (Norway). Together these full and specific scope components audits gave appropriate coverage of all material balances at a group level. On a consolidated basis, these provided coverage of 57% of revenue at the transactional level.

As part of our planning procedures, utilising our knowledge of the group gained in previous audits, we reviewed management’s climate change strategy, assessment of the risk and governance with regards to the potential impacts of climate change. We formed our own view in concluding that climate risk is not considered to result in a significant audit risk in the context of the group and Company audits for the current year.

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the process management adopted to assess the extent of the potential impact of climate risk on the Group’s financial statements and support the disclosures made within the Strategic Report.

In addition to enquiries with management, we also read the governance processes in place to assess climate risk.

We challenged the completeness of management’s climate risk assessment by comparison with board minutes and reading the Company's website and communications for details of climate related impacts, including whether the time horizons management have used take account of all relevant aspects of climate change such as transition risks and physical risks.

The key areas of the financial statements where management evaluated that climate risk has a potential impact are: the going concern of the Company, the forecasted future cash flows generated by non-current assets and associated with goodwill, the realisability of pensions assets, and the carrying value of the non-current assets.

We considered the following areas to potentially be impacted by climate risk and consequently we focused our audit work in these areas: going concern and the carrying value of the fixed assets.

To respond to the audit risks identified in these areas we tailored our audit approach to address these, in particular, we challenged management on how the impact of climate commitments made by the Group would impact the impairment analyses; and challenged whether the impact of climate risk in the Directors' assessments and disclosures of going concern were consistent with management's climate impact assessment.

Our procedures did not identify any material impact in the context of our audit of the financial statements as a whole, or our key audit matters for the year ended.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements - group	**Financial statements - company**
Overall materiality	USD 38m (2021: USD 40m).	USD 36m (2021: USD 37m).
How we determined it	0.6% of Revenue	1% of total assets subject to a capped allocation of group materiality
Rationale for benchmark applied	We considered the following benchmarks for the calculation of overall materiality – total revenues, total assets, adjusted pre-tax income and EBITDA. We concluded that the most appropriate benchmark was total revenue, as revenue is a key measure used by shareholders in assessing the performance of the group.	If the materiality cap was not applied, 1% of total assets would result in an overall materiality of USD 85.8m.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between USD 325k and USD 37m. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2021: 75%) of overall materiality, amounting to USD 28.5m (2021: USD 30m) for the group financial statements and USD 27m (2021: USD 28m) for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above USD 3.8m (group audit) (2021: USD 4m) and USD 1.8m (company audit) (2021: USD 1.9m) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the group's and the company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining and reviewing the group's cashflow forecasts for the going concern period, challenging management's assumptions used and verifying that they are consistent with our existing knowledge and understanding of the business;
- Agreeing the forecasted cashflow position per management's going concern workings to approved forecasts;
- Reviewing the group's severe but plausible downside scenario, evaluating the assumptions used, and verifying that the group is able to maintain liquidity within the going concern period under this scenario;
- Obtaining and understanding the terms and conditions of the group's financing facilities including financial covenants and opening liquidity position, as well as the group's ability to access cash balances in international locations;
- Testing the model for mathematical accuracy; and
- Assessing the adequacy of the disclosure provided in Note 1.2 of the Group financial statements and Note 2.1 of the Company financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Directors' Remuneration

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibility Statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group’s and the company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors’ responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to anti-bribery and corruption legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006 and relevant tax legislation. We evaluated management’s incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to unusual journal entry combinations and assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the accounting for contracts which recognise revenue under the over-time recognition method. The group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the group engagement team and/or component auditors included:

- Discussions with management and group General Counsel, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluation of management’s controls designed to prevent and detect irregularities;
- Review of minutes of meetings of the Board of Directors;

- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the accounting for contracts which recognise revenue under the over-time recognition method;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
- Understanding and assessing management's ongoing processes for investigating and concluding on any whistleblowing allegations and understanding the status of investigations conducted by regulatory authorities.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Bruce Collins (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Aberdeen
17 March 2023

CONSOLIDATED FINANCIAL STATEMENTS
TECHNIPFMC PLC
FOR THE YEAR ENDED DECEMBER 31, 2022
Company No. 09909709

CONSOLIDATED STATEMENTS OF INCOME

(In millions, except per share data)	Note	Year Ended December 31, 2022	2021
Revenue:	5		
Service revenue from customer contracts		$ 3,634.5	$ 3,442.9
Product revenue from customer contracts		2,868.4	2,808.4
Lease revenue		222.8	162.0
Total revenue		6,725.7	6,413.3
Costs and expenses:	6		
Cost of service revenue		3,011.7	3,052.8
Cost of product revenue		2,594.3	2,360.3
Cost of lease revenue		170.0	129.4
Selling, general and administrative expense		620.3	647.0
Research and development expense		67.0	79.0
Impairment, restructuring and other expenses	22	1.1	66.7
Total costs and expenses		6,464.4	6,335.2
Other income (expense), net	6	21.8	(0.4)
Foreign exchange gain (loss), net		(68.8)	6.8
Income from associates	9	44.6	0.6
Income (loss) from investment in Technip Energies	33	(27.7)	8.5
Income before net interest expense and income taxes		231.2	93.6
Financial income	6	19.3	19.0
Financial expense	6	(179.9)	(207.1)
Loss on early extinguishment of debt		(29.8)	(61.9)
Income (loss) before income taxes		40.8	(156.4)
Provision for income taxes	7	125.7	81.6
Net loss from continuing operations		(84.9)	(238.0)
Profit (loss) from discontinued operations	33	(26.4)	605.2
Net profit (loss)		(111.3)	367.2
(Profit) loss from continuing operations attributable to non-controlling interests		(25.4)	0.8
Less: Profit from discontinued operations attributable to non-controlling interests		—	(1.9)
Profit from discontinued operations attributable to TechnipFMC plc		—	(1.9)
Net income (loss) attributable to TechnipFMC plc		(136.7)	366.1
Earnings (loss) per share from continuing operations attributable to TechnipFMC plc	8		
Basic and diluted		$ (0.25)	$ (0.53)
Earnings (loss) per share from discontinued operations attributable to TechnipFMC plc			
Basic and diluted		$ (0.06)	$ 1.34
Total earnings (loss) per share attributable to TechnipFMC plc			
Basic and diluted		$ (0.30)	$ 0.81
Weighted average shares outstanding			
Basic and diluted		449.5	450.5

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME

(In millions)	Year Ended December 31, 2022	2021
Net income (loss) attributable to TechnipFMC plc	$ (136.7)	$ 366.1
(Profit) loss from continuing operations attributable to non-controlling interests	(25.4)	0.8
Less: Profit from discontinued operations attributable to non-controlling interests	—	(1.9)
Net profit (loss) attributable to TechnipFMC plc, including non-controlling interest	(111.3)	367.2
Exchange differences on translating entities operating in foreign currency	(26.6)	32.7
Cash flow hedging	8.2	(63.5)
Income tax effect	(8.0)	9.5
Other comprehensive income (loss) to be reclassified to statement of income in subsequent years, net of tax	(26.4)	(21.3)
Actuarial gains on defined benefit plans	45.5	151.3
Income tax effect	(7.6)	(19.6)
Other comprehensive income not being reclassified to statement of income in subsequent years, net of tax	37.9	131.7
Reclassification of other comprehensive income to income statement upon spin-off of Technip Energies (Note 33)	—	166.9
Other comprehensive income, net of tax	11.5	277.3
Comprehensive income (loss), net of tax	(99.8)	644.5
Comprehensive (income) loss attributable to non-controlling interest	(21.3)	0.5
Comprehensive income (loss) attributable to TechnipFMC plc	$ (121.1)	$ 645.0

Comprehensive income (loss) attributable to:

(In millions)	Year Ended December 31,	
TechnipFMC plc	**2022**	**2021**
Continuing operations	$ (94.7)	$ (125.2)
Discontinued operations	(26.4)	770.2
Comprehensive income (loss) attributable to TechnipFMC plc	$ (121.1)	$ 645.0
Non-controlling interest		
Continuing operations	$ (21.3)	$ (1.9)
Discontinued operations	—	2.4
Comprehensive (income) loss attributable to non-controlling interest	(21.3)	0.5
Comprehensive income (loss), net of tax	$ (99.8)	$ 644.5

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	December 31,	
(In millions, except par value data)		**2022**	**2021**
Assets			
Investments in associates	9	$ 325.0	$ 292.4
Property, plant and equipment, net	10	2,399.1	2,636.6
Right-of-use assets	4	733.2	649.1
Goodwill	11	140.9	140.9
Intangible assets, net	11	716.0	813.7
Deferred tax assets	7	46.1	43.1
Derivative financial instruments	27	7.2	10.5
Defined benefit asset, less current portion	20	48.9	57.8
Other assets	12	126.2	131.4
Total non-current assets		4,542.6	4,775.5
Cash and cash equivalents	13	1,057.1	1,327.4
Trade receivables, net of loss allowance of $31.5 in 2022 and $29.0 in 2021	14	968.5	1,013.7
Contract assets	5	984.1	967.7
Inventories	15	1,053.1	1,046.8
Derivative financial instruments	27	282.7	110.3
Income taxes receivable	7	150.5	106.1
Advances paid to suppliers		80.8	79.4
Asset held for sale		18.5	4.9
Other current assets	16	450.9	422.4
Investment in Technip Energies	33	—	317.3
Total current assets		5,046.2	5,396.0
Total assets		$ 9,588.8	$ 10,171.5
Liabilities and equity			
Ordinary shares	17	$ 442.2	$ 450.7
Retained earnings, net income and other reserves		3,643.0	3,859.8
Accumulated other comprehensive loss	17	(793.7)	(839.6)
Total TechnipFMC plc shareholders' equity		3,291.5	3,470.9
Non-controlling interest	17	36.5	15.7
Total equity		3,328.0	3,486.6
Long-term debt, less current portion	19	999.3	1,778.5
Lease liabilities	4	685.8	646.6
Deferred tax liabilities	7	96.3	91.9
Accrued pension and other post-retirement benefits, less current portion	20	110.1	165.3
Derivative financial instruments	27	3.6	15.6
Non-current provisions	21	6.1	17.3
Other liabilities	23	77.9	82.3
Total non-current liabilities		1,979.1	2,797.5
Short-term debt and current portion of long-term debt	19	418.8	277.9
Lease liabilities	4	186.7	126.2
Accounts payable, trade	24	1,282.0	1,293.6
Contract liabilities	5	1,155.6	988.9
Accrued payroll		175.6	194.1
Derivative financial instruments	27	346.6	161.0
Income taxes payable	7	120.5	137.8
Current provisions	21	210.1	277.5
Other current liabilities including warranty provisions of $74.2 and $86.2 for 2022 and 2021	23	385.8	430.4
Total current liabilities		4,281.7	3,887.4
Total liabilities		6,260.8	6,684.9
Total equity and liabilities		$ 9,588.8	$ 10,171.5

The accompanying notes are an integral part of the consolidated financial statements.

The consolidated financial statements were approved by the Board of Directors and signed on its behalf by

Douglas J. Pferdehirt

Director and Chief Executive Officer

March 17, 2023

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions)	Note	Year Ended December 31, 2022	2021
Cash provided by operating activities			
Net income (loss)		$ (111.3)	$ 367.2
Less: Net (income) loss from discontinued operations		26.4	(605.2)
Adjustments to reconcile net profit (loss) to cash provided by operating activities			
Depreciation	4, 10	439.8	442.4
Amortization	11	92.0	94.1
Impairments	10, 11, 22	4.7	49.1
Employee benefit plan and share-based compensation costs		56.6	148.4
Deferred income tax benefit, net		(8.9)	(123.9)
(Income) loss from investment in Technip Energies		27.7	(8.5)
Unrealized loss on derivative instruments and foreign exchange		87.9	23.7
Income from equity affiliates, net of dividends received		(31.9)	(0.6)
Loss on early extinguishment of debt		29.8	61.9
Payments for debt issuance cost[1]		—	(60.4)
Financial income classified as investing cash flows[2]		(19.3)	(19.0)
Other[1]		(47.6)	(30.3)
Changes in operating assets and liabilities, net of effects of acquisitions			
Trade receivables, net and contract assets		(61.2)	(74.6)
Inventories, net		(33.5)	195.8
Accounts payable, trade		50.6	89.2
Contract liabilities		187.7	9.6
Income taxes payable, net		(55.6)	233.9
Other assets and liabilities, net		(190.2)	(65.4)
Cash provided by operating activities from continuing operations		443.7	727.4
Cash provided by operating activities from discontinued operations		—	83.6
Cash provided by operating activities		443.7	811.0
Cash provided (required) by investing activities			
Capital expenditures[3]		(163.4)	(247.9)
Payment to acquire debt securities		—	(29.1)
Proceeds from sale of debt securities		9.7	27.4
Acquisitions, net of cash acquired		(18.5)	(15.3)
Proceeds from sale of assets		30.2	104.6
Proceeds from sale of investment in Technip Energies (FVTPL)		288.5	116.4
Proceeds from repayment of advances to joint venture		12.5	25.0
Financial income[2]		19.3	19.0
Other		(20.8)	—
Cash provided (required) by investing activities from continuing operations		157.5	0.1
Cash required by investing activities from discontinued operations		—	(2,758.6)
Cash provided (required) by investing activities		157.5	(2,758.5)
Cash required by financing activities			
Proceeds from issuance of short-term debt	19	16.8	—
Repayments of short-term debt	19	(217.2)	(62.0)
Cash settlement for derivative hedging debt		(80.5)	—
Proceeds from issuance of commercial paper	19	—	1,348.8
Repayments of commercial paper	19	—	(2,323.1)
Proceeds from issuance of long-term debt	19	60.9	1,215.6
Repayments of long-term debt[1]	19	(430.2)	(1,432.7)
Share repurchases	17	(100.2)	—
Payments for the principal portion of lease liabilities	4	(128.3)	(135.3)
Acquisition of non-controlling interest	2	—	(48.6)
Other		(4.9)	(2.4)
Cash required by financing activities from continuing operations		(883.6)	(1,439.7)
Cash required by financing activities from discontinued operations		—	(79.1)
Cash required by financing activities		(883.6)	(1,518.8)
Effect of changes in foreign exchange rates on cash and cash equivalents		12.1	(14.0)
Decrease in cash and cash equivalents		(270.3)	(3,480.3)
Cash and cash equivalents, beginning of period	13	1,327.4	4,807.7
Cash and cash equivalents, end of period	13	$ 1,057.1	$ 1,327.4

(1) The December 31, 2021 balances for debt issuance cost of $60.4 million and cash premium paid of $29.5 million have been reclassified from financing activities to operating activities, consistent with the classification of interest payments.
(2) The December 31, 2021 balance of financial income of $19.0 million has been reclassified from operating activities to investing activities.
(3) The December 31, 2021 acquisition of assets of $51.2 million has been aggregated with capital expenditures.

The following items are included within operating activities:

	Year Ended December 31,	
(In millions)	**2022**	**2021**
Supplemental disclosures of cash flow information attributable to continuing operations		
Cash paid for interest on debt	$ 110.6	$ 104.8
Cash paid for interest on lease	$ 42.7	$ 41.2
Cash paid for income taxes (net of refunds received)	$ 189.2	$ 25.1

The following table provides non-cash investing and financing activities:

	Year Ended December 31,	
(In millions)	**2022**	**2021**
Dividend Distribution of shares in Technip Energies N.V. due to Spin-off	—	1,383.5

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

(In millions)	Ordinary Shares	Retained Earnings, Net Income and Other Reserves	Accumulated Other Comprehensive Income (Loss)	Non-controlling Interest	Total Shareholders' Equity
Balance as of December 31, 2020	$ 449.5	$ 4,847.8	$ (1,154.1)	$ 103.8	$ 4,247.0
Net income	—	366.1	—	1.1	367.2
Other comprehensive income	—	—	110.3	(1.6)	108.7
Issuance of ordinary shares (Note 17)	1.2	—	—	—	1.2
Share-based compensation (Note 18)	—	26.8	—	—	26.8
Acquisition of non-controlling interest	—	43.8	—	(43.8)	—
Accrued distributions to non-controlling interest	—	—	—	(15.0)	(15.0)
Spin-off of Technip Energies	—	(1,420.6)	204.2	(21.8)	(1,238.2)
Other	—	(4.1)	—	(7.0)	(11.1)
Balance as of December 31, 2021	$ 450.7	$ 3,859.8	$ (839.6)	$ 15.7	$ 3,486.6
Net income (loss)	—	(136.7)	—	25.4	(111.3)
Other comprehensive income (loss)	—	—	11.5	(4.1)	7.4
Issuance of ordinary shares (Note 17)	1.6	(1.5)	—	—	0.1
Share-based compensation (Note 18)	—	40.5	—	—	40.5
Shares repurchased and cancelled	(10.1)	(90.1)	—	—	(100.2)
Other [(a)]	—	(29.0)	34.4	(0.5)	4.9
Balance as of December 31, 2022	$ 442.2	$ 3,643.0	$ (793.7)	$ 36.5	$ 3,328.0

(a) Other in Accumulated Other Comprehensive Income (Loss) and Retained Earnings, Net Income, and Other Reserves includes a $34.4 million adjustment due to discontinuance of cash flow hedge accounting. Refer to Note 27.

The accompanying notes are an integral part of the consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. ACCOUNTING PRINCIPLES

Nature of operations - TechnipFMC plc and consolidated subsidiaries ("TechnipFMC", the "Company", "we", "us" or "our") is a global leader in oil and gas project execution, technology innovation, systems manufacturing and services provider through our business segments: Subsea and Surface Technologies. We have manufacturing operations worldwide, strategically located to facilitate delivery of our products, systems and services to our customers.

Details of the Company's activities during the year are provided in the Strategic Report. TechnipFMC is a public limited company by shares, incorporated and domiciled in England and Wales (United Kingdom) and listed on the New York Stock Exchange ("NYSE"), trading under the "FTI" symbol. The address of the registered office is Hadrian House, Wincomblee Road, Newcastle upon Tyne, England, NE63PL. On February 18, 2022, following a comprehensive review of the strategic objectives, we voluntarily delisted TechnipFMC's shares from Euronext Paris.

1.1. Basis of preparation

The consolidated financial statements of TechnipFMC (the "consolidated financial statements") were prepared in accordance with U.K.-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006 (the "**Companies Act**").

The consolidated financial statements are expressed in millions of U.S. dollars and all values are rounded to the nearest hundred thousand, unless specified otherwise.

TechnipFMC's consolidated financial statements have been prepared on a going concern basis under the historical cost convention as modified by the revaluation of financial assets and liabilities at fair value through profit or loss.

TechnipFMC's significant accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.2. Going concern

As required by IAS 1 "Presentation of Financial Statements" in determining the basis of preparation for the consolidated financial statements, we have considered the Company's business activities, together with the factors likely to affect its future development, performance and position in order to assess whether the Company may adopt the going concern basis in preparing its consolidated financial statements.

We are committed to a strong balance sheet and ample liquidity that will enable us to access capital markets throughout the cycle. We believe our liquidity continues to exceed the level required to achieve this goal.

During the preparation of these financial statements, we reviewed our expected requirements through December 31, 2024 and are confident that we will be able to maintain sufficient liquidity, adequate financial resources and financial flexibility in order to fund the requirements of our business. As at December 31, 2022, the Company was in a net current asset position of $764.5 million, with available undrawn facilities of $1.0 billion. Our Revolving Credit Facility will expire as of February 15, 2024. We are currently in the process of amending and extending this agreement for another 5 years. We have not placed reliance on this facility in our going concern assessment or plausible downside scenarios. Based on current market conditions and our future expectations, our capital expenditures are estimated to be approximately $250.0 million and $300.0 million for 2023 and 2024, respectively. We have excluded any projected contingent capital amounts that may be needed to respond to contract awards, as these can be amended as required. We do however believe there to be sufficient financing available within the business to meet these needs. Given that we have a strong and committed balance sheet and ample liquidity, we are also in a position to access additional capital markets.

As part of our assessment of going concern we have modelled our projected cash flows under severe but plausible downside scenarios, including applying a reduction to the 2023 forecasted margins compared with 2022 actuals, similar to the reductions experienced during the COVID pandemic in 2020, and assuming no growth in 2024 from the reduced 2023 forecast. Under all the scenarios which we have modelled, after taking mitigating actions as required, our forecasts did not indicate a liquidity deficit within the going concern period of review, on any of the future dates through to December 31, 2024.

We also continue to actively monitor the current economic environment, including inflation and rising interest rates and the market volatility caused by the current geopolitical situation in Ukraine. While the current economic conditions continue to create uncertainty, we are confident of our access to sufficient liquidity in the projected period under severe but plausible downside scenarios.

The majority of our cash is managed centrally and flowed through centralized bank accounts controlled and maintained by TechnipFMC globally and in many operating jurisdictions to best meet liquidity needs of our global operations in those jurisdictions. We expect to meet the continuing funding requirements of our global operations with cash generated by such operations.

Following the above going concern assessment, we concluded that there are no material uncertainties that cast doubt on the Company’s going concern status and that it is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, we continue to adopt the going concern basis in preparing the consolidated financial statements.

1.3. Changes in accounting policies and disclosures

a. Standards, amendments and interpretations effective in 2022

The Company has applied the amendments to IFRS 3, IAS 16, and IAS 37 for the first time in its consolidated financial statements for the year ended December 31, 2022. These amendments did not have any impact on the Company's accounting policies and did not require retrospective adjustments. The decision made by the IFRS IC in April 2021 on the treatment of cloud computing has no material impact.

There are no other new or amended standards or interpretations adopted during the year that have a significant impact on the consolidated financial statements.

b. Standards, amendments and interpretations to existing standards that are issued, not yet effective and have not been early adopted as of December 31, 2022

Certain new accounting standards and interpretations have been published that are not mandatory for December 31, 2022 reporting periods and have not been early adopted by the Company. The assessment of the impact of these new standards and interpretations is set out below. There are no other standards, amendments or interpretations in issue but not yet adopted that are expected to have a material impact on the consolidated financial statements

Amendments to IAS 1 "Presentation of financial statements" on disclosure of material accounting policy information

The IASB has amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is ‘material accounting policy information’ and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. The new amendments are effective on or after January 1, 2023 but can be adopted early. We do not expect that the adoption of the amendment will have a significant impact on the consolidated financial statements.

Amendments to IFRS 17 "Insurance Contracts"

IFRS 17 provides a new general model for accounting for contracts where the issuer accepts significant insurance risk from another party and agrees to compensate that party if a future uncertain event adversely affects them, this includes financial guarantees and warranties. The new amendments are effective on or after January 1, 2023. We do not expect that the adoption of the amendment will have a significant impact.

Definition of Accounting Estimates – Amendments to IAS 8

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. That distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events. The new amendments will be effective for annual periods beginning on or after January 1, 2023 subject to endorsement by the U.K. and the European Union. We are currently evaluating the impact of these amendments on our consolidated financial statements and do not expect that the adoption of these amendments will have a significant impact on our consolidated financial statements.

Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction

The IASB issued targeted amendments to International Accounting Standard (IAS) 12, Income Taxes, the IFRS Standard on income taxes, to specify how companies should account for deferred tax on transactions such as leases and decommissioning obligations.

IAS 12 establishes requirements on how a company accounts for income tax, including deferred tax, which represents tax payable or recoverable in the future. In certain circumstances, companies are exempt from recognizing deferred tax when they recognize assets or liabilities for the first time.

The amendments clarify that the exemption does not apply, and that companies are required to recognize deferred tax on such transactions. We have evaluated the impact of these amendments and do not expect that the adoption of these amendments will have a significant impact on our consolidated financial statements.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023, with early application permitted.

Amendments to IAS 1 "Presentation of financial statements" on classification of liabilities as current or non-current

These narrow-scope amendments to IAS 1 aim to improve the information provided when a right to defer settlement of a liability is subject to compliance with covenants within twelve months after the reporting period. The new amendments are effective on or after January 1, 2024 and override previous amendments. We are currently evaluating the impact of this amendment on our consolidated financial statements and do not expect that the adoption of the amendment will have a significant impact on the classification of current or non-current liabilities in our consolidated financial statements.

1.4. Summary of significant accounting policies

a) Consolidation principles and joint arrangements

In accordance with IFRS 10 “Consolidated Financial Statements” ("IFRS 10"), subsidiaries are all entities (including structured entities) over which TechnipFMC has control. TechnipFMC controls an entity where TechnipFMC has all the following:

- the power over the company subject to the investment,
- an exposure or rights to the company’s variable returns; and
- the ability to use its power over the entity to affect these returns.

The power to direct the activities of the entity usually exists when holding more than 50% of voting rights in the entity and these rights are substantive.

Subsidiaries are consolidated as of the date of acquisition, being the date on which TechnipFMC obtains control, and continue to be consolidated until the date control ceases.

As per IFRS 11 “Joint Arrangements” (“IFRS 11”), joint arrangements classified as joint operations should be recognized to the extent of TechnipFMC’s assets and its liabilities, including its share of any assets held jointly or liabilities incurred jointly.

The equity method is used for joint ventures and for investments over which TechnipFMC exercises a significant influence on operational and financial policies. Unless otherwise indicated, such influence is deemed to exist for investments in companies in which TechnipFMC’s ownership is between 20% and 50%.

Using the equity method, the investment in an associate or a joint venture is initially recognized at cost. The carrying amount is then adjusted to reflect changes in TechnipFMC’s share of net assets of the associate or joint venture since the date of acquisition. Any goodwill relating to the associate or joint venture is included in the carrying amount of the investment; no separate test for impairment is performed thereon.

TechnipFMC recognizes its share of the results of operations of the associate or joint venture in profit or loss. Any change in OCI of those entities are reflected in TechnipFMC's OCI. Changes recorded directly in the equity of the associate or joint venture, when applicable, are recognized in TechnipFMC's statement of changes in equity to the extent of its share therein. Unrealized gains and losses resulting from transactions between TechnipFMC and its associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the group. When necessary, adjustments are made to bring the accounting policies in line with those of the group.

After the equity method has been applied, TechnipFMC assesses whether there are any indicators, and if that is the case is it necessary to recognize any impairment loss on its investment in its associate or joint venture. Upon objective evidence that the investment in the associate or joint venture is impaired, TechnipFMC calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and their carrying value. Any impairment loss is recognized as a loss from equity affiliates or, if applicable, as net loss from discontinued operations in the consolidated income statement.

Companies in which our ownership is less than 20% or which do not represent material investments (such as dormant companies) are recorded under the "Other Non-Current Financial Assets" and classified as "Financial Assets at Fair Value through Profit or Loss."

The list of TechnipFMC's related undertakings as of December 31, 2022 is provided in Note 32.

The main affiliates of TechnipFMC close their accounts as of December 31 and all consolidated companies apply TechnipFMC's accounting policies.

All intercompany balances and transactions, as well as internal income and expenses, are fully eliminated.

If TechnipFMC loses control of a subsidiary, the related assets (including goodwill), liabilities, non-controlling interest and other components of equity are derecognized, with any gains or losses recognized in profit or loss. Retained investment is recognized at fair value, with revaluation gain also recognized in profit or loss.

Upon loss of significant influence over an associate or joint control over a joint venture, TechnipFMC remeasures any retained investment to its fair value. Differences between the carrying amount of the associate or joint venture at the date of loss of significant influence or joint control and the fair value of the retained investment, as well as proceeds from disposal is recognized in profit or loss as income from equity affiliates or, if applicable, as net profit from discontinued operations.

b) Recognition of revenue from customer contracts

TechnipFMC accounts for revenue in accordance with IFRS 15 "Revenues from Contracts with Customers" ("IFRS 15"). Revenue is measured based on the consideration specified in a contract with a customer. TechnipFMC recognizes revenue when or as it transfers control over a good or service to a customer.

Allocation of transaction price to performance obligations - A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue, when, or as, the performance obligation is satisfied. To determine the proper revenue recognition method, we evaluate whether two or more contracts should be combined and accounted for as one single contract and whether the combined or single contract should be accounted for as more than one performance obligation. This evaluation requires significant judgment; some of our contracts have a single performance obligation as the promise to transfer the individual goods or services is not separately identifiable from other promises in the contracts and, therefore, not distinct. For contracts with multiple performance obligations, we allocate the contract's transaction price to each performance obligation using our best estimate of the standalone selling price of each distinct good or service in the contract.

Variable consideration - Due to the nature of the work required to be performed on many of our performance obligations, the estimation of total revenue and cost at completion is complex, subject to many variables and requires significant judgment. It is common for our long-term contracts to contain variable considerations that can either increase or decrease the transaction price. Variability in the transaction price arises primarily due to liquidated damages. TechnipFMC considers its experience with similar transactions and expectations regarding the contract in estimating the amount of variable consideration to which it will be entitled and determining whether the estimated variable consideration should be constrained. We include estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. Our estimates of variable consideration are based largely on an assessment of our anticipated performance and all information (historical, current and forecasted) that is reasonably available to us. Additionally, we may agree on variations or on claims with a customer that may increase or decrease contract revenue in a period subsequent to which the contract was initially signed. We record such variation orders only when they are legally enforceable.

Payment terms - Progress billings are generally issued upon completion of certain phases of the work as stipulated in the contract. Payment terms may either be fixed, lump-sum or driven by time and materials (i.e., daily or hourly rates, plus materials). Because typically the customer retains a small portion of the contract price until completion of the contract, our contracts generally result in revenue recognized in excess of billings which we present as contract assets on the statement of financial position. Amounts billed and due from our customers are classified as receivables on the statement of financial position. The portion of the payments retained by the customer until final contract settlement is not considered a significant financing component because the intent is to protect the customer. For some contracts, we may be entitled to receive an advance payment. We recognize a liability for these advance payments in excess of revenue recognized and present it as contract liabilities on the statement of financial position. The advance payment typically is not considered a significant financing component because it is used to meet working capital demands that can be higher in the early stages of a contract and to protect us from the other party failing to adequately complete some or all of its obligations under the contract.

Warranty - Certain contracts include an assurance-type warranty clause, typically between 18 to 36 months, to guarantee that the products comply with agreed specifications. A service-type warranty may also be provided to the customer; in such a case, management allocates a portion of the transaction price to the warranty based on the estimated stand-alone selling price of the service-type warranty.

Revenue recognized over time - Performance obligations are satisfied over time as work progresses or at a point in time when performance obligations are fulfilled and control transfers to the customer. We recognize revenue over time on contracts where the customer simultaneously receives and consumes the benefit, our performance creates an asset that the customer controls as the asset is created, or where our performance does not create an asset with an alternative use, and we have an enforceable right to payment plus a reasonable profit for performance completed to date. Revenue from products and services transferred to customers over time accounted for approximately 63% of our revenue for the year ended December 31, 2022. Typically, revenue is recognized over time using an input measure (e.g., costs incurred to date relative to total estimated costs at completion) to measure progress.

Cost-to-cost method - For long-term contracts, because of control transferring over time, revenue is recognized based on the extent of progress towards completion of the performance obligation. The cost-to-cost measure of progress for contracts is generally used because it best depicts the transfer of control to the customer which occurs as costs on the contracts incur. Under the cost-to-cost measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Revenues, including estimated fees or profits, are recorded proportionally as costs are incurred. Any expected losses on contracts in progress are charged to earnings, in total, in the period the losses are identified.

Right to invoice practical expedient - The right-to-invoice practical expedient can be applied to a performance obligation satisfied over time if we have a right to invoice the customer for an amount that corresponds directly with the value transferred to the customer for our performance completed to date. When this practical expedient is used, we do not estimate variable consideration at the inception of the contract to determine the transaction price or for disclosure purposes. We have contracts which have payment terms dictated by daily or hourly rates where some contracts may have mixed pricing terms which include a fixed fee portion. For contracts in which we charge the customer a fixed rate based on the time or materials spent during the project that correspond to the value transferred to the customer, we recognize revenue in the amount to which we have the right to invoice.

Contract modifications - Contracts are often modified to account for changes in contract specifications and requirements. We consider contract modifications to exist when the modification either creates new, or changes the existing, enforceable rights and obligations. Most of our contract modifications are for goods or services that are not distinct from the existing contract due to the significant integration service provided in the context of the contract and are accounted for as if they were part of that existing contract. The effect of a contract modification on the transaction price and our measure of progress for the performance obligation to which it relates is recognized as an adjustment to revenue (either as an increase in or a reduction of revenue) on a cumulative catch-up basis.

c) Foreign currency transactions

Foreign currency transactions are translated into the functional currency at the exchange rate applicable on the transaction date.

At the closing date, monetary assets and liabilities stated in foreign currencies are translated into the functional currency at the exchange rate prevailing on that date. Resulting exchange gains or losses are directly recorded in the statement of income, except exchange gains or losses on cash accounts eligible for future cash flow hedging and for hedging on net foreign currency investments.

Translation of financial statements of subsidiaries in foreign currency

The income statements of foreign subsidiaries are translated into U.S. dollars at the average exchange rate prevailing during the year. Statements of financial position are translated at the exchange rate at the closing date. Differences arising in the translation of financial statements of foreign subsidiaries are recorded in other comprehensive income (loss) as foreign currency translation reserve. Items that are recognized directly in equity are translated using the historical rates. The functional currency of the foreign subsidiaries is most commonly the local currency.

d) Business combinations

Business combinations are accounted for using the acquisition method of accounting. Under the acquisition method assets acquired and liabilities assumed are recorded at their respective fair values as of the acquisition date. Determining the fair value of assets and liabilities involves significant judgment regarding methods and assumptions used to calculate estimated fair values. The purchase price is allocated to the assets acquired, including identifiable intangible assets, and liabilities based on their estimated fair values. Any excess of the purchase price over the estimated fair values of the net assets acquired is recorded as goodwill. Identifiable assets are depreciated over their estimated useful lives.

Acquisition-related costs are expensed as incurred and included in the statement of income line item “Selling, general and administrative expenses.”

Adjustments recorded for a business combination on the provisional values of assets, liabilities and contingent liabilities are recognized as a retrospective change in goodwill when occurring within a 12-month period after the acquisition date and resulting from facts or circumstances that existed as of the acquisition date. After this measurement period ends, any change in valuation of assets, liabilities and contingent liabilities is accounted for in the profit and loss statement, with no impact on goodwill.

e) Segment information

Information by operating segment

Management’s determination of the reporting segments was made on the basis of strategic priorities within each segment and the differences in the products and services TechnipFMC provides, which corresponds to the manner in which TechnipFMC’s Chief Executive Officer, as a Chief Operating Decision Maker (“CODM”), reviews and evaluates operating performance to make decisions about resources to be allocated to the segment. We now operate under two reportable segments: Subsea and Surface Technologies.

TechnipFMC’s reportable segments are:

- *Subsea* - designs and manufactures products and systems, performs engineering, procurement and project management and provides services used by oil and gas companies involved in deepwater exploration and production of crude oil and natural gas; and
- *Surface Technologies* - designs and manufactures systems and provides services used by oil and gas companies involved in land and offshore exploration and production of crude oil and natural gas; designs, manufactures and supplies technologically advanced high-pressure valves and fittings for oilfield service companies; and also provides flowback and well testing services for exploration companies in the oil and gas industry.

In the comparative financial statement information, TechnipFMC completed the separation of Technip Energies segment (which designed and built onshore facilities related to the production, treatment and transportation of oil and gas; and designed, manufactured and installed fixed and floating platforms for the production and processing of oil and gas reserves for companies in the oil and gas industry) on February 16, 2021 via a spin-off transaction (see Note 33).

Total revenue by segment includes intersegment sales, which are made at prices approximating those that the selling entity is able to obtain on external sales. Segment operating profit (loss) is defined as total segment revenue less segment operating expenses. Income (loss) from equity method investments is included in calculation of segment operating profit (loss). The following items have been excluded in calculating the segment operating profit (loss): corporate staff expense, foreign exchange gains (losses), net interest income (expense) associated with corporate debt facilities, income taxes, and other revenue and other expense, net.

Information by country

Operating activities and performances of TechnipFMC are reported mostly on the basis of the following countries:

- United States;
- Brazil;
- Norway;
- United Kingdom;
- Guyana; and
- all other countries.

The items related to segment results disclosed by TechnipFMC in its geographical segment information are the ''Revenue'' and the ''Property, Plant and Equipment''.

Geographical areas are defined according to the following criteria: specific risks associated with activities performed in a given area, similarity of economic and political framework, regulation of exchange control, and underlying monetary risks. The geographical breakdown is based on the contract delivery within the specific country.

f) Earnings per share

As per IAS 33 “Earnings per Share” (“IAS 33”), Earnings Per Share (“EPS”) are based on the average number of outstanding shares over the year, after deducting treasury shares.

Shares repurchased pursuant to our shares repurchase program are immediately cancelled and therefore excluded from the calculation of the average number of shares outstanding.

Diluted earnings per share amounts are calculated by dividing the net profit of the year, restated if need be for the after-tax financial cost of dilutive financial instruments, by the sum of the weighted average number of outstanding shares, the weighted average number of share subscription options not yet exercised, the weighted average number of performance shares granted calculated using the share purchase method, and the weighted average number of shares of the convertible bonds and, if applicable, the effects of any other dilutive instrument.

In accordance with the share purchase method, only dilutive instruments are used in calculating EPS. Dilutive instruments are those for which the option exercise price plus the future share-based compensation expense not yet recognized is lower than the average share price during the EPS calculation period.

g) Goodwill

Goodwill is measured at the acquisition date as the total of the fair value of consideration transferred, plus the proportionate amount of any non-controlling interest, plus the fair value of any previously held equity interest in the acquiree, if any, less the net recognized amount (generally at fair value) of the identifiable assets acquired and liabilities assumed. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in profit or loss as a bargain purchase. Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognized in profit or loss.

Goodwill is allocated to a group of cash-generating units ("GCGU") that are expected to benefit from the business combination in which the goodwill arose and in all cases is at the operating segment level, which represents the lowest level at which goodwill is monitored for internal management purposes.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is not subject to amortization but is tested for impairment at the level of GCGUs the goodwill has been allocated to, on an annual basis, or more frequently if impairment indicators arise. TechnipFMC established October 31 as the date of the annual test for impairment of goodwill. TechnipFMC identifies a potential impairment by comparing the recoverable amount of the applicable GCGU to its net book value, including goodwill. If the net book value exceeds the recoverable amount of the GCGU, management measures the impairment by comparing the carrying value of the GCGU to its recoverable amount. GCGU with goodwill are tested for impairment using a quantitative impairment test.

When using the quantitative impairment test, determining the fair value of a CGU is judgmental in nature and involves the use of estimates and assumptions. TechnipFMC estimates the value in use of its GCGUs using a discounted future cash flow model. The majority of the estimates and assumptions used in a discounted future cash flow model involve unobservable inputs reflecting management's own assumptions about the assumptions market participants would use in estimating the value in use of a business. These estimates and assumptions include revenue growth rates and operating margins used to calculate projected future cash flows, discount rates and future economic and market conditions. The transition to a lower carbon global economy may potentially lead to a lower oil and gas price scenario in the future due to declining demand. Management took into account considerations of uncertainty over the pace of the transition to lower-carbon supply and demand and the social, political and environmental actions that will be taken to meet the goals of the Paris climate change agreement when determining their future revenue growth rates assumptions and revised the future revenue growth rates assumptions downwards when compared with the prior year assumptions. The estimates are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and do not reflect unanticipated events and circumstances that may occur.

The income approach estimates recoverable amount by discounting each GCGU's estimated future cash flows using a weighted-average cost of capital that reflects current market conditions and the risk profile of the GCGU. To arrive at the future cash flows, management uses estimates of economic and market assumptions, including growth rates in revenues, costs, estimates of future expected changes in operating margins, tax rates and cash expenditures. Future revenues are also adjusted to match changes in TechnipFMC's business strategy. Management believes this approach is an appropriate valuation method. The GCGU valuation was determined by utilizing the income approach.

See Note 11 for further details.

h) Property, plant and equipment

In compliance with IAS 16 "Property, Plant and Equipment" ("IAS 16"), an asset is recognized only if the cost can be measured reliably and if future economic benefits are expected from its use.

Property, plant and equipment could be initially recognized at cost or at their fair value in case of business combinations.

Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. TechnipFMC uses different depreciation periods for each of the significant components of a single property, plant and equipment asset where the useful life of the component differs from that of the main asset. The following are the useful lives most commonly applied by TechnipFMC:

- Buildings 10 to 50 years
- Vessels 10 to 30 years
- Machinery and Equipment 3 to 20 years
- Office Fixtures and Furniture 5 to 10 years
- Vehicles 3 to 7 years
- IT Equipment 3 to 5 years

If the residual value of an asset is material and can be measured, it is taken into account in calculating its depreciable amount.

On a regular basis, TechnipFMC reviews the useful lives of its assets. That review is based on the effective use of the assets.

As per IAS 16, dry-dock expenses are capitalized as a separate component of the principal asset. They are depreciated over a period of three to five years.

Depreciation costs are recorded in the statement of income as a function of the fixed assets' use, split between the following line items: cost of sales and selling, general and administrative costs.

In accordance with IAS 36 "Impairment of Assets" ("IAS 36"), the carrying value of property, plant and equipment is reviewed for impairment whenever internal or external events indicate that there may be impairment, in which case, an impairment test is performed. Impairment indicators / triggering events are changes in circumstances that indicate the carrying amount of property, plant and equipment may not be recoverable include, but are not limited to, the following:

- A significant decrease in the market value of property, plant and equipment;
- A significant adverse change in the extent or manner in which property, plant and equipment is used or in its physical condition;
- A significant adverse change in legal factors or in the business climate that could affect the value of a property, plant and equipment, including an adverse action or assessment by a regulator or the increase of risk-adjusted discount rates;
- An accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of property, plant and equipment;
- A current period operating or cash flow loss combined with a history of operating or cash flow losses or a projection or forecast that demonstrates continuing losses associated with the use of property, plant and equipment; and
- A current expectation that property, plant and equipment will become idle, a significant decrease in utilization of the asset, the operation to which the asset belongs will be discontinued or restructured, sold, or otherwise disposed of significantly before the end of its previously estimated useful life.

As an example, indications of impairment loss used for vessels and analyzed together are mainly the asset workload scheduling, the change in its daily invoicing rate, its age as well as the frequency of its dry-docking.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Impairment reversals are recognized in profit or loss.

i) Leases

Lessee arrangements

TechnipFMC leases real estate, including land, buildings and warehouses, machinery/equipment, vessels, vehicles, and various types of manufacturing and data processing equipment, from a lessee perspective. Leases of real estate generally provide for payment of property taxes, insurance, and repairs by TechnipFMC.

TechnipFMC determines if an arrangement is a lease at inception by assessing whether an identified asset exists and if we have the right to control the use of the identified asset. Leases are included in right-of-use assets, lease liabilities (current), and lease liabilities (non-current) on the statement of financial position. Right-of-use assets represent the right to use an underlying asset for the lease term and lease liabilities represent TechnipFMC's obligation to make lease payments arising from the lease. Right-of-use assets and liabilities are recognized at the commencement date based on the present value of the remaining lease payments over the lease term. With the exception of rare cases in which the implicit rate is readily determinable, TechnipFMC uses its incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments. The right-of-use assets also includes any lease prepayments made and excludes lease incentives we received from the lessor.

Depreciation of right-of-use assets is recognized on a straight-line basis over the lease term or, the useful life of the asset, whichever is shorter. Several of TechnipFMC's leases provide for certain guarantees of residual value. TechnipFMC estimates and includes in the determination of lease payments any amount probable of being owed under these residual value guarantees. The leases do not contain any material restrictive covenants. Right-of-use assets are assessed for impairment in line with the accounting policy for impairment of property, plant and equipment.

Lease terms within the lessee arrangements may include options to extend/renew or terminate the lease and/or purchase the underlying asset when it is reasonably certain that we will exercise that option. TechnipFMC applies a portfolio approach by asset class to determine lease term renewals. The leases within these portfolios are categorized by asset class and have initial lease terms that vary depending on the asset class. The renewal terms range from 60 days to 5 years for asset classes such as temporary residential housing, forklifts, vehicles, vessels, office and IT equipment, and tool rentals, and up to 15 years or more for commercial real estate. Short-term leases with an initial term of 12 months or less that do not include a purchase option are not recorded on the statement of financial position. Lease costs for short-term leases are recognized on a straight-line basis over the lease term and amounts related to short-term leases are disclosed within the consolidated financial statements. Renewal options are only included when it is considered reasonably certain that an option to extend a lease will be exercised.

TechnipFMC has variable lease payments, including adjustments to lease payments based on an index or rate (such as the Consumer Price Index), fair value adjustments to lease payments, and common area maintenance, real estate taxes, and insurance payments in triple-net real estate leases. Variable lease payments that depend on an index or a rate (such as the Consumer Price Index or a market interest rate) are included when measuring initial lease liability of the lease arrangements using the payments' base rate or index. We remeasure the lease liability when there is a change in future lease payments resulting from a change in such index or rate. Variable payments that do not depend on an index or rate are recognized in profit or loss and are disclosed as 'variable lease cost' in the period they are incurred.

TechnipFMC adopted the practical expedient to not separate lease and non-lease components for all asset classes except for vessels, which have significant non-lease components. Leases of low-value assets are not recorded on the statement of financial position and the lease expense is recognized on a straight-line basis.

TechnipFMC currently subleases certain of its leased real estate and vessels to third parties. The subleases are classified as operating leases by the sublessor.

Lessor arrangements

TechnipFMC leases real estate including land, buildings and warehouses, machinery/equipment, and vessels from a lessor perspective. TechnipFMC determines if an arrangement is a lease at inception by assessing whether an identified asset exists and if the customer has the right to control the use of the identified asset. TechnipFMC uses the implicit rate for its lessor arrangements. TechnipFMC estimates the amount it expects to derive from the underlying asset following the end of the lease term based on remaining economic life. Income from operating leases is recognized on a straight-line basis over the term of the relevant lease. The lessor arrangements generally do not include any residual value guarantees. TechnipFMC recognizes lessee payments of lessor costs such as taxes and insurance on a net basis when the lessee pays those costs directly to a third party or when the amount paid by the lessee is not readily determinable.

j) Intangible assets

Internally generated research and development costs

Research costs are expensed when incurred. In compliance with IAS 38 “Intangible Assets” (“IAS 38”), development costs are capitalized if all of the following criteria are met:

- the projects are clearly identified;
- TechnipFMC is able to reliably measure expenditures incurred by each project during its development;
- TechnipFMC is able to demonstrate the technical and industrial feasibility of the project;
- TechnipFMC has the financial and technical resources available to achieve the project;
- TechnipFMC can demonstrate its intention to complete, to use or to commercialize products resulting from the project; and
- TechnipFMC is able to demonstrate the existence of a market for the output of the intangible asset, or, if it is used internally, the usefulness of the intangible asset.

Other intangible assets

Intangible assets other than goodwill (including those acquired in a business combination) are amortized on a straight-line basis over their expected useful lives, as follows:

- Acquired technology: 7 to 10 years
- Backlog: as per the timeframe of the outstanding orders (usually less than 3 years)
- Customer relationships: lower of 10 years or the terms of the customer contracts
- Trade names; Licenses, Patents and Trademarks: lower of 20 years or the period set forth in the legal conditions
- Software (including software rights, proprietary IT tools, such as the E-procurement platform, or TechnipFMC’s management applications): 3 to 7 years

In accordance with IAS 36, the carrying value of intangible assets is reviewed for impairment whenever internal or external events indicate that there may be impairment, in which case, an impairment test is performed.

k) Impairment of non-financial assets

Non-financial assets, property, plant and equipment, and identifiable intangible assets being amortized are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of the asset or cash-generating unit (“CGU”) may not be recoverable. If any indication exists, or when annual impairment testing for an asset is required, TechnipFMC estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or CGU’s fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset, including growth rates in revenues, costs, estimates of future expected changes in operating margins, tax rates and cash expenditures. Future revenues are also adjusted to match changes in the business strategy. Factors that could trigger a lower value in use estimate include sustained price declines of a CGU’s products and services, cost increases, regulatory or political environment changes, changes in customer demand, and other changes in market conditions, which may affect certain market participant assumptions used in the discounted future cash flow model.

The expected future cash flows used for impairment reviews and related fair value calculations are based on judgmental assessments of future productivity of the asset, increased operating costs as a result of inflation, capital decisions and possible additional impacts from emerging risks such as those related to climate change and the transition to a lower carbon economy and pandemics. Oil and gas price assumptions have a significant impact on impairment assessments of non-financial assets and are inherently uncertain. Furthermore, the estimation of future oil and gas prices is subject to increased uncertainty, given climate change and the global energy transition. If future market conditions deteriorate beyond the current expectations and assumptions, impairments of non-financial assets may be identified if management concludes that the carrying amounts are no longer recoverable.

During the review for impairment, we considered whether climate change indicated the carrying amount of non-financial assets may not be recoverable. In relation to vessels, we have conducted an evaluation on the efforts needed to reduce Scope 1 emissions from fuel consumption and identified initiatives such as the upgrade of vessels and use of alternative fuel, in alignment with commercial and regulatory analysis. For all other property, plant and equipment, given the expected continued investment globally in the oil and gas sector over the near to medium term, the relatively short period over which these assets are depreciated and the adaptability of services that can be provided, we do not consider climate change to be a specific indicator of impairment. The impact of changes to fuel sources has been assessed and we do not consider this be an indicator of impairment. See Note 10 for further details.

In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Non-financial assets other than goodwill with an accumulated impairment loss are reviewed for possible reversal of the impairment at the end of each reporting period. If there is such indication, TechnipFMC estimates the asset's or CGU's recoverable amount as described above. A previously recognized impairment is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is recognized in the statement of profit or loss and is limited to the extent that the revised carrying amount of the asset or CGU does not exceed the carrying amount (net of depreciation) that would be applicable without impairment loss recognized in prior years.

l) Fair value measurement

TechnipFMC measures certain financial instruments (including derivatives) at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

TechnipFMC uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets;
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly; and
- Level 3: Unobservable inputs (e.g., a reporting entity's own data).

For assets and liabilities that are recognized in the consolidated financial statements at fair value on a recurring basis, TechnipFMC determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

m) Financial assets

Financial assets are categorized at initial recognition, as subsequently measured at either amortized cost, at fair value through other comprehensive income ("FVOCI"), or at fair value through profit or loss ("FVTPL").

For debt instruments this classification depends on the financial asset's contractual cash flow characteristics as well as business model according to which TechnipFMC is managing them. Financial assets are initially measured at their fair values plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. TechnipFMC holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method.

Transactions on financial assets that require delivery of assets within a time frame legally or contractually (regular way trades) are recognized on the trade date, being the date when TechnipFMC commits to acquire or sell the asset.

For purposes of subsequent measurement, financial assets are classified in three categories:

- Financial assets at amortized cost
- Financial assets at fair value through OCI, either with recycling or no recycling of cumulative gains and losses
- Financial assets at fair value through profit or loss

TechnipFMC currently has no financial assets at fair value through OCI.

Financial assets at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortized cost are subsequently measured using the effective interest rate and are also subject to impairment. Gains and losses are recognized in profit or loss within the Other Income (Expense) line when the asset is derecognized, impaired or contractual cash-flows change.

TechnipFMC's financial assets at amortized cost include trade receivables, loans issued to third or related parties and debt notes receivable presented under other non-current financial assets or other current assets, as applicable.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include:

- Financial assets held for trading (i.e., those which are acquired for the purpose of selling or repurchasing in the near term).
- Financial assets designated upon initial recognition at fair value through profit or loss (in order to eliminate, or significantly reduce, an accounting mismatch), or
- Financial assets required to be measured at fair value (i.e. assets with cash flows that are not solely payments of principal and interest, irrespective of the business model).

Derivatives, including separated embedded derivatives, are also classified as held for trading except for those designated as effective hedging instruments. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

This category includes derivative instruments, listed and non-quoted equity investments which TechnipFMC had not irrevocably elected to classify at fair value through OCI, as well as certain liquid, frequently traded debt instruments such as treasury bills.

Dividends on listed equity investments are also recognized in the statement of profit or loss when the right of payment has been established.

Impairment of financial assets

An allowance for Expected Credit Losses ("ECL") is recognized for all debt instruments not held at fair value through profit or loss. ECL is based on the difference between the carrying amount (as per the contractual cash flows of the instruments) and all the cash flows that TechnipFMC expects to receive, discounted at the original effective interest rate. The expected cash flows reflect the cash flows expected from collateral or other credit enhancements that are part of the contractual terms and are not separately recognized by TechnipFMC. The estimate of expected cash shortfalls on a collateralized financial instrument reflects the amounts and timing of cash flows that are expected from foreclosure on the collateral less the costs of obtaining and selling the collateral, irrespective of whether foreclosure is probable.

In case of instruments for which there has not been a significant increase in credit risk since initial recognition, ECL is applied for default events that are possible within the next 12-months (a 12-month ECL). In case there has been a significant increase in credit risk since initial recognition, an ECL is applied over the remaining life of the exposure (lifetime ECL).

For short-term notes receivable an expected credit loss is calculated assuming the maximum possible loss in the event of a default (that is, the loan is fully drawn, and no amount is recovered). Management established a probability of default based on the counterparty's credit risk as determined by external credit rating agencies and the maximum loss given default (average recovery rate of sovereign bond issuers as published by credit rating agencies). Based on these factors management determines the ECL for TechnipFMC's short-term loans receivable.

For debt instruments recognized at amortized cost, as permitted by IFRS 9, TechnipFMC considers the low credit risk simplification. Accordingly, TechnipFMC evaluates whether the debt instrument is considered to have low credit risk at the reporting date, using available, reasonable and supportable information. TechnipFMC considers its internal credit rating of the debt instrument, and also considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due. For debt instruments that continue to have low credit risk after the evaluation, TechnipFMC assumes that there is no significant increase in the credit risk of the instrument.

ECL on such instruments is measured on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. TechnipFMC uses the ratings from credit rating agencies both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

Impairment of trade receivables and contract assets

For trade receivables and contract assets TechnipFMC applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance. TechnipFMC's trade receivables and contracts assets constitute a homogeneous portfolio, therefore, to measure the expected credit losses, trade receivables and contract assets have been grouped based on a selection of TechnipFMC's entities that cover a representative part of TechnipFMC's combined trade receivables and contract assets at each period end. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. TechnipFMC has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

TechnipFMC has considered historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment to determine lifetime expected losses.

Based on customer experience, customer relationships and the nature of the long term projects, TechnipFMC considers a financial asset in default when contractual payments are significantly past due. Also, in cases when internal or external information indicates that it is unlikely to receive the outstanding contractual cash flows before considering any credit enhancements, TechnipFMC also considers a financial asset to be in default. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

- The rights to receive cash flows from the asset have expired; or
- TechnipFMC has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) TechnipFMC has transferred substantially all the risks and rewards of the asset, or (b) TechnipFMC has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When TechnipFMC has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, TechnipFMC continues to recognize the transferred asset to the extent of its continuing involvement. In that case, TechnipFMC also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that TechnipFMC has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that TechnipFMC could be required to repay.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

n) Financial liabilities

Financial liabilities are classified, at initial recognition, as:

- financial liabilities at fair value through profit or loss (i.e., instruments held for trading including derivatives not designated as hedging instruments and also instruments designated upon initial recognition as of fair value through profit or loss),
- financial debt,
- trade and other payables, or
- derivatives designated as hedging instruments in an effective hedge.

Financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the statement of profit or loss.

TechnipFMC has not elected to designate any financial liability as of fair value through profit or loss.

Financial debts (current and non-current)

Current and non-current financial debts include bond loans, commercial paper programs and other borrowings. After initial recognition, debt is measured at amortized cost using the effective interest rate method. Transaction costs, such as issuance fees and redemption premium are included in the cost of debt on the liability side of the statement of financial position, as an adjustment to the nominal amount of the debt. The difference between the initial debt and redemption at maturity is amortized at the effective interest rate.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of income.

o) Derivative financial instruments and hedging

Initial recognition and subsequent measurement

TechnipFMC uses derivative financial instruments, such as forward contracts, swaps and options to hedge its risks, in particular foreign exchange risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Every derivative financial instrument held by TechnipFMC is aimed at hedging future cash inflows or outflows against exchange rate fluctuations during the period of contract performance. Derivative instruments and in particular forward exchange transactions are aimed at hedging future cash inflows or outflows against exchange rate fluctuations in relation to awarded commercial contracts, or material, labor and overhead expenses.

In some cases, TechnipFMC may enter into foreign currency options for some proposals during the bid-period. These options are not designated for hedge accounting.

For the purpose of hedge accounting, instruments qualifying as hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment (TechnipFMC currently has no financial instruments designated for such hedging relationship)
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment
- Hedges of a net investment in a foreign operation (TechnipFMC currently has no financial instruments designated for such hedging relationship)

In prior years, TechnipFMC had a policy of applying cash as a natural hedge instrument. We reviewed the applicability of IFRS 9 and discontinued this policy in the current year. The impact of the change in policy is not material to the activities of the group and has been presented in the Consolidated Statements of Changes to Stockholders' Equity.

When implementing hedging transactions, each of TechnipFMC's subsidiaries enters into forward exchange contracts with banks or with TechnipFMC Cash B.V., the company that performs centralized treasury management for TechnipFMC. However, under treasury center accounting only instruments backed by a third party outside of TechnipFMC are designated as hedging instruments.

At the inception of a hedge relationship, TechnipFMC formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how TechnipFMC will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is ‘an economic relationship’ between the hedged item and the hedging instrument.
- The effect of credit risk does not ‘dominate the value changes’ that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that TechnipFMC actually hedges and the quantity of the hedging instrument that TechnipFMC actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for as described below. The fair value of derivative financial instruments is estimated on the basis of valuations provided by bank counterparties or financial models commonly used in financial markets, using market data as of the statement of financial position date.

A derivative instrument qualifies for hedge accounting (fair value hedge or cash flow hedge) when there is a formal designation and documentation of the hedging relationship, and of the effectiveness of the hedge throughout the life of the contract. A fair value hedge aims at reducing risks incurred by changes in the market value of some assets, liabilities or firm commitments. A cash flow hedge aims at reducing risks incurred by variations in the value of future cash flows that may impact net profit (loss) in the statement of income.

All derivative instruments are recorded and disclosed in the statement of financial position at fair value. Derivative instruments not considered for hedge accounting are also classified as current assets and liabilities.

Changes in fair value are recognized as follows:

- regarding cash flow hedges, the effective portion of the gain or loss of the hedging instrument is recorded directly in other comprehensive income, and the ineffective portion of the gain or loss on the hedging instrument is recorded in the income statement. The amounts accumulated in other comprehensive income (“OCI”) are accounted for depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognized in OCI for the period. For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss. If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.
- the changes in fair value of derivative financial instruments that qualify as fair value hedge are recorded as financial income or expenses. The ineffective portion of the gain or loss is immediately recorded in the income statement. The carrying amount of a hedged item is adjusted by the gain or loss on this hedged item which may be allocated to the hedged risk and is recorded in the income statement; and
- the changes in fair value of derivative financial instruments that do not qualify as hedging in accounting standards are directly recorded in the income statement.

TechnipFMC designates only the spot element of forward contracts as a hedging instrument. The forward element of contracts receiving hedge accounting is recognized in the income statement in the same line item as the underlying hedged item.

See Note 27 for further details.

p) Inventories

Inventories are recognized at the lower of cost and net realizable value with cost being principally determined on a weighted-average cost basis.

Write-down of inventories are recorded when the net realizable value of inventories is lower than their net book value.

q) Advances paid to suppliers

Advance payments made to suppliers under long-term contracts are shown under the “Advances Paid to Suppliers” line item, on the asset side of the statement of financial position.

r) Cash and cash equivalents

Cash and cash equivalents consist of cash in bank and in hand, fixed term deposits and securities fulfilling the following criteria: an original maturity of less than three months, highly liquid, a fixed exchange value and an insignificant risk of loss of value. Securities are measured at their market value at year-end. Any change in fair value is recorded in the statement of income.

s) Share-based compensation

The measurement of share-based compensation expense on restricted share awards is based on the market price at the grant date and the number of shares awarded. The fair value of performance shares is estimated using a combination of the closing stock price on the grant date and the Monte Carlo simulation model. TechnipFMC utilizes the Black-Scholes options pricing model to measure the fair value of share options granted, excluding from such valuation the service and non-market performance conditions (which are considered in the expected number of awards that will ultimately vest) but including market conditions (Note 18). The share-based compensation expense for each award is recognized during the vesting period (i.e. the period in which the service and, where applicable, the performance conditions are fulfilled). The cumulative expense recognized for share-based employee compensation at each reporting date reflects the already expired portion of the vesting period and TechnipFMC’s best estimate of the number of awards that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognized as of the beginning and end of that period.

t) Provisions

Provisions are recognized if and only if the following criteria are simultaneously met:

- TechnipFMC has an ongoing obligation (legal or constructive) as a result of a past event;
- the settlement of the obligation will likely require an outflow of resources embodying economic benefits without expected counterpart; and
- the amount of the obligation can be reliably estimated: provisions are measured according to the risk assessment or the exposed charge, based upon best-known elements.

Contingencies related to contracts

These provisions relate to claims and litigation on contracts.

Restructuring

Once a restructuring plan has been decided and the interested parties have been informed, the plan is scheduled and valued. Restructuring provisions are recognized in accordance with IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” (“IAS 37”) and presented within Impairment, Restructuring and Other Expenses (Income) in the Statements of Income.

u) Pensions and other long-term benefits

TechnipFMC sponsors various end-of-service and retirement employee benefit plans. Payments under such employee benefit plans are made either at the date of the employee’s termination of service with TechnipFMC or at a subsequent date or dates in accordance with the laws and practices of each country in which a participant resides. Depending on the employing entity, the main defined benefit plans can be:

- end-of-career benefits, to be paid at the retirement date;
- deferred compensation, to be paid when an employee leaves TechnipFMC;
- retirement benefits to be paid in the form of a pension.

TechnipFMC assesses its obligations in respect of employee pension plans and other long-term benefits such as “jubilee benefits”, post-retirement medical benefits, special termination benefits and cash incentive plans. The plan assets are recorded at fair value.

The defined benefits obligations are estimated by independent actuaries using the projected unit credit actuarial valuation method as per IAS 19 “Employee Benefits” (“IAS 19”). The actuarial assumptions used to determine the obligations may vary depending on the country. The actuarial estimation is based on usual parameters such as future wage and salary increases, life expectancy, staff turnover rate and inflation rate. Defined benefit assets can only be recognized to the extent that there are benefits in the form of refunds from the plan or reductions in future contributions to the plan. The fair value of an overfunded plan can be recognized as a defined benefit asset only to the extent that the surplus represents an increase in the present value of the economic benefits.

The defined benefit liability equals the present value of the defined benefit obligation after deducting the plan assets. Present value of the defined benefit obligation is determined using the present value of future cash disbursements based on interest rates of corporate bonds, in the currency used for benefit payment, and whose term is equal to the average expected life of the defined benefit plan.

The actuarial gains and losses resulting from adjustments related to experience and changes in actuarial assumptions are recorded in other comprehensive income. See Note 20 for further details.

v) Income tax

Deferred income taxes are recognized in accordance with IAS 12 “Income Taxes” (“IAS 12”), measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period on all temporary differences at the closing date, between the tax bases of assets and liabilities and their carrying amounts for each TechnipFMC company.

Deferred income taxes are reviewed at each closing date to take into account the effect of any changes in tax law and in the prospects of recovery.

Deferred income tax assets are recognized for all deductible temporary differences, unused tax credits carry-forwards and unused tax losses carry-forwards, to the extent that it is probable that taxable profit will be available. To the extent we believe recovery is not probable, no deferred tax asset is recognized. We believe this assessment is susceptible to change from period to period, requires management to make assumptions about our future income, and can be potentially material to the results of operations. In estimating future income, we use our internal operating budgets and long-range planning projections. We develop our budgets and long-range projections based on recent results, trends, economic and industry forecasts influencing the segments’ performance, our backlog, planned timing of new product launches and customer sales commitments.

To properly estimate the existence of future taxable income on which deferred tax assets could be allocated, the following items are taken into account:

- existence of temporary differences which will cause taxation in the future;
- forecasts of taxable results;
- analysis of the past taxable results; and
- existence of significant and non-recurring income and expenses, included in the past tax results, which should not repeat in the future.

Deferred income tax liabilities are recognized for all taxable temporary differences, except restrictively enumerated circumstances, in accordance with the provisions of IAS 12.

Tax assets and liabilities are not discounted.

Provision for income tax expense (benefit) for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where TechnipFMC and our subsidiaries and associates operate and generate taxable income. We periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

We recognize tax benefits related to uncertain tax positions when, in our judgment, it is more likely than not that such positions will be sustained on examination, including resolutions of any related appeals or litigation, based on the technical merits. We may engage the services of a professional firm, together with the expertise and historic experience of the in-house tax team when the provision is particularly judgmental or complex. We adjust our liabilities for uncertain tax positions when our judgment changes as a result of new information previously unavailable. Due to the complexity of some of these uncertainties, their ultimate resolution may result in payments that are materially different from our current estimates. Any such differences will be reflected as adjustments to income tax expense in the periods in which they are determined. We have determined our tax position by applying the expected value approach in accordance with the principles of IFRIC 23.

See Note 7 for further details.

w) Non-current assets held for sale or distribution to equity holders

TechnipFMC classifies non-current assets and disposal groups as held for sale/or distribution to equity holders of the parent if their carrying amounts will be recovered principally through a sale transaction or a distribution rather than through continuing use. Such non-current assets and disposal groups classified as held for sale/or distribution are measured at the lower of their carrying amount and fair value less costs to sell or distribute. Costs to sell/or distribute are the incremental costs directly attributable to the sale or distribution, excluding finance costs and income tax expense.

The criteria for held for sale/or distribution classification is regarded as met only when the sale/or distribution is highly probable and the asset or disposal group is available for immediate sale/ or distribution in its present condition. Actions required to complete the sale/or distribution should indicate that it is unlikely that significant changes to the sale/or distribution will be made or that the decision to sale/or distribute will be withdrawn. Management must be committed to the sale/or distribution expected within one year from the date of the classification.

x) Cash dividend and non-cash distribution to equity holders

TechnipFMC recognizes a liability to make cash or non-cash distributions to its equity holders when the distribution is approved by its shareholders. A corresponding amount is recognized directly in the statement of equity.

y) Current/ non-current distinction

The distinction between current assets and liabilities, and non-current assets and liabilities is based on the operating cycle of contracts. If related to contracts, assets and liabilities are classified as “current”; if not related to contracts, assets and liabilities are classified as “current” if their maturity is less than 12 months or “non-current” if their maturity exceeds 12 months.

1.5. Use of critical accounting estimates, judgments and assumptions

The preparation of the consolidated financial statements requires the use of critical accounting estimates, judgments and assumptions and may affect the assessment and disclosure of assets and liabilities at the date of the financial statements, as well as the income and the reported expenses regarding this financial year. Estimates may be revised if the circumstances and the assumptions on which they were based change, if new information becomes available, or as a result of greater experience. Consequently, the actual result from these operations may differ from these estimates.

Other disclosures relating to TechnipFMC’s exposure to risks and uncertainties includes:

- Capital management (Note 17)
- Market related exposures (Note 30)

a) Judgments

Areas of judgment that have the most significant effect on the amounts recognized in the consolidated financial statements relate to the separation transaction, which was executed in 2021, refer to Note 33 for further details.

b) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year relate to revenue recognition and pension accounting, are described below.

Revenue recognition

The majority of our revenue is derived from long-term contracts that can span several years. TechnipFMC accounts for revenue in accordance with IFRS 15. The unit of account in IFRS 15 is a performance obligation. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. The performance obligations are satisfied over time as work progresses or at a point in time.

A significant portion of our total revenue recognized over time relates to our Subsea segment. Because of control transferring over time, revenue is recognized based on the extent of progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the products or services to be provided. We generally use the cost-to-cost measure of progress for our contracts because it best depicts the transfer of control to the customer that occurs as we incur costs on our contracts. Under the cost-to-cost measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Revenues, including estimated fees or profits, are recorded proportionally as costs are incurred.

Due to the nature of the work required to be performed on many of the performance obligations, the estimation of total revenue and cost at completion is complex, subject to many variables, and requires significant judgment. It is common for the long-term contracts to contain award fees, incentive fees, or other provisions that can either increase or decrease the transaction price. We include estimated amounts in the transaction price when we believe we have an enforceable right to the modification, the amount can be estimated reliably, and its realization is highly probable. The estimated amounts are included in the transaction price to the extent it is highly probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

TechnipFMC executes contracts with its customers that clearly describe the equipment, systems, and/or services. After analyzing the drawings and specifications of the contract requirements, the project engineers estimate total contract costs based on their experience with similar projects and then adjust these estimates for specific risks associated with each project, such as technical risks associated with a new design. Costs associated with specific risks are estimated by assessing the probability that conditions arising from these specific risks will affect the total cost to complete the project. After work on a project begins, assumptions that form the basis for the calculation of total project cost are examined on a regular basis and the estimates are updated to reflect the most current information and management's best judgment.

Adjustments to estimates of contract revenue, total contract cost, or extent of progress toward completion are often required as work progresses under the contract and as experience is gained, even though the scope of work required under the contract may not change. The nature of accounting for long-term contracts is such that refinements of the estimating process for changing conditions and new developments are continuous and characteristic of the process. Consequently, the amount of revenue recognized over time is sensitive to changes in estimates of total contract costs, which include labor rates and hours and materials and supplies. There are many factors, including, but not limited to, the ability to properly execute the engineering and design phases consistent with customers' expectations, the availability and costs of labor and material resources, productivity, and weather, all of which can impact vessel time and expense and affect the accuracy of cost estimates, and ultimately, the future profitability.

Our operating loss for the year ended December 31, 2022 was positively impacted by approximately $104.9 million, as a result of changes in contract estimates related to projects that were in progress as of December 31, 2021.

During the year ended December 31, 2022, we recognized changes in our estimates that had an impact on our margin in the amounts of $104.6 million and $0.3 million in our Subsea and Surface Technologies segments, respectively. The changes in contract estimates are attributed to better performance throughout our execution of our projects.

Our operating loss for the year ended December 31, 2021 was negatively impacted by approximately $68.4 million, as a result of changes in contract estimates related to projects that were in progress as of December 31, 2020. During the year ended December 31, 2021, we recognized changes in our estimates that had an impact on our margin in the amounts of $(72.5) million and $4.1 million in Subsea and Surface Technologies segments, respectively. The changes in contract estimates are attributed to worse than expected performance throughout our execution of our projects. We cannot provide a meaningful sensitivity analysis for the above estimates.

See Note 1 for further details.

Accounting for pension and other post-retirement benefit plans

Pension and other post-retirement (health care and life insurance) obligations are described in Note 20 to the consolidated financial statements.

The determination of the projected benefit obligations of TechnipFMC's pension and other post-retirement benefit plans are important to the recorded amounts of such obligations on our consolidated statement of financial position and to the amount of pension expense in our consolidated statements of income. In order to measure the obligations and expenses associated with our pension benefits, management must make a variety of estimates, including discount rates used to value certain liabilities, rate of compensation increase, employee turnover rates, retirement rates, mortality rates and other factors. Management updates these estimates on an annual basis or more frequently upon the occurrence of significant events. These accounting estimates bear the risk of change due to the uncertainty and difficulty in estimating these measures. Different estimates used by management could result in recognition of different amounts of expense over different periods of time.

The discount rate affects the interest cost component of net periodic pension cost and the calculation of the projected benefit obligation. The discount rate is based on rates at which the pension benefit obligation could be effectively settled on a present value basis. Discount rates are derived by identifying a theoretical settlement portfolio of long-term, high quality ("AA" rated) corporate bonds at the determination date that is sufficient to provide for the projected pension benefit payments. An application of a determined discount rate results in a discounted value of the pension benefit payments that equate to the market value of the selected bonds. The resulting discount rate is reflective of both the current interest rate environment and the pension's distinct liability characteristics. Significant changes in the discount rate, such as those caused by changes in the yield curve, the mix of bonds available in the market, the duration of selected bonds and the timing of expected benefit payments, may result in volatility in pension expense and pension liabilities.

Due to the specialized and statistical nature of these calculations which attempt to anticipate future events, management engages third-party specialists to assist evaluating the assumptions as well as appropriately measuring the costs and obligations associated with these pension benefits.

The actuarial assumptions and estimates made by management in determining TechnipFMC's pension benefit obligations may materially differ from actual results as a result of changing market and economic conditions and changes in plan participant assumptions. While management believes the assumptions and estimates used are appropriate, differences in actual experience or changes in plan participant assumptions may materially affect the financial position or results of operations.

c) Other Estimates

Economic and inflationary environment

Management estimates are required to determine whether, and by how much our results could be impacted by factors such as macroeconomic volatility. A portion of our benefit obligations are linked to inflation and higher inflation will lead to higher liabilities. See Note 20 for additional discussion of the impact of inflation on our net defined benefit obligations. We continue to implement risk management strategies to hedge temporary economic impacts driven by inflation and supply chain events. Failure to react appropriately to economic conditions, e.g. inflationary pressures, foreign exchange volatility and supply chain disruptions, may impact our financial performance. There are no material impacts to our operations that have not been given appropriate consideration.

Climate change considerations

The impact of climate change assessment and the stated reduction in our carbon footprint, Scope 1 & 2, by 50% by 2030, has been considered as part of the assessment of estimates and judgements in preparing the consolidated financial statements. The climate change scenario analyses undertaken this year did not identify any material financial impact.

During the preparation of these financial statements the potential impact of climate change was assessed, to the extent information is available, on:

- the going concern of the Company over the next two years;
- the forecasted future cash flows generated by non-current assets and associated with goodwill (see Note 11);
- the realizability of pensions assets; and
- the carrying value of the fixed assets.

NOTE 2. BUSINESS COMBINATIONS AND OTHER TRANSACTIONS

2.1 Business combinations and transactions with non-controlling interests

Year ended December 31, 2021 - Significant business combinations and other changes

Magma Global Ltd.

In 2018, we entered into a collaboration agreement with Magma Global Ltd. ("Magma Global") to develop a new generation of hybrid flexible pipe for use in the traditional and new energy industries. As part of the collaboration, we purchased a minority ownership interest in Magma Global.

In October 2021, we entered into a transaction to purchase the remaining ownership interest in Magma Global for $64.0 million. The cash consideration is being paid to the shareholders of Magma Global in three annual installments. The first payment of $23.9 million was paid on October 12, 2021 and the second payment of $18.5 million was paid on October 12, 2022. Magma technology enables the manufacture of Thermoplastic Composite Pipe (TCP) using Polyether Ether Ketone (PEEK) polymer, which is highly resistant to corrosive compounds, such as CO_2.

With the step acquisition of the remaining outstanding shares of Magma Global and our resulting control of the company, we recorded a $36.7 million impairment during the third quarter of 2021 to adjust our investments in associates to its estimated fair market value. The impairment charge is included in income/loss from investments in associates line in our consolidated statement of income.

As a result of the purchase price allocation of the remaining interest, we recognized $50.2 million of intangible assets consisting primarily of in-process research and development and trademarks, which are being amortized on a straight-line basis over 15 years. The fair value of the identifiable intangible assets has been estimated using an income approach.

The assets and liabilities recognized as a result of the acquisition were as follows (in millions):

(In millions)		
Cash	$	8.6
Accounts receivable		3.0
Other current assets		2.8
PP&E		18.1
Intangibles		50.2
Accounts payable		(8.3)
Net assets acquired	$	74.4

TIOS

In accordance with the Share Purchase Agreement between Technip-Coflexip UK Holdings Limited ("TUK") and Island Offshore Management AS ("Island Offshore") that was executed on March 12, 2018, whereby TUK initially purchased 51% of the shares of TIOS AS ("TIOS"), a joint venture between TUK and Island Offshore, TUK acquired the remaining 49% interest in TIOS at a total price of $48.6 million during the third quarter of 2021.

2.2 Subsidiaries, joint venture undertakings and associates

TechnipFMC's subsidiaries, joint venture undertakings and associates as of December 31, 2022 are listed in Note 32. All subsidiaries are fully consolidated in the financial statements. Ownership interests noted in the table reflect holdings of ordinary shares.

All consolidated companies close their accounts as of December 31.

NOTE 3. SEGMENT INFORMATION

3.1 Information by business segment

Segment revenue and segment operating profit (loss)

	Year Ended December 31,	
(In millions)	**2022**	**2021**
Segment revenue		
Subsea	$ 5,461.2	$ 5,329.1
Surface Technologies	1,264.5	1,084.2
Total revenue	$ 6,725.7	$ 6,413.3
Segment operating profit		
Subsea	$ 359.3	$ 147.2
Surface Technologies	43.1	37.9
Total segment operating profit	402.4	185.1
Corporate items		
Other corporate expenses [(a)]	(74.7)	(106.8)
Interest income	19.3	19.0
Interest expense	(179.9)	(207.1)
Loss on early extinguishment of debt	(29.8)	(61.9)
Income (loss) from investment in Technip Energies	(27.7)	8.5
Foreign exchange gains (losses)	(68.8)	6.8
Total corporate items	(361.6)	(341.5)
Profit (loss) before income taxes [(b)]	$ 40.8	$ (156.4)

(a) Corporate expense includes corporate staff expenses, stock-based compensation expenses and other employee benefits.

(b) Includes amounts attributable to non-controlling interests.

For the year ended December 31, 2022, the largest Subsea segment client Petrobras accounted for more than 10 percent of our 2022 consolidated revenue.

Segment assets

	Year Ended December 31,	
(In millions)	**2022**	**2021**
Segment assets:		
Subsea	$ 6,419.7	$ 6,526.0
Surface Technologies	1,500.5	1,583.1
Total segment assets	7,920.2	8,109.1
Corporate (a)	1,668.6	2,062.4
Total assets	$ 9,588.8	$ 10,171.5

(a) Corporate includes cash, deferred income tax balances, property, plant and equipment, intercompany eliminations not associated with a specific segment, pension assets and the fair value of derivative financial instruments.

Other business segment information:

	Capital Expenditures		Depreciation and Amortization		Research and Development Expense	
	Year Ended December 31,					
(In millions)	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Subsea	120.2	149.4	459.1	441.8	62.2	73.2
Surface Technologies	37.4	41.8	68.1	80.0	4.8	5.8
Corporate	5.8	5.5	4.6	14.7	—	—
Total	$ 163.4	$ 196.7	$ 531.8	$ 536.5	$ 67.0	$ 79.0

3.2 Information by geography

Sales by geography were identified based on the location where TechnipFMC's products and services were delivered.

	Year Ended December 31,	
(In millions)	**2022**	**2021**
Revenue		
United States	$ 1,348.4	$ 1,137.2
Brazil	1,047.3	767.8
Norway	907.6	979.9
United Kingdom	710.3	542.5
Guyana	369.1	314.7
Australia	295.4	419.8
Mozambique	284.4	472.0
Angola	247.9	406.3
Malaysia	228.5	206.9
Ghana	184.7	73.4
Singapore	126.5	216.3
India	121.4	109.8
United Arab Emirates	117.8	49.4
Israel	117.3	26.8
Canada	88.0	33.0
Indonesia	42.6	224.9
Saudi Arabia	39.4	24.1
Egypt	29.3	33.8
All other countries	419.8	374.7
Total revenue	$ 6,725.7	$ 6,413.3

Property, plant and equipment, net by geography is as follows:

	December 31,	
(In millions)	**2022**	**2021**
United Kingdom	$ 741.6	$ 882.9
United States	405.8	433.7
Netherlands	371.9	398.6
Brazil	306.4	265.5
Norway	225.3	271.9
All other countries	348.1	384.0
Total property, plant and equipment, net	$ 2,399.1	$ 2,636.6

NOTE 4. LEASES

Lessee arrangements

The following table shows the summary of amounts relating to leases recognized in the statement of income:

(In millions)	Year Ended December 31, 2022	Year Ended December 31, 2021
Depreciation of right-of-use assets	$ 153.8	$ 138.0
Interest expense on lease liabilities	42.9	40.9
Variable lease costs	21.0	29.8
Short-term lease costs	14.0	5.2
Sublease income	3.6	2.4

The above expenses relating to short term and variable payments not included in lease liabilities.

The following table shows the carrying amounts and depreciation charge of right-of-use assets by types of assets:

	Depreciation		Net Book Value	
	Year Ended December 31,		December 31,	
(In millions)	2022	2021	2022	2021
Real Estate	$ 92.5	$ 91.3	$ 608.5	$ 590.6
Vessels	52.1	43.1	88.8	49.4
Machinery and equipment	7.8	2.6	27.2	8.2
IT equipment and Office furniture	1.4	1.0	8.7	1.4
Total	$ 153.8	$ 138.0	$ 733.2	$ 649.6

Additions to the right-of-use assets during the year ended December 31, 2022 and 2021 were $128.2 million and $167.3 million, respectively.

The statement of financial position shows the following amounts relating to lease liabilities:

(In millions)	December 31, 2022	December 31, 2021
Current lease liabilities	$ 186.7	$ 126.2
Non-current lease liabilities	685.8	646.6
Total lease liabilities	$ 872.5	$ 772.8

The following table shows the supplemental cash outflow information related to leases:

(In millions)	Year Ended December 31, 2022	Year Ended December 31, 2021
Payments for the principal portion of lease liabilities	$ 128.3	$ 135.3
Cash paid for interest on lease liabilities	42.7	41.2

The following table shows the summary of the maturity of lease liabilities:

	December 31,	
(In millions)	**2022**	**2021**
Less than a year	$ 188.6	$ 150.2
Between 1 and 2 years	151.7	108.3
Between 2 and 3 years	121.7	102.3
Between 3 and 4 years	98.2	83.1
Between 4 and 5 years	85.2	74.7
Thereafter	640.4	675.9
Total lease payments	1,285.8	1,194.5
Less: Imputed interest	413.3	421.7
Total lease liabilities [(1)]	$ 872.5	$ 772.8

(1) Includes the current portion of $186.7 million and $126.2 million for lease liabilities as of December 31, 2022 and 2021, respectively.

We have a lease agreement for our Gremp Campus Properties in Houston, Texas, which commenced on December 11, 2020 and the initial term ends on December 31, 2042. TechnipFMC has four renewal periods of ten years each after the expiration of the initial term. At inception of the new lease agreement, TechnipFMC did not consider any renewal period as probable of being exercised.

Lessor arrangements

The total lease revenue from lessor arrangements was $222.8 million and $162.0 million for the year ended December 31, 2022 and 2021, respectively.

The following table is a summary with the maturity analysis of lease payments, showing the undiscounted lease payments to be received on an annual basis for a minimum of each of the first five years and a total of the amounts for the remaining years:

	December 31,	
(In millions)	**2022**	**2021**
Less than a year	$ 23.8	$ 18.3
Between 1 and 2 years	3.0	1.0
Between 2 and 3 years	3.0	—
Between 3 and 4 years	3.0	—
Between 4 and 5 years	3.0	—
Thereafter	0.8	—
Total undiscounted cash flows	$ 36.6	$ 19.3

NOTE 5. REVENUE

5.1 Revenue recognition by segment

The majority of our revenue is from long-term contracts associated with designing and manufacturing products and systems and providing services to customers involved in exploration and production of crude oil and natural gas. The following is a description of principal activities separated by reportable segments from which TechnipFMC generates its revenue.

Subsea - Our Subsea segment manufactures and designs products and systems, performs engineering, procurement and project management and provides services used by oil and gas companies involved in offshore exploration and production of crude oil and natural gas.

Systems and services may be sold separately, or as combined integrated systems and services offered within one contract. Many of the systems and products TechnipFMC supplies for subsea applications are highly engineered to meet the unique demands of our customers' field properties and are typically ordered one to two years prior to installation. We often receive advance payments and progress billings from our customers in order to fund initial development and working capital requirements.

Under Subsea engineering, procurement, construction and installation contracts, revenue is principally generated from long term contracts with customers. We have determined these contracts generally have one performance obligation as the delivered product is highly customized to customer and field specifications.

Our Subsea segment also performs an array of subsea services including (i) installation services, (ii) asset management services (iii) product optimization, (iv) inspection, maintenance and repair services, and (v) well access and intervention services, where revenue is generally earned through the execution of either installation-type or maintenance-type contracts. For either contract-type, management has determined that the performance of the service generally represents one single performance obligation. We have determined that revenue from these contracts is recognized over time as the customer simultaneously receives and consumes the benefit of the services.

Surface Technologies - Our Surface Technologies segment designs, manufactures and supplies technologically advanced wellhead systems and high pressure valves and pumps used in stimulation activities for oilfield service companies and provides installation, flowback and other services for exploration and production companies.

We provide a full range of drilling, completion and production wellhead systems for both standard and custom-engineered applications. Under pressure control product contracts, we design and manufacture flowline products, under the Weco®/Chiksan® trademarks, articulating frac arm manifold trailers, well service pumps, compact valves and reciprocating pumps used in well completion and stimulation activities by major oilfield service companies. Performance obligations within these systems are satisfied either through delivery of a standardized product or equipment or the delivery of a customized product or equipment.

For contracts with a standardized product or equipment performance obligation, management has determined that because there is limited customization to products sold within such contracts and the asset delivered can be resold to another customer, revenue should be recognized as of a point in time, upon transfer of control to the customer and after the customer acceptance provisions have been met.

For contracts with a customized product or equipment performance obligation, the revenue is recognized over time, as the manufacturing of our product does not create an asset with an alternative use for us and we have an enforceable right to payment plus a reasonable profit for performance completed to date.

This segment also designs, manufactures and services measurement products globally. Contract-types include standard product or equipment and maintenance-type services where we have determined that each contract under this product line represents one performance obligation.

Revenue from standard measurement equipment contracts is recognized at a point in time, while maintenance-type contracts are typically priced at a daily or hourly rate. We have determined that revenue for these contracts is recognized over time because the customer simultaneously receives and consumes the benefit of the services.

5.2 Disaggregation of revenue

We disaggregate revenue by geographic location and contract types. The following table presents products and services revenue by geography for each reportable segment for the years ended December 31, 2022 and 2021:

	Reportable Segments			
	Year Ended December 31,			
	2022		2021	
(In millions)	Subsea	Surface Technologies	Subsea	Surface Technologies
Europe and Central Asia	$ 1,550.1	$ 166.7	$ 1,404.4	$ 191.5
Latin America	1,460.1	137.4	1,157.7	96.5
Africa	865.6	37.6	1,057.3	44.0
North America	780.6	552.0	753.6	372.7
Asia Pacific	687.5	97.2	927.4	104.2
Middle East	117.3	273.6	28.7	275.3
Total revenue	$ 5,461.2	$ 1,264.5	$ 5,329.1	$ 1,084.2

The following table represents revenue by contract type for each reportable segment for the years ended December 31, 2022 and 2021:

	Year Ended December 31,			
	2022		2021	
(In millions)	Subsea	Surface Technologies	Subsea	Surface Technologies
Services	$ 3,410.4	$ 224.1	$ 3,282.0	$ 160.9
Products	1,993.8	874.6	2,002.5	805.9
Lease	57.0	165.8	44.6	117.4
Total revenue	$ 5,461.2	$ 1,264.5	$ 5,329.1	$ 1,084.2

5.3 Contract balances

The timing of revenue recognition, billings and cash collections results in billed accounts receivable, costs and estimated earnings in excess of billings on uncompleted contracts (contract assets), and billings in excess of costs and estimated earnings on uncompleted contracts (contract liabilities) on the consolidated statement of financial position.

Contract Assets - Include unbilled amounts typically resulting from sales under long-term contracts when revenue is recognized over time and revenue recognized exceeds the amount billed to the customer, and right to payment is not just subject to the passage of time. Amounts may not exceed their net realizable value. Costs and estimated earnings in excess of billings on uncompleted contracts are generally classified as current.

Contract Liabilities - We receive advances or deposits from our customers, before revenue is recognized, resulting in contract liabilities.

The following table provides information about net contract assets (liabilities) as of December 31, 2022 and 2021, respectively:

	December 31,			
(In millions)	2022	2021	$ change	% change
Contract assets	$ 984.1	$ 967.7	$ 16.4	2 %
Contract (liabilities)	(1,155.6)	(988.9)	(166.7)	17 %
Net contract (liabilities)	$ (171.5)	$ (21.2)	$ (150.3)	709 %

The increase in our contract assets from December 31, 2021 to December 31, 2022 was primarily due to the timing of project milestones. The increase in our contract liabilities was driven from an overall portfolio and client mix enabling an acceleration of cash payments in advance.

In order to determine revenue recognized in the period from contract liabilities, we allocate revenue to the individual contract liability balance outstanding at the beginning of the period until the revenue exceeds that balance. Revenue recognized for the year ended December 31, 2022 that were included in the contract liabilities balance as of December 31, 2021 was $607.4 million. Revenue recognized for the year ended December 31, 2021 that were included in the contract liabilities balance as of December 31, 2020 was $305.3 million.

In addition, net revenue recognized for the year ended December 31, 2022 and 2021 from our performance obligations satisfied in previous periods has favorable impacts of $160.8 million and $25.9 million, respectively. This primarily relates to the changes in the estimate of the stage of completion that impacted revenue.

5.4 Transaction price allocated to the remaining unsatisfied performance obligations

Remaining unsatisfied performance obligations ("RUPO" or "order backlog") represent the transaction price for products and services for which we have a material, right but work has not been performed. Transaction price of the order backlog includes the base transaction price, variable consideration and changes in transaction price. The order backlog table does not include contracts for which we recognize revenue at the amount to which we have the right to invoice for services performed. The transaction price of order backlog related to unfilled, confirmed customer orders is estimated at each reporting date. As of December 31, 2022, the aggregate amount of the transaction price allocated to order backlog was $9,353.0 million. TechnipFMC expects to recognize revenue on approximately 47.6% of the order backlog through 2023 and 52.4% thereafter.

The following table details the consolidated order backlog for each business segment and represents the estimated timing of recognition as of December 31,
2022:

(In millions; unaudited)	2023	2024	Thereafter
Subsea	$ 3,919.0	$ 2,900.6	$ 1,311.9
Surface Technologies	537.4	126.8	557.3
Total remaining unsatisfied performance obligations	$ 4,456.4	$ 3,027.4	$ 1,869.2

The following table details the consolidated order backlog for each business segment as of December 31, 2021:

(In millions)	2022	2023	Thereafter
Subsea	$ 3,372.8	$ 2,227.5	$ 932.7
Surface Technologies	376.8	95.2	652.7
Total remaining unsatisfied performance obligations	$ 3,749.6	$ 2,322.7	$ 1,585.4

NOTE 6. OTHER INCOME AND EXPENSE ITEMS, FINANCIAL INCOME AND EXPENSES

6.1 Other income (expense), net

Other income (expense) is as following:

	Year Ended December 31,	
(In millions)	2022	2021
Net gain (loss) from disposal of property, plant and equipment	$ 6.4	$ (1.3)
Other	15.4	0.9
Total other income (expense), net	$ 21.8	$ (0.4)

6.2 Expenses by nature

An analysis of operating expenses by nature is as following:

	Year Ended December 31,	
(In millions)	2022	2021
Wages and salaries	$ 1,394.1	$ 1,344.2
Social security costs	339.3	311.2
Other pension costs	14.6	16.1
Right-of-use lease amortization	153.8	138.0
Depreciation and amortization	378.0	398.5
Impairment	4.7	49.1
Purchases, external charges and other expenses	4,179.9	4,078.1
Total costs and other expenses	$ 6,464.4	$ 6,335.2

6.3 Financial income

Financial income consists of the following:

	Year Ended December 31,	
(In millions)	2022	2021
Interest income from treasury management	$ 19.0	$ 14.6
Other	0.3	4.4
Total financial income	$ 19.3	$ 19.0

6.4 Financial expenses

Financial expenses consist of the following:

	Year Ended December 31,	
(In millions)	2022	2021
Interest expense on debt	$ (136.6)	$ (157.0)
Interest expense on leases	(42.1)	(40.9)
Other	(1.2)	(9.2)
Total financial expenses	$ (179.9)	$ (207.1)
Net financial expenses	$ (160.6)	$ (188.1)

NOTE 7. INCOME TAX

7.1 Income tax expense

The income tax expense recognized in the statements of income is $125.7 million and $81.6 million in 2022 and 2021 respectively, explained as follows:

	Year Ended December 31,	
(In millions)	2022	2021
Current income tax (expense)	$ (134.6)	$ (141.2)
Deferred income tax credit (expense)	8.9	59.6
Income tax expense as recognized in the consolidated statements of income	$ (125.7)	$ (81.6)

	Year Ended December 31,	
	2022	2021
Deferred income tax related to items booked directly to opening equity	$ (4.4)	$ 5.7
Deferred income tax related to items booked to equity during the year	(15.5)	(10.1)
Income tax credit (expense) as recognized in the consolidated statements of other comprehensive income	$ (19.9)	$ (4.4)

7.2 Income tax reconciliation

The reconciliation between the tax calculated using the standard tax rate applicable to TechnipFMC and the amount of tax effectively recognized in the accounts is detailed as follows:

(In millions)	Year Ended December 31, 2022	2021
Net loss from continuing operations	$ (84.9)	$ (238.0)
Income tax expense	(125.7)	(81.6)
Loss before income taxes	40.8	(156.4)
At TechnipFMC plc statutory income tax rate of 19.0%	(7.8)	29.7
Differences between TechnipFMC plc and foreign income tax rates	(83.0)	(64.2)
Net change in tax contingencies	(5.1)	(7.6)
Deferred tax assets not recognized	(31.1)	(40.4)
Other	1.3	0.9
Effective income tax expense	(125.7)	(81.6)
Tax rate	308.1 %	(52.2)%
Income tax (expense) as recognized in the consolidated statements of income	$ (125.7)	$ (81.6)

7.3 Deferred income tax

Significant components of deferred tax assets and liabilities are as follows:

(In millions)	December 31, 2021	Recognized in Statement of Income	Recognized in Statement of OCI	December 31, 2022
Lease liability	$ 174.9	$ 31.7	$ —	$ 206.6
Accrued expenses	21.7	$ 1.5	—	$ 23.2
Other tax credits	0.3	18.1	—	18.4
Net tax losses	20.7	(6.8)	—	13.9
Non-deductible interest	—	4.4	—	4.4
Inventories	3.6	(0.6)	—	3.0
Margin recognition on construction contracts	0.1	(0.1)	—	—
Contingencies and other	6.5	(6.9)	—	(0.4)
Contract liabilities	(2.9)	—	—	(2.9)
Foreign exchange	(6.4)	9.2	(8.0)	(5.2)
Tax on foreign subsidiaries' undistributed earnings not indefinitely reinvested	—	(13.4)	—	(13.4)
Provisions for pensions and other long-term employee benefits	(26.9)	8.1	(7.6)	(26.4)
Property, plant and equipment, goodwill and other assets	(69.9)	3.9	—	(66.0)
Lease right of use asset	(170.5)	(34.9)	—	(205.4)
Deferred income tax assets (liabilities), net	$ (48.8)	$ 14.2	$ (15.6)	$ (50.2)

(In millions)	December 31, 2020	Spin-off of Technip Energies	Recognized in Statement of Income	Recognized in Statement of OCI	December 31, 2021
Leasing	$ 245.9	$ —	$ (71.0)	$ —	$ 174.9
Accrued expenses	54.9	$ (28.5)	(4.7)	$ —	21.7
Net tax losses	120.3	(8.8)	(90.8)	—	20.7
Contingencies and other	33.7	(35.6)	8.4	—	6.5
Inventories	3.6	—	—	—	3.6
Other tax credits	0.4	—	(0.1)	—	0.3
Margin recognition on construction contracts	78.5	—	(78.4)	—	0.1
Non-deductible interest	11.8	—	(11.8)	—	—
Tax on foreign subsidiaries' undistributed earnings not indefinitely reinvested	(4.2)	—	4.2	—	—
Revenue in excess of billings on contracts accounted for under the percentage of completion method	(44.2)	(50.3)	91.6	—	(2.9)
Foreign exchange	(22.3)	(39.8)	46.2	9.5	(6.4)
Provisions for pensions and other long-term employee benefits	12.1	(38.4)	19.0	(19.6)	(26.9)
Property, plant and equipment, goodwill and other assets	(155.1)	2.6	82.6	—	(69.9)
Leasing	(234.9)	—	64.4	—	(170.5)
Deferred income tax assets (liabilities), net	$ 100.5	$ (198.8)	$ 59.6	$ (10.1)	$ (48.8)

As of December 31, 2022, the net deferred tax liability of $50.2 million is broken down into a deferred tax asset of $46.1 million and a deferred tax liability of $96.3 million as recorded in the statement of financial position.

As of December 31, 2021, the net deferred tax asset of $48.8 million is broken down into a deferred tax asset of $43.1 million and a deferred tax liability of $91.9 million as recorded in the statement of financial position.

7.4 Tax loss carry-forwards and tax credits

As of December 31, 2022 and 2021, deferred tax assets excluded U.S. foreign tax credit carryforwards of $136.5 million and $136.5 million, which, if not utilized, will begin to expire in 2023. Realization of these potential deferred tax assets not recognized is dependent on the generation of sufficient U.S. taxable income prior to the above date. Based on long-term forecasts of operating results, management believes that it is more likely than not that our U.S. earnings over the forecast period will not result in sufficient U.S. taxable income to fully realize these potential deferred tax assets not recognized. In its analysis, management has considered the effect of deemed dividends and other expected adjustments to U.S. earnings that are required in determining U.S. taxable income. Non-U.S. earnings subject to U.S. tax, including deemed dividends for U.S. tax purposes, were $0.3 million in 2022 and $19.5 million in 2021, respectively.

As of December 31, 2022, we had $487.5 million of tax-effected net operating loss carryforwards with approximately $21.5 million estimated to be utilized against an uncertain tax position and $473.6 million are potential deferred tax assets not recognized. The ultimate realization of these net operating loss carryforwards depends on our ability to generate sufficient taxable income in the appropriate taxing jurisdiction. Our tax-effected net operating losses will expire as follows:

(In millions)	Net Operating Loss
2023 – 2026	$ 61.1
2027 – 2031	58.7
2032 – 2042	74.4
Non-Expiring	293.3
	$ 487.5

For the years ended December 31, 2022 and 2021, the uncertain tax position balances in the financial statements amount to $64.7 million and $69.0 million, respectively, for which $36.3 million and $32.7 million, respectively, relate to income taxes payable and $28.3 million and $36.3 million, respectively relate to deferred incomes taxes. It is reasonably possible that within twelve months, $8.9 million of assets for unrecognized tax benefits will be settled.

NOTE 8. EARNINGS PER SHARE

A calculation of the basic and diluted earnings (loss) is as follows:

	Year Ended December 31,	
(In millions, except per share data)	**2022**	**2021**
Net loss from continuing operations attributable to TechnipFMC plc	$ (110.3)	$ (237.2)
Profit (loss) from discontinued operations	(26.4)	603.3
Net income (loss) attributable to TechnipFMC plc	$ (136.7)	$ 366.1
Weighted average number of shares outstanding	449.5	450.5
Total shares and dilutive securities	449.5	450.5
Basic and diluted earnings (loss) per share attributable to TechnipFMC plc:		
Loss per share from continuing operations attributable to TechnipFMC plc		
Basic and diluted	$ (0.25)	$ (0.53)
Earnings (loss) per share from discontinued operations attributable to TechnipFMC plc		
Basic and diluted	$ (0.06)	$ 1.34
Total earnings (loss) per share attributable to TechnipFMC plc		
Basic and diluted	$ (0.30)	$ 0.81

Shares repurchased pursuant to our shares repurchase program are immediately cancelled and therefore excluded from the calculation of the average number of shares outstanding.

Diluted earnings (loss) per share amounts are calculated by dividing the net profit/(loss) of the year, restated if need be for the after-tax financial cost of dilutive financial instruments, by the sum of the weighted average number of outstanding shares, the weighted average number of share subscription options not yet exercised, the weighted average number of performance shares granted calculated using the share purchase method, and the weighted average number of shares of the convertible bonds and, if applicable, the effects of any other dilutive instrument. In 2022, the average annual share price amounted to $8.43 and the closing price to $12.19. In 2021, the average annual share price amounted to $7.66 and the closing price to $5.92.

For the years ended December 31, 2022 and 2021, we incurred net losses from continuing operations; therefore, the impact of any incremental shares from our share-based compensation awards would be anti-dilutive. For the year ended December 31, 2022 and 2021, 8.9 million shares and 4.1 million shares were anti-dilutive due to net loss position.

Weighted average shares of the following share-based compensation awards were excluded from the calculation of diluted weighted average number of shares where the assumed proceeds exceed the average market price from the calculation of diluted weighted average number of shares, because their effect would be anti-dilutive:

	Year Ended December 31,	
(millions of shares)	**2022**	**2021**
Share option awards	1.5	1.7
Restricted share units	—	0.1
Total	1.5	1.8

NOTE 9. INVESTMENTS IN ASSOCIATES

Our investments in associates were as follows as of December 31, 2022 and 2021:

	December 31, 2022		December 31, 2021	
(In millions, except %)	**Percentage Owned**	**Carrying Value**	**Percentage Owned**	**Carrying Value**
Dofcon Brasil AS	50 %	$ 312.8	50 %	$ 276.9
Serimax Holdings SAS	20 %	8.6	20 %	15.0
Other	—	3.6	—	0.5
Investments in associates		$ 325.0		$ 292.4

Our income from investments in associates for the years ended December 31, 2022 and 2021 was $44.6 million and $0.6 million, respectively and included within our Subsea segment.

We assess investments for impairment whenever events or changes in circumstances indicate that the carrying value of an investment may not be recoverable. During 2022, we did not record any impairments of our equity method investments. During 2021, we recorded a $36.7 million impairment, in connection with the step acquisition of the remaining outstanding shares of Magma Global and our resulting control of the company. See Note 2 for further details.

Our major investments in associates are as follows:

Dofcon Brasil AS (“Dofcon”) - is an affiliated company in the form of a joint venture between Technip SA and DOF Subsea and was founded in 2006. Dofcon Brasil AS is a holding company, which owns and controls TechDof Brasil AS and Dofcon Navegacao Ltda, collectively referred to as “Dofcon.” Dofcon provides Pipe-Laying Support Vessels (PLSVs) for work in oil and gas fields offshore Brazil. Dofcon is considered a joint venture under IFRS 11, and as such, we have accounted for our 50% investment using the equity method of accounting with results reported in our Subsea segment.

Dofcon has debt related to loans on its vessels. TechnipFMC and DOF ASA, the parent of DOF Subsea, provide guarantees for the debt and our share of the guarantees was $441.0 million as of December 31, 2022. DOF ASA is in the process of restructuring its debt (unrelated and outside of the joint venture) which triggered cross default provisions in certain credit facilities within the joint venture associated with the guarantees provided by the Company and DOF Subsea. The lenders have made no claims under the guarantees and the acceleration clauses within the debt instruments are not currently enforceable as the Company obtained waivers or consents from the lenders. Dofcon continues to service the credit facilities as per the terms of the agreements. As a result, TechnipFMC has not recognized a liability related to its guarantees.

Serimax Holdings SAS (“Serimax”) - is an affiliated company in the form of a joint venture between TechnipFMC and Vallourec SA and was founded in 2016. Serimax is headquartered in Paris, France and provides rigid pipes welding services for work in oil and gas fields around the world. We have accounted for our 20% investment using the equity method of accounting with results reported in our Subsea segment.

Other includes Magnora Offshore Wind AS -During the first quarter of 2022, we entered into Magnora Offshore Wind AS, a partnership with Magnora ASA, in order to develop floating offshore wind projects. As of December 31, 2022, the investment balance was $3.4 million and represented approximately 20% ownership.

Reconciliation of carrying amount in TechnipFMC's investment in associates is as follows:

(In millions)	2022	2021
Carrying amount of investments at January 1	$ 292.4	$ 354.3
Disposal as part of Spin-off of Technip Energies	—	(48.8)
Acquisitions	3.0	—
Divestiture (1)	—	(15.1)
Share of income of associates	44.6	0.6
Distributed dividends	(12.9)	(0.5)
Other comprehensive income	0.5	—
Net foreign exchange differences and other	(2.6)	1.9
Carrying Amount of Investment as of December 31(2)	$ 325.0	$ 292.4

(1) In October 2021, we acquired the remaining 75% interest in Magma Global Limited.
(2) The comparatives within the table excludes the investment in Technip Energies which was accounted for as an equity affiliate from February 16, 2021 through September 3, 2021. During 2022, we fully divested our ownership in Technip Energies.

The tables below provide summarized financial information for Dofcon that is material to TechnipFMC. The information disclosed reflects the amounts presented in the financial statements of Dofcon and is not TechnipFMC's share of those amounts.

	Dofcon	
(In millions)	**December 31,**	
Data at 100%	**2022**	**2021**
Cash and cash equivalents	$ 67.8	$ 99.3
Other current assets	95.0	102.4
Total current assets	162.8	201.7
Non-current assets	1,515.1	1,648.6
Total assets	$ 1,677.9	$ 1,850.3
Equity	$ 625.6	$ 553.8
Financial non-current liabilities (excluding trade payables)	—	917.8
Total non-current liabilities	—	917.8
Financial current liabilities (excluding trade payables)	923.7	246.2
Other current liabilities	128.6	132.5
Total current liabilities	1,052.3	378.7
Total equity and liabilities	$ 1,677.9	$ 1,850.3

	Dofcon	
(In millions)	**December 31,**	
Data at 100%	**2022**	**2021**
Revenue	$ 308.4	$ 281.4
Depreciation and amortization	(89.8)	(89.5)
Interest income	12.8	7.4
Interest expense	(51.6)	(41.8)
Income tax benefit	(33.5)	(21.0)
Profit for the period	99.4	78.0
Other comprehensive income (loss)	(1.7)	6.0
Total comprehensive income	$ 97.7	$ 84.0

(In millions)	Dofcon	
Data at 100%	2022	2021
Carrying amount of investment as at January 1	$ 553.8	$ 469.8
Profit for the period	99.4	78.0
Other comprehensive income (loss)	(1.7)	6.0
Distributed dividends	(25.9)	—
Carrying amount of investment as of December 31	$ 625.6	$ 553.8
TechnipFMC's share in %	50.0%	50.0%
TechnipFMC's share in investment	$ 312.8	$ 276.9
Carrying amount	$ 312.8	$ 276.9

In addition to the interest in Dofcon disclosed above, TechnipFMC also has interests in a number of individually immaterial associates that are accounted for using the equity method. None of the investments in joint ventures and associates is individually material, therefore summarized financial information (at 100%) are presented below:

(In millions)	December 31,	
Data at 100%	2022	2021
Non-current assets	$ 105.0	$ 86.6
Current assets	80.2	72.7
Total assets	$ 185.2	$ 159.3
Total equity	$ 59.8	$ 75.3
Non-current liabilities	20.6	5.7
Current liabilities	104.8	78.3
Total equity and liabilities	$ 185.2	$ 159.3

Summarized statement of total comprehensive income (at 100%) are presented below:

(In millions)	Year Ended December 31,	
Data at 100%	2022	2021
Revenue	$ 122.1	$ 137.7
Depreciation and amortization	(10.3)	(11.3)
Interest expense	(4.4)	(1.2)
Income tax benefit	(0.9)	(1.0)
Loss for the period	$ (26.3)	$ (11.6)
Other comprehensive loss	(5.6)	(6.6)
Total comprehensive loss	$ (31.9)	$ (18.2)

NOTE 10. PROPERTY, PLANT AND EQUIPMENT

The following tables include the costs, the accumulated depreciation and impairment losses by type of tangible assets:

(In millions)	Land	Buildings	Vessels	Machinery and Equipment	Assets under construction	Other	Total
Net book value as of December 31, 2020	$ 81.7	$ 367.3	$ 1,203.7	$ 902.8	$ 145.6	$ 144.1	$ 2,845.2
Costs	88.5	624.1	2,535.5	2,283.6	110.3	328.1	5,970.1
Accumulated depreciation	(7.6)	(149.0)	(795.2)	(1,036.9)	—	(206.4)	(2,195.1)
Accumulated impairment	(8.1)	(103.6)	(580.7)	(429.3)	(1.8)	(14.9)	(1,138.4)
Net book value as of December 31, 2021	$ 72.8	$ 371.5	$ 1,159.6	$ 817.4	$ 108.5	$ 106.8	$ 2,636.6
Costs	$ 77.2	$ 593.6	$ 2,386.1	$ 2,244.1	$ 116.7	$ 335.2	$ 5,752.9
Accumulated depreciation	(7.7)	(150.1)	(802.1)	(1,071.1)	—	(216.5)	(2,247.5)
Accumulated impairment	(8.2)	(103.0)	(555.4)	(423.3)	(2.3)	(14.1)	(1,106.3)
Net book value as of December 31, 2022	$ 61.3	$ 340.5	$ 1,028.6	$ 749.7	$ 114.4	$ 104.6	$ 2,399.1

Property, plant and equipment is reviewed for impairment whenever events or changes in circumstances indicate the carrying amounts may not be recoverable.

2022

We did not record any material impairments of property, plant and equipment in 2022.

2021

The $24.4 million of property, plant and equipment impairments recorded in 2021 consisted of $22.8 million of property, plant and equipment impairments recorded in our Subsea segment and $1.6 million of property, plant and equipment impairments recorded in our Surface Technologies segment.

A reconciliation of the carrying amount of property, plant and equipment is as following:

(In millions)	Land	Buildings	Vessels	Machinery and Equipment	Assets under construction	Other	Total
Net book value as of December 31, 2020	$ 81.7	$ 367.3	$ 1,203.7	$ 902.8	$ 145.6	$ 144.1	$ 2,845.2
Additions	0.2	75.9	33.0	91.3	38.1	6.0	244.5
Acquisitions through business combinations	—	7.8	—	9.6	—	—	17.4
Spin-off of Technip Energies	(7.6)	(37.7)	—	(20.1)	—	(40.2)	(105.6)
Disposals	—	(1.5)	(45.4)	(13.4)	0.6	(2.7)	(62.4)
Depreciation expense for the year	(0.6)	(19.8)	(98.2)	(154.8)	—	(19.7)	(293.1)
Impairment	—	(12.6)	—	(11.7)	—	(0.1)	(24.4)
Net foreign exchange differences	(1.0)	(6.8)	(11.9)	(18.4)	(1.8)	(6.3)	(46.2)
Other	0.1	(1.1)	78.4	32.1	(74.0)	25.7	61.2
Net book value as of December 31, 2021	$ 72.8	$ 371.5	$ 1,159.6	$ 817.4	$ 108.5	$ 106.8	$ 2,636.6
Additions	0.2	8.3	34.0	95.8	19.3	10.3	167.9
Disposals	(4.4)	(3.8)	(2.6)	(6.5)	—	(0.2)	(17.5)
Depreciation expense for the year	(0.5)	(19.5)	(94.7)	(151.8)	—	(17.6)	(284.1)
Impairment	—	—	—	(1.7)	—	—	(1.7)
Net foreign exchange differences	(0.4)	(8.1)	(80.1)	(26.0)	1.1	3.2	(110.3)
Other	(6.4)	(7.9)	12.4	22.5	(14.5)	2.1	8.2
Net book value as of December 31, 2022	$ 61.3	$ 340.5	$ 1,028.6	$ 749.7	$ 114.4	$ 104.6	$ 2,399.1

NOTE 11. GOODWILL AND INTANGIBLE ASSETS, NET

11.1 Intangible assets, net

The components of intangible assets were as follows:

(In millions)	Acquired Technology	Customer Relationships	Trade names	Licenses, Patents and Trademarks	Software	Other	Total
Net book value as of December 31, 2020	$ 141.1	$ 171.0	$ 509.0	$ 51.8	$ 66.7	$ 41.5	$ 981.1
Costs	240.0	285.4	632.7	68.9	108.2	71.6	1,406.8
Accumulated amortization	(123.9)	(142.9)	(157.6)	(65.8)	(84.8)	(10.7)	(585.7)
Accumulated impairment	—	—	—	—	—	(7.4)	(7.4)
Net book value as of December 31, 2021	$ 116.1	$ 142.5	$ 475.1	$ 3.1	$ 23.4	$ 53.5	$ 813.7
Costs	240.0	285.4	632.1	68.9	109.7	71.6	1,407.7
Accumulated amortization	(146.9)	(171.6)	(189.5)	(67.7)	(91.8)	(16.8)	(684.3)
Accumulated impairment	—	—	—	—	—	(7.4)	(7.4)
Net book value as of December 31, 2022	$ 93.1	$ 113.8	$ 442.6	$ 1.2	$ 17.9	$ 47.4	$ 716.0

A reconciliation of the carrying amount of intangible assets is as follows:

(In millions)	Acquired Technology	Customer Relationships	Trade names	Licenses, Patents and Trademarks	Software	Other	Total
Net book value as of December 31, 2020	$ 141.1	$ 171.0	$ 509.0	$ 51.8	$ 66.7	$ 41.5	$ 981.1
Additions	—	—	—	—	2.0	1.2	3.2
Spin-off of Technip Energies	—	—	—	(51.0)	(22.6)	(54.5)	(128.1)
Acquisitions	—	—	—	4.5	—	45.7	50.2
Amortization charge for the year	(25.0)	(28.5)	(31.9)	0.6	(9.2)	(0.1)	(94.1)
Net foreign exchange differences	—	—	—	(0.3)	(0.1)	—	(0.4)
Other	—	—	(2.0)	(2.5)	(13.4)	19.7	1.8
Net book value as of December 31, 2021	$ 116.1	$ 142.5	$ 475.1	$ 3.1	$ 23.4	$ 53.5	$ 813.7
Additions	—	—	—	—	1.5	—	1.5
Amortization charge for the year	(23.0)	(28.7)	(32.0)	(1.3)	(7.0)	—	(92.0)
Net foreign exchange differences	—	—	(0.5)	(0.6)	0.1	(4.7)	(5.7)
Other	—	—	—	—	(0.1)	(1.4)	(1.5)
Net book value as of December 31, 2022	$ 93.1	$ 113.8	$ 442.6	$ 1.2	$ 17.9	$ 47.4	$ 716.0

TechnipFMC recognized identifiable intangible assets acquired in business combinations. All of the acquired identifiable intangible assets are subject to amortization and, where applicable, foreign currency translation adjustments. There are no intangible assets other than goodwill with indefinite useful life.

11.2 Goodwill

A reconciliation of carrying amounts of goodwill by reporting segment are as follows:

	Technip Energies	Surface Technologies (1)	Total
December 31, 2020	$ 2,512.5	$ 142.2	$ 2,654.7
Spin-off of Technip Energies	(2,512.5)	—	(2,512.5)
Net foreign exchange differences (2)	—	(1.3)	(1.3)
December 31, 2021	—	140.9	140.9
December 31, 2022	$ —	$ 140.9	$ 140.9

(1) Surface Technologies includes Surface West and Surface East operating segments. While the CODM receives separate reports for each of the Surface region, the Surface West and Surface East operating segments have been aggregated into one reportable segment Surface Technologies as they have similar characteristics. The entire goodwill balance relates to our Surface East operating segment.
(2) Goodwill is partially denominated in Euro.

Goodwill was tested for impairment utilizing the methodology in accordance with the accounting policy in Note 1. The valuation of GCGUs for the purpose of the goodwill impairment test was primarily determined by estimating value in use. The income approach estimates the value in use by discounting each GCGU's estimated future cash flows using a weighted-average cost of capital that reflects current market conditions and the risk profile of the GCGU. To calculate the future cash flows, TechnipFMC used estimates of economic and market assumptions, including growth rates in revenues, costs, estimates of future expected changes in operating margins, tax rates and cash expenditures. The future revenues are adjusted to match changes in TechnipFMC's business strategy and management's judgmental assessments as discussed in Note 1.

Value in use impairment testing on GCGUs reflects management's best estimate of any expected applicable costs to manage greenhouse gas emissions, manage natural resources and increase usage of renewable energy sources. This requires management's best estimate of how future changes to relevant policies and/or legislation, use of renewable resources are likely to affect the future cash flows of the applicable GCGUs. Future potential costs are included in the value in use calculations to the extent management has sufficient information to make such an estimate.

We did not record any impairment of goodwill as of December 31, 2022 in our Surface East operating segment. The recoverable amount over carrying amount for our Surface East operating segment was approximately 70% of its carrying amount as of October 31, 2022. No reasonably possible change in any of the estimates would cause the Surface East carrying amount to exceed its recoverable amount.

Assumptions

The following table presents the key assumptions used by management in determining the recoverable amount of our relevant operating segments for the years ended December 31, 2022 and 2021 as:

	Year Ended December 31,	
	2022	**2021**
Year of cash flows before terminal value	4	4
Risk-adjusted post-tax discount rate	14.1%	10.4%

NOTE 12. OTHER NON-CURRENT ASSETS

Other non-current assets consisted of the following:

	December 31,	
(In millions)	**2022**	**2021**
Non-current financial assets at amortized cost, gross	$ 104.2	$ 104.9
Loss allowance	0.3	(1.2)
Non-current financial assets at amortized cost, net	104.5	103.7
Non-quoted equity instruments at Fair Value Through Profit or Loss ("FVTPL")	1.9	2.7
Quoted equity instruments at FVTPL	19.8	25.0
Total non-current assets, net	$ 126.2	$ 131.4

NOTE 13. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of the following:

	December 31,	
(In millions)	**2022**	**2021**
Cash at bank and in hand	$ 1,021.3	$ 1,299.0
Cash equivalents	35.8	28.4
Total cash and cash equivalents	$ 1,057.1	$ 1,327.4
U.S. dollar	$ 480.3	$ 619.7
Euro	42.4	118.2
British pound sterling	89.0	105.2
Norwegian krone	59.2	90.6
Australian dollar	6.3	71.1
Malaysian ringgit	—	28.8
Other	379.9	293.8
Total cash and cash equivalents by currency	$ 1,057.1	$ 1,327.4
Fixed term deposits	$ 21.7	$ 4.5
Other	14.1	23.9
Total cash equivalents by nature	$ 35.8	$ 28.4

A substantial portion of cash and securities are recorded or invested in either Euro or U.S. dollars which are frequently used by TechnipFMC within the framework of its commercial relationships. Cash and securities in other currencies correspond either to deposits retained by subsidiaries located in countries where such currencies are the national currencies in order to ensure their own liquidity, or to amounts received from customers prior to the payment of expenses in these same currencies or the payment of dividends. Short-term deposits are classified as cash equivalents along with the other securities.

NOTE 14. TRADE RECEIVABLES, NET AND CONTRACT ASSETS

Trade receivables, net and contract assets include trade accounts receivable from completed contracts, contract assets and other miscellaneous invoices (e.g. trading, procurement services). TechnipFMC's trade receivables and contracts assets mainly constitute a homogeneous portfolio of major oil and gas, petrochemical or oil-related companies.

TechnipFMC applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. On that basis, all potential uncollectible receivables as of December 31, 2022 and 2021 were determined as follows for both trade receivables and contract assets:

	December 31,			
	2022		**2021**	
(In millions)	**Trade Receivables**	**Contract Assets**	**Trade Receivables**	**Contract Assets**
Gross amount	$ 1,000.0	$ 980.6	$ 1,042.7	$ 965.8
Opening loss allowance	$ (29.0)	$ 1.9	$ (108.9)	$ (1.0)
Spin-off of Technip Energies	—	—	68.7	—
(Increase) decrease in loss allowance	(5.4)	—	(7.3)	0.6
Used allowance reversals	3.2	—	6.8	—
Unused allowance reversals	11.3	—	6.7	0.7
Effects of foreign exchange and other	(11.6)	1.6	5.0	1.6
Closing loss allowance	$ (31.5)	$ 3.5	$ (29.0)	$ 1.9
Total, net	$ 968.5	$ 984.1	$ 1,013.7	$ 967.7

See Note 30 for further information on impairment losses of trade receivables and contract assets and TechnipFMC's exposure to credit risk and foreign currency risk.

NOTE 15. INVENTORIES

Inventories consisted of the following:

	December 31,	
(In millions)	**2022**	**2021**
Raw materials	$ 317.4	$ 250.1
Work in process	152.0	178.7
Finished goods	583.7	618.0
Total inventories, net	$ 1,053.1	$ 1,046.8

All amounts in the table above are reported net of obsolescence reserves of $108.2 million and $116.6 million as of December 31, 2022 and 2021, respectively. Inventories recognized as expense during the years ended December 31, 2022 and 2021, respectively, amounted to $2,594.3 million and $2,360.3 million.

NOTE 16. OTHER CURRENT ASSETS

Other current assets consisted of the following:

	December 31,	
(In millions)	**2022**	**2021**
Current financial assets at amortized cost	$ 12.4	$ 21.9
Current financial assets, total	12.4	21.9
Value added tax receivables	185.6	222.4
Tax receivables and other receivables	138.9	77.0
Prepaid expenses	61.9	50.7
Held to maturity investments	15.7	9.3
Pension asset	12.3	—
Other	24.1	41.1
Other current assets, total	438.5	400.5
Total other current assets, net	$ 450.9	$ 422.4

NOTE 17. STOCKHOLDERS' EQUITY

17.1 Changes in TechnipFMC's ordinary shares and treasury shares

As of December 31, 2022 and 2021, TechnipFMC's share capital was 442,208,014 ordinary shares and 450,700,480 ordinary shares, respectively.

The movements in share capital were as follows:

(Number of shares in millions)	**Ordinary Shares Issued**
December 31, 2020	449.5
Stock awards	1.2
December 31, 2021	450.7
Stock awards	1.6
Shares repurchased and cancelled	(10.1)
December 31, 2022	442.2

17.2 Dividends

As an English public limited company, we are required under U.K. law to have available "distributable reserves" to conduct share repurchases or pay dividends to shareholders. Distributable reserves are a statutory requirement and are not linked to a IFRS reported amount (e.g. retained earnings, net income and other reserves). The declaration and payment of dividends require the authorization of our Board of Directors, provided that such dividends on issued share capital may be paid only out of our "distributable reserves" on our statutory balance sheet. Therefore, we are not permitted to pay dividends out of share capital, which includes share premium.

Our articles of association permit us by ordinary resolution of the shareholders to declare dividends, provided that the directors have made a recommendation as to its amount. The dividend shall not exceed the amount recommended by the directors. The directors may also decide to pay interim dividends if it appears to them that the profits available for distribution justify the payment. When recommending or declaring payment of a dividend, the directors are required under English law to comply with their duties, including considering our future financial requirements.

See Note 33 for additional information regarding the Distribution of Technip Energies that occurred during 2021.

17.3 Capital management

For the purpose of our equity capital management, equity capital includes issued ordinary shares, share premium and all other equity reserves attributable to the equity holders of TechnipFMC. The primary objective of our capital management is to maximize shareholder value.

We monitor our capital structure and take actions in light of economic conditions and the requirements of our financial covenants. To manage our capital structure, from time to time we may adjust the return capital to shareholders or issue new shares. We have also met all our financial covenants set forth by our loans and borrowings.

In July 2022, the Board of Directors authorized the repurchase of up to $400.0 million of our outstanding ordinary shares under our share repurchase program. Pursuant to this share repurchase program, we repurchased $100.2 million of ordinary shares during the year ended December 31, 2022. Based upon the remaining repurchase authority of $299.8 million and the closing stock price as of December 31, 2022, approximately 24.6 million ordinary shares could be subject to repurchase. All shares repurchased were immediately cancelled.

As of December 31, 2022, our securities authorized for issuance under equity compensation plans were as follows:

	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (in thousands)	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights (in $)	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (in thousands)
Equity compensation plans approved by security holders	1,441.2	$ 20.31	—

We had no unregistered sales of equity securities during the years ended December 31, 2022 and 2021.

17.4 Accumulated other comprehensive income (loss)

Accumulated other comprehensive income (loss) are as follows:

(In millions)	Cash Flow Hedges [1]	Gains (Losses) on Defined Benefit Pension Plans	Foreign Currency Translation	Accumulated Other Comprehensive Income (Loss) – TechnipFMC plc	Accumulated Other Comprehensive Income (Loss) – Non-Controlling Interests	Total Accumulated Other Comprehensive Income (Loss)
December 31, 2020	$ —	$ (156.7)	$ (997.4)	$ (1,154.1)	$ (5.0)	$ (1,159.1)
Net gain/(loss) before reclassification to profit or loss, net of tax	(68.1)	131.7	32.7	96.3	0.1	96.4
Reclassification to profit or loss, net of tax	14.1	—	—	14.1	—	14.1
Reclassification to profit or loss due to Spin-off of Technip Energies, net of tax	(14.5)	—	181.4	166.9	—	166.9
Other comprehensive (loss)/income, net of tax	(68.5)	131.7	214.1	277.3	0.1	277.4
Spin-off of Technip Energies	—	37.2	—	37.2	—	37.2
December 31, 2021	$ (68.5)	$ 12.2	$ (783.3)	$ (839.6)	$ (4.9)	$ (844.5)
Net gain/(loss) before reclassification to profit or loss, net of tax	69.9	37.9	(26.6)	81.2	—	81.2
Reclassification to profit or loss, net of tax	(35.3)	—	—	(35.3)	—	(35.3)
December 31, 2022	$ (33.9)	$ 50.1	$ (809.9)	$ (793.7)	$ (4.9)	$ (798.6)

(1) Recorded under this heading is the effective portion of the change in fair value of the financial instruments qualified as cash flow hedging, as well as foreign exchange gains and losses corresponding to the effective portion of non-derivative financial assets or liabilities that are designated as a hedge of a foreign currency risk.

17.5 Non-controlling interests

Non-controlling interests amounting to $36.5 million and $15.7 million as of December 31, 2022 and 2021, respectively, did not represent a material component of TechnipFMC's consolidated financial statements in the years ended December 31, 2022, and 2021.

As a result of the spin-off of Technip Energies transaction, non-controlling interest of $21.8 million has been derecognized as of February 16, 2021, within the comparative period presented.

NOTE 18. SHARE-BASED COMPENSATION

Incentive compensation and award plan

Under the Amended and Restated TechnipFMC plc Incentive Award Plan (the "2017 Plan"), we were able to grant certain incentives and awards to our officers, employees, non-employee directors and consultants of the Company and its subsidiaries. Awards included share options, share appreciation rights, performance stock units, restricted stock units, restricted shares or other awards authorized under the 2017 Plan. On April 28, 2022, we adopted the TechnipFMC plc 2022 Incentive Award Plan (the "Plan"), which replaces the 2017 Plan. Under the Plan, 8.9 million ordinary shares were authorized for awards, and the remaining available shares from the 2017 Plan were added to the authorized amount under the Plan.

The exercise price for options is determined by the Committee but cannot be less than the fair market value of our ordinary shares at the grant date. Restricted share and performance share unit grants generally vest after three years of service.

Under the Plan, our Board of Directors has the authority to grant non-employee directors share options, restricted shares, restricted share units and performance shares. Unless otherwise determined by our Board of Directors, awards to non-employee directors generally vest one year from the date of grant. All restricted share units awarded prior to 2020 will be settled when a non-executive director ceases services on the Board of Directors. Beginning with the 2020 equity award, non-executive directors now have the opportunity to elect the year in which they will take receipt of the equity grants from either (a) a period of 1 to 10 years from the grant date or (b) upon their separation from Board service. The elections are made prior to the beginning of the grant year and are irrevocable after December 31 of the year prior to grant. Restricted share units are settled when a director ceases services to the Board of Directors. As of December 31, 2022, outstanding awards to active and retired non-employee directors included 177.7 thousand of share units.

The measurement of share-based compensation expense on restricted share awards is based on the market price and fair value at the grant date and the number of shares awarded. The fair value of performance shares is estimated using a combination of the closing stock price on the grant date and the Monte Carlo simulation model. We use the Black-Scholes options pricing model to measure the fair value of stock options granted on or after January 1, 2017.

The share-based compensation expense for each award is recognized ratably over the applicable service period or the period beginning at the start of the service period and ending when an employee becomes eligible for retirement (currently age 62 under the Plan), after taking into account estimated forfeitures.

We recognize compensation expense and the corresponding tax benefits for awards under the Plan. The compensation expense under the Plan was as follows:

	Year Ended December 31,	
(In millions)	2022	2021
Share-based compensation expense	$ 40.5	$ 26.8
Income tax benefits related to share-based compensation expense	8.8	7.2

As of December 31, 2022 and 2021, the portion of share-based compensation expense related to outstanding awards to be recognized in future periods is as follows:

	December 31,	
	2022	2021
Share-based compensation expense not yet recognized (In millions of U.S. dollars)	$ 52.6	$ 51.6
Weighted-average recognition period (in years)	1.26	1.42

Restricted share units

A summary of the non-vested restricted share units' activity is as follows:

	2022		2021	
(Shares in thousands)	**Shares**	**Weighted-Average Grant Date Fair Value**	**Shares**	**Weighted-Average Grant Date Fair Value**
Non-vested as of January 1	9,589.5	$ 11.35	6,121.9	$ 18.43
Granted	2,874.1	$ 7.89	2,893.0	$ 7.97
Vested	(2,193.8)	$ 16.57	(667.1)	$ 37.57
Cancelled/forfeited	(548.1)	$ 7.99	(882.6)	$ 13.75
Adjustment due to Spin-off	—	—	2,124.3	$ 12.37
Non-vested as of December 31	9,721.7	$ 7.81	9,589.5	$ 11.35

The total grant date fair value of restricted stock share units vested during the years ended December 31, 2022 and 2021 was $36.4 million and $25.1 million, respectively.

Performance share units

The Board of Directors has granted certain employees, senior executives and Directors or Officers performance share units that vest subject to achieving satisfactory performances. For performance share units issued on or after January 1, 2017, performance is based on results of return on invested capital and total shareholder return ("TSR").

For the performance share units which vest based on TSR, the fair value of performance shares is estimated using a combination of the closing stock price on the grant date and the Monte Carlo simulation model. The weighted-average fair value and the assumptions used to measure the fair value of performance share units subject to performance-adjusted vesting conditions in the Monte Carlo simulation model were as follows:

	Year Ended December 31,	
	2022	2021
Weighted-average fair value (1)	$ 11.34	$ 11.50
Expected volatility (2)	65.9 %	62.7 %
Risk-free interest rate (3)	1.8 %	0.4 %
Expected performance period in years (4)	3.0	2.9

(1) The weighted-average fair value was based on performance share units granted during the period.
(2) Expected volatility is based on normalized historical volatility of our shares over a preceding period commensurate with the expected term of the performance share units.
(3) The risk-free rate for the expected term of the performance share units is based on the U.S. Treasury yield curve in effect at the time of grant.
(4) For awards subject to service-based vesting, due to the lack of historical exercise and post-vesting termination patterns of the post-Merger employee base, the expected term was estimated using a simplified method for all awards granted in 2022, 2021 and 2020.

A summary of the non-vested performance share units' activity is as follows:

(Shares in thousands)	Shares	Weighted Average Grant Date Fair Value
Balance as of December 31, 2020	4,840.7	$ 17.55
Granted	2,426.2	$ 11.50
Exercised	(111.3)	$ 30.42
Cancelled/forfeited	(1,723.2)	$ 16.03
Adjustment due to Spin-off	(3,122.8)	$ 12.37
Balance as of December 31, 2021	2,309.6	$ 13.26
Granted	2,427.0	$ 11.10
Cancelled/forfeited	(223.6)	$ 11.46
Balance as of December 31, 2022	4,513.0	$ 11.29

The total grant date fair value of performance shares vested during years ended December 31, 2022 and 2021 was nil and $3.4 million, respectively.

Share option awards

The fair value of each share option award is estimated as of the date of grant using the Black-Scholes options pricing model.

Share options awarded prior to 2017 were granted subject to performance criteria based upon certain targets, such as total shareholder return, return on capital employed, and operating profit (loss) from recurring activities. Subsequent share options granted are time-based awards vesting over three years. We did not grant any share option awards during the years ended December 31, 2022 and 2021.

The following is a summary of share option transactions during year ended December 31, 2022:

(Shares in thousands)	Shares	Weighted average exercise price	Weighted average remaining life
Balance as of December 31, 2021	1,576.1	$ 20.17	6.3
Cancelled	(134.9)	$ 20.84	—
Balance as of December 31, 2022	1,441.2	$ 20.31	5.3
Exercisable as of December 31, 2022	1,441.2	$ 20.31	5.3

The aggregate intrinsic value of stock options outstanding and stock options exercisable as of December 31, 2022 was nil and nil, respectively.

Cash received from the share option exercises was nil during each of the years ended December 31, 2022 and 2021. The total intrinsic value of share options exercised during each of the years ended December 31, 2022 and 2021 was nil. To exercise share options, an employee may choose (1) to pay, either directly or by way of the group savings plan, the share option strike price to obtain shares, or (2) to sell the shares immediately after having exercised the share option (in this case, the employee does not pay the strike price but instead receives the intrinsic value of the share options in cash).

The following summarizes significant ranges of outstanding and exercisable share options as of December 31, 2022:

	Options Outstanding			Options Exercisable	
Exercise Price Range	**Number of options (in thousands)**	**Weighted average remaining life (in years)**	**Weighted average exercise price (in $)**	**Number of options (in thousands)**	**Weighted average exercise price (in $)**
$16.00-$19.00	578.0	6.2	$ 16.46	578.0	$ 16.46
$20.00-$24.00	678.7	4.6	$ 22.22	678.7	$ 22.22
$25.00-$26.00	184.5	4.7	$ 25.31	184.5	$ 25.31
TOTAL	1,441.2	5.3	$ 20.31	1,441.2	$ 20.31

The following summarizes significant ranges of outstanding and exercisable options as of December 31, 2021:

	Options Outstanding			Options Exercisable	
Exercise Price Range	**Number of options (in thousands)**	**Weighted average remaining life (in years)**	**Weighted average exercise price (in $)**	**Number of options (in thousands)**	**Weighted average exercise price (in $)**
$16.00-$19.00	636.7	7.2	$ 16.46	—	$ —
$20.00-$24.00	721.2	5.6	$ 22.28	721.2	$ 22.28
$25.00-$26.00	218.2	5.6	$ 25.32	218.2	$ 25.32
TOTAL	1,576.1	6.3	$ 20.17	939.4	$ 23.00

NOTE 19. DEBT

19.1 Debt

Short-term debt and current portion of long-term debt consisted of the following:

(In millions)	December 31, 2022		2021	
	Carrying amount	Fair Value	Carrying amount	Fair Value
3.40% 2012 Private placement due 2022	$ —	$ —	$ 169.9	$ 171.9
3.15% 2013 Private placement due 2023	138.6	136.6	—	—
3.15% 2013 Private placement due 2023	133.4	131.6	—	—
Bank borrowings	127.5	127.5	72.6	72.6
Other	19.3	19.3	35.4	35.4
Total short-term debt and current portion of long-term	$ 418.8	$ 415.0	$ 277.9	$ 279.9

Debt consisted of the following:

(In millions)	December 31, 2022		December 31, 2021	
	Carrying amount	Fair Value	Carrying amount	Fair Value
3.15% 2013 Private placement due 2023	$ —	$ —	$ 147.0	$ 153.6
3.15% 2013 Private placement due 2023	—	—	141.5	147.5
5.75% 2020 Private placement due 2025	211.6	217.4	223.7	247.1
6.50% Senior notes due 2026	199.7	199.8	619.8	678.2
4.00% 2012 Private placement due 2027	80.0	76.7	84.9	90.9
4.00% 2012 Private placement due 2032	104.1	81.2	110.2	111.9
3.75% 2013 Private placement due 2033	104.4	73.0	110.6	105.0
Bank borrowings and other	299.5	299.5	340.8	340.8
Total long-term debt	999.3	947.6	1,778.5	1,875.0
Bank borrowings and other	146.8	146.8	108.0	108.0
3.40% 2012 Private placement due 2022	—	—	169.9	171.9
3.15% 2013 Private placement due 2023	138.6	136.6	—	—
3.15% 2013 Private placement due 2023	133.4	131.6	—	—
Total short-term debt and current portion of long-term	418.8	415.0	277.9	279.9
Total debt	$ 1,418.1	$ 1,362.6	$ 2,056.4	$ 2,154.9

Credit Facilities and Debt Commitments

Revolving Credit Facility - On February 16, 2021, we entered into a credit agreement, which provides for a $1.0 billion three-year senior secured multi-currency Revolving Credit Facility including a $450.0 million letter of credit sub-facility. We incurred $34.8 million of debt issuance costs in connection with the Revolving Credit Facility. These debt issuance costs are deferred and are included in other assets in our consolidated balance sheets. The deferred debt issuance costs are amortized to interest expense over the term of the Revolving Credit Facility.

Availability of borrowings under the Revolving Credit Facility is reduced by the outstanding letters of credit issued against the facility. As of December 31, 2022, there were $45.4 million letters of credit outstanding and availability of borrowings under the Revolving Credit Facility was $954.6 million.

Borrowings denominated in United States dollars ("USD"), at our option, under our Revolving Credit Facility bear interest at an adjusted rate linked to the London Interbank Offered Rate ("LIBOR") and our euro-denominated loans under the Revolving Credit Facility bear interest at an adjusted rate linked to the Euro Interbank Offered Rate ("EURIBOR"). The United Kingdom's Financial Conduct Authority (the "FCA"), which regulates LIBOR, has announced that the publication of LIBOR on the current basis would cease and no longer be representative immediately after December 31, 2021 (in the case of all sterling, euro, Swiss franc and Japanese yen settings, and one-week and two-month USD settings) and immediately after June 30, 2023 (in the case of all remaining USD settings). Despite this deferral in regard to USD, the FCA has confirmed that use of USD LIBOR will not be permitted in most new contracts after December 31, 2021 and while the FCA is requiring the LIBOR administrator to publish one-, three- and six-month sterling and Japanese yen LIBOR rates for a limited time following December 31, 2021 using a synthetic methodology, such synthetic LIBOR rates are also only permitted for legacy use. The agreements governing our Credit Facilities include customary provisions to provide for replacement of LIBOR with an alternative benchmark rate when LIBOR ceases to be available. The International Swaps and Derivatives Association has developed provisions for SOFR-based fall-back rates to apply upon permanent cessation of LIBOR and has published a protocol to enable market participants to include the new provisions in existing swap agreements.

We are currently assessing our options to amend our facility agreement and transition to a new benchmark rate.

The applicable margin for borrowings under the Revolving Credit Facility ranges from 2.50% to 3.50% for Eurocurrency loans and 1.50% to 2.50% for base rate loans, depending on a total leverage ratio. The Revolving Credit Facility is subject to customary representations and warranties, covenants, events of default, mandatory repayment provisions and financial covenants.

2021 Notes - On January 29, 2021, we issued $1.0 billion of 6.50% Senior notes due 2026. The interest on the 2021 Notes is paid semi-annually on February 1 and August 1 of each year, beginning on August 1, 2021. The 2021 Notes are senior unsecured obligations and are guaranteed on a senior unsecured basis by substantially all of our wholly owned U.S. subsidiaries and non-U.S. subsidiaries in Brazil, the Netherlands, Norway, Singapore and the United Kingdom. We incurred $25.7 million of debt issuance costs in connection with issuance of the 2021 Notes. These debt issuance costs are deferred and are included in long-term debt in our consolidated balance sheets. The deferred debt issuance costs are amortized to interest expense over the term of the 2021 Notes, which approximates the effective interest method.

During 2022, we completed a tender offer and purchased for cash $430.2 million of the outstanding 2021 Notes. We paid a cash premium of $21.5 million to the tendering note holders and wrote off $8.3 million of debt issuance costs. Concurrent with the tender offer, the Company obtained consents of holders with respect to the 2021 Notes to certain proposed amendments ("Proposed Amendments") to the indenture governing these notes. The Proposed Amendments, among other things, eliminated substantially all of the restrictive covenants and certain event of default triggers in the indenture.

During 2021, we completed two tender offers and purchased for cash $366.9 million of the outstanding 2021 Notes. We paid a cash premium of $29.5 million to the note holders who tendered and wrote off $8.9 million of bond issuance costs.

As of December 31, 2022, we were in compliance with all debt covenants.

Private placement Notes

2020 Issuance:

During 2020, we completed the Private placement of €200 million aggregate principal amount of the 2020 Private placement Notes. The 2020 Private placement Notes bear interest of 5.75% and are due June 2025. Interest on the notes is payable annually in arrears on June 30 of each year beginning June 30, 2020. The 2020 Private placement Notes contain usual and customary covenants and events of default for notes of this type.

2013 Issuances:

In October 2013, we completed the Private placement of €355.0 million aggregate principal amount of Senior notes. The notes were issued in three tranches with €100.0 million bearing interest at 3.75% and due October 2033 (the "Tranche A 2033 Notes"), €130.0 million bearing interest of 3.15% and due October 2023 (the "Tranche B 2023 Notes) and €125.0 million bearing interest of 3.15% and due October 2023 (the "Tranche C 2023 Notes" and, collectively with the "Tranche A 2033 Notes" and the "Tranche B 2023 Notes", the "2013 Private placement Notes").

Interest on the Tranche A 2033 Notes is payable annually in arrears on October 7 each year, beginning October 7, 2014. Interest on the Tranche B 2023 Notes is payable annually in arrears on October 16 of each year beginning October 16, 2014. Interest on the Tranche C 2023 Notes is payable annually in arrears on October 18 of each year, beginning October 18, 2014.

2012 Issuances:

In June 2012, we completed the Private placement of €325.0 million aggregate principal amount of notes. The notes were issued in three tranches with €150.0 million bearing interest at 3.40% and due June 2022 (the "Tranche A 2022 Notes"), €75.0 million bearing interest of 4.0% and due June 2027 (the "Tranche B 2027 Notes") and €100.0 million bearing interest of 4.0% and due June 2032 (the "Tranche C 2032 Notes" and, collectively with the "Tranche A 2022 Notes" and the "Tranche B 2027 Notes," the "2012 Private placement Notes"). Interest on the Tranche A 2022 Notes and the Tranche C 2032 Notes is payable annually in arrears on June 14 of each year beginning on June 14, 2013. Interest on the Tranche B 2027 Notes is payable annually in arrears on June 15 of each year, beginning on June 15, 2013. During 2022, we repaid $161.0 million of our 3.40% 2012 Private placement notes.

The 2013 and 2012 Private placement Notes contain usual and customary covenants and events of default for notes of this type. In the event of a change of control resulting in a downgrade in the rating of the notes below BBB-, the 2013 and 2012 Private placement Notes may be redeemed early at the request of any bondholder, at its sole discretion. The 2013 and 2012 Private placement Notes are our unsecured obligations. The 2013 and 2012 Private placement Notes will rank equally in right of payment with all of our existing and future unsubordinated debt.

Term loan - In December 2016, we entered into a £160.0 million term loan agreement to finance the Deep Explorer, a diving support vessel ("DSV"), maturing in December 2028. Under the loan agreement, interest accrues at an annual rate of 2.813%. This loan agreement contains usual and customary covenants and events of default for loans of this type.

Bank borrowings - In January 2019, we executed a sale-leaseback transaction to finance the purchase of a deepwater dive support vessel, Deep Discoverer (the "Vessel") for the full transaction price of $116.8 million. The sale-leaseback agreement ("Charter") was entered into with a French joint-stock company, owned by Credit Industrial et Commercial ("CIC") which was formed for the sole purpose to purchase and act as the lessor of the Vessel. It is a variable interest entity, which is fully consolidated in our consolidated financial statements. The transaction was funded through debt of $96.2 million which is primarily long-term, expiring on January 8, 2031.

Prior to June 2021, we leased operating facilities in San Antonio, Brighton and Odessa which we subsequently purchased from the lessors. In June 2021, we entered into three agreements with Bank of America, N.A. to refinance the purchase of previously leased office and industrial properties in San Antonio, Brighton and Odessa, each expiring in January 2023, with an extension option for additional five years that we expect to exercise. As a result, the remaining obligations under the existing arrangement of $28.7 million were derecognized and we recorded a financial liability of $51.2 million and we have pledged our interest in the properties as collateral.

Foreign committed credit - We have committed credit lines at many of our international subsidiaries for immaterial amounts. We utilize these facilities for asset financing and to provide a more efficient daily source of liquidity. The effective interest rates depend upon the local national market.

Analysis by type of interest rate after yield management is described in Note 30.

19.2 Secured financial debts excluding finance leases

Secured debts are as follows:

	December 31,					
	2022			2021		
(In millions)	Guarantee	Without Guarantee	Total	Guarantee	Without Guarantee	Total
Current facilities and other	$ —	$ 122.3	$ 122.3	$ —	$ 76.5	$ 76.5
Short-term portion of long-term debt	22.7	273.8	296.5	26.4	175.0	201.4
Total short-term debt and current portion of long-term	22.7	396.1	418.8	26.4	251.5	277.9
Total long-term debt, less current portion and finance leases	338.0	661.3	999.3	851.6	926.9	1,778.5
Total debt excluding finance leases	$ 360.7	$ 1,057.4	$ 1,418.1	$ 878.0	$ 1,178.4	$ 2,056.4

NOTE 20. PENSIONS AND OTHER LONG-TERM EMPLOYEE BENEFIT PLANS

20.1 Description of TechnipFMC's current benefit plans

We have funded and unfunded defined benefit pension plans which provide defined benefits based on years of service and final average salary.

We are required to recognize the funded status of defined benefit post-retirement plans as an asset or liability in the consolidated statement of financial position and recognize changes in that funded status in comprehensive income in the year in which the changes occur. Further, we are required to measure the plan's assets and its obligations that determine its funded status as of the date of the consolidated statement of financial position. We have applied this guidance to our domestic pension and other post-retirement benefit plans as well as for many of our non-U.S. plans, including those in the United Kingdom, Germany, France and Canada.

In the case of funded plans, we ensure that the investment positions are managed to achieve long-term investments that are in line with the obligations under the pension schemes. Our objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency.

We actively monitor how the duration and the expected yield of the investments are matching the expected cash outflows arising from the pension obligations. We have not changed the processes used to manage its risks from previous periods. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

Our pension investment strategy emphasizes maximizing returns consistent with balancing risk. Excluding our international plans with insurance-based investments, 98.6% of our total pension plan assets represent the U.S. qualified plan (401k) and the U.K. plan. These plans are primarily invested in equity securities to maximize the long-term returns of the plans.

On December 31, 2017, we amended the U.S. retirement plans (the "Plans") to freeze benefit accruals for all participants of the Plans as of December 31, 2017. After that date, participants in the Plans will no longer accrue any further benefits and participants' benefits under the Plans will be determined based on credited service and eligible earnings as of December 31, 2017.

Foreign-based employees are eligible to participate in TechnipFMC-sponsored or government-sponsored benefit plans to which we contribute. Several of the foreign defined benefit pension plans sponsored by us provide for employee contributions; the remaining plans are noncontributory. The most significant of these plans are in the Netherlands, France and the United Kingdom.

We have other post-retirement benefit plans covering substantially all of our U.S. unionized employees. The post-retirement health care plans are contributory; the post-retirement life insurance plans are noncontributory.

We expect to contribute approximately $11.7 million to our international pension plans, representing primarily the U.K. qualified pension plans. We do not expect to make any contributions to our U.S. Qualified Pension Plan and our U.S. Non-Qualified Defined Benefit Pension Plan in 2023. All of the contributions are expected to be in the form of cash.

The following table summarizes expected benefit payments from our various pension and post-retirement benefit plans through 2030 as of December 31, 2022. Actual benefit payments may differ from expected benefit payments.

(In millions)	Expected benefit payments
2023	$ 53.8
2024	53.7
2025	56.0
2026	55.9
2027-2031	380.1
Total	$ 599.5

20.2 Remeasurement Effects Recognized in Other Comprehensive Income (OCI)

	December 31,	
(In millions)	2022	2021
Actuarial (gain) loss due to experience on defined benefit obligation	$ 13.9	$ 22.8
Actuarial (gain) due to demographic assumption changes in defined benefit obligation	1.1	(1.3)
Actuarial (gain) loss due to financial assumption changes in defined benefit obligation	(384.9)	(61.8)
Return on plan assets (greater) lower than discount rate	319.6	(89.9)
Change in irrecoverable surplus other than interest	1.1	4.9
Actuarial (income) loss recognized in other comprehensive income	$ (49.2)	$ (125.3)

20.3 Defined benefit asset (liability) recognized in the consolidated statements of financial position

As of December 31, 2022, the net defined benefit liability of $105.9 million is comprised of a defined benefit asset of $61.1 million and defined benefit liability of $167.1 million as recognized in the statement of financial position. As of December 31, 2021, there was a gross defined benefit liability of $160.9 million recognized in the statement of financial position.

The amounts recognized in the statement of financial position and the movements in the net defined benefit obligation over the year are as follows:

(In millions)	Defined Benefit Obligation	Fair Value of Plan Assets	Net Defined Benefit Obligation
December 31, 2020	$ 1,706.5	$ 1,220.5	$ 486.0
Acquisitions / disposals	(311.0)	(152.0)	(159.0)
Expense as recorded in the statement of income	41.3	21.0	20.3
Total current service cost	9.3	—	9.3
Net financial costs	28.1	21.0	7.1
Actuarial losses of the year	(0.5)	—	(0.5)
Administrative costs and taxes	4.4	—	4.4
Actuarial loss recognized in other comprehensive income	(40.3)	85.0	(125.3)
Actuarial gain on (defined benefit obligation) / gain on plan (assets)	(40.3)	85.0	(125.3)
- Experience	*22.8*	—	22.8
- Financial assumptions	(61.8)	—	(61.8)
- Demographic assumptions	(1.3)	—	(1.3)
Actuarial gain (loss) on plan assets	—	89.9	(89.9)
Change in irrecoverable surplus other than interest	—	(4.9)	4.9
Contributions and benefits paid	(86.9)	(33.0)	(53.9)
Contributions by employer	—	34.3	(34.3)
Contributions by employee	0.9	0.9	—
Benefits paid by employer	(19.6)	—	(19.6)
Benefits paid from plan assets	(68.2)	(68.2)	—
Exchange difference and other	(12.0)	(8.9)	(3.1)
Settlements	—	—	—
Other	(4.1)	—	(4.1)
December 31, 2021	$ 1,293.5	$ 1,132.6	$ 160.9

(In millions)	Defined Benefit Obligation	Fair Value of Plan Assets	Net Defined Benefit Obligation
December 31, 2021	$ 1,293.5	$ 1,132.6	$ 160.9
Expense as recorded in the statement of income	38.2	25.8	12.4
Total current service cost	4.0	—	4.0
Net financial costs	30.3	25.8	4.5
Actuarial gains of the year	(0.1)	—	(0.1)
Administrative costs and taxes	4.0	—	4.0
Actuarial loss recognized in other comprehensive income	(369.9)	(320.7)	(49.2)
Actuarial gain on defined benefit obligation / loss on plan assets	(369.9)	(320.7)	(49.2)
- Experience	13.9	—	13.9
- Financial assumptions	(384.9)	—	(384.9)
- Demographic assumptions	1.1	—	1.1
Actuarial gain (loss) on plan assets	—	(319.6)	319.6
Change in irrecoverable surplus other than interest	—	(1.1)	1.1
Contributions and benefits paid	(64.3)	(41.7)	(22.6)
Contributions by employer	—	11.9	(11.9)
Contributions by employee	—	—	—
Benefits paid by employer	(10.7)	—	(10.7)
Benefits paid from plan assets	(53.6)	(53.6)	—
Exchange difference and other	(55.4)	(59.8)	4.4
Other	—	—	—
December 31, 2022	$ 842.1	$ 736.2	$ 105.9

In 2022 and 2021, the discounted defined benefit obligation included $787.0 million and $1,214.3 million for funded plans and $54.6 million and $79.0 million for unfunded plan assets, respectively.

The following table shows a breakdown of the defined benefit obligation and plan assets by country for the years ending December 31, 2022 and 2021.

(In millions)	United Kingdom	United States	Other	Total
December 31, 2021				
Defined Benefit Obligation	539.5	690.3	63.7	1,293.5
Fair Value of Plan Assets	611.0	517.4	4.2	1,132.6
Net Defined Benefit (Asset) Obligation	(71.5)	172.9	59.5	160.9
December 31, 2022				
Defined Benefit Obligation	293.0	500.6	48.0	841.6
Fair Value of Plan Assets	353.7	377.3	4.7	735.7
Net Defined Benefit (Asset) Obligation	(60.7)	123.3	43.3	105.9

Below are the details of the principal categories of plan assets by country in terms of percentage of their total fair value:

(In %)	December 31, 2022 Bonds	Shares	Real Estate	Cash	Other	Total
Eurozone	— %	— %	— %	— %	100 %	100 %
United Kingdom	63 %	13 %	11 %	13 %	— %	100 %
United States	8 %	83 %	— %	10 %	— %	101 %

(In %)	December 31, 2021 Bonds	Shares	Real Estate	Cash	Other	Total
Eurozone	— %	— %	— %	— %	100 %	100 %
United Kingdom	5 %	77 %	11 %	7 %	— %	100 %
United States	— %	92 %	— %	8 %	— %	100 %

20.4 Actuarial assumptions

	December 31, 2022			
	Discount Rate	Future Salary Increase (above Inflation Rate)	Healthcare Cost Increase Rate	Inflation Rate
Eurozone	3.7% to 3.8%	2.2% to 3.5%	NA	2.2% to 2.3%
United Kingdom	4.9 %	N/A	NA	2.9% to 3.4%
United States	5.4 %	4.0 %	NA	NA

	December 31, 2021			
	Discount Rate	Future Salary Increase (above Inflation Rate)	Healthcare Cost Increase Rate	Inflation Rate
Eurozone	1.0% to 1.2%	2.0% to 3.2%	NA	1.9% to 2.10%
United Kingdom	1.9 %	N/A	NA	2.9% to 3.6%
United States	2.9 %	4.0 %	NA	NA

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in each territory. These assumptions translate into an average life expectancy in years for a pensioner retiring at age 65:

	December 31, 2022			
	Assumed life expectations for a retiree age 65			
	Retiring at the end of the reporting period		Retiring 15 years after the end of the reporting period	
(in years)	Male	Female	Male	Female
Eurozone	24	28	26	30
United Kingdom	22	24	23	26
United States	21	22	21	23

(in years)	December 31, 2021			
	Assumed life expectations for a retiree age 65			
	Retiring at the end of the reporting period		Retiring 15 years after the end of the reporting period	
	Male	Female	Male	Female
Eurozone	24	28	27	31
United Kingdom	22	24	23	25
United States	20	22	21	23

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant.

The discount rates as of December 31, 2022 of the Eurozone, United Kingdom and the United States zones are determined by holding the benefit flows of services expected from the plans and by using a curve of yield built from a wide basket of bonds of companies of high quality (rated AA). In the countries where the market bonds of companies of high quality is insufficiently deep, the discount rates are measured in reference to governmental rates.

The references used to determine the discount rates and mortality assumptions as of December 31, 2022 remain unchanged compared to 2021. A 25% decrease in the discount rate would increase the defined benefit obligation by approximately 3.1%. A 25% increase in the discount rate would decrease the defined benefit obligation by approximately (3.2)%. A one year decrease in the life expectancy would decrease the defined benefit obligation by approximately (2.8)%. A one year increase in the life expectancy would increase the defined benefit obligation by approximately 2.8%. A 25% increase in inflation rates would increase the defined benefit obligation by 0.6%. A 25% decrease in inflation rates would decrease the defined benefit obligation by (0.6)%.

20.5 Other plans

Savings plans - The TechnipFMC Retirement Savings Plan (“Qualified Plan”), a qualified salary reduction plan under Section 401(k) of the Internal Revenue Code, is a defined contribution plan. Additionally, we have a non-qualified deferred compensation plan, the Non-Qualified Plan, which allows certain highly compensated employees the option to defer the receipt of a portion of their salary. We match a portion of the participants’ deferrals to both plans. Both plans relate to FMC Technologies, Inc.

Participants in the Non-Qualified Plan earn a return based on hypothetical investments in the same options as our 401(k) plan, including TechnipFMC plc stock (“FTI Stock Fund”). In March 2019, the FTI Stock Fund was removed from the Non-Qualified Plan. Changes in the market value of these participant investments are reflected in other income (expense), net. The deferred compensation obligation is measured based on the actuarial present value of the benefits owed to the employee. As of December 31, 2022 and 2021, our liability for the Non-Qualified Plan was $20.2 million and $30.0 million, respectively, and was recorded in other non-current liabilities. We hedge the financial impact of changes in the participants’ hypothetical investments by purchasing the investments that the participants have chosen. Changes in the fair value of these investments are recognized as an offset to other income (expense), net. As of December 31, 2022 and 2021, we had investments for the Non-Qualified Plan totaling $18.5 million and $24.1 million at fair market value, respectively.

We recognized expense of $19.8 million and $21.5 million for matching contributions to these plans in 2022 and 2021, respectively. Additionally, we recognized expense of $8.7 million and $9.0 million for non-elective contributions in 2022 and 2021, respectively.

NOTE 21. PROVISIONS (CURRENT AND NON-CURRENT)

Movements in each class of provision as of December 31, 2021 are as follows:

(In millions)	As of December 31, 2020	Increase	Used Reversals	Unused Reversals	Foreign exchange differences	Spin-off of Technip Energies	Other	As of December 31, 2021
Tax	$ 0.2	$ —	$ —	$ —	$ —	$ (0.2)	$ —	$ —
Litigation	6.5	—	—	—	—	(6.5)	—	—
Restructuring obligations	27.1	2.1	(2.3)	—	(0.5)	(10.2)	(4.1)	12.1
Provisions for claims	9.4	—	—	—	—	(9.4)	—	—
Other non-current provisions	9.0	1.9	—	—	—	(5.7)	—	5.2
Total non-current provisions	52.2	4.0	(2.3)	—	(0.5)	(32.0)	(4.1)	17.3
Contingencies related to contracts	110.9	14.0	(3.6)	(26.2)	(1.0)	(51.6)	(9.1)	33.4
Tax	20.2	0.4	—	(1.2)	(0.2)	(0.7)	—	18.5
Litigation (1)	168.4	13.4	(9.8)	(7.8)	(2.1)	(60.3)	1.4	103.2
Restructuring obligations	55.7	28.5	(35.5)	(17.7)	(1.1)	(12.0)	2.4	20.3
Provisions for claims	0.3	—	—	—	—	(0.3)	—	—
Other current provisions (2)	87.7	113.6	(67.7)	(17.6)	(2.4)	(11.0)	(0.5)	102.1
Total current provisions	443.2	169.9	(116.6)	(70.5)	(6.8)	(135.9)	(5.8)	277.5
Total provisions	$ 495.4	$ 173.9	$ (118.9)	$ (70.5)	$ (7.3)	$ (167.9)	$ (9.9)	$ 294.8

Movements in each class of provision as of December 31, 2022 are as follows:

(In millions)	As of December 31, 2021	Increase	Used Reversals	Unused Reversals	Foreign Exchange Adjustments	Other	As of December 31, 2022
Restructuring obligations	12.1	1.2	(4.0)	(7.0)	(0.2)	(0.4)	1.7
Other non-current provisions	5.2	1.2	(3.6)	(0.1)	0.1	1.6	4.4
Total non-current provisions	17.3	2.4	(7.6)	(7.1)	(0.1)	1.2	6.1
Contingencies related to contracts	33.4	20.5	(10.6)	(17.8)	(5.0)	(7.0)	13.5
Tax	18.5	2.9	(0.1)	(1.5)	(1.7)	—	18.1
Litigation (1)	103.2	9.5	(9.8)	(6.6)	2.2	—	98.5
Restructuring obligations	20.3	2.6	(14.2)	(1.5)	0.7	0.5	8.4
Other current provisions (2)	102.1	90.3	(105.2)	(18.2)	2.1	0.5	71.6
Total current provisions	277.5	125.8	(139.9)	(45.6)	(1.7)	(6.0)	210.1
Total provisions	**$ 294.8**	**$ 128.2**	**$ (147.5)**	**$ (52.7)**	**$ (1.8)**	**$ (4.8)**	**$ 216.2**

(1) Litigation - Includes provision of $70.0 million for the years ended December 31, 2022 and 2021, respectively, regarding the investigation by the French authorities (Parquet National Financier) related to offshore platform projects awarded between 2003 and 2007, performed in Brazil by a joint venture company in which Technip S.A. was a minority participant, and also certain other projects performed by Technip S.A. subsidiaries in Brazil between 2002 and 2013.
(2) Other current provisions - The majority of this balance is related to our annual bonus plan of $70.8 million and $85.7 million as of December 31, 2022 and 2021, respectively.

The accounting policy principles utilized to evaluate the amounts and types of provisions for liabilities and charges are described in Note 1. We have contingent liabilities and provision of the following nature:

Contingent liabilities associated with legal and tax matters - We are involved in various pending or potential legal and tax actions or disputes in the ordinary course of our business. These actions and disputes can involve our agents, suppliers, clients, and venture partners, and can include claims related to payment of fees, service quality, and ownership arrangements, including certain put or call options. We are unable to predict the ultimate outcome of these actions because of their inherent uncertainty. However, we believe that the most probable, ultimate resolution of these matters will not have a material adverse effect on our consolidated financial position, results of operations or cash flows.

On March 28, 2016, FMC Technologies received an inquiry from the U.S. Department of Justice (“DOJ”) related to the DOJ's investigation of whether certain services Unaoil S.A.M. provided to its clients, including FMC Technologies, violated the U.S. Foreign Corrupt Practices Act (“FCPA”). On March 29, 2016, Technip S.A. also received an inquiry from the DOJ related to Unaoil. We cooperated with the DOJ's investigations and, with regard to FMC Technologies, a related investigation by the SEC.

In late 2016, Technip S.A. was contacted by the DOJ regarding its investigation of offshore platform projects awarded between 2003 and 2007, performed in Brazil by a joint venture company in which Technip S.A. was a minority participant, and also raised with the DOJ certain other projects performed by Technip S.A. subsidiaries in Brazil between 2002 and 2013. The DOJ also inquired about projects in Ghana and Equatorial Guinea that were awarded to Technip S.A. subsidiaries in 2008 and 2009, respectively. We cooperated with the DOJ in its investigation into potential violations of the FCPA in connection with these projects. We contacted and cooperated with the Brazilian authorities (Federal Prosecution Service (“MPF”), the Comptroller General of Brazil (“CGU”) and the Attorney General of Brazil (“AGU”)) with their investigation concerning the projects in Brazil and have also contacted and are cooperating with French authorities (the Parquet National Financier (“PNF”)) with their investigation about these existing matters.

On June 25, 2019, we announced a global resolution to pay a total of $301.3 million to the DOJ, the SEC, the MPF, and the CGU/AGU to resolve these anti-corruption investigations. We were not required to have a monitor and, instead, provided reports on our anti-corruption program to the Brazilian and U.S. authorities for two and three years, respectively.

As part of this resolution, we entered into a three-year Deferred Prosecution Agreement (“DPA”) with the DOJ related to charges of conspiracy to violate the FCPA related to conduct in Brazil and with Unaoil. In addition, Technip USA, Inc., a U.S. subsidiary, pled guilty to one count of conspiracy to violate the FCPA related to conduct in Brazil. We also provided the DOJ reports on our anti-corruption program during the term of the DPA.

In Brazil, on June 25, 2019, our subsidiaries Technip Brasil - Engenharia, Instalações E Apoio Marítimo Ltda. and Flexibrás Tubos Flexíveis Ltda. entered into leniency agreements with both the MPF and the CGU/AGU. We made, as part of those agreements, certain enhancements to the compliance programs in Brazil during the two-year self-reporting period, which aligned with our commitment to cooperation and transparency with the compliance community in Brazil and globally.

In September 2019, the SEC approved our previously disclosed agreement in principle with the SEC Staff and issued an Administrative Order, pursuant to which we paid the SEC $5.1 million, which was included in the global resolution of $301.3 million.

On December 8, 2022, the Company received notice of the official release from all obligations and charges by CGU, having successfully completed all of the self-reporting requirements in the leniency agreements and the case was closed. On December 27, 2022, the DOJ filed a Motion to Dismiss the charges against TechnipFMC related to conspiracy to violate the FCPA, noting to the Court that the Company had fully met and completed all of its obligations under the DPA. The Dismissal Order was signed by the Court on January 4, 2023, thereby closing the case. All obligations to regulatory authorities related to the enforcement matters in the United States and Brazil have been completed and the Company has been unconditionally released by both jurisdictions.

To date, the investigation by the PNF related to historical projects in Equatorial Guinea and Ghana has not reached resolution. We remain committed to finding a resolution with the PNF and will maintain a $70.0 million provision related to this investigation. Additionally, the PNF informed us that it is reviewing other historical projects in Angola. We are not aware of any evidence that would support a finding of liability with respect to these projects, or whether the PNF would seek to impose any additional penalty. As we continue our discussions with PNF towards a potential resolution of all of these matters, the amount of a settlement could exceed this provision.

There is no certainty that a settlement with PNF will be reached or that the settlement will not exceed current accruals. The PNF has a broad range of potential sanctions under anti-corruption laws and regulations that it may seek to impose in appropriate circumstances including, but not limited to, fines, penalties, confiscations and modifications to business practices and compliance programs. Any of these measures, if applicable to us, as well as potential customer reaction to such measures, could have a material adverse impact on our business, results of operations, and financial condition. If we cannot reach a resolution with the PNF, we could be subject to criminal proceedings in France, the outcome of which cannot be predicted.

Contingent liabilities associated with liquidated damages - Some of our contracts contain provisions that require us to pay liquidated damages if we are responsible for the failure to meet specified contractual milestone dates and the applicable customer asserts a conforming claim under these provisions. These contracts define the conditions under which our customers may make claims against us for liquidated damages. Based upon the evaluation of our performance and other commercial and legal analysis, management believes we have appropriately recognized probable liquidated damages as of December 31, 2022 and 2021, and that the ultimate resolution of such matters will not materially affect our consolidated financial position, results of operations, or cash flows.

We believe the ultimate resolution of our known contingencies will not materially adversely affect our consolidated financial position, results of operations, or cash flows.

NOTE 22. IMPAIRMENT, RESTRUCTURING AND OTHER EXPENSES

Impairment, restructuring and other expenses were as follows:

	Year Ended December 31,	
(In millions)	**2022**	**2021**
Subsea	$ (13.0)	$ 53.5
Surface Technologies	10.4	7.6
Corporate and other	3.7	5.6
Total restructuring, impairment, and other expense	$ 1.1	$ 66.7

2022

During 2022, we released a previously recorded provision of $14.1 million related to demobilization costs of a facility that is now being used for a new project. In addition, during the year ended December 31, 2022, we recorded $1.1 million of impairment charges for property, plant and equipment and right-of-use lease assets, related to exiting our operations in Russia and Canada.

2021

During the year ended December 31, 2021, subsequent to the Spin-off, certain real estate rationalization actions were taken, and as a result, we recorded $49.1 million of impairment charges relating to our right-of-use assets and property, plant and equipment and $17.6 million of restructuring and other charges for severance and other employee related costs.

NOTE 23. OTHER LIABILITIES (CURRENT AND NON-CURRENT)

Other current liabilities are as follows:

	December 31,	
(In millions)	**2022**	**2021**
Other taxes payable	$ 65.3	$ 71.0
Warranty obligations (Note 25)	74.2	86.2
Social security liability	70.9	70.4
Other[(1)]	175.4	202.8
Total other current liabilities	$ 385.8	$ 430.4

(1) Includes miscellaneous other employee, medical and costs of operations.

Other non-current liabilities are as follows:

	December 31,	
(In millions)	2022	2021
Obligations on non-qualified employee retirement plans	$ 20.2	$ 30.0
Subsidies	0.3	0.4
Other	57.4	51.9
Total other non-current liabilities	$ 77.9	$ 82.3

NOTE 24. ACCOUNTS PAYABLE, TRADE

Trade payables amounted to $1,282.0 million as of December 31, 2022 as compared to $1,293.6 million as of December 31, 2021. Trade payables maturities are linked to the operating cycle of supply contracts and mature within 12 months.

NOTE 25. WARRANTY OBLIGATIONS

Warranty obligations are included within "Other current liabilities" in our consolidated statements of financial position as of December 31, 2022 and 2021. A reconciliation of warranty obligations for the years ended December 31, 2022 and 2021 as follows:

	Year Ended December 31,	
(In millions)	2022	2021
Balance at beginning of period	$ 86.2	$ 109.6
Warranty expenses	18.2	54.0
Adjustment to existing accruals	(19.0)	(56.5)
Claims paid	(11.2)	(20.9)
Balance at end of period	$ 74.2	$ 86.2

NOTE 26. COMMITMENTS AND CONTINGENT LIABILITIES

Contingent liabilities associated with guarantees - In the ordinary course of business, we enter into standby letters of credit, performance bonds, surety bonds, and other guarantees with financial institutions for the benefit of our customers, vendors, and other parties. The majority of these financial instruments expire within five years. Management does not expect any of these financial instruments to result in losses that would have a material adverse effect on our consolidated financial position, results of operations, or cash flows. In addition, refer to Note 21 for further discussion of our contingent liabilities.

Guarantees made by our consolidated subsidiaries consisted of the following:

	December 31,	
(In millions)	2022	2021
Financial guarantees (1)	$ 170.2	$ 177.4
Performance guarantees (2)	1,458.2	1,069.0
Maximum potential undiscounted payments	$ 1,628.4	$ 1,246.4

(1) Financial guarantees represent contracts that contingently require a guarantor to make payments to a guaranteed party based on changes in an underlying agreement that is related to an asset, a liability, or an equity security of the guaranteed party. These tend to be drawn down only if there is a failure to fulfill our financial obligations.
(2) Performance guarantees represent contracts that contingently require a guarantor to make payments to a guaranteed party based on another entity's failure to perform under a non-financial obligating agreement. Events that trigger payment are performance-related, such as failure to ship a product or provide a service.

Note 27. FINANCIAL INSTRUMENTS

27.1 Financial assets and liabilities by category

Financial assets and financial liabilities are as follows:

	December 31, 2022			
	Analysis by Category of Financial Instruments			
(In millions)	Carrying Amount	At Fair Value through Profit or Loss	Assets/ Liabilities at Amortized cost	Designated as cash flow hedges
Trade receivables, net	$ 968.5	$ —	$ 968.5	$ —
Other financial assets	138.6	21.7	116.9	—
Derivative financial instruments	289.9	27.9	—	262.0
Cash and cash equivalents	1,057.1	1,057.1	—	—
Total financial assets	$ 2,454.1	$ 1,106.7	$ 1,085.4	$ 262.0
Long-term debt, less current portion	999.3	—	999.3	—
Non-current lease liabilities	685.8	—	685.8	—
Short-term debt and current portion of long-term debt	418.8	—	418.8	—
Accounts payable, trade	1,282.0	—	1,282.0	—
Derivative financial instruments	350.2	14.1	—	336.1
Current lease liabilities	186.7	—	186.7	—
Total financial liabilities	$ 3,922.8	$ 14.1	$ 3,572.6	$ 336.1

	December 31, 2021			
	Analysis by Category of Financial Instruments			
(In millions)	Carrying Amount	At Fair Value through Profit or Loss	Assets/ Liabilities at Amortized cost	Designated as cash flow hedges
Trade receivables, net	$ 1,013.7	$ —	$ 1,013.7	$ —
Other financial assets	153.3	27.7	125.6	—
Derivative financial instruments	120.8	3.9	—	116.9
Cash and cash equivalents	1,327.4	1,327.4	—	—
Total financial assets	$ 2,615.2	$ 1,359.0	$ 1,139.3	$ 116.9
Long-term debt, less current portion	1,778.5	—	1,778.5	—
Non-current lease liabilities	646.6	—	646.6	—
Short-term debt and current portion of long-term debt	277.9	—	277.9	—
Accounts payable, trade	1,293.6	—	1,293.6	—
Derivative financial instruments	176.6	21.5		155.1
Current lease liabilities	126.2	—	126.2	—
Total financial liabilities	$ 4,299.4	$ 21.5	$ 4,122.8	$ 155.1

The following explains the judgments and estimates made in determining the fair values of the financial instruments that are recognized and measured at fair value in the consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, TechnipFMC has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

(In millions)	December 31, 2022 Level 1	Level 2	Level 3	Total
Investments:				
Traded securities[1]	19.8	—	—	19.8
Money market and stable value funds	—	1.9	—	1.9
Derivative financial instruments:				
Foreign exchange contracts	—	289.9	—	289.9
Financial assets	$ 19.8	$ 291.8	$ —	$ 311.6
Derivative financial instruments:				
Foreign exchange contracts	—	350.2	—	350.2
Financial liabilities	$ —	$ 350.2	$ —	$ 350.2

(In millions)	December 31, 2021 Level 1	Level 2	Level 3	Total
Investments:				
Nonqualified plan:				
Investment in Technip Energies	$ 317.3	$ —	$ —	$ 317.3
Traded securities[1]	25.0	—	—	25.0
Money market and stable value funds	—	2.7	—	2.7
Derivative financial instruments:				
Foreign exchange contracts	—	120.8	—	120.8
Assets	$ 342.3	$ 123.5	$ —	$ 465.8
Derivative financial instruments:				
Foreign exchange contracts	—	176.5	—	176.5
Liabilities	$ —	$ 176.5	$ —	$ 176.5

(1) Includes equity securities, fixed income and other investments measured at fair value.

During the financial years 2022 and 2021, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

Non-Qualified plan––The fair value measurement of our traded securities is at FVTPL and is based on quoted prices that we have the ability to access in public markets. Our stable value fund and money market fund are valued at the net asset value of the shares held at the end of the quarter, which is based on the fair value of the underlying investments using information reported by our investment adviser at period-end.

Fair value of debt—The fair values (based on Level 2 inputs) of our debt, carried at amortized cost, are presented in Note 19 Debt.

27.2 Derivative financial instruments

For purposes of mitigating the effect of changes in exchange rates, we hold derivative financial instruments to hedge the risks of certain identifiable and anticipated transactions and recorded assets and liabilities in our consolidated statement of financial position. The types of risks hedged are those relating to the variability of future earnings and cash flows caused by movements in foreign currency exchange rates. Our policy is to hold derivatives only for the purpose of hedging risks associated with anticipated foreign currency purchases and sales created in the normal course of business and not for speculative purposes.

Generally, we enter into hedging relationships such that changes in the fair values or cash flows of the transactions being hedged are expected to be offset by corresponding changes in the fair value of the derivatives. For derivative instruments that qualify as a cash flow hedge, the effective portion of the gain or loss of the derivative, which does not include the time value component of a forward currency rate, is reported as a component of OCI and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings. For derivative instruments not designated as hedging instruments, any change in the fair value of those instruments is reflected in earnings in the period such change occurs.

See Note 30 for further details.

We hold the following types of derivative instruments:

Foreign exchange rate forward contracts—The purpose of these instruments is to hedge the risk of changes in future cash flows of highly probable purchase or sale commitments denominated in foreign currencies and recorded assets and liabilities in our consolidated statement of financial position.

We held the following material net positions as of 2022 and 2021 in local currency (LC):

	December 31, 2022			
	Maturity			
(In millions except for rates)	1-12 months	12-24 months	Beyond 24 months	Total
Australian dollar				
Notional amount (LC)	243.1	35.5	—	278.6
Average forward rate (LC/USD)	1.5	1.5	1.5	1.5
USD equivalent	165.2	24.1	—	189.3
Brazilian real				
Notional amount (LC)	(802.9)	18.9	—	(784.0)
Average forward rate (LC/USD)	5.2	5.2	5.2	5.2
USD equivalent	(153.9)	3.6	—	(150.3)
British pound				
Notional amount (LC)	(270.0)	39.3	(1.9)	(232.6)
Average forward rate (LC/USD)	0.8	0.8	0.8	0.8
USD equivalent	(324.8)	47.3	(2.3)	(279.8)
Canadian dollar				
Notional amount (LC)	40.6	(0.3)	—	40.3
Average forward rate (LC/USD)	1.4	1.4	1.4	1.4
USD equivalent	29.9	(0.2)	—	29.7
Euro				
Notional amount (LC)	1,070.8	46.8	1.6	1,119.2
Average forward rate (LC/USD)	0.9	0.9	0.9	0.9
USD equivalent	1,142.9	49.9	1.7	1,194.5
Indian rupee				
Notional amount (LC)	1,074.0	—	—	1,074.0
Average forward rate (LC/USD)	82.8	82.8	82.8	82.8
USD equivalent	13.0	—	—	13.0
Indonesian rupiah				
Notional amount (LC)	1,312,559.9	—	—	1,312,559.9
Average forward rate (LC/USD)	15,592.0	15,592.0	15,592.0	15,592.0
USD equivalent	84.1	—	—	84.1
Malaysian ringgit				
Notional amount (LC)	(346.7)	(18.3)	—	(365.0)
Average forward rate (LC/USD)	4.4	4.4	4.4	4.4
USD equivalent	(78.7)	(4.1)	—	(82.8)
Mexican peso				
Notional amount (LC)	70.0	—	—	70.0
Average forward rate (LC/USD)	19.6	19.6	19.6	19.6
USD equivalent	3.6	—	—	3.6
Norwegian krone				
Notional amount (LC)	2,665.6	947.5	2.1	3,615.2
Average forward rate (LC/USD)	9.9	9.9	9.9	9.9
USD equivalent	270.4	96.2	0.2	366.8
Singapore dollar				
Notional amount (LC)	165.9	8.6	—	174.5
Average forward rate (LC/USD)	1.3	1.3	1.3	1.3
USD equivalent	123.8	6.4	—	130.2
Kuwaiti dinar				
Notional amount (LC)	(4.0)	(0.1)	—	(4.1)
Average forward rate (LC/USD)	0.3	0.3	0.3	0.3
USD equivalent	(13.2)	(0.3)	—	(13.5)
U.S. dollar (total)	(1,333.3)	(224.8)	0.4	(1,557.7)

	December 31, 2021			
	Maturity			
(In millions except for rates)	1-12 months	12-24 months	Beyond 24 months	Total
Australian dollar				
Notional amount (LC)	135.4	29.9	17.1	182.4
Average forward rate (LC/USD)	1.4	1.4	1.4	1.4
USD equivalent	98.1	21.7	12.4	132.2
Brazilian real				
Notional amount (LC)	1,631.3	(331.6)	—	1,299.7
Average forward rate (LC/USD)	5.6	5.6	5.6	5.6
USD equivalent	292.3	(59.4)	—	232.9
British pound				
Notional amount (LC)	(296.3)	99.7	(0.7)	(197.3)
Average forward rate (LC/USD)	0.7	0.7	0.7	0.7
USD equivalent	(399.5)	134.5	(1.0)	(266.0)
Canadian dollar				
Notional amount (LC)	16.5	2.7	—	19.2
Average forward rate (LC/USD)	1.3	1.3	1.3	1.3
USD equivalent	13.0	2.1	—	15.1
Euro				
Notional amount (LC)	717.0	61.5	(3.2)	775.3
Average forward rate (LC/USD)	0.9	0.9	0.9	0.9
USD equivalent	812.1	69.7	(3.6)	878.2
Indian rupee				
Notional amount (LC)	264,581.4	—	(263,700.0)	881.4
Average forward rate (LC/USD)	74.3	74.3	74.3	74.3
USD equivalent	3,560.9	—	(3,549.0)	11.9
Indonesian rupiah				
Notional amount (LC)	(309,356.9)	—	263,700.0	(45,656.9)
Average forward rate (LC/USD)	14,278.0	14,278.0	14,278.0	14,278.0
USD equivalent	(21.7)	—	18.5	(3.2)
Malaysian ringgit				
Notional amount (LC)	(536.3)	(72.0)	(19.1)	(627.4)
Average forward rate (LC/USD)	4.2	4.2	4.2	4.2
USD equivalent	(128.7)	(17.2)	(4.6)	(150.5)
Mexican peso				
Notional amount (LC)	(116.7)	—	—	(116.7)
Average forward rate (LC/USD)	20.4	20.4	20.4	20.4
USD equivalent	(5.7)	—	—	(5.7)
Norwegian krone				
Notional amount (LC)	(189.7)	1,173.4	(15.7)	968.0
Average forward rate (LC/USD)	8.4	8.4	8.4	8.4
USD equivalent	(21.5)	133.1	(1.8)	109.8
Singapore dollar				
Notional amount (LC)	123.1	2.3	—	125.4
Average forward rate (LC/USD)	1.3	1.3	—	1.3
USD equivalent	91.2	1.7	—	92.9
Swedish Krona				
Notional amount (LC)	—	(7.0)	—	(7.0)
Average forward rate (LC/USD)	6.6	6.6	6.6	6.6
USD equivalent	—	(1.1)	—	(1.1)
New Israeli Shekel				
Notional amount (LC)	2.1	—	—	2.1

Average forward rate (LC/USD)	3.1	3.1	3.1	3.1
USD equivalent	0.7	—	—	0.7
Russian Ruble				
Notional amount (LC)	925.0	—	—	925.0
Average forward rate (LC/USD)	74.3	74.3	74.3	74.3
USD equivalent	12.5	—	—	12.5
Kuwaiti dinar				
Notional amount (LC)	(3.3)	—	—	(3.3)
Average forward rate (LC/USD)	0.3	0.3	0.3	0.3
USD equivalent	(10.9)	—	—	(10.9)
Yuan Renminbi				
Notional amount (LC)	(9.9)	—	—	(9.9)
Average forward rate (LC/USD)	6.7			
USD equivalent	(1.6)	0.1	—	(1.5)
U.S. dollar (total)	(817.2)	(300.9)	(1.8)	(1,119.9)

Foreign exchange rate instruments embedded in purchase and sale contracts—In general embedded derivative instruments are separated from the host contract if the economic characteristics and risks of the embedded derivative instrument are not clearly and closely related to those of the host contract and the host contract is not marked-to-market at fair value. The purpose of these instruments is to match offsetting currency payments and receipts for particular projects or comply with government restrictions on the currency used to purchase goods in certain countries.

As of 2022 and 2021 our portfolio of these instruments included the following material net positions:

	December 31, 2022			
(In millions except rates)	**1-12 months**	**12-24 months**	**Beyond 24 months**	**Total**
Brazilian real				
Notional amount (LC)	97.3	—	—	97.3
Average forward rate (LC/USD)	5.2	—	—	—
USD equivalent	18.7	—	—	18.7
Euro				
Notional amount (LC)	(1.9)	—	—	(1.9)
Average forward rate (LC/USD)	0.9	—	—	—
USD equivalent	(2.0)	—	—	(2.0)
Norwegian krone				
Notional amount (LC)	(24.6)	—	—	(24.6)
Average forward rate (LC/USD)	9.9	—	—	—
USD equivalent	(2.5)	—	—	(2.5)
U.S. dollar (total)	(12.5)	—	—	(12.5)

	December 31, 2021			
(In millions except rates)	**1-12 months**	**12-24 months**	**Beyond 24 months**	**Total**
Brazilian real				
Notional amount (LC)	52.0	0.5	—	52.5
Average forward rate (LC/USD)	5.6	5.6	—	5.60
USD equivalent	9.3	0.1	—	9.4
Euro				
Notional amount (LC)	(7.3)	—	—	(7.3)
Average forward rate (LC/USD)	0.9	0.9	—	1.8
USD equivalent	(8.3)	—	—	(8.3)
Norwegian krone				
Notional amount (LC)	7.9	(1.8)	—	6.1
Average forward rate (LC/USD)	8.8	8.8	—	17.6
USD equivalent	0.9	(0.2)	—	0.7
U.S. dollar (total)	(1.6)	0.4	—	(1.2)

Fair value amounts for all outstanding derivative instruments have been determined using available market information and commonly accepted valuation methodologies. Accordingly, the estimates presented may not be indicative of the amounts that we would realize in a current market exchange and may not be indicative of the gains or losses we may ultimately incur when these contracts are settled.

The following table presents the location and fair value amounts of derivative instruments reported in the consolidated statement of financial position:

	December 31, 2022		December 31, 2021	
(In millions)	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Derivatives designated as hedging instruments				
Foreign exchange contracts				
Current - Derivative financial instruments	$ 254.8	$ 332.5	$ 106.4	$ 139.5
Long-term - Derivative financial instruments	7.2	3.6	10.5	15.6
Total derivatives designated as hedging instruments	262.0	336.1	116.9	155.1
Derivatives not designated as hedging instruments				
Foreign exchange contracts				
Current - Derivative financial instruments	27.9	14.1	3.9	21.5
Total derivatives not designated as hedging instruments	27.9	14.1	3.9	21.5
Total derivatives	$ 289.9	$ 350.2	$ 120.8	$ 176.6

Cash flow hedges

Foreign exchange forward contracts listed above are designated as hedging instruments in cash flow hedges of forecast sales and forecast purchases in different local currencies. These forecast transactions are highly probable. The foreign exchange forward contract balances vary with the level of expected foreign currency sales and purchases and changes in foreign exchange forward rates.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the foreign exchange forward contracts match the terms of the expected highly probable forecast transactions (i.e., notional amount and expected payment date). We have established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the foreign exchange forward contracts are identical to the hedged risk components. To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

Hedge ineffectiveness can arise from:

- Differences in the timing of the cash flows of the hedged items and the hedging instruments
- Different indexes (and accordingly different curves) linked to the hedged risk of the hedged items and hedging instruments
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments

We recognized a gain (loss) of $(1.0) million and $3.8 million for 2022 and 2021, respectively, due to discontinuance of hedge accounting as it was probable that the original forecasted transaction would not occur. Cash flow hedges of forecasted transactions, net of tax, resulted in accumulated other comprehensive loss of $33.9 million and $68.5 million as of 2022 and 2021, respectively. In prior years, TechnipFMC had a policy of applying cash as a natural hedge instrument. We reviewed the applicability of IFRS 9 and discontinued this policy in the current year. The impact of the change in policy is not material to the activities of the group and has been presented in the Consolidated Statements of Changes to Stockholders' Equity. We expect to transfer approximately $9.4 million earnings from accumulated OCI to earnings during the next 12 months when the anticipated transactions actually occur. All anticipated transactions currently being hedged are expected to occur by the second half of 2025.

The following represents the effect of cash flow hedge accounting on the consolidated statements of income for the 2022 and 2021:

(In millions)	Year Ended December 31, 2022				Year Ended December 31, 2021			
Total amount of income (expense) presented in the consolidated statements of income associated with hedges and derivatives	**Revenue**	**Cost of sales**	**Selling, general and administrative expense**	**Other income (expense), net**	**Revenue**	**Cost of sales**	**Selling, general and administrative expense**	**Other income (expense), net**
Cash Flow hedge gain (loss) recognized in income								
Foreign Exchange Contracts								
Amounts reclassified from accumulated OCI to income (loss)	$ (7.4)	$ (14.5)	$ (0.3)	$ (13.1)	$ (29.7)	$ 10.7	$ 0.2	$ 32.9
Ineffective amounts	—	—	—	(1.0)	(1.8)	(3.3)	—	3.8
Total cash flow hedge gain (loss) recognized in income	(7.4)	(14.5)	(0.3)	(14.1)	(31.5)	7.4	0.2	36.7
Gain (loss) recognized in income on derivatives not designated as hedging instruments	(0.3)	(0.7)	—	78.1	1.3	0.3	—	(13.3)
Total	$ (7.7)	$ (15.2)	$ (0.3)	$ 64.0	$ (30.2)	$ 7.7	$ 0.2	$ 23.4

Impact of hedging on equity

A reconciliation of cash flow hedge reserves in OCI attributable to TechnipFMC plc are as follows:

	Cash flow hedge reserve	
	Year Ended December 31,	
(In millions)	**2022**	**2021**
Balance at beginning of period	$ (68.5)	$ —
Spin-off of Technip Energies	—	(14.5)
Effective portion of changes in fair value	77.9	(77.6)
Amount reclassified to profit or loss	(35.3)	14.1
Tax effect	(8.0)	9.5
Balance at end of period	$ (33.9)	$ (68.5)

27.3 Offsetting financial assets and financial liabilities

We execute derivative contracts with counterparties that consent to a master netting agreement, which permits net settlement of the gross derivative assets against gross derivative liabilities. Each instrument is accounted for individually and assets and liabilities are not offset. As of 2022 and 2021 we had no collateralized derivative contracts.

The following tables present both gross information and net information of recognized derivative instruments:

	December 31, 2022			December 31, 2021		
(In millions)	Gross Amount Recognized	Amounts Not Offset Permitted Under Master Netting Agreements	Net Amount	Gross Amount Recognized	Amounts Not Offset Permitted Under Master Netting Agreements	Net Amount
Derivative assets	$ 289.9	$ (142.5)	$ 147.4	$ 120.8	$ (78.6)	$ 42.2
Derivative liabilities	$ 350.2	$ (142.5)	$ 207.7	$ 176.6	$ (78.6)	$ 97.9

NOTE 28. PAYROLL STAFF

As of December 31, 2022, TechnipFMC had approximately 20,000 full-time employees.

The average monthly number of employees (including executive directors) employed by TechnipFMC during the years ended December 31, 2022 and 2021 are as follows:

By function:	2022	2021
Production / Services	14,866	14,184
Selling and distribution	1,858	1,823
General and administrative	3,979	3,839
Total	20,703	19,846

NOTE 29. RELATED PARTIES DISCLOSURES

29.1 Transactions with related parties and equity affiliates

Receivables, payables, revenues and expenses which are included in our consolidated financial statements for all transactions with related parties, defined as entities related to our directors and main shareholders as well as the partners of our consolidated joint ventures, were as follows.

Accounts receivables consisted of receivables due from following related parties:

	December 31,	
(In millions)	2022	2021
Dofcon	$ 16.6	$ 27.2
Others	1.3	2.5
Total trade receivables	$ 17.9	$ 29.7

As of December 31, 2022 and 2021, we did not have any material accounts payable outstanding with our related parties.

Dofcon is our equity method investment. As of December 31, 2021, we had a note receivable of $12.6 million with Dofcon which was included in other assets in our consolidated balance sheet. During 2022, this note was repaid.

Revenue consisted of amount from following related parties:

	Year Ended December 31,	
(In millions)	**2022**	**2021**
Dofcon	$ 21.3	$ 25.7
Others	7.8	14.0
Total revenue	$ 29.1	$ 39.7

Expenses consisted of amount to following related parties:

	Year Ended December 31,	
(In millions)	**2022**	**2021**
Dofcon	$ 14.4	$ 26.7
Jumbo Shipping	11.5	—
Serimax Holdings SAS	—	7.6
Magma Global Limited	—	8.8
Others	20.3	22.3
Total expenses	$ 46.2	$ 65.4

In October 2020, we added a new member to our Board of Directors who was an executive of Equinor ASA up through January 2021. Serimax Holdings SAS is an equity method affiliate. A member of our Board of Directors serves on the Board of Directors for Jumbo Shipping. Magma Global Limited was an equity method affiliate through September 30, 2021. In October 2021, we purchased the remaining ownership interest in Magma Global, see Note 2 for further details.

29.2 Executive compensation

The below table sets forth the single figure of remuneration for the years ended December 31, 2022 and 2021 for each of TechnipFMC's executive directors; the Chief Executive Officer and the Executive Chair. In May 2019, our Chief Executive Officer assumed the role of Executive Chair when the former Executive Chair retired.

	Chief Executive Officer	
(In millions)	**2022**	**2021**
Salary	$ 1.2	$ 1.2
Taxable benefits	0.1	0.1
Annual incentive	5.0	7.7
Long-term incentive awards	—	10.7
Pension-related benefits	0.2	0.3
Total remuneration	$ 6.5	$ 20.0

Total remuneration for non-executive directors was $2.4 million and $2.4 million for the years ended December 31, 2022 and 2021.

NOTE 30. MARKET RELATED EXPOSURE

30.1 Liquidity risk

Most of our cash is managed centrally and flows through centralized bank accounts controlled and maintained by TechnipFMC globally and in many operating jurisdictions to best meet the liquidity needs of our global operations.

Net debt

Net debt is a non-IFRS financial measure reflecting cash and cash equivalents, net of debt. Management uses this non-IFRS financial measure to evaluate our capital structure and financial leverage. We believe net debt, or net cash, is a meaningful financial measure that may assist investors in understanding our financial condition and recognizing underlying trends in our capital structure. Net debt should not be considered an alternative to, or more meaningful than, cash and cash equivalents as determined in accordance with IFRS or as an indicator of our operating performance or liquidity.

The following table provides a reconciliation of our cash and cash equivalents to net debt, utilizing details of classifications from our consolidated statement of financial position:

	December 31,	
(In millions)	**2022**	**2021**
Cash and cash equivalents	$ 1,057.1	$ 1,327.4
Less: Short-term debt and current portion of long-term debt	418.8	277.9
Less: Long-term debt, less current portion	999.3	1,778.5
Less: Lease liabilities	872.5	772.8
Net debt	$ (1,233.5)	$ (1,501.8)

Reconciliation of liabilities from financing activities is as follows:

			Non-cash changes			
(In millions)	**Opening balance at 12/31/2021**	**Cash flows**	**Exchange rate effects**	**Bond amortization**	**Other changes [1]**	**Closing balance at 12/31/2022**
Long-term debt, less current portion	$ 1,778.5	$ (390.8)	$ (57.0)	$ 33.0	$ (364.4)	$ 999.3
Short-term debt and current portion of long-term debt	277.9	(200.4)	(10.0)	—	351.3	418.8
Liabilities from leases	772.8	(128.3)	—	—	228.0	872.5
Liabilities from financing activities	**$ 2,829.2**	**$ (719.5)**	**$ (67.0)**	**$ 33.0**	**$ 214.9**	**$ 2,290.6**

(1) This relates to reclassification from non-current to current debt. Liabilities from finance leases relates to the addition of new leases.

				Non-cash changes			
(In millions)	**Opening balance at 12/31/2020**	**Spin-off of Technip Energies**	**Cash flows**	**Exchange rate effects**	**Bond amortization**	**Other changes [1]**	**Closing balance at 12/31/2021**
Long-term debt, less current portion	$ 1,792.5	$ (482.2)	$ 11.5	$ (70.6)	$ 61.1	$ 466.2	$ 1,778.5
Short-term debt and current portion of long-term debt	2,161.6	(11.5)	(1,388.8)	(23.3)	1.0	(461.1)	277.9
Liabilities from leases	1,154.9	(299.7)	(135.3)	—	—	52.9	772.8
Liabilities from financing activities	**$ 5,109.0**	**$ (793.4)**	**$ (1,512.6)**	**$ (93.9)**	**$ 62.1**	**$ 58.0**	**$ 2,829.2**

(1) This relates to reclassification from non-current to current debt. Liabilities from finance leases relates to the addition of new leases.

Cash flows

Operating cash flows from continuing operations - During 2022, we generated $443.7 million in operating cash flows from continuing operations, as compared to $727.4 million in 2021, resulting in a $283.7 million decrease compared to 2021. The decrease in cash generated by operating activities from continuing operations in 2022 as compared to 2021 was primarily due to timing differences on project milestones, vendor payments for inventory, and timing of income tax refund.

Investing cash flows from continuing operations - Investing activities from continuing operations provided $157.5 million and $0.1 million in 2022 and 2021, respectively. The increase of $157.4 million in cash provided by investing activities was primarily due to a $172.1 million increase in proceeds received from sales of our investment in Technip Energies and a decrease in capital expenditures, partially offset by a decrease in proceeds from sales of assets during 2022.

Financing cash flows from continuing operations - Financing activities from continuing operations used $883.6 million and $1,439.7 million in 2022 and 2021, respectively. The decrease of $556.1 million in cash used for financing activities was due primarily to the decreased debt pay down and issuance activity of $683.7 million, partially offset by $100.2 million of share repurchases during 2022.

Debt and Liquidity

Total borrowings as of December 31, 2022 and 2021 were $1,418.1 million and $2,056.4 million, respectively. See Note 19 for further details.

Availability of borrowings under the Revolving Credit Facility is reduced by the outstanding letters of credit issued against the facility. As of December 31, 2022, there were $45.4 million letters of credit outstanding, and our availability of borrowings under the Revolving Credit Facility was $954.6 million.

During 2022, We repaid $161.0 million of our 3.40% 2012 Private placement notes and we completed a tender offer and purchased for cash $430.2 million of the outstanding 2021 Notes. We paid a cash premium of $21.5 million to the tendering note holders and wrote-off $8.3 million of debt issuance costs. Concurrent with the tender offer, the Company obtained consents of holders with respect to the 2021 Notes to certain proposed amendments ("Proposed Amendments") to the indenture governing these notes. The Proposed Amendments, among other things, eliminated substantially all of the restrictive covenants and certain event of default triggers in the indenture.

As of December 31, 2022, we were in compliance with all restrictive covenants under our credit facilities. See Note 19 for further details.

Credit Ratings - Our credit ratings with Standard and Poor's ("S&P") are BB+ for our long-term unsecured, guaranteed debt (2021 Notes) and BB for our long-term unsecured debt (the Private placement notes). Our credit ratings with Moody's are Ba1 for our long-term unsecured, guaranteed debt.

The contractual, undiscounted repayment schedule of financial liabilities are as follows:

(In millions)	2023	2024	2025	2026	2027	2028 and beyond	Total
Debt	$ 418.8	$ 117.8	$ 268.3	$ 256.6	$ 103.8	$ 252.8	$ 1,418.1
Interest on debt	74.0	57.0	40.0	17.6	11.4	43.0	243.0
Accounts payable, trade	1,282.0	—	—	—	—	—	1,282.0
Derivative financial instruments	346.6	3.6	—	—	—	—	350.2
Finance lease liabilities	188.6	151.7	121.7	98.2	85.2	640.4	1,285.8
Total financial liabilities as of December 31, 2022	$ 2,310.0	$ 330.1	$ 430.0	$ 372.4	$ 200.4	$ 936.2	$ 4,579.1

(In millions)	2022	2023	2024	2025	2026	2027 and beyond	Total
Debt	$ 277.9	$ 396.4	$ 56.9	$ 281.1	$ 661.8	$ 382.3	$ 2,056.4
Interest on debt	102.7	89.5	77.6	67.1	19.0	59.0	414.9
Accounts payable, trade	1,293.6	—	—	—	—	—	1,293.6
Derivative financial instruments	161.0	15.3	0.3	—	—	—	176.6
Finance lease liabilities	150.2	108.3	102.3	83.1	74.7	675.9	1,194.5
Total financial liabilities as of December 31, 2021	$ 1,985.4	$ 609.5	$ 237.1	$ 431.3	$ 755.5	$ 1,117.2	$ 5,136.0

30.2 Foreign currency exchange rate risk

We conduct operations around the world in a number of different currencies. Many of our significant foreign subsidiaries have designated the local currency as their functional currency. Our earnings are therefore subject to change due to fluctuations in foreign currency exchange rates when the earnings in foreign currencies are translated into U.S. dollars. We do not hedge this translation impact on earnings. A 10% increase in the average exchange rates of all foreign currencies as of December 31, 2022, would have decreased our revenue and profit before income taxes attributable to TechnipFMC by approximately $318.6 million and $2.1 million, respectively.

When transactions are denominated in currencies other than our subsidiaries' respective functional currencies, we manage these exposures through the use of derivative instruments. We primarily use foreign currency forward contracts to hedge the foreign currency fluctuation associated with firmly committed and forecasted foreign currency denominated payments and receipts. The derivative instruments associated with these anticipated transactions are usually designated and qualify as cash flow hedges, and as such the gains and losses associated with these instruments are recorded in other comprehensive income until such time that the underlying transactions are recognized. Unless these cash flow contracts are deemed to be ineffective or are not designated as cash flow hedges at inception, changes in the derivative fair value will not have an immediate impact on our results of operations since the gains and losses associated with these instruments are recorded in other comprehensive income. When the anticipated transactions occur, these changes in value of derivative instrument positions will be offset against changes in the value of the underlying transaction. When an anticipated transaction in a currency other than the functional currency of an entity is recognized as an asset or liability on the statement of financial position, we also hedge the foreign currency fluctuation of these assets and liabilities with derivative instruments after netting our exposures worldwide. These derivative instruments do not qualify as cash flow hedges.

Occasionally, we enter into contracts or other arrangements containing terms and conditions that qualify as embedded derivative instruments and are subject to fluctuations in foreign exchange rates. In those situations, we enter into derivative foreign exchange contracts that hedge the price or cost fluctuations due to movements in the foreign exchange rates. These derivative instruments are not designated as cash flow hedges.

For our foreign currency forward contracts hedging anticipated transactions that are accounted for as cash flow hedges, a 10% increase in the value of the U.S. dollar would have resulted in an additional loss of $61.9 million in the net fair value of cash flow hedges reflected in our consolidated statement of financial position as of December 31, 2022.

30.3 Interest rate risk

We assess effectiveness of forward foreign currency contracts designated as cash flow hedges based on changes in fair value attributable to changes in spot rates. We exclude the impact attributable to changes in the difference between the spot rate and the forward rate for the assessment of hedge effectiveness and recognize the change in fair value of this component immediately in earnings. Considering that the difference between the spot rate and the forward rate is proportional to the differences in the interest rates of the countries of the currencies being traded, we have exposure in the unrealized valuation of our forward foreign currency contracts to relative changes in interest rates between countries in our results of operations.

Our interest-bearing loans and borrowings were split between fixed and floating rate as follows:

(In millions)	**December 31, 2022**	**December 31, 2021**
Fixed Rate	$ 1,153.9	$ 1,864.6
Floating Rate	264.2	191.8
Total debt	$ 1,418.1	$ 2,056.4

Sensitivity analysis as of December 31, 2022

TechnipFMC's floating rate debt amounted to $264.2 million compared to an aggregate total debt of $1,418.1 million. To ensure liquidity, cash is invested on a short-term basis. Financial products are subject to fluctuations in currency interest rates.

As of December 31, 2022, the net short-term cash position of TechnipFMC (cash and cash equivalents, less short-term financial debts) amounted to $451.6 million.

As of December 31, 2022, a 1% (100 basis points) increase in interest rates would lower the fair value of the fixed rate Senior notes and Private placements by $26.3 million before tax. A 1% (100 basis points) decrease in interest rates would raise the fair value by $20.5 million before tax.

A 1% (100 basis points) increase in interest rates would generate an additional profit of $6.4 million before tax in the net cash position. A 1% (100 basis points) decrease in interest rates would generate a loss of the same amount.

Sensitivity analysis as of December 31, 2021

TechnipFMC's floating rate debt amounted to $191.8 million compared to an aggregate total debt of $2,056.4 million. To ensure liquidity, cash is invested on a short-term basis. Financial products are subject to fluctuations in currency interest rates.

As of December 31, 2021, the net short-term cash position of TechnipFMC (cash and cash equivalents, less short-term financial debts) amounted to $923.3 million.

As of December 31, 2021, a 1% (100 basis points) increase in interest rates would lower the fair value of the fixed rate synthetic bonds, convertible bonds and Private placements by $33.5 million before tax. A 1% (100 basis points) decrease in interest rates would raise the fair value by $47.3 million before tax.

A 1% (100 basis points) increase in interest rates would generate an additional profit of $10.5 million before tax in the net cash position. A 1% (100 basis points) decrease in interest rates would generate a loss of the same amount.

30.4 Credit risk

Valuations of derivative assets and liabilities reflect the value of the instruments, including the values associated with counterparty risk. These values must also take into account our credit standing, thus including in the valuation of the derivative instrument the value of the net credit differential between the counterparties to the derivative contract. Our methodology includes the impact of both counterparty and our own credit standing. Adjustments to our derivative assets and liabilities related to credit risk were not material for any period presented.

By their nature, financial instruments involve risk, including credit risk, for non-performance by counterparties. Financial instruments that potentially subject us to credit risk primarily consist of trade receivables, contract assets, contractual cash flows from our debt instruments (primarily loans), cash equivalents and deposits with banks, as well as derivative contracts. We manage the credit risk on financial instruments by transacting only with what management believes are financially secure counterparties, requiring credit approvals and credit limits, and monitoring counterparties' financial condition. Our maximum exposure to credit loss in the event of non-performance by the counterparty is limited to the amount drawn and outstanding on the financial instrument. We mitigate credit risk on derivative contracts by executing contracts only with counterparties that consent to a master netting agreement, which permits the net settlement of gross derivative assets against gross derivative liabilities.

We apply the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. TechnipFMC's trade receivables and contracts assets have been grouped based on shared credit risk characteristics. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. TechnipFMC has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on a selection of TechnipFMC's subsidiaries that cover a representative part of TechnipFMC's consolidated trade receivables and contract assets at each period end.

The expected loss rates are based on historical losses experienced over a period of 12 months before December 31, 2022 or December 31, 2021, respectively. These historical loss trends, where applicable, are adjusted for current conditions and expectations about the future. When considering the impact of climate change, rising rates and inflation, we have not identified factors that would indicate that our historical approach to expected credit loss needs to be revised or that additional disclosure is required.

Credit risk exposure on our trade receivables and contract assets using a provision matrix are set out as follows:

	December 31, 2022					
	Days past due					
(In millions)	Current	Less than 3 months	3 to 12 months	Over 1 year	Total Trade Receivables	Contract Assets
Carrying amount - Gross	$ 518.4	$ 150.7	$ 109.8	$ 221.1	$ 1,000.0	$ 980.6
Expected credit loss rate					0.12 %	0.12 %

	December 31, 2021					
	Days past due					
(In millions)	Current	Less than 3 months	3 to 12 months	Over 1 year	Total Trade Receivables	Contract Assets
Carrying amount - Gross	$ 532.9	$ 122.4	$ 182.0	$ 205.4	$ 1,042.7	$ 965.8
Expected credit loss rate					0.11 %	0.11 %

NOTE 31. AUDITORS' REMUNERATION

Fees payable to TechnipFMC's auditors and its associates are as follows:

(In millions)	2022	2021
Fees payable to TechnipFMC plc's auditors for the audit of its annual financial statements including 404B internal control	$ 9.8	$ 9.6
Fees payable to TechnipFMC plc's auditors and its associates for the audit of its subsidiaries	2.9	2.6
Total fees payable for audit services	$ 12.7	$ 12.2
Legal and tax related services	0.1	0.1
Total fees payable for other services	$ 0.1	$ 0.1

NOTE 32. SUBSIDIARIES, JOINT VENTURE UNDERTAKINGS AND EQUITY AFFILIATES

TechnipFMC's subsidiaries, joint venture undertakings and equity affiliates as of December 31, 2022 are listed below:

32.1 Directly owned subsidiaries

Company Name	Address	Share Class	Group interest held in %
FRANCE			
Compagnie Française De Réalisations Industrielles, Cofri SAS	1BIS Place de la Défense Tour Trinity 92400 Courbevoie	Ordinary shares	100
Seal Engineering SAS	19, Avenue Feuchères 30000 Nîmes	Ordinary shares	100
TechnipFMC Subsea France SAS	1BIS Place de la Défense Tour Trinity 92400 Courbevoie	Ordinary shares	77.79[1]
Technip Offshore International SAS	1BIS Place de la Défense Tour Trinity 92400 Courbevoie	Ordinary shares	100
INDONESIA			
PT Technip Indonesia	Metropolitan Tower, 15th Floor, JL. R. A. Kartini Kav.	Equity interest	9
UNITED KINGDOM			
TechnipFMC Finance Limited	Hadrian House, Wincomblee Road, Newcastle Upon Tyne, NE6 3PL	Ordinary shares	100
TechnipFMC Group Holdings Limited	Hadrian House, Wincomblee Road, Newcastle Upon Tyne, NE6 3PL	Ordinary shares	100
VENEZUELA			
Technip Bolivar, C.A. in liquidation	523 Zona Industrial Matanzas, Planta De Bauxilum Puerto Ordaz Ciudad Bolivar	Ordinary shares	99.88[1]

(1) Subsidiary is fully and indirectly 100% owned by TechnipFMC, plc.

32.2 Indirectly owned subsidiaries

Company Name	Address	Share Class	Group interest held in %
ALGERIA			
FMC Technologies Algeria SARL	09 Rue Naama Sebti ex Paul Langevin, El Mouradia, 16 035 Alger, Algérie	Ordinary Shares	99.98
ARGENTINA			
FMC Technologies Argentina S.R.L.	c/o Allende & Brea Maipú 1300, 10th Floor Buenos Aires C1006ACT	Equity interest	100
AUSTRALIA			
FMC Technologies Australia Limited	66 Sparks Road - Henderson WA 6166	Ordinary shares	100
Technip Oceania Pty Ltd	1120 Hay St, West Perth WA 6005	Ordinary shares	100
BAHAMAS			
AMC Angola Offshore Ltd	c/o Trident Corporate Services Limited Provident House East Hill Street, Nassau	Ordinary shares	100
BRAZIL			
FMC Technologies do Brasil Ltda	Rodovia Presidente Dutra, n° 2660, PavunaRodovia Presidente Dutra, no 2660, Pavuna, cidade e Estado do Rio de Janerio, 21535-900	Equity interest	100
GLBL Brasil Oleodutos E Serviços Ltda.	Rua Dom Marcos Barbosa, no 2, Sala 602 (parte), Cidade Nova, Rio de Janerio, 20211-178	Equity interest	100
Technip Brasil - Engenharia, Instalações e Apoio Marítimo Ltda.	Avenida Marquês de Sapucaí nº 200, 16º e 17º andares, Rio de Janeiro/RJ, CEP 20.210-912.	Equity interest	100

Cybernetix Produtos e Serviços do Brasil Ltda (In liquidation)	Rua Paulo Emílio Barbosa, nº 2 sala 402 20211-178, Cidade Nova Rio de Janeiro	Equity interest	69.59
CAMEROON			
FMC Technologies Cameroon SARL	Zone Portuaire/Place de l'Udeac, P.B. 12804, Bonanjo, Douala	Equity interest	100
CANADA			
TechnipFMC Canada Limited	c/o McInnes Cooper 5th Floor, 10 Fort William Place P.O. Box 5939, St John's, NL A1C 5X4 Newfoundland and Labrador	Ordinary shares	100
CHINA			
FMC Technologies (Shanghai) Co., Ltd	Room 190 No. 55 Ding'an Road Xuhui District, Shanghai	Equity interest	100
FMC Technologies (Shenzhen) Co., Ltd.	Room H, 12/F, Times Plaza, 1 Taizi Road, Shekou, Nanshan District 518607 Shenzhen	Equity interest	100
EGYPT			
FMC Technologies Egypt LLC	2nd floor, building No. 80 located at Road 250 Maadi El Sarayat, Maadi	Ordinary shares	100
EQUATORIAL GUINEA			
TechnipFMC Equatorial Guinea SARL	Carretera de Aeropuerto, KM 5, APDO 925, Malabo	Ordinary shares	65
FRANCE			
Angoflex SAS	1BIS Place de la Défense Tour Trinity 92400 Courbevoie	Ordinary shares	100
Flexi France SAS	Rue Jean Huré 76580 Le Trait	Ordinary shares	100
FMC Technologies Overseas, SAS	Bâtiment C, Rue Nelson Mandela, Zone ECOParc, 89100 Sens	Ordinary shares	100
FMC Technologies SAS	Bâtiment C, Rue Nelson Mandela, Zone ECOParc, 89100 Sens	Ordinary shares	100
GABON			
FMC Technologies Gabon S.A.R.L.	Boite Postale (B.P) 277 Port Genti	Equity interest	90
GERMANY			
F.A. Sening GmbH	Regentstraße 1 25474 Ellerbek	Ordinary shares	100
Smith Meter GmbH	Regentstraße 1 25474 Ellerbek	Ordinary shares	100
GHANA			
FMC Technologies (Ghana) Limited	Commercial Port Gate 2 Takoradi P.O. Box CT 42, Cantonments, Accra	Ordinary shares	100
GNPC-TechnipFMC Engineering Services Limited	6th Floor, One Airport Square, Airport City, Accra PMB CT 305 Cantonments, Accr	Ordinary shares	70
GUYANA			
TechnipFMC Guyana INC.	c/o Cameron & Shepherd 2 Avenue of the Republic, Georgetown	Ordinary shares	100
HONG KONG			
FMC Technologies Energy (Hong Kong) Limited	Suite 1106-8, 11/F., Tai Yau Building, No. 181 Johnston Road, Wanchai Hong Kong	Ordinary shares	100
FMC Technologies Energy Holdings (Shanghai) Ltd.	Suite 1106-8, 11/F., Tai Yau Building, No. 181 Johnston Road, Wanchai Hong Kong	Ordinary shares	100
INDIA			

FMC Technologies India Private Limited	Plot No.27(Part) Survey No. 124, Road No 12, Commerzone, Raheja IT Park, Opp. Institute of Preventive Medicine, Industrial Park, IDA Nacharam, Hyderabad, Telangana 500 076	Ordinary shares	100
INDONESIA			
PT FMC Santana Petroleum Equipment Indonesia	Jalan Cakung Cilincing Raya KM 2.5 Semper, Jakarta 14130	Ordinary shares	80.39
PT FMC Technologies Subsea Indonesia	Metropolitan Tower Lantai 15 Unit B, JL RA Kartini TB Simatupang Kav 14 RT/RW 010/04, Cilandak Barat, Cilandak, Jakarta Selatan 12430	Ordinary shares	95
IRAQ			
F.M.C Petroleum Services Ltd.	English Village Compound House 161 - Gulan Street - Erbil 31019 Iraq	Ordinary shares	100
Advanced Oil Services LLC	Al Mansour - District 609 - Alley 23, Building 70 - Office 15, Baghdad	Equity interest	100
ISLE OF MAN			
Subtec Asia Ltd	Burleigh Manor, Peel Road Douglas IM1 5EP	Ordinary shares	100
ITALY			
FMC Technologies S.r.l. a socio unico	Via Thomas Alva Edison n.110 ed. A 20099 Sesto San Giovanni (MI),	Equity interest	100
JERSEY			
CSO Oil & Gas Technology (West Africa) Ltd	26 New Street, St. Helier, Jersey, JE2 3RA	Ordinary shares	100
KAZAKHSTAN			
FMC Technologies Kazakhstan LLP	43/5 building, industrial area 3, birlik h.e., Kyzyktobe r.d., Munaily district | Aktau, Mangystau | 130006	Equity interest	100
LUXEMBOURG			
FMC Technologies Global Rental Tools S.a r.l	8-10 avenue de la Gare 1610 Luxembourg	Ordinary shares	100
FMC Technologies Tool Holdings S.ar.l	8-10 avenue de la Gare 1610 Luxembourg	Ordinary shares	100
MALAYSIA			
Asiaflex Products Sdn. Bhd.	Suite 13.03, 13th Floor 207 Jalan Tun Razak 50400 Kuala Lumpur	Ordinary shares	52.43
Flexiasia Sdn Bhd	Suite 13.03, 13th Floor 207 Jalan Tun Razak 50400 Kuala Lumpur	Ordinary shares	28.89
FMC Petroleum Equipment (Malaysia) Sdn. Bhd.	Suite 13.03, 13th Floor 207 Jalan Tun Razak 50400 Kuala Lumpur	Ordinary shares	100
FMC Technologies Global Supply Sdn. Bhd.	Suite 13.03, 13th Floor 207 Jalan Tun Razak 50400 Kuala Lumpur	Ordinary shares	100
Asiaflex Products Sdn Bhd	Suite 13.03, 13th Floor, Menara Tan &Tan, 207 Jalan Tun Razak Kuala Lumpar, Malaysia	Ordinary shares	100
MAURITIUS			
Coflexip Stena Offshore (Mauritius) Ltd.	33, Edith Cavell Street 11324 Port Louis	Ordinary shares	100
GIL Mauritius Holdings Ltd	33, Edith Cavell Street 11324 Port Louis	Ordinary shares	100
Global Construction Mauritius Services Ltd (In Liquidation)	33, Edith Cavell Street 11324 Port Louis	Ordinary shares	100
MEXICO			

FMC Technologies de México S.A. de R.L de C.V.	FMC Technologies de Mexico, S.A. de C.V. Laurel Lote 41, Manzana 19, Col. Bruno Pagliai Veracruz, Veracruz C.P. 91697	Ordinary shares	100
FMC Technologies Servicios Corporativos, S. de R.L de C.V.	FMC Technologies de Mexico, S.A. de C.V. Laurel Lote 41, Manzana 19, Col. Bruno Pagliai Veracruz, Veracruz C.P. 91697	Ordinary shares	100
Global Industries Mexico Holdings S. de R.L. de C.V.	Vasco de Quiroga 3000 Edificio Calakmul piso 6 Colonia Santa Fe CP 01210 México, D.F. México	Ordinary shares	100
Global Industries Services, S. de R.L. de C.V.	Vasco de Quiroga 3000 Edificio Calakmul piso 6 Colonia Santa Fe CP 01210 México, D.F. México	Class A, B and N	100
Global Offshore Mexico, S. de R.L. de C.V.	Vasco de Quiroga 3000 Edificio Calakmul piso 6 Colonia Santa Fe CP 01210 México, D.F. México	Ordinary shares	100
Global Vessels Mexico, S. de R.L. de C.V.	Vasco de Quiroga 3000 Edificio Calakmul piso 6 Colonia Santa Fe CP 01210 México, D.F. México	Ordinary shares	99
MOZAMBIQUE			
Technip Mozambique Lda	Edifico Topazio Av, Vladimir, Lenine 8th Floor Mozambique	Ordinary Shares	100
MYANMAR			
Technip Myanmar Co. Ltd	No. 18 G/F, Ground Floor Tha Pyay Nyo Street ,Shin Saw Pu Quarter Sanchaung Township 11201	Ordinary shares	100
NETHERLANDS			
FMC Separation Systems B.V.	Delta 101, 6825MN, Amsterdam	Ordinary shares	100
FMC Technologies B.V.	Zuidplein 126, WTC, Tower H, 15th Fl. Amsterdam 1077XV	Ordinary shares	100
FMC Technologies Brazil Finance B.V.	Zuidplein 126, WTC, Tower H, 15th Fl. Amsterdam 1077XV	Ordinary shares	100
FMC Technologies Global B.V.	Zuidplein 126, WTC, Tower H, 15th Fl. Amsterdam 1077XV	Ordinary shares	100
FMC Technologies International Services B.V.	Zuidplein 126, WTC, Tower H, 15th Fl. Amsterdam 1077XV	Ordinary shares	100
FMC Technologies Surface Wellhead B.V.	Zuidplein 126, WTC, Tower H, 15th Fl. Amsterdam 1077XV	Ordinary shares	100
TSLP B.V.	Zuidplein 126, WTC, Tower H, 15th Fl. Amsterdam 1077XV	Ordinary shares	100
TechnipFMC PLSV BV	Zuidplein 126, WTC, Tower H, 15th Fl. Amsterdam 1077XV	Ordinary shares	100
TechnipFMC PLSV CV	Zuidplein 126, WTC, Tower H, 15th Fl. Amsterdam 1077XV	Ordinary shares	100
Technip Offshore Contracting B.V.	Zuidplein 126, WTC, Tower H, 15th Fl. Amsterdam 1077XV	Ordinary shares	100
Technip Offshore N.V.	Zuidplein 126, WTC, Tower H, 15th Fl. Amsterdam 1077XV	Ordinary shares	100
Technip Ships (Netherlands) B.V.	Zuidplein 126, WTC, Tower H, 15th Fl. Amsterdam 1077XV	Ordinary shares	100
TechnipFMC Cash B.V.	Zuidplein 126, WTC, Tower H, 15th Fl. Amsterdam 1077XV	Ordinary shares	100

TechnipFMC International Holdings B.V.	Zuidplein 126, WTC, Tower H, 15th Fl. Amsterdam 1077XV	Ordinary shares Preferred shares	100 100
TechnipFMC Pipelaying BV	Zuidplein 126, WTC, Tower H, 15th Fl. Amsterdam 1077XV	Ordinary shares	100
NIGERIA			
Global Pipelines Plus Nigeria Ltd.	7 Town Planning way, Ilupeju, Lagos	Ordinary shares	99.99
Neptune Maritime Nigeria Ltd.	Neptune Base, Rumuolumeni PMB 017 (Trans Amadi), Rivers State Port Harcourt	Ordinary shares	66.91
TechnipFMC Nigeria Limited	22A Gerrard Road Ikoyi Lagos	Ordinary shares	99
Technip Offshore (Nigeria) Ltd	22A, Gerrard Road, Ikoyi, Lagos.	Ordinary shares	100
NORWAY			
Deep Purple AS	Kirkegårdsveien 45 3616 Kongsberg	Ordinary shares	100
FMC Kongsberg Subsea AS	Kirkegårdsveien 45 3616 Kongsberg	Ordinary shares	100
Technip Chartering Norge AS	Philip Pedersens vei 7 1366 Lysaker	Ordinary shares	100
Technip Norge AS	Philip Pedersens vei 7 1366 Lysaker	Ordinary shares	100
Technip-Coflexip Norge AS	Philip Pedersens vei 7 1366 Lysaker	Ordinary shares	100
TIOS AS	Lagerveien 23, 4033, Stavanger	Ordinary shares	100
TIOS Crewing AS	Lagerveien 23, 4022, Stavanger	Ordinary shares	100
Agat Technology AS	Lagerveien 23, 4022, Stavanger	Ordinary shares	100
POLAND			
FMC Technologies Sp.z.o.o.	Al. Jana Pawła II 43B Krakow 31-864 Poland	Ordinary shares	100
PORTUGAL			
Angoltech, SGPS, LDA.	Centro Empresarial Torres de Lisboa, Rua Tomás da Fonseca, Torre E, Piso 9	Ordinary shares	100
Lusotechnip Engenharia, Sociedade Unipessoal Lda.	Centro Empresarial Torres de Lisboa, Rua Tomás da Fonseca, Torre E, Piso 9 1600-209 Lisboa	Ordinary shares	100
SAUDI ARABIA			
FMC Technologies Saudi Arabia Limited	PO Box 3076 2nd Industrial City Dammam 34326, Eastern Province	Ordinary shares	100
SINGAPORE			
FMC Technologies Global Services Pte. Ltd.	149 Gul Circle 629605 Singapore	Ordinary shares	100
FMC Technologies Singapore Pte. Ltd.	149 Gul Circle 629605 Singapore	Ordinary shares	100
Technip Singapore Pte. Ltd.	149 Gul Circle 629605 Singapore	Ordinary shares	100
SOUTH AFRICA			
FMC Technologies (Pty.) Ltd.	Koper Street Brackenfell 7560, Cape Town	Ordinary shares	100
SPAIN			
Global Industries Offshore Spain, S.L.	Arturo Soria 263B 28003 Madrid	Ordinary shares	100
SWITZERLAND			
FMC Kongsberg International GmbH	Bahnofstrasse 10 6300 Zurich	Ordinary shares	100
FMC Technologies GmbH	Bahnofstrasse 10 6300 Zurich	Ordinary shares	100
THAILAND			

Global Industries Offshore (Thailand), Ltd.	18th Floor, Sathorn Thani Building 2, No. 92/52, North Sathorn Road, Kwaeng Silom, Khet Bangrak, Bangkok 10500	Ordinary shares	100
TUNISIA			
FMC Technologies Service SARL	Rue Lac Tanganyika, Immeuble Junior, Bureaux 2-3, Les Berges du Lac, 1053, La Marsa,Tunis	Ordinary shares	100
UNITED ARAB EMIRATES			
Technip Middle East FZCO	Office LB15310, P.O. Box 17864 Jebel Ali Free Zone Dubai	Ordinary shares	100
TechnipFMC Gulf FZE	Office LB15325, Jebel Ali Free Zone Dubai	Ordinary shares	100
UNITED KINGDOM			
AABB Limited	Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, U.K.	48,880 Ordinary (equity) of 1p each 4,937,630 Ordinary deferred of 10p each	100 100
Control Systems International (UK) Limited	Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, U.K.	Ordinary shares	100
Crosby Services International Ltd.	Enterprise Drive, Westhill, Aberdeenshire, AB32 6TQ	Ordinary shares	100
Forsys Subsea Limited (In Liquidation)	Birchin Court, 20 Birchin Lane, London, EC3V 9DU, U.K.	Share A Share B	100
FMC Kongsberg Services Limited	Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, U.K.	Ordinary shares	100
FMC/KOS West Africa Limited	Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, U.K.	Ordinary shares	100
FMC Technologies Limited	Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, U.K.	Ordinary shares	100
FMC Technologies Pension Plan Ltd	Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, U.K.	Ordinary shares	100
Magma Global Ltd	Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, U.K.	Ordinary shares	100
Spoolbase UK Limited	Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, U.K.	Ordinary shares	100
Subsea I & C Services Limited	O Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, U.K.	Ordinary shares	100
Subsea Maritime Services Limited	Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, U.K.	Ordinary shares	100
Subsea Offshore Services Limited	Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, U.K.	Ordinary shares	100
Schilling Robotics Limited	Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, U.K.	Ordinary shares	100
Technip Maritime UK Limited	Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, U.K.	Ordinary shares	100
Technip Offshore Holdings Limited	Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, U.K.	Ordinary shares	100
Technip Offshore Manning Services Ltd	Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, U.K.	Ordinary shares	100
Technip Services Limited	Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, U.K.	Ordinary shares	100
Technip Ships One Ltd	Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, U.K.	Ordinary shares	100
Technip UK Limited	Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, U.K.	Ordinary shares	100
Technip-Coflexip UK Holdings Ltd	Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, U.K.	Ordinary shares	100
TechnipFMC DSV3 Limited	Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, U.K.	Ordinary shares	100

TechnipFMC (Europe) Limited	Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, U.K.	Ordinary shares	100
TechnipFMC Corporate Holdings Limited	Hadrian House, Wincomblee Road, Newcastle Upon Tyne, NE6 2PL	Ordinary shares	100
TechnipFMC Finance ULC	Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, U.K.	Ordinary shares	100
TechnipFMC International Finance Limited	Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, U.K.	Ordinary shares	100
TechnipFMC International UK Limited	Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, U.K.	Ordinary shares	100
TechnipFMC Umbilicals Ltd	Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, U.K.	Ordinary shares	100
TechnipFMC Island Offshore UK Limited	Pavilion 2, Aspect 32, Arnhall Business Park, Westhill, Aberdeenshire, Scotland, AB32 6FE	Ordinary shares	100
West Africa Subsea Services Limited	Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, U.K.	Ordinary shares	100
UNITED STATES			
Control Systems International, Inc.	c/o CT Corporation Company, Inc. 3800 North Central Avenue, Suite 460 Topeka, Kansas 66603	Ordinary shares	100
FMC Subsea Service, Inc.	c/o The Corporation Trust Company 1209 Orange Street Wilmington, Delaware 19801	Ordinary shares	100
FMC Technologies Energy LLC	c/o The Corporation Trust Company 1209 Orange Street Wilmington, Delaware 19801	Membership interest	100
FMC Technologies, Inc.	c/o The Corporation Trust Company 1209 Orange Street Wilmington, Delaware 19801	Ordinary shares	100
FMC Technologies Measurement Solutions, Inc.	c/o The Corporation Trust Company 1209 Orange Street Wilmington, Delaware 19801	Ordinary shares	100
FMC Technologies Overseas Ltd.	c/o The Corporation Trust Company 1209 Orange Street Wilmington, Delaware 19801	Ordinary shares	100
FMC Technologies Separation Systems, Inc.	c/o CT Corporation System 1999 Bryan Street, Suite 900 Dallas, Texas 75201	Ordinary shares	100
FMC Technologies Surface Integrated Services, Inc.	c/o The Corporation Company 7700 E Arapahoe Road, Suite 220 Centennial, Colorado 80112-1268	Ordinary shares	100
FMX, LLC	c/o CT Corporation System 1999 Bryan Street, Suite 900 Dallas, Texas 75201	Membership interest	100
Schilling Robotics, LLC	c/o The Corporation Trust Company 1209 Orange Street Wilmington, Delaware 19801	Membership interest	100
Subtec Middle East Ltd	c/o The Corporation Trust Company 1209 Orange Street Wilmington, Delaware 19801	Ordinary shares	100
TechnipFMC Umbilicals, Inc.	c/o The Corporation Trust Company 1209 Orange Street Wilmington, Delaware 19801	Ordinary shares	100
TechnipFMC USA, Inc	c/o The Corporation Trust Company 1209 Orange Street Wilmington, Delaware 19801	Ordinary shares	100
TechnipFMC US Holdings Inc.	c/o The Corporation Trust Company 1209 Orange Street Wilmington, Delaware 19801	Ordinary shares	100

TechnipFMC US LLC 1	c/o The Corporation Trust Company 1209 Orange Street Wilmington, Delaware 19801	Membership Interest	100
TechnipFMC US LLC 2	c/o The Corporation Trust Company 1209 Orange Street Wilmington, Delaware 19801	Membership Interest	100
The Red Adair Company, L.L.C.	c/o CT Corporation System 3867 Plaza Tower Baton Rouge, Louisiana, 70816	Membership interest	100
VENEZUELA			
FMC Wellhead de Venezuela, S.A.	Av. 62 # 147-35, Zona Industrial, Maracaibo, Zulia State, 4001	Ordinary shares	100
Technip Bolivar, C.A. en liquidation	523 Zona Industrial Matanzas, Planta De Bauxilum Puerto Ordaz Ciudad Bolivar	Ordinary shares	99.88[1]
VIETNAM			
FMC Technologies (Vietnam) Co., Ltd.	No. 29, Le Duan Street Ben Nghe Ward, Distric 1 Ho Chi Minh City	Equity interest	100

(1) Subsidiary fully and indirectly owned by TechnipFMC, plc.

32.3 Joint ventures

Company Name	Address	Share Class	Group interest held in %
ANGOLA			
Angoflex Industrial Limitada	Rua 1 de Dezembro nº 15, Província de Benguela Lobito	Ordinary Shares	70
Technip Angola-Engenharia, Limitada (In Liquidation)	Rua Rei Katyavala, N.°43-45, Edificio Avenca Plaza, 5°. Andar 5364 Luanda	Ordinary Shares	60
TechnipFMC Angola, Limitada	Rua Major Marcelino Dias, Edifício ICON 2014, 8º andar Luanda - Angola	Ordinary Shares	49
BRAZIL			
DOFCON NAVEGAÇÃO LDA	Avenida Marquês de Sapucaí nº 200, 16º e 17º andares, Rio de Janeiro/RJ, CEP 20.210-912.	Ordinary shares	0.1
GHANA			
TechnipFMC (Ghana) Limited	6th Floor, One Airport Square, 00233, Accra	Ordinary shares	49
NORWAY			
Dofcon Brasil AS	Thormohlens Gate 53 C 5006 Bergen	Ordinary shares	50
Magnora Offshore Wind AS	Karenslyst Allé 2, 9th Floor, Oslo, 0278	Ordinary shares	25
Technip-DeepOcean PRS JV DA	Killingøy 5515 Haugesund	No capital	50
SAUDI ARABIA			
Global Al Rushaid Offshore Ltd	P O Box No 31685 31952 Al Khoba	Ordinary shares	50

32.4 Associated undertakings

Company Name	Address	Share Class	Group interest held in %
BOSNIA AND HERZEGOVINA			
Petrolinvest, D.D. Sarajevo	Tvornicka 3 71000 Sarajevo	Ordinary shares	33
FINLAND			
Creowave Oy	Yrttipellontie 10 H 90230 Oulu	Ordinary shares	24.9
FRANCE			
Serimax Holdings SAS	346 rue de la Belle Etoile 95700 Roissy en France	Ordinary shares	20
INDONESIA			
PT Technip Indonesia	Metropolitan Tower, 15th Floor, JL. R. A. Kartini Kav. 14 (T.B Simatupang), Cilandak Jakarta Selatan 12430	Ordinary shares	9
MALAYSIA			
FMC Wellhead Equipment Sdn. Bhd.	Suite 13.03, 13th Floor 207 Jalan Tun Razak 50400 Kuala Lumpur	Ordinary shares	14.21
Technip Marine (M) Sdn Bhd	Suite 13.03, 13th Floor 207 Jalan Tun Razak 50400 Kuala Lumpur	Ordinary shares	28.89
NORWAY			
Kongsberg Technology Training Centre AS	Kirkegårdsveien 45 3616 KONGSBERG	Ordinary shares	33.33

32.5 Statutory audit exemption

TechnipFMC has agreed to provide guarantees over the liabilities of a number of its subsidiaries under Section 479C of Companies Act 2006. The following entities are therefore exempt from statutory audit requirements of the Act by virtue of Section 479A thereof:

Company Name	Company number
Technip Offshore Manning Services Limited	4055455
Spoolbase UK Limited	5315706
West Africa Subsea Services Limited	10345570
Subsea Offshore Services Limited	9681629
Subsea I & C Limited	9460007
Subsea Maritime Services Limited	9919636
Schilling Robotics Limited	4848086
FMC/KOS West Africa Limited	621727
TechnipFMC (Europe) Limited	11437449
TechnipFMC DSV3 Limited	11489082
TechnipFMC International Finance Limited	11112457
TechnipFMC International UK Limited	11112462
TechnipFMC Corporate Holdings Limited	12346753
TechnipFMC Group Holdings Limited	14501041
TechnipFMC Finance Limited	14501545

NOTE 33. DISCONTINUED OPERATIONS

The Spin-off

On February 16, 2021, we completed the separation of the Technip Energies business segment. The transaction was structured as a spin-off ("The Spin-off"), which occurred by way of a pro rata dividend (the "Distribution") to our shareholders of 50.1% of the outstanding shares in Technip Energies N.V. Each of our shareholders received one ordinary share of Technip Energies N.V. for every five ordinary shares of TechnipFMC held at 5:00 p.m., Eastern Standard time, on the record date, February 17, 2021. Technip Energies N.V. is now an independent public company and its shares trade under the ticker symbol "TE" on the Euronext Paris Stock Exchange.

In connection with the Spin-off, TechnipFMC and Technip Energies entered into a separation and distribution agreement, as well as various other agreements, including among others a tax matters agreement, an employee matters agreement and a transition services agreement and certain agreements relating to intellectual property. These agreements provide for the allocation between TechnipFMC and Technip Energies of assets, employees, taxes, liabilities and obligations attributable to periods prior to, at and after the Spin-off.

Discontinued Operations

The Spin-off represented a strategic shift that will have a major impact on our operations and consolidated financial statements. Accordingly, historical results of Technip Energies prior to the Distribution on February 16, 2021 have been presented as discontinued operations in our consolidated statements of income and consolidated statements of cash flows for the year ended December 31, 2022 and 2021. Our consolidated statements of income and consolidated statements of cash flows and notes to the consolidated financial statements have been updated to reflect continuing operations only.

On initial recognition at the Spin-off date, we recorded the retained interest in Technip Energies at fair value of $1,377.9 million, being the market share price of the investment as of the Spin-off date. The remeasurement difference of $507.9 million, representing an excess of TechnipFMC's share of the net fair value of Technip Energies' identifiable assets and liabilities over the carrying value of the retained share Technip Energies net assets, is included within the line net profit from discontinued operations in the consolidated statement of income.

The following table summarizes the components of income from discontinued operations, net of tax:

	Year Ended December 31,	
(In millions)	**2022**	**2021**
Revenues	$ —	$ 906.0
Costs and expenses [(a)]	(26.4)	(932.0)
Other income and interest expense, net	—	(18.6)
Loss from discontinued operations before income taxes	(26.4)	(44.6)
Provision for income taxes	18.9	56.0
Loss from discontinued operations after income taxes	(45.3)	(100.6)
Gain on loss of control at Spin-off (i)	—	872.8
Loss on sale of shares of Technip Energies and remeasurements (ii)	—	(167.0)
Profit (loss) from discontinued operations, net of income taxes	(45.3)	605.2
Income from discontinued operations attributable to non-controlling interests	—	(1.9)
Profit (loss) from discontinued operations attributable to TechnipFMC plc	$ (45.3)	$ 603.3

(a) Includes $53.3 million related to separation costs for the years ended December 31, 2021.

For the year ended December 31, 2022, we recorded $(26.4) million in expense from discontinued operations due to a change in estimate of liabilities recognized in connection with the Spin-off. Also, for the year ended December 31, 2022, we recorded $18.9 million in income tax (benefit) expense from discontinued operations related to a change in estimate in our French tax group.

The following table summarizes the details of amounts realized upon the Spin-off transaction:

(i) (In millions)		February 16, 2021
Amount of distribution payable to shareholders (fair value of 50.1% shares of Technip Energies)	$	1,383.5
Fair value of retained 49.9% shareholding		1,377.9
Less carrying amount of net assets of Technip Energies at spin-off date		(1,743.5)
Gain on spin off before reclassification of OCI	$	1,017.9
Reclassification of other comprehensive income to profit or loss [(a)]		(166.9)
Reclassification of non-controlling interest's share in other comprehensive income to profit or loss		21.8
Total gain on loss of control at Spin off	$	872.8
Income taxes	$	—
Total gain on loss of control on Spin-off, net of income taxes	$	872.8

(a) Includes $14.5 million gain and $181.4 million loss related to hedging instruments and currency translation adjustments, refer to consolidated statement of other comprehensive income for further details.

In addition to the amounts in the table above, a net accumulated loss of $37.2 million on the remeasurement of pension liabilities has been transferred from accumulated other comprehensive income to retained earnings upon the completion of the Spin-off.

The following table summarizes the details of Technip Energies share sales after spin-off date during 2021:

(ii) (In millions)		Year ended December 31, 2021
Proceeds from sale of shares, net of transaction costs	$	784.5
Carrying amount of 32.8% shares sold		(904.8)
Loss on sales of Technip Energies shares	$	(120.3)
Impairment of retained financial investment upon loss of significant influence		(46.8)
Income taxes		—
Loss on subsequent sales of Technip Energies shares included in discontinued operations	$	(167.1)
Proceeds from sale of additional shares, net of transaction costs	$	116.3
Carrying amount of 4.9% shares sold		(124.0)
Loss on sale of additional shares		(7.7)
Fair value measurement of financial investment in Technip Energies		16.2
Loss on financial investment in Technip Energies	$	8.5

The following table summarizes the details of Technip Energies share sales during 2022:

	Year ended December 31, 2022
(In millions)	
Proceeds from sale of additional shares, net of transaction costs	$ 288.5
Carrying amount of 12% shares sold	(301.6)
Fair value measurement of financial investment in Technip Energies	(14.6)
Loss on financial investment in Technip Energies	$ (27.7)

The carrying amounts of assets and liabilities of Technip Energies as of the spin-off date were as follows:

	February 16, 2021
(in millions)	
Assets	
Cash and cash equivalents	$ 3,538.6
Other current assets	2,225.7
Property, plant and equipment, net of accumulated depreciation	105.6
Goodwill	2,512.5
Other non-current assets	656.7
Total assets	9,039.1
Liabilities	
Current liabilities	6,213.2
Long-term debt, less current portion	482.2
Operating lease liabilities	248.2
Other non-current liabilities	352.0
Total liabilities	7,295.6
Net assets distributed to Technip Energies	$ 1,743.5

Investment in Technip Energies

Immediately following the completion of the Spin-off, we owned 49.9% of the outstanding shares of Technip Energies. At the Spin-off date the 49.9% retained interest was classified as an equity affiliate on the basis that TechnipFMC retained significant influence over Technip Energies through its retained stake and representation in Technip Energies Board.

IFRS 5 states that an asset is considered as held for sale provided two conditions are met: it must be available for immediate sale in its present condition and its sale must be highly probable. At the Spin-off date, when it became highly probable that the value of the investment in Technip Energies would be recovered through sale rather than continuing ownership, the investment in Technip Energies was classified as held for sale. As of the Spin-off date we committed to conduct an orderly sale of our remaining stake in Technip Energies over time and use the proceeds (net of broker fees and discounts) from future sales to further reduce our net leverage. We did not intend to remain a long-term shareholder of Technip Energies and planned to exit our ownership stake in a timely and orderly manner within a year.

Following the held for sale classification the remaining interest in Technip Energies equity affiliate was measured at the lower of its carrying amount and fair value less costs to sell. The fair value of the investment was determined using the market share price of Technip Energies shares. This is a Level 1 measurement as per the fair value hierarchy.

Sale of Technip Energies shares

During the year ended December 31, 2021, we sold 37.7% of carrying amount of our investment in Technip Energies and recognized a net loss of $158.5 million, from which $167.1 million is reported within the line net profit from discontinued operations attributable to TechnipFMC plc and $8.5 million is in gain from investment in Technip Energies in the consolidated income statement.

As of December 31, 2021, we determined that TechnipFMC ceased to have a significant influence due to (i) the decrease in stake in Technip Energies to 12.2%, and (ii) due to decrease in representation on Technip Energies Board leading to one of nine seats. The investment in Technip Energies became a subject to accounting for equity instruments under IFRS 9 and therefore was recorded at fair value as of December 31, 2021 with changes in fair value $16.2 million reported in gain from investment in Technip Energies in the consolidated income statement. This is a Level 1 measurement as per the fair value hierarchy.

During 2022, we fully divested our remaining ownership in Technip Energies and recognized $27.7 million loss related to the changes in fair value.

NOTE 34. SUBSEQUENT EVENTS

There have been no material subsequent events after the reporting period, up to and including the date that the financial statements were authorized for issue, that would have required disclosure or adjustment of the Consolidated financial statements.

COMPANY FINANCIAL STATEMENTS

TECHNIPFMC PLC

FOR THE YEAR ENDED DECEMBER 31, 2022

Company No. 09909709

COMPANY STATEMENT OF FINANCIAL POSITION

(In millions)	Note	December 31, 2022	December 31, 2021
Assets			
Investments in subsidiaries	3	$ 4,084.8	$ 10,052.4
Intangible assets, net		—	1.4
Loan receivables – related parties	4	—	476.4
Total non-current assets		4,084.8	10,530.2
Cash and cash equivalents		3.7	10.1
Trade and other receivables, net	6	24.5	48.3
Loan receivables - related parties	4	4,441.3	184.2
Income taxes receivable		8.8	95.5
Investment in Technip Energies	12	—	317.3
Other current assets		20.0	26.0
Total current assets		4,498.3	681.4
Total assets		$ 8,583.1	$ 11,211.6
Equity and Liabilities			
Ordinary shares	7	$ 442.2	$ 450.7
Retained earnings, net income and other reserves		2,222.3	2,551.9
Total shareholders’ equity		2,664.5	3,002.6
Long-term debt	8	699.6	1,437.6
Loan payables – related parties	9	3,406.2	5,963.1
Deferred tax liabilities	5	—	1.8
Other non-current liabilities		—	0.1
Total non-current liabilities		4,105.8	7,402.6
Short-term debt	8	290.4	203.9
Trade and other payables	10	753.5	602.5
Loan payables – related parties	9	768.9	—
Total current liabilities		1,812.8	806.4
Total liabilities		5,918.6	8,209.0
Total equity and liabilities		$ 8,583.1	$ 11,211.6
At January 1		$ 2,551.9	$ 1,618.8
Profit (loss) for the year		(280.0)	2,393.3
Other changes in retained earnings		(49.6)	(1,460.2)
Retained earnings		$ 2,222.3	$ 2,551.9

The accompanying notes are an integral part of the consolidated financial statements. The financial statements were approved by the Board of Directors and signed on its behalf by

Douglas J. Pferdehirt

Director and Chief Executive Officer

March 17, 2023

COMPANY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(In millions)	Ordinary Shares	Retained Earnings, Net Profit (Loss) and Other reserves	Total Shareholders' Equity
Balance as of December 31, 2020	$ 449.5	$ 1,618.8	$ 2,068.3
Net profit	—	2,393.3	2,393.3
Other comprehensive loss	—	(103.0)	(103.0)
Issuance of ordinary shares (Note 7)	1.2	—	1.2
Share-based compensation (Note 7)	—	26.8	26.8
Spin-off of Technip Energies (Note 12)	—	(1,384.0)	(1,384.0)
Balance as of December 31, 2021	$ 450.7	$ 2,551.9	$ 3,002.6
Net loss	—	(280.0)	(280.0)
Shares repurchased and cancelled (Note 7)	(10.1)	(90.1)	(100.2)
Issuance of ordinary shares (Note 7)	1.6	—	1.6
Share-based compensation (Note 7)	—	40.5	40.5
Balance as of December 31, 2022	$ 442.2	$ 2,222.3	$ 2,664.5

The accompanying notes are an integral part of the consolidated financial statements.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

NOTE 1 - GENERAL CORPORATE INFORMATION

TechnipFMC plc, a public limited company incorporated and organized under the laws of England and Wales, with registered number 09909709, and with registered office at Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, United Kingdom ("TechnipFMC," the "Company," "we," or "our") is a global leader in the energy industry, delivering projects, products, technologies, and services. With our proprietary technologies and production systems, integrated expertise, and comprehensive solutions, we are transforming our customers' project economics. We have operational headquarters in Houston, Texas, United States, and in 2022 we principally operated across two business segments: Subsea and Surface Technologies.

TechnipFMC is listed on the New York Stock Exchange and its ordinary shares trade under the symbol "FTI." On February 18, 2022, following a comprehensive review of the strategic objectives, we voluntarily delisted TechnipFMC's shares from Euronext Paris.

NOTE 2 - ACCOUNTING PRINCIPLES

2.1 Basis of preparation

The financial statements for the year ended December 31, 2022 have been prepared in accordance with United Kingdom Accounting Standards – in particular Financial Reporting Standard 101 "Reduced Disclosure Framework" ("FRS 101") – and with the Companies Act 2006.

The Company is a qualifying entity for the purposes of FRS 101. The application of FRS 101 has enabled the Company to take advantage of certain disclosure exemptions that would have been required had the Company adopted IFRS in full. The disclosure exemptions adopted by the Company are as follows:

- No detailed disclosures in relation to financial instruments;
- No cash flow statement;
- No disclosure of related party transactions with subsidiaries;
- No statement regarding the potential impact of forthcoming changes in financial reporting standards;
- No disclosure of "key management compensation" for key management other than the Directors;
- No disclosures relating to the Company's policy on capital management; and
- No disclosure of requirements of paragraph 45b and 46-52 of IFRS 2 Share based charges.

The Company's functional currency was determined to be U.S. dollars ("USD") as this is the primary economic environment in which the entity operates.

The financial statements have been prepared under the historical cost convention, except for certain financial assets and liabilities, which are measured at fair value. Accounting policies have been consistently applied throughout the reporting period. The financial statements of the Company for the year ended December 31, 2022 are presented in U.S. dollars, the presentation and functional currency of the Company, and all values are rounded to the nearest million included to one decimal place.

The directors have taken advantage of the exemption available under Section 408 of the Act and have not presented a profit and loss account for the Company.

Going concern

Following its assessment of going concern, the Company has formed a judgment that there are no material uncertainties that cast doubt on the Company's going concern status and that it is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Therefore, the financial statements have been prepared on a going concern basis. Details of going concern assessment are provided in Note 1 of TechnipFMC consolidated financial statements.

2.2 Changes in accounting policies and disclosures

a) Standards, amendments and interpretations effective in 2022

The Company has applied the amendments to IFRS 3 and IAS 37 for the first time in its consolidated financial statements for the year ended December 31, 2022. These amendments did not have any impact on the Company's accounting policies and did not require retrospective adjustments. There are no other new or amended standards or interpretations adopted, or on issued but not yet adopted, that have, or are expected to have, a material impact on the financial statements.

b) Standards, amendments and interpretations to existing standards that are issued, not yet effective and have not been early adopted as of December 31, 2022

Amendments to IAS 1 "Presentation of financial statements" on disclosure of material accounting policy information

The IASB has amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is ‘material accounting policy information’ and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. The new amendments are effective on or after January 1, 2023 but can be adopted early. We are currently evaluating the impact of this amendment on our consolidated financial statements and do not expect that the adoption of the amendment to have a significant impact on the consolidated financial statements.

Amendments to IAS 1 "Presentation of financial statements" on classification of liabilities as current or non-current

These narrow-scope amendments to IAS 1, aims to improve the information provided when a right to defer settlement of a liability is subject to compliance with covenants within twelve months after the reporting period. The new amendments are effective on or after January 1, 2024 and override previous amendments. We are currently evaluating the impact of this amendment on our consolidated financial statements and do not expect that the adoption of the amendment to have a significant impact on the classification of current or non-current liabilities in our consolidated financial statements.

Definition of Accounting Estimates – Amendments to IAS 8

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. That distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events. The new amendments will be effective for annual periods beginning on or after January 1, 2023, subject to endorsement by the U.K. and the European Union. We are currently evaluating the impact of these amendments on our consolidated financial statements and do not expect that the adoption of these amendments will have a significant impact on our consolidated financial statements.

2.3 Summary of significant accounting policies

The significant accounting policies, which have been used in the preparation of the Company financial statements, are set out below. These policies have been consistently applied to all years presented.

a) Investments

Investments are measured initially at cost, including transaction costs, less any provision for impairment. Where non-cash assets are contributed to an investment with no substantive change to the risk, timing or amount of cash flows

At each balance sheet date, the Company reviews the carrying amounts of its investments to assess whether there is an indication that those assets may be impaired. If any such indication exists, the Company makes an estimate of the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s fair value less cost of disposal and its value in use.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in the income statement.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior periods. A reversal of an impairment loss is recognized immediately in the income statement.

Dividends received are recorded as income unless the dividend clearly represents a recovery of part of the cost of the investment. Dividend income is recognized when the right to receive payment is established.

b) Trade receivable and loans issued to related parties

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method.

Loans issued to related parties are initially measured at their fair values plus transaction costs and subsequently carried at amortized cost net of expected credit loss. We apply IFRS 9 guidance for intercompany loans in separate financial statements to measure the expected credit loss. The majority of our receivables are related to loans that are payable on demand and we have assessed the expected manner of recovery to determine the exposure at risk of default and measured the expected credit loss at a probability-weighted amount.

Interest income on loans issued to related parties is calculated by applying the effective interest rate to the gross carrying amount of a loan receivable.

c) Share-based employee compensation

The measurement of share-based compensation expense on restricted share awards is based on the market price at the grant date and the number of shares awarded. The fair value of performance shares is estimated using a combination of the closing stock price on the grant date and the Monte Carlo simulation model. TechnipFMC utilizes the Black-Scholes options pricing model to measure the fair value of share options granted, excluding from such valuation the service and non-market performance conditions (which are considered in the expected number of awards that will ultimately vest) but including market conditions. The share-based compensation expense for each award is recognized during the vesting period (i.e. the period in which the service and, where applicable, the performance conditions are fulfilled). The cumulative expense recognized for share-based employee compensation at each reporting date reflects the already expired portion of the vesting period and TechnipFMC's best estimate of the number of awards that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognized as of the beginning and end of that period.

d) Long term debt

Financial liabilities are recognized initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs. Current and non-current financial debts include bond loans, commercial paper programs and other borrowings. After initial recognition, debt is measured at amortized cost using the effective interest rate method. Transaction costs, such as issuance fees and redemption premium are included in the cost of debt on the liability side of the statement of financial position, as an adjustment to the nominal amount of the debt. The difference between the initial debt and redemption at maturity is amortized at the effective interest rate.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of income.

e) Foreign currency transactions

Foreign currency transactions are translated into the functional currency at the exchange rate applicable on the transaction date.

At the closing balance sheet date, monetary assets and liabilities stated in foreign currencies are translated into the functional currency at the exchange rate prevailing on that date. Resulting exchange gains or losses are directly recorded in the income statement, except exchange gains or losses on cash accounts eligible for future cash flow hedging and for hedging on net foreign currency investments.

Translation of financial statements of the Company's branch in foreign currency

In the comparative financial statement, the income statement of the Company's branch is translated into USD at the average exchange rate prevailing during the year. Statement of financial position is translated at the exchange rate at the closing date. Differences arising in the translation of financial statements of the branch are recorded in other comprehensive income as foreign currency translation reserve. The functional currency of the branch is the local currency (Euro).

f) Cash and cash equivalents

Cash and cash equivalents consist of cash in bank and in hand, fixed term deposits and securities fulfilling the following criteria: an original maturity of less than three months, highly liquid, a fixed exchange value and an insignificant risk of loss of value. Securities are measured at their market value at year-end. Any change in fair value is recorded in the statement of income.

g) Share capital and dividend distribution

Ordinary shares and redeemable shares are classified as equity.

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders. A corresponding amount is recognized directly in the statement of equity. Interim dividends are recognized when paid.

h) Taxation

Corporate tax is payable on taxable profits at amounts expected to be paid, or recovered, under the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is recognized to take account of temporary differences between the treatment of transactions for financial reporting purposes and their treatment for tax purposes. A deferred tax asset is only recognized when it is regarded as more likely than not there will be a suitable taxable profit from which the future reversal of the underlying temporary differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the temporary differences are expected to reverse based on the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

i) Non-current assets held for sale or distribution to equity holders

TechnipFMC classifies non-current assets as held for sale/or distribution to equity holders of the parent if their carrying amounts will be recovered principally through a sale transaction or a distribution rather than through continuing use. Such non-current assets classified as held for sale/or distribution are measured at the lower of their carrying amount and fair value less costs to sell or distribute. Costs to sell/or distribute are the incremental costs directly attributable to the sale or distribution, excluding finance costs and income tax expense.

The criteria for held for sale/or distribution classification is regarded as met only when the sale/or distribution is highly probable, and the asset is available for immediate sale/ or distribution in its present condition. Actions required to complete the sale/or distribution should indicate that it is unlikely that significant changes to the sale/or distribution will be made or that the decision to sell/or distribute will be withdrawn. Management must be committed to the sale/or distribution expected within one year from the date of the classification.

j) Financial assets

Financial assets are categorized at initial recognition, as subsequently measured at either amortized cost, at fair value through other comprehensive income ("FVOCI"), or at fair value through profit or loss ("FVTPL").

TechnipFMC currently has no financial assets at fair value through OCI.

Financial assets at fair value through profit or loss include financial assets held for trading (i.e., those which are acquired for the purpose of selling or repurchasing in the near term).

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

k) Related parties

The Company is a qualifying entity for the purposes of FRS 101 and took advantage of the disclosure exemption not to provide a disclosure on the following:

- related party transactions with subsidiaries;
- “key management compensation” for key management other than the Directors.

2.4 Use of critical accounting estimates, judgments and assumptions

The preparation of the financial statements requires the use of critical accounting estimates, judgments and assumptions that may affect the assessment and disclosure of assets and liabilities at the date of the financial statements, as well as the income and the reported expenses regarding this financial year. Estimates may be revised if the circumstances and the assumptions on which they were based change, if new information becomes available, or as a result of greater experience. Consequently, the actual result from these operations may differ from these estimates.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date relate to the following:

• estimates on provision for expected credit losses on trade receivable and loans issued to related parties, and

• impairment of investments in subsidiaries.

The loss allowances for trade receivable and loans issued to related parties are based on assumptions about risk of default and expected credit loss rates and was estimated to be $2.4 million as of December 31, 2022. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period. The Company’s historical credit loss experience and forecast of economic conditions may also not be representative of customers' actual default in the future.

The Company assesses whether there are any indicators of impairment of investments at each reporting date. Investments are tested for impairment when there are both external and internal indicators that the carrying amount may not be recoverable.

Judgements

During the year ended December 31, 2022, the Company received a distribution of $4.3 billion from TechnipFMC Corporate Holdings Limited pursuant to a reorganization of the Company's net investment in its subsidiaries. The substance of this distribution has been considered to be a return of capital, reducing the carrying amount of the investment in TechnipFMC Corporate Holdings Limited, rather than income.

During the year ended December 31, 2022, the Company contributed assets and liabilities of the Company's French Branch to Technip Offshore International SAS ("TOI"). The contribution transaction resulted in TOI acquiring the assets and liabilities of the French Branch. TOI recognized the transferred assets and liabilities at historical carrying values as through the transfer had occurred as of January 1, 2022, in line with what management considers to be the legal form of the transaction. The Company derecognized assets and liabilities of French Branch at their respective historical carrying values and no gain or loss was recorded as a result of the distribution in line with the Company's accounting policy. See Note 11 for further details.

Additionally, areas of judgment that have the most significant effect on the amounts recognized in the consolidated financial statements relate to the separation transaction, which was executed during 2021. See Note 12 for further details.

There have been no other critical judgments made in applying the Company’s accounting policies.

NOTE 3 - INVESTMENTS IN SUBSIDIARIES

The movement in investments account balances are described below:

(In millions)	2022	2021
Net book value at January 1,	$ 10,052.4	$ 11,110.2
Return of capital from subsidiaries (1)	(4,300.0)	—
Sale of subsidiaries for intercompany debt (2)	(1,834.0)	—
Contribution of French Branch investment to TOI (3)	(444.7)	—
Addition of investment in TOI in exchange for French Branch Business (3)	611.1	—
Spin-off of Technip Energies (Note 12)	—	(1,709.0)
Additions due to the spin-off of Technip Energies (4)	—	818.3
Net foreign exchange differences	—	(167.1)
Net book value as of December 31,	$ 4,084.8	$ 10,052.4

(1) During 2022, the Company received a distribution from TechnipFMC Corporate Holdings Limited which was in substance a return of capital and was recognized as a reduction in the carrying amount of that investment.

(2) During 2022, The Company sold TechnipFMC International Holdings BV to TechnipFMC Group Holdings Limited in exchange for the novation of intercompany liabilities to Technip FMC Group Holdings Limited.

(3) During 2022, the Company contributed assets and liabilities of the French Branch to TOI, in consideration of the issuance of the ordinary shares of TOI.

(4) In connection with the Spin-off, the Company executed a series of transactions to restructure and realign the ownership of its group entities. The transactions included the acquisition of additional ownership interest from 77.8% to 100.0% in its investment in Technip France for $194.2 million. The Company also restructured ownership of underlying investments and acquired a 100.0% direct interest in existing subsidiaries including Clecel SAS for $109.2 million, Technip E&C Limited for $188.3 million, and Kanfa AS for $52.1 million. Creation of new subsidiaries included a 77.79% direct interest in Technip N-Power for $38.5 million and a 100.0% direct interest in Technip Benelux B.V. for $223.0 million. See Note 33 of TechnipFMC consolidated financial statements for further details on the Spin-off transaction.

During the year the Company has transferred a number of wholly-owned subsidiary undertakings to other wholly-owned subsidiaries for the issue of shares. These transactions have not substantially changed the risk, timing or amount of cash flows available to the Company and accordingly they have been recorded at cost with no change to the total carrying amount of investments or any gain or loss.

During the year ended December 31, 2022, we performed an impairment assessment of the Company's investments and no impairment triggers were identified.

The Company’s direct subsidiaries as of December 31, 2022 are listed below. The effective interest reflects holdings of ordinary shares. Details of other related undertakings are provided in Note 32 of TechnipFMC consolidated financial statements.

Company Name	Address	Share Class	Effective interest held in %
FRANCE			
Technip Offshore International SAS	1bis Place de la Défense Tour Trinity 92400 Courbevoie	Ordinary shares	100
INDONESIA			
PT Technip Indonesia	Metropolitan Tower, 15th Floor, JL. R. A. Kartini Kav.	Equity interest	9
UNITED KINGDOM			
TechnipFMC Group Holdings Limited	Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, U.K.	Ordinary shares	100
TechnipFMC Finance Limited	Hadrian House, Wincomblee Road, Newcastle Upon Tyne, NE6 3PL	Ordinary shares	100
VENEZUELA			
Technip Bolivar, C.A.	523 Zona Industrial Matanzas, Planta De Bauxilum Puerto Ordaz Ciudad Bolivar	Ordinary shares	99.88

NOTE 4 - LOAN RECEIVABLES - RELATED PARTIES

	December 31,	
(In millions)	2022	2021
Loan receivables - current	$ 4,441.3	$ 184.2
Loan receivables -non current	—	476.4
Total	$ 4,441.3	$ 660.6

The Company's loan receivables from related parties are unsecured and we determined that there was no material expected credit loss as of December 31, 2022 and 2021.

As of December 31, 2022, loan receivables from related parties primarily consisted of a loan to TechnipFMC Corporate Holdings Ltd (U.K.) ("Corporate Holdings Ltd"). The loan to Corporate Holdings Ltd is in the amount of $4,300 million and interest rate of 6.05% is repayable on demand with no repayment date.

As of December 31, 2021, loan receivables from related parties primarily consist of loans to TOI, Technip UK Ltd ("Technip UK") and FMC Technologies, Inc. ("FMCTI"). The terms and interest rates for significant loans are detailed below:

- Loans to TOI consisted of two loans in the amount of $31.9 million and $115.0 million respectively with 5 year terms and interest rates of 4.16% and 2.10% respectively.
- Loan to Technip UK was in the amount of $91.0 million with a 5 year term and interest rate of LIBOR GBP 6 months +0.5 basis point through May 16, 2022. Due to the termination of GBP LIBOR on December 31, 2021, the interest rate changed to SONIA 6 month+0.5 basis points.
- Loan to FMCTI was in the amount of $233.0 million with a 9 month term and interest rate of 4.25%.

NOTE 5 - DEFERRED INCOME TAX

The tax rate utilized to compute deferred taxes depends on the location of the underlying transaction. The transactions carried out by the U.K. head office are tax effected using the U.K. tax rate. Prior to 2022, the transactions carried out by the French permanent establishment were tax effected using the French statutory tax rate of 27.5%. Effective January 1, 2022, the business assets and liabilities of the French permanent establishment were contributed to a first-tier French subsidiary of the U.K. head office and therefore no transactions were tax effected using the French statutory rate in 2022.

The earnings of the U.K. head office are subject to the U.K. statutory rate of 19.0%. The profits or losses of the French permanent establishment were not taxable in the U.K. as the election under section 18A CTA 2009 had been validly made.

The net deferred tax liabilities amounts to $0 and $1.8 million as of December 31, 2022 and 2021, respectively. The deferred tax balance comprises:

	December 31,	
(In millions)	2022	2021
Deferred tax relating to pensions	$ —	$ (1.8)
Total	$ —	$ (1.8)

The movement in the deferred tax asset is shown below:

	December 31,	
(In millions)	2022	2021
As of January 1	$ (1.8)	$ 5.8
French Branch deferred tax contributed	1.8	—
Movement relating to pensions	—	(1.8)
Credit to income statement	—	(5.8)
As of December 31	$ —	$ (1.8)

NOTE 6 - TRADE AND OTHER RECEIVABLES

	December 31,	
(In millions)	2022	2021
Trade receivables - related parties	$ 16.2	$ 27.1
Prepaid expenses	8.3	10.7
Advances paid to suppliers	—	10.5
Trade and other receivables	$ 24.5	$ 48.3

The Company's trade receivables from related parties are stated net of loss allowance of $0 and $6.4 million as of December 31, 2022 and 2021, respectively. There was no material expected credit loss for trade and other receivables as of December 31, 2022

NOTE 7 - STOCKHOLDERS' EQUITY

7.1 Changes in the Company's ordinary shares

As of December 31, 2022, TechnipFMC's share capital was 442,208,014 ordinary shares. As of December 31, 2021, TechnipFMC's share capital was 450,700,480 ordinary shares. The movements in share capital were as follows:

(In millions of shares)	Ordinary Shares
December 31, 2020	449.5
Stock awards	1.2
December 31, 2021	450.7
Stock awards	1.6
Shares repurchased and retired	(10.1)
December 31, 2022	442.2

As an English public limited company, we are required under U.K. law to have available "distributable reserves" to conduct share repurchases or pay dividends to shareholders. Distributable reserves are a statutory requirement and are not linked to a IFRS reported amount (e.g. retained earnings, net income and other reserves). The declaration and payment of dividends require the authorization of our Board of Directors, provided that such dividends on issued share capital may be paid only out of our "distributable reserves" on our statutory balance sheet. Therefore, we are not permitted to pay dividends out of share capital, which includes share premium.

The Company's articles of association permit by ordinary resolution of the shareholders to declare dividends, provided that the directors have made a recommendation as to its amount. The dividend shall not exceed the amount recommended by the directors. The directors may also decide to pay interim dividends if it appears to them that the profits available for distribution justify the payment. When recommending or declaring payment of a dividend, the directors are required under English law to comply with their duties, including considering its future financial requirements.

The additional information required in relation to shareholder's equity is given in Note 17 to TechnipFMC consolidated financial statements.

7.2 Dividends

No dividends were declared and paid during the years ended December 31, 2022 or 2021. See Note 12 for additional information regarding the Distribution of Technip Energies.

7.3 Capital Management

In July 2022, the Board of Directors authorized the repurchase of up to $400.0 million of our outstanding ordinary shares under our share repurchase program. Pursuant to this share repurchase program, we repurchased $100.2 million of ordinary shares during the year ended December 31, 2022. Based upon the remaining repurchase authority of $299.8 million and the closing stock price as of December 31, 2022, approximately 24.6 million ordinary shares could be subject to repurchase. All shares repurchased were immediately cancelled.

7.4 Share-based compensation

See Note 18 of TechnipFMC consolidated financial statements for details of share-based payment schemes. Details of the directors' remuneration is provided in the Directors' Remuneration Report in the Company's Annual Report.

NOTE 8 - DEBT (SHORT-TERM AND LONG-TERM)

Debt consisted of the following:

(In millions)	**December 31,**	
	2022	**2021**
5.75% Notes due 2025	$ 211.6	$ 223.7
3.15% Notes due 2023	—	147.0
3.15% Notes due 2023	—	141.5
Senior notes due 2026	199.7	619.8
4.00% Notes due 2027	80.0	84.9
4.00% Notes due 2032	104.1	110.2
3.75% Notes due 2033	104.4	110.5
Total Long-term debt	699.8	1,437.6
3.15% Notes due 2023	138.6	—
3.15% Notes due 2023	133.4	—
3.40% Notes due 2022	—	169.9
Other	18.4	34.0
Total short-term debt and current portion of long-term debt	290.4	203.9
Total debt	$ 990.2	$ 1,641.5

Our loans denominated in United States dollars ("USD"), at our option, under our Revolving Credit Facility bear interest at an adjusted rate linked to the London Interbank Offered Rate ("LIBOR") and our euro-denominated loans under the Revolving Credit Facility bear interest at an adjusted rate linked to the Euro Interbank Offered Rate ("EURIBOR"). The United Kingdom's Financial Conduct Authority (the "FCA"), which regulates LIBOR, has announced that the publication of LIBOR on the current basis would cease and no longer be representative immediately after December 31, 2021 (in the case of all sterling, euro, Swiss franc and Japanese yen settings, and one-week and two-month USD settings) and immediately after June 30, 2023 (in the case of all remaining USD settings). Despite this deferral in regard to USD, the FCA has confirmed that use of USD LIBOR will not be permitted in most new contracts after December 31, 2021 and while the FCA is requiring the LIBOR administrator to publish one-, three- and six-month sterling and Japanese yen LIBOR rates for a limited time following December 31, 2021 using a synthetic methodology, such synthetic LIBOR rates are also only permitted for legacy use. The agreements governing our Credit Facilities include customary provisions to provide for replacement of LIBOR with an alternative benchmark rate when LIBOR ceases to be available. The International Swaps and Derivatives Association has developed provisions for SOFR-based fall-back rates to apply upon permanent cessation of LIBOR and has published a protocol to enable market participants to include the new provisions in existing swap agreements.

We are currently assessing the impact as a result of the transition from LIBOR.

For details of long and short term debt included in the table above, see Note 19 of TechnipFMC consolidated financial statements.

NOTE 9 - LOAN PAYABLES - RELATED PARTIES

Loan payables (including accrued interest) - related parties consists of the following:

	December 31,	
(In millions)	**2022**	**2021**
Borrowings from TechnipFMC Corporate Holdings Ltd (UK)	$ 3,011.7	$ —
Borrowings from TechnipFMC (Europe) Ltd	394.5	—
Loans payables - current portion	3,406.2	—
Borrowings from TechnipFMC Corporate Holdings Ltd (UK)	—	2,889.1
Borrowings from TechnipFMC International (UK) Ltd	418.3	2,248.0
Borrowings from TechnipFMC (Europe) Ltd	—	384.2
Borrowing from TechnipFMC International Holdings BV	28.7	27.8
Borrowing from Technip Coflexip UK Holdings Ltd	37.1	35.9
Borrowings from Technip Holding Benelux BV	284.8	276.0
Borrowings from Cofri SAS	—	102.1
Loan payables - non current portion	768.9	5,963.1
Loan payables - related parties	$ 4,175.1	$ 5,963.1

Loan payables to related parties are unsecured and consist of borrowings from Technip FMC Corporate Holdings Ltd (UK), TechnipFMC International (UK) Ltd (“International Ltd”) and TechnipFMC (Europe) Ltd (“Europe Ltd”). The terms and interest rates for significant loans are detailed below.

- Loans from TechnipFMC Holdings Ltd were novated to Corporate Holdings Ltd on March 31, 2021, and primarily consist of three loans in the amount of $1,247.3 million, $1.007.1 million and $718.3 million at December 31, 2022 and $1,189.6 million, $962.0 million and $699.5 million at December 31, 2021 respectively with 5 year term and interest rates of 4.83%, 4.68% and 2.69% respectively. The remaining loan from International Ltd is an amount of $34 million with an interest rate of 3.32%.
- As of December 31, 2021, loan from International Ltd was in the amount of $2,048.2 million with a 5 year term and interest rate of 2.69%. During 2022, the loan was extinguished. As of December 31, 2022, loan from International Ltd is in the amount of $417.5 million with a three year term and interest rate of 6.19%.
- Loan from Europe Ltd is in the amount of $350 million with a 5 year term and interest rate of 2.69%.
- Loan from Technip Holding Benelux BV is in the amount of $267 million with a 5 year term and interest rate of 3.22%.

NOTE 10 - TRADE AND OTHER PAYABLES

Trade and other payables consists of the following:

	December 31,	
(In millions)	**2022**	**2021**
Overdraft with cash pool	$ 732.5	$ 531.5
Trade payables - related parties	18.4	5.0
Other current liabilities	2.6	66.0
Trade and other payables	$ 753.5	$ 602.5

NOTE 11 - FRENCH BRANCH CONTRIBUTION

During the year ended December 31, 2022, the Company contributed assets and liabilities of the Company's French Branch to TOI. The contribution transaction resulted in TOI acquiring the assets and liabilities of the French Branch. TOI recognized the transferred assets and liabilities at historical carrying values as through the transfer had occurred as of January 1, 2022, in line with what management considers to be the legal form of the transaction. The Company derecognized assets and liabilities of French Branch at their respective historical carrying values and no gain or loss was recorded as a result of the distribution.

The carrying amounts of assets and liabilities as of the date of the transfer were:

(In millions)		December 31, 2022
Assets		
Cash and cash equivalents	$	0.6
Trade receivables		7.2
Other current assets		21.0
Investments in subsidiaries		445.7
Loan receivables - related parties		271.8
Total assets		746.3
Liabilities		
Accounts payable	$	2.8
Other current liabilities		30.1
Other non-current liabilities		102.3
Total liabilities		135.2
Net assets contributed to TOI		611.1

NOTE 12. SPIN-OFF

The Spin-off

On February 16, 2021, we completed the separation of Technip Energies. The transaction was structured as a spin-off ("The Spin-off"), which occurred by way of a pro rata dividend (the "Distribution") to our shareholders of 50.1% of the outstanding shares in Technip Energies N.V. Each of our shareholders received one ordinary share of Technip Energies N.V. for every five ordinary shares of TechnipFMC held at 5:00 p.m., Eastern Standard time, on the record date, February 17, 2021. Technip Energies N.V. is now an independent public company and its shares trade under the ticker symbol "TE" on the Euronext Paris Stock Exchange.

See Note 33 of TechnipFMC consolidated financial statements for further details.

On initial recognition at the Spin-off date, we recorded the retained interest in Technip Energies at fair value of $1,377.9 million, being the market share price of the investment as of the Spin-off date. The gain on distribution of $2,736.4 million represents an excess of the fair value of the retained shares in Technip Energies N.V. over the carrying value of the investment in subsidiaries and other adjustments relating to the intercompany balances between Technip Energies and the Company, in accordance with the Separation and Distribution Agreement.

Investment in Technip Energies

Immediately following the completion of the Spin-off, we owned 49.9% of the outstanding shares of Technip Energies. At the Spin-off date the 49.9% retained interest was classified as an equity affiliate on the basis that TechnipFMC retained significant influence over Technip Energies through its retained stake and representation in Technip Energies Board.

IFRS 5 states that an asset is considered as held for sale provided two conditions are met: it must be available for immediate sale in its present condition and its sale must be highly probable. At the Spin-off date, when it became highly probable that the value of the investment in Technip Energies would be recovered through sale rather than continuing ownership, the investment in Technip Energies was classified as held for sale. As of the Spin-off date we committed to conduct an orderly sale of our remaining stake in Technip Energies over time and use the proceeds (net of broker fees and discounts) from future sales to further reduce our net leverage. We did not intend to remain a long-term shareholder of Technip Energies and planned to exit our ownership stake in a timely and orderly manner within a year.

Following the held for sale classification the remaining interest in Technip Energies equity affiliate was measured at the lower of its carrying amount and fair value less costs to sell. The fair value of the investment was determined using the market share price of Technip Energies shares. This is a Level 1 measurement as per the fair value hierarchy.

As of December 31, 2021, we determined that TechnipFMC ceased to have a significant influence due to (i) the decrease in stake in Technip Energies to 12.2%, and (ii) due to decrease in representation on Technip Energies Board leading to one of nine seats. The investment in Technip Energies became a subject to accounting for equity instruments under IFRS 9 and was therefore recorded at fair value as of December 31, 2022 with changes in fair value ($16.1 million) reported in gain from investment in Technip Energies in the income statement. This is a Level 1 measurement as per the fair value hierarchy.

During 2022, we fully divested our remaining ownership interest in Technip Energies and recognized a $27.7 million loss related to the changes in fair value.

The following table summarizes the details of amounts realized upon the Spin-off transaction:

(In millions)	**February 16, 2021**
Amount of distribution payable to shareholders (fair value of 50.1% shares of Technip Energies)	$ 1,383.5
Fair value of retained 49.9% shareholding	1,377.9
Less carrying amount of investments in Technip Energies at spin-off date	(1,709.0)
Debt and cash adjustment in accordance with separation and distribution agreement	1,684.0
Total gain on loss of control at Spin off	2,736.4
Income taxes	—
Total gain on loss of control on Spin-off, net of income taxes	$ 2,736.4

The following table summarizes the details of Technip Energies share sales after Spin-off date during 2021:

(In millions)	**Year ended December 31, 2021**
Proceeds from sale of shares, net of transaction costs	$ 784.5
Carrying amount of 32.8% shares sold	(904.8)
Loss on sales of Technip Energies shares	(120.3)
Impairment of retained financial investment upon loss of significant influence	(46.8)
Income taxes	—
Loss on subsequent sales of Technip Energies shares	(167.1)
Proceeds from sale of additional shares, net of transaction costs	116.3
Carrying amount of 4.9% shares sold	(124.0)
Loss on sale of additional shares	(7.7)
Fair value measurement of financial investment in Technip Energies	16.2
Gain on financial investment in Technip Energies	8.5

The following table summarizes the details of Technip Energies share sales during 2022:

(In millions)	Year ended December 31, 2022
Proceeds from sale of additional shares, net of transaction costs	$ 288.5
Carrying amount of 12% shares sold	(301.6)
Fair value measurement of financial investment in Technip Energies	(14.6)
Loss on financial investment in Technip Energies	$ (27.7)

The following table summarizes the total gain in respect of Technip Energies:

(In millions)	
Total gain on loss of control on Spin-off, net of income taxes	$ 2,736.4
Loss on subsequent sales of Technip Energies shares included	(167.1)
Gain on financial investment in Technip Energies	8.5
Total gain in respect of Technip Energies	$ 2,577.8

The following table summarizes the details of Technip Energies investment:

(In millions)	
Net book value of investment in Technip Energies subsidiaries at spin date	$ 1,709.0
Spin via distribution leading to income statement gain	(1,709.0)
Classification as HFS equity associate	1,378.0
Movement for sale of shares/impairment	(951.0)
Classification at FVTPL on loss of significant influence	427.0
Fair value/disposal movements	(109.7)
Closing balance	$ 317.3

NOTE 13 - SUBSEQUENT EVENTS

There have been no material subsequent events after the reporting period, up to and including the date that the financial statements were authorized for issue, that would have required disclosure or adjustment of the Company financial statements.

Cautionary statement regarding forward-looking statements

The U.K. Annual Report contains “forward-looking statements” as defined in Section 27A of the United States Securities Act of 1933, as amended, and Section 21E of the United States Securities Exchange Act of 1934, as amended (the “**Exchange Act**”). All statements other than statements of historical or current facts, including statements regarding our environmental and other ESG plans and goals, made in this document are forward-looking. We use words such as “believe,” “expect,” “anticipate,” “plan,” “intend,” “commit,” “foresee,” “should,” “would,” “could,” “may,” “estimate,” “outlook” and similar expressions, including the negative thereof. The absence of these words, however, does not mean that the statements are not forward-looking. All of our forward-looking statements involve risks and uncertainties (some of which are significant or beyond our control) and assumptions that could cause actual results to differ materially from our historical experience and our present expectations or projections. These forward-looking statements are based on our current expectations, beliefs and assumptions concerning future developments and business conditions and their potential effect on us. While management believes these forward-looking statements are reasonable as and when made, there can be no assurance that future developments affecting us will be those that we anticipate. Known material factors that could cause actual results to differ materially from those contemplated in the forward-looking statements include unpredictable trends in the demand for and price of crude oil and natural gas; competition and unanticipated changes relating to competitive factors in our industry, including ongoing industry consolidation; the COVID-19 pandemic and any resurgence thereof; our inability to develop, implement and protect new technologies and services and intellectual property related thereto, including new technologies and services for our New Energy business; the cumulative loss of major contracts, customers or alliances and unfavorable credit and commercial terms of certain contracts; disruptions in the political, regulatory, economic and social conditions of the countries in which we conduct business; the refusal of DTC to act as depository agency for our shares; the impact of our existing and future indebtedness and the restrictions on our operations by terms of the agreements governing our existing indebtedness; the risks caused by our acquisition and divestiture activities; additional costs or risks from increasing scrutiny and expectations regarding ESG matters; uncertainties related to our investments in New Energy business; the risks caused by fixed-price contracts; our failure to timely deliver our backlog; our reliance on subcontractors, suppliers and our joint venture partners; a failure or breach of our IT infrastructure or that of our subcontractors, suppliers or joint venture partners, including as a result of cyberattacks; risks of pirates endangering our maritime employees and assets; any delays and cost overruns of new capital asset construction projects for vessels and manufacturing facilities; potential liabilities inherent in the industries in which we operate or have operated; our failure to comply with existing and future laws and regulations, including those related to environmental protection, climate change, health and safety, labor and employment, import/export controls, currency exchange, bribery and corruption, taxation, privacy, data protection and data security; the additional restrictions on dividend payouts or share repurchases as an English public limited company; uninsured claims and litigation against us; tax laws, treaties and regulations and any unfavorable findings by relevant tax authorities; potential departure of our key managers and employees; adverse seasonal and weather conditions and unfavorable currency exchange rates; and risk in connection with our defined benefit pension plan commitments, as well as the risk factors discussed in our filings with the SEC, including our annual reports on Form 10-K and quarterly reports on Form 10-Q. In addition, historical, current, and forward-looking ESG-related statements may be based on standards for measuring progress that are still developing, and internal controls and processes that continue to evolve. Forward-looking and other statements in the Annual Report may also address our corporate responsibility and sustainability progress, plans, and goals, and the inclusion of such statements is not an indication that these contents are necessarily material for the purposes of complying with or reporting pursuant to the U.S. federal securities laws and regulations, even if we use the word “material” or “materiality” in this document. With respect to ESG information that pertains to our third-party vendors, suppliers and partners, we often rely on such third-parties’ data and do not independently verify or audit, or commit to independently verifying or auditing, their information. Such information may also change over time as methodologies and data availability and quality continue to evolve. These factors, as well as any inaccuracies in third-party information we use, including in estimates or assumptions, may cause results to differ materially and adversely from statements, estimates, and beliefs made by us or third-parties. We caution you not to place undue reliance on any forward-looking statements, which speak only as of the date hereof. We undertake no obligation to publicly update or revise any of our forward-looking statements after the date they are made, whether as a result of new information, future events or otherwise, except to the extent required by law. Additionally, we may provide information that is not necessarily material for SEC reporting purposes but that is informed by various ESG standards and frameworks (including standards for the measurement of underlying data), internal controls, and assumptions or third-party information that are still evolving and subject to change. Our disclosures based on any standards may change due to revisions in framework requirements, availability of information, changes in our business or applicable governmental policies, or other factors, some of which may be beyond our control.