The energy architects

U.K. Annual Report and Accounts for the year ended December 31, 2023

TechnipFMC

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Strategic Report

Letter from Our Chair and CEO

Dear Shareholders,

We closed out a solid year having achieved notable contributions towards the transformation of our industry, while delivering value to our clients. Our ability to improve project economics, primarily through the acceleration of first production, strengthens our alliances and drives growth in direct awards to our Company. As a result, our Subsea inbound orders in 2023 increased 45 percent versus the prior year and included a record level of integrated Engineering, Procurement, Construction, and Installation ("**iEPCI™**") projects.

I am particularly pleased with the quality of the inbound we received in the year, with iEPCI™, Subsea Services, and direct awards exceeding 70 percent of total Subsea orders, reflecting the positive outcomes of our strong client relationships and project selectivity. The number of clients adopting Subsea 2.0® is also increasing – now including Equinor in Brazil, ExxonMobil in Guyana, and Chevron in Australia. Subsea 2.0® is a standardized configure-to-order product offering with shorter lead times due to our focus on lean methodology in the design, engineering, and manufacturing processes.

We are seeing similar qualitative improvements in Surface Technologies. This has resulted in improved financial performance, higher cash generation, and greater consistency in delivering on our annual commitments.

We remain committed to returning more than 60 percent of annual free cash flow to our shareholders through at least 2025. In support of our commitment, we initiated a quarterly dividend that represented $0.20 per share on an annualized basis. We also increased our share repurchase authorization by $400 million, which grew our total authorization to $800 million. In 2023, we returned nearly $250 million to shareholders through both share repurchases and dividends.

We believe that our capital allocation policy aligns with shareholder interests, supported by changes to our business and execution models, both of which are driving sustainable improvement in our financial performance. The market continued to recognize the strength and differentiation of our offering, with our share price increasing 65 percent during the calendar year. While 2023 was a period of strong growth for our Company, we see further strength ahead driven by the durability and resiliency of this cycle.

An evolving market

The demand for energy will continue to grow. However, we believe that the market's evolution will differ from the past, driven by three major trends. First, a shift in capital investment flows, which we believe will largely be directed to the offshore and Middle East markets. Second, an increased role for new technologies for both conventional and new energies to drive market expansion. And third, an expanded role for subsea services, driven by the needs of growing and aging infrastructure.

This backdrop, combined with our unique capabilities, gives us the confidence to increase our expectations for Subsea inbound to reach $30 billion over the three-year period ending 2025. The significant increase in our order outlook will provide additional growth in backlog and further extend the execution of our project portfolio through the end of the decade.

Continuing transformation

2024 began with a glimpse of the future with the announcement of our major iEPCI™ contract for Petrobras's Mero 3 HISEP® project. The significance of this project for the subsea industry cannot be overstated. It will be the first to use subsea processing to capture carbon dioxide ("**CO_2**") rich dense gases directly from the well stream for injection back into the reservoir.

In addition to reducing greenhouse gas ("**GHG**") emission intensity, HISEP® technologies will increase production capacity by debottlenecking the gas processing plant that currently resides on the FPSO. By moving gas processing to the seafloor, future FPSO and topside designs can be further simplified, driving significant improvement in project economics.

This is the first iEPCI™ project for our New Energy team, which aims to leverage our traditional energy expertise to drive change in the energy transition space. Mero 3 HISEP® perfectly illustrates this – allowing us to demonstrate how technology innovation, project integration, and partner collaboration enable our meaningful participation in the energy transition while remaining aligned with our strategic priorities.

Our ESG culture

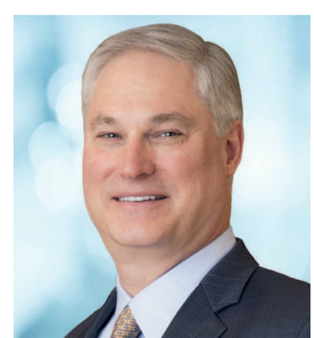
Our three-year Environmental, Social, and Governance ("**ESG**") Scorecard concluded on December 31, 2023, and we establish our 2024-2026 goals in our new Scorecard in the ESG section of this report. We set challenging targets for ourselves in the 2021-2023 Scorecard, including actions tied to our 50 by 30 initiative to reduce our GHG emissions by 50 percent by 2030.

Under the Scorecard's Environmental pillar, we reduced our GHG emissions by 21 percent over the three years and exceeded our waste recycling and reuse target. In the Social and Governance metrics, we achieved or outperformed our targets on fair representation, inclusion, volunteering and STEM initiatives, Serious Injuries and Fatalities ("**SIF**") prevention projects, human rights, and ethics and compliance training – far exceeding our targets on some goals. Throughout the Company, our ESG activities go beyond those on our Scorecard.

Our efforts in ESG were also recognized by others. We won the National Ocean Industries Association's 2023 ESG Excellence Award, earning praise for our "comprehensive and thoughtful commitment." This spirit, rooted in our Core Values and Foundational Beliefs, is reflected across TechnipFMC. Our people want to make a difference, not just for our clients, but in the communities where we live and work. It was also an honor to see TechnipFMC again named among Forbes Magazine's World's Top Companies for Women in 2023. Based on responses from women working at thousands of companies, this recognition exemplifies the progress that is driven by our ESG initiatives and programs.

Looking forward

We have entered an unprecedented time for the development of energy resources, particularly offshore. The strong momentum that TechnipFMC gathered in 2023 is continuing into 2024. These trends present us with further opportunity to leverage the full capabilities of our integrated solutions, differentiated technologies, and the industry's most comprehensive subsea service capabilities, ensuring that we fully capitalize on the opportunities ahead. In an evolving marketplace – where there is demand for both more energy and lower emissions – TechnipFMC is well positioned for continuing success.



Douglas J. Pferdehirt
Chair and Chief Executive Officer

March 15, 2024

2023 Financial Performance

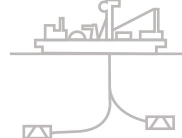
Total Company

- Inbound orders[1] improved to $11 billion, driven largely by growth in offshore activity
- Cash flow from operations of $693.0 million increased year-over-year by $340.9 million, and free cash flow[2] of $467.8 million more than doubled when compared to the prior year
- Initiated quarterly cash dividend that represented $0.20 per share on an annualized basis, and authorized additional share repurchase of up to $400 million, which increased total authorization to $800 million
- Established new commitment to return more than 60% of annual free cash flow to shareholders through at least 2025
- Received the National Ocean Industries Association's ESG Excellence Award, which recognized our commitment to Environmental, Social, and Governance ("**ESG**") actions, including efforts in fair representation and inclusion and in energy transition technologies

$11 billion

Inbound orders

Subsea

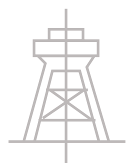


- Inbound orders increased 45% year-over-year to $9.7 billion, driven by growth in both projects and services activity
- Record year of integrated project awards for our Company, including our largest iEPCI™ contract ever for Equinor's Raia project (formerly BM-C-33), following a successful iFEED™
- Direct awards, iEPCI™ projects, and Subsea Services exceeded 70% of total Subsea orders, reflecting the positive outcomes of our differentiated offerings, strong client relationships, and project selectivity
- Increased adoption of Subsea 2.0® product platform, including three new clients – Equinor, ExxonMobil, and Chevron
- Subsea Services revenue grew to more than $1.5 billion for the year, driven by a growing installed base and aging infrastructure

$9.7 billion

Inbound orders

Surface Technologies

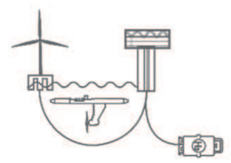


- Inbound orders of $1.2 billion primarily supported by international markets
- Continued ramp-up in production at our Saudi Arabia facility, as well as successful execution on our 10-year framework agreement with Abu Dhabi National Oil Company
- Increased client adoption of our digital e-Mission™ solution, the industry's only real-time monitoring and control system that reduces methane flaring by up to 50% and maximizes oil production

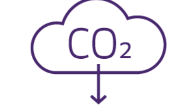
$1.2 billion

Inbound orders

New Energy Initiatives



- Awarded multiple commercial contracts for surface wellheads and tree systems for onshore CO_2 injection in the Middle East, Netherlands, and Australia
- Delivered a hydrogen wellhead for Storengy's Hydrogen Pilot Storage for Large Ecosystem Replication
- Completed and commissioned our Deep Purple Pilot™ project in Norway, which is our solution for Long Duration Energy Storage (LDES) using hydrogen as the energy carrier to help meet the growing demand for power



(1) Reported financial results for the 12 months ended December 31, 2023 and inbound and backlog as of December 31, 2023 are included in our Annual Report on Form 10-K ("**Form 10-K**").

(2) Free cash flow is calculated as cash flow from operations less capital expenditures.

For additional details regarding the Company's 2023 financial performance, please see the section entitled "*Business Review*."

Company Overview

TechnipFMC plc ("**TechnipFMC**," the "**Company**," "**we**," "**us**," or "**our**") is a leading technology provider to the traditional and new energy industries, delivering fully integrated projects, products, and services. With our proprietary technologies and comprehensive solutions, we are transforming our clients' project economics, helping them unlock new possibilities to develop energy resources while reducing carbon intensity and supporting their energy transition ambitions.

Organized in two business segments — Subsea and Surface Technologies — we will continue driving change in the energy industry with our pioneering integrated ecosystems, technology leadership, and digital innovation.

Each of our approximately 21,000 employees is driven by a commitment to our clients' success and a culture of execution excellence, purposeful innovation, and challenging industry conventions.

History

On January 17, 2017, FMC Technologies, Inc. and Technip S.A. combined through a merger of equals to create a global subsea leader, TechnipFMC, that would drive change by redefining the development of the subsea infrastructure used in the production of oil and natural gas through a new integrated commercial model. By integrating the complementary work scopes of the subsea production system ("**SPS**") with the subsea umbilicals, risers, and flowlines ("**SURF**") and installation vessels, we can more efficiently deliver an entire subsea development utilizing our integrated engineering, procurement, construction, and installation model, which we refer to as iEPCI™.

As the only subsea provider to integrate these work scopes, we successfully created a new market and helped expand the deepwater opportunity set for our clients during a challenging market environment. iEPCI has since grown to represent nearly one-third of the addressable subsea market, validating the benefits of our unique business model aimed at improving project economics by lowering project costs and accelerating the delivery schedule of hydrocarbon production. We have created a differentiated platform for further expansion and value creation through our technology innovation, including our Subsea 2.0® ("**Subsea 2.0**") configure-to-order product suite, our vast network of customer partnerships, and our services business levered to serve our large and expanding installed base.

On February 16, 2021, we completed the separation of the Technip Energies business segment (the "**Spin-off**"). Technip Energies offered design, project management, and construction services spanning the entire downstream value chain. The separation created two industry-leading, independent, publicly traded companies, TechnipFMC and Technip Energies.

Following the separation of Technip Energies, the Company completed the voluntary delisting of our shares from Euronext Paris in February 2022. A single listing on the New York Stock Exchange was more consistent with the Company's strategic refocus and the geographic location of our shareholder base, and allowed the Company to better align with our most appropriate peer set.

Business Segments

Subsea

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 natural gas production and transportation.

We are an industry leader in front-end engineering and design ("**FEED**"), SPS, SURF, and subsea robotics. We also have the capability to install and service these products and systems using our fleet of highly specialized vessels. We are able to drive even greater value to our clients by integrating the SPS and SURF through more efficient design and installation of subsea field architecture. The resulting improvement in project economics has enabled the successful market adoption of our integrated engineering, procurement, construction and installation model, iEPCI, which now serves as the industry standard for integrated project execution.

iEPCI is our unique, fully integrated approach to designing, managing, and executing subsea projects. By combining complementary skills with innovative technologies, we improve project economics by lowering costs and accelerating time to first oil and natural gas for our clients. iEPCI projects are partnerships based on mutual trust and sharing knowledge. Success is built on early engagement and a collaborative, cooperative approach, both internally and with our clients.

Our integrated commercial model often begins with an integrated FEED study, or iFEED™ ("**iFEED**"), where we are uniquely positioned to influence project concept and design through early client engagement, allowing for the highest degree of integration. Using innovative solutions for subsea architecture, including standardized configurable equipment, new technologies, digital services, and simplified installation, we can optimize field design and layout.

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. 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.

Following project delivery, we continue to support our clients by offering aftermarket and life of field services, which include production optimization, asset life extension, debottlenecking, and condition-based maintenance. Our wide range of capabilities and solutions allows us to help clients increase oil and natural gas recovery and equipment uptime while reducing overall cost. Our integrated life of field offering, iLOF™, is designed to unlock the full potential of subsea infrastructures during operations by proactively addressing the challenges operators face over the life of subsea fields.

Subsea Segment Products and Services

Subsea Production Systems (SPS)

Our SPS are used in the offshore production of oil and natural gas. Systems are placed on the seafloor and are used to control the flow of 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 products and integrated systems 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. We offer both electro-hydraulic and all-electric Subsea Production Systems, depending on the specific needs of the customer or field. 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 400º F. 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 lower operators' production costs for greenfield and brownfield applications.

Subsea Umbilicals, Risers, and Flowlines (SURF)

We are a leading provider of SURF infrastructure. We develop, engineer, manufacture, and install umbilicals, flexible, hybrid-flexible and rigid pipelines, connections, and tie-ins for subsea systems.

We offer a comprehensive range of umbilical systems including steel tube umbilicals, thermoplastic hose umbilicals, power and communication systems, and hybrid umbilicals.

We are the industry leader in the design and manufacture of flexible pipe that consists of the combination of plastic and steel layers that can be easily adapted to the diverse requirements of subsea developments. We are also the industry innovator in "hybrid-flexible" pipe, which utilizes unique and proprietary thermoplastic composite materials to meet the needs of the most challenging production environments. Our rigid pipes are designed to optimize flow assurance through innovative insulation coatings, electric trace heating, plastic liners, and pipe-in-pipe systems.

Vessels

We have a fleet of 16 vessels, which typically perform the installation of our products and systems. We have sole ownership of eight vessels, ownership of six vessels as part of joint ventures, and two vessels operated under charter agreements.

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 includes the following offerings:

- Drilling: exploration and production wellhead systems and services;
- Installation: installation of subsea production and processing systems;
- Intervention: rig and vessel-based well intervention services;
- Plug and abandonment: rig- and vessel-based subsea equipment retrieval and plug and abandonment; and
- ROV: remotely operated vehicle ("**ROV**") support services.

Asset Services includes the following offerings:

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

Robotics

Our Schilling Robotics business is the leading designer and manufacturer of Subsea Remotely Operated Vehicles (ROVs), ROV tooling systems, and robotic manipulator arms. We continue to revolutionize deepwater productivity – enabling safe and more challenging subsea developments through our advanced and industry-leading robotic technologies.

The Company manufactures GEMINI®, 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® can easily access tools for subsea intervention operations without returning to deck to reconfigure tooling – maximizing productivity and significantly reducing operating time offshore.

Our robotic offerings also include the Athena™ manipulator system – the latest addition to the portfolio – which leverages a subset of GEMINI® technologies and can be retrofitted to existing ROVs.

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 ecosystem connects applications using common data models throughout a project's lifecycle and can exchange data with suppliers, partners, and clients, providing immediate access to information to improve the efficiency and quality of decisions and planning.

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. Petrobras accounted for more than 16 percent of our 2023 consolidated revenue. Our list of customers has expanded to more than 40 unique clients, which has allowed us to further diversify our dependence away from any single customer.

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 are related to engineering, procurement, construction, and installation services. Development of subsea fields, particularly in deepwater environments, involves substantial capital investments. Operators have also sought 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 obligate our customers to purchase our systems and services, they have resulted in a growing number of direct awards to the Company.

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

Competition

We are the only fully integrated company that can provide the complete suite of SPS and SURF equipment with the installation and life of field services, enabling us to develop a subsea field as a single company. We compete with companies that supply various components and services of a subsea development. Our competitors include Baker Hughes Company, Dril-Quip, Inc., McDermott International, Inc., NOV Inc., 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.

Strategy

Our vision for Subsea is to focus on safely providing innovative technologies and integrated solutions that drive change, improving economics, enhancing performance, and reducing emissions.

Our offering is enabled by our digital solutions and products that unlock new possibilities for growth in energy resources. Through our established services and transformative offerings, including iEPCI and the Subsea 2.0® Configure-to-Order (“**CTO**”) platform, we are making energy produced offshore more sustainable and competitive with alternative sources.

As we look to the future, we remain focused on innovation, client relationships, and execution excellence. Our success will be achieved in part by developing and empowering our people, becoming a data-centric organization, advancing automation and robotics, and delivering all-electric fields.

The energy landscape is evolving rapidly, and we are confident that oil and natural gas will remain a significant portion of the energy mix in the decades to come. By capitalizing on our subsea expertise, core competencies, and integration capabilities, we will continue to improve the project economics of both oil and natural gas and new energies, while reducing carbon emissions.

Product Development

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 client 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, which ensures quality, manufacturing, supply chain, and services are fully industrialized in order to deliver the value offered with Subsea 2.0®.

By pivoting from bespoke Engineer-to-Order solutions, 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 to improve throughput and increase capacity of the existing manufacturing assets.

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.

Our core Subsea 2.0® products include subsea trees, compact manifolds, flexible jumpers, distribution, controls, flexible pipe, umbilicals, and integrated connectors. Additional components of the subsea infrastructure will be made available on this configurable platform as we further industrialize our product offering.

We are also qualifying a new hybrid flexible pipe technology that utilizes thermoplastic composite technology and is highly resistant to corrosive compounds. Hybrid flexible pipe brings many advantages to the market, including the ability to withstand the most corrosive production environments, but also significant operational advantages due to the lighter materials.

In the third quarter of 2022, we renewed the 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 transportation and storage. By collaborating 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.

Acquisitions and Disposals, Investments, and Partnerships

Acquisitions and Disposals

We did not have any material acquisitions in 2023.

In August 2023, the Company completed the sale of the Apache II pipelay vessel for net cash proceeds of $54.4 million.

Investments

As part of our commitment to advancing the country's emerging energy industry, in April 2022, we officially opened our new service base in Georgetown, Guyana. More than 100 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 Base consists of a low bay, storage, and testing capabilities for both drilling and completion activities.

Partnerships

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

Surface Technologies

Our Surface Technologies segment designs, manufactures, and services fully integrated products and systems used by companies involved in land and shallow water exploration and production of crude oil and natural gas, as well as specialized equipment supporting integrated carbon transportation and storage ("**iCTS™**"), hydrogen storage, and geothermal production. Surface Technologies provides integrated solutions for onshore applications in drilling, stimulation, production, measurement, digital, and services globally.

Principal Products and Services

Drilling

We provide a full range of drilling and completion systems for both standard and custom-engineered applications. The client base for 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 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. The production tree is composed of valves, actuators, and chokes, which can be combined into various configurations, depending on client-specific requirements.

These systems 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 lifecycle. Our surface wellheads and production trees are used worldwide and include a full range of system configurations from conventional wellheads, to high-pressure, high-temperature production tree systems for extreme production applications.

We provide services for these systems, including service personnel and rental tooling, life of field maintenance, as well as digital monitoring and remote operational control and automation.

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

Stimulation and Pressure Pumping

We design and manufacture equipment used in well completion and stimulation activities. Our iComplete™ offering is the first integrated pressure control system for the onshore unconventional stimulation market. Our extensive knowledge of flexible pipe, manifold, and check valve technologies has been adapted to make this a very reliable and predictable system. iComplete™ utilizes our digital offering CyberFrac™ to improve safety by reducing manpower in high-risk areas ("**red zone**"), boost efficiency by automating operations, and reduce unplanned stoppages by using predictive analytics. Our system can also manage continuous pumping and multi-well operations and integrate data from adjacent wells. Together, this significantly reduces safety risks and the cost of operations for our clients.

Fracturing Tree and Manifold Systems

During the completion of a shale well, the well undergoes hydraulic fracturing. During this phase, durable and wear-resistant wellsite equipment is temporarily deployed.

Our equipment includes fracturing tree systems, fracturing valve greasing systems, hydraulic control units, fracturing manifold systems, and rigid and flexible flowlines, and is designed to sustain the high pressure and the highly erosive fracturing fluid that is pumped through the well in the formation. Exploration and production operators typically rent this equipment directly from the Company during the hydraulic fracturing activities. Fracturing equipment rental includes rig-up/rig-down field service personnel as well as oversight and operation of the equipment during the multiple fracturing stages.

Flexible Pipe

We have been a leading supplier of flexible pipe 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. Our PumpFlex™, WellFlex™, and PadFlex™ products are 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 demonstrated excellent wear resistance and durability.

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 clients with reliable and durable pressure pumping equipment. Our total solutions approach includes the InteServ tracking and management system, mobile inspection and repair, strategically located service centers, and 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 natural gas products. By leveraging digital solutions to optimize the performance of assets on the production site, it helps to reduce flaring and CO_2 emissions, predicting methane escape events by using machine learning, thereby helping to prevent such events from ever happening.

Our iProduction™ system is the first automated integrated production platform for onshore unconventional resources. This system can be deployed at new and existing client sites to upgrade technology, improve safety, and reduce operating costs and carbon emissions.

Our digital systems leverage two of our core software products – our proprietary UCOS system for control and automation of assets, and InsiteX for data visualization and analytics. These systems are deployed in standalone applications, which address real client issues and can be integrated seamlessly to form an ecosystem or system level Digital Twin. These technologies help clients 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 well pad, offshore platform module, or production facility. Our systems are based on standardized, field-proven solutions and are designed for minimal maintenance during life of field operations.

Separation and Processing Systems

We provide 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 natural gas multiphase separation, in-line separation, and solids removal, as well as fully assembled separation modules and packages designed and fabricated for oil and natural 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 Solutions

We deliver accurate and reliable measurement solutions for the transportation, distribution, and storage of energy products by truck, rail, vessel, aircraft, and pipeline. We are making measurements smarter with integrated flow measurement and automation solutions. Our clients can also reduce complexity by working with one supplier that can provide measurement and control systems, automation, and key data insights.

Our systems are an industry standard in mechanical custody metering.

Services

We offer our clients a comprehensive suite of service packages to ensure optimal performance and reliability of our upstream and midstream equipment. These service packages include all phases of the asset's life cycle from 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

Surface Technologies' customers include major integrated oil companies, national oil companies, independent exploration and production companies, and oil and natural gas service companies. No single Surface Technologies customer accounted for 10 percent or more of our 2023 consolidated revenue.

Competition

We are a market leader for many of our products and services. Some of the factors that distinguish TechnipFMC from other companies in the sector include our technological innovation, integrated solutions, reliability, and product quality. Surface Technologies competes with other companies that supply surface production equipment and pressure control products, including Baker Hughes Company, Cactus, Inc., Forum Energy Technologies, Inc., Gardner Denver, Inc., SLB, Halliburton Co, and SPM Oil & Gas.

Strategy

We serve the onshore and shallow water markets from well to export pipeline, providing our clients with reductions in cost, cycle time, and carbon intensity. We distinguish our offerings through three key strengths:

- *Core Technology*: We are committed to applying technology within our core products to solve client problems, leveraging the benefits of smarter designs.
- *Decarbonization*: We are developing new ways for our clients to make the production of oil and natural gas less carbon-intensive.
- *Digital and Automation*: We are leveraging simple, pragmatic digital solutions to improve health and safety, reduce carbon intensity, reduce operating cost, reduce non-productive time, and increase production.

Acquisitions and Disposals, Investments, and Partnerships

Acquisitions and Disposals

We did not have any material acquisitions in 2023.

In November 2023, TechnipFMC announced an agreement to sell the Company's Measurement Solutions business to One Equity Partners for $205 million in cash, subject to customary adjustments at the closing of the transaction. As part of the Surface Technologies segment, the Measurement Solutions business encompasses terminal management solutions and metering products and systems and includes engineering and manufacturing locations in North America and Europe. Please see the section entitled ``*Disposal of Measurement Solutions Business*'' within the *Business Review* section below for more information on the transaction and its recent completion.

Investments

In 2022, we started the manufacture of our first in-country orders in our new facility in Dhahran, Saudi Arabia. The facility is part of our continued investment in the Middle East and positions us to respond to the expected increase in activity in the area. The new facility extends our range of capabilities and offers greater in-country value-add, supporting our full portfolio with high technology equipment in the drilling, completion, production, and pressure control sectors.

We also committed to investing in new manufacturing space at our ICAD facility in Abu Dhabi in support of our 10-year framework agreement with ADNOC for the supply of surface wellheads, trees and associated services. We are the first company to be API6A-qualified and in 2023, we became one of the first to secure a license to operate as a 100 percent foreign-owned entity in Abu Dhabi.

To support our developments in the Middle East, we are investing 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.

Partnerships

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

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. This is the role of our New Energy business at TechnipFMC, where we will serve as system architect and integrator, from technology development through project delivery and life of field services. We believe offshore will be the next frontier of the energy transition, and our Company is ready to accelerate and grow our contribution.

We plan to be a key enabler of greenhouse gas removal, offshore floating renewables, and hydrogen solutions. To excel in these three pillars, we will leverage our onshore and offshore expertise and demonstrated capabilities in project integration. We will commercialize innovative solutions through our continued collaboration with energy companies and technology providers.

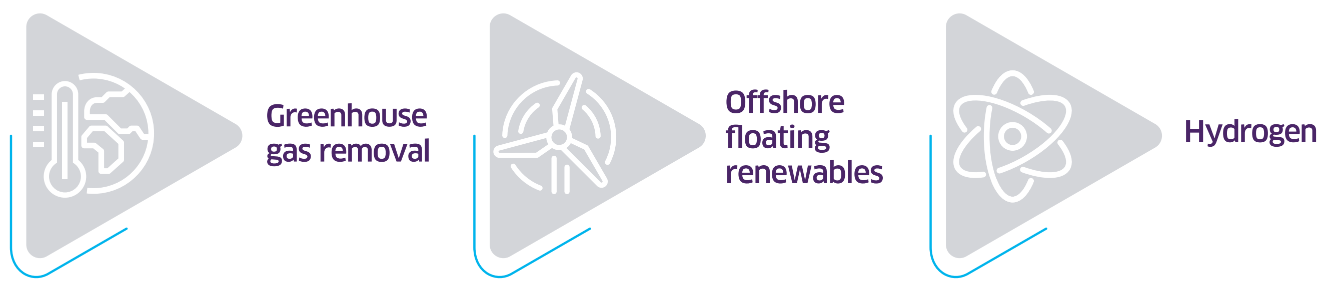
We will also utilize a CTO manufacturing model to create superior value for our clients.

Our contributions to greenhouse gas removal begin with carbon transportation and storage ("**CTS**"). Leveraging our existing equipment and integration expertise, we will safely transport and store CO_2 using our integrated carbon transportation and storage solution or iCTS™. CTO modules for CO_2 distribution and injection will reduce project-specific engineering while enabling custom storage system solutions to be built from pre-engineered products. Integrated control systems will provide flexibility to manage a wide range of functionalities, from surface and subsea injection equipment to downhole and seabed reservoir monitoring systems. We are also developing advanced digital solutions for onshore and offshore storage projects that will enable constant monitoring of CO_2 at both the storage site and in the subsurface, a critical element of the CTS value chain. We also see strong integration potential across offshore renewable markets, driven by continued development of wind, wave, and tidal technologies. By leveraging our extensive experience in project integration throughout the water column, from the ocean surface to the seafloor, we will bring scalability to offshore renewable markets in our role as system architect.

When used as baseload generation, renewable power sources do increase variability to the system and require additional energy storage capacity to ensure continuity of supply. We believe that creating large scale storage solutions to overcome this challenge is fundamental to the expanded use of renewable power, and we have been developing our Long Duration Energy Storage ("**LDES**") hydrogen solution for offshore renewables to help meet the growing demand for power.

We will approach integration opportunities in renewable markets with an execution model that builds on the success of our iEPCI model in oil and natural gas. By acting as system architect and integrator in a complex and rapidly changing environment, we can play a meaningful role in enabling offshore renewable solutions.

The Markets



Greenhouse Gas Removal

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

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

- Development of our integrated carbon transportation and storage system, or iCTS™;
- Development and manufacturing of new gas transportation technologies, including thermoplastic composite pipe and hybrid flexible pipe;
- 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 offering; and
- Awards for several commercial contracts for carbon injection wellheads to be used for permanent sequestration in the Middle East, Australia, and the Netherlands.

Offshore Floating Renewables

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 11 gigawatts by 2030. Our efforts and achievements in this area include:

- Partnership with Magnora ASA, Magnora Offshore Wind, to develop floating offshore wind projects;
- Partnership with Floating Power Plant, a renewable energy technology company, for an offshore green hydrogen pilot in the Canary Islands, which will leverage our Deep Purple™ system to deliver stable, renewable, and scalable energy offshore;
- Strategic investment in Orbital Marine Power, owner of the world's most powerful floating tidal energy turbine, which we believe to be the most mature tidal technology;
- Development of best-in-class 66KV dynamic inter array cables ("**DIAC**") which are a key component of our engineered system used by floating renewables infrastructure to transmit electricity generated offshore to the onshore power grid; and
- Development of advanced integrated water column solutions, including the engineering of the optimum-coupled DIAC and mooring and anchoring system.

Hydrogen Solutions

We believe hydrogen will become an important part of the global energy mix needed to reach Net Zero targets, driven in part by regulatory frameworks. Hydrogen as an energy carrier will bring reliability, stability, and efficiency to renewable sources. TechnipFMC's extensive experience with oil and natural gas resources positions us well to develop new solutions for this emerging offshore market. Our strategy is focused on two main areas: the transportation and storage of green hydrogen produced offshore and in coastal areas, and LDES, where hydrogen is used as a battery solution that can exceed the traditional efficiency limits of lithium-ion technologies. Our efforts and achievements in this area include:

- Deep Purple™, which is our sustainable energy solution that provides renewable and scalable energy production offshore by integrating hydrogen production, compression, storage, and re-electrification via a fuel cell. An at-scale pilot program began in Norway in January 2022 and was successfully completed in October 2023;
- The Hardanger Hydrogen Project, with several partners including Statkraft, where TechnipFMC will qualify its subsea hydrogen storage pressure vessels and associated connection hardware, such as umbilicals and connectors. We may also provide hydrogen subsea storage for the next commercial phases of the project; and

- Hydrogen wellhead products and underground storage solutions as well as the integration of these systems including participation in Storengy's Hydrogen Pilot Storage for large Ecosystem Replication ("**HyPSTER**") 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, micro-processors, 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 client 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 client needs.

Patents, Trademarks, and Other Intellectual Property

We own a number of patents, trademarks, and licenses that are cumulatively important to our businesses. As part of our ongoing R&D focus, we seek patents when appropriate for new products, product improvements, and related service innovations. Further, we license intellectual property rights to or from third parties. We also own numerous trademarks and trade names worldwide.

We protect and promote our intellectual property portfolio and take actions we deem appropriate to enforce and defend our intellectual property rights. We do not believe, however, that the loss of any one patent, trademark, or license, or group of related patents, trademarks, or licenses would have a material adverse effect on our overall business.

Segment and Geographic Financial Information

The majority of our consolidated revenue and segment operating profit is generated in markets outside of the U.S. Each segment's revenue is dependent upon worldwide oil and natural 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.

Employees

As of December 31, 2023, we had more than 21,000 employees.

more than
21,000
employees

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 financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2023, 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 oil and natural gas demand, production volumes, and consequently, commodity prices. We use 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.

- Inbound orders increased 45% year-over-year to $9.7 billion, driven by growth in both projects and services activity
- Record year of integrated project awards for our Company, including our largest iEPCI™ contract ever for Equinor's Raia project (formerly BM-C-33), following a successful iFEED™
- Direct awards, iEPCI™ projects, and Subsea Services exceeded 70% of total Subsea orders, reflecting the positive outcomes of our differentiated offerings, strong client relationships, and project selectivity
- Increased adoption of Subsea 2.0® product platform, including three new clients – Equinor, ExxonMobil and Chevron

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.

- Inbound orders of $1.2 billion primarily supported by international markets
- Continued ramp-up in production at our Saudi Arabia facility, as well as successful execution on our 10-year framework agreement with Abu Dhabi National Oil Company
- Experienced increased client adoption of our E-Mission™ solution, the industry's only real-time monitoring and control system that reduces methane flaring by up to 50% and maximizes oil production

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 2023, approximately 80% of our total sales were recognized outside of the U.S. We evaluate international markets and pursue opportunities that fit our technological capabilities and strategies.

Disposal of Measurement Solutions Business

In November 2023, the Company announced an agreement to sell the Company's Measurement Solutions business (the "**MSB**") to One Equity Partners (the "**Buyer**") for $205 million in cash, subject to customary adjustments at the closing of the transaction. As part of the Surface Technologies segment, the MSB encompasses terminal management solutions and metering products and systems and includes engineering and manufacturing locations in North America and Europe.

We have recorded $5.2 million in transaction costs associated with the sale. These transaction costs are included within impairment, restructuring, and other expenses in our consolidated statement of income. The assets and liabilities of MSB are classified as current assets and liabilities held for sale as presented in our consolidated statement of financial position as of December 31, 2023. See Note 2 for details.

On March 11, 2024 we completed the sale of equity interests and assets of MSB to the Buyer.

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, 2023 to actual results of operations for the year ended December 31, 2022.

	Year Ended December 31,		Change	
(In millions, except percentages)	**2023**	**2022**	**$**	**%**
Revenue	$7,827.1	$6,725.7	$1,101.4	16.4%
Costs and expenses				
Cost of sales	6,483.2	5,776.0	707.2	12.2%
Selling, general and administrative expense	684.5	620.3	64.2	10.3%
Research and development expense	69.0	67.0	2.0	3.0%
Impairment, restructuring and other expenses	20.0	1.1	18.9	1,718.2%
Total costs and expenses	**7,256.7**	**6,464.4**	**792.3**	**12.3%**
Other income (expense), net	(128.5)	21.8	(150.3)	(689.4)%
Foreign exchange loss, net	(166.6)	(68.8)	(97.8)	(142.2)%
Income from associates	34.4	44.6	(10.2)	(22.9)%
Loss from investment in Technip Energies	–	(27.7)	27.7	100.0%
Income before net interest expense and income taxes	**309.7**	**231.2**	**78.5**	**34.0%**
Net interest expense	(147.2)	(160.6)	13.4	8.3%
Loss on early extinguishment of debt	–	(29.8)	29.8	100.0%
Income before income taxes	**162.5**	**40.8**	**121.7**	**298.3%**
Provision for income taxes	143.9	125.7	18.2	14.5%
Net income (loss) from continuing operations	**18.6**	**(84.9)**	**103.5**	**121.9%**
Loss from discontinued operations	–	(26.4)	26.4	100.0%
Net income (loss)	**18.6**	**(111.3)**	**129.9**	**116.7%**
(Income) loss from continuing operations attributable to non-controlling interests	4.3	(25.4)	29.7	116.9%
Net income (loss) attributable to TechnipFMC plc	**$ 22.9**	**$ (136.7)**	**$ 159.6**	**116.8%**

Revenue

Revenue increased by $1,101.4 million in 2023 compared to 2022. Subsea revenue increased $973.6 million, driven by a 24.5% higher backlog as of December 31, 2022, when compared to December 31, 2021, and included increased revenue year-over-year from flexible pipe and subsea production equipment combined with higher installation activities. Surface Technologies revenue increased $127.8 million year-over-year, as a result of increased operator activity across the world, primarily from the Middle East.

Gross Profit

Gross profit (revenue less cost of sales) as a percentage of sales increased to $1,343.9 million in 2023 compared to $949.7 million in 2022. Subsea gross profit increased year-over-year by $324.5 million, of which $123.4 million is due to volume increase and $201.1 million is due to favorable activity mix. Surface Technologies gross profit increased year-over-year, by $51.3 million, primarily of which $18.3 million was driven by North America's improved operational performance, $25.6 million due to higher activity in the Middle East and $7.6 million from improved performance in the rest of the world.

Selling, General, and Administrative Expense

Selling, general, and administrative expenses increased by $64.2 million year-over-year, as a result of increased activity in both segments.

Other Income (Expense), Net

Other income, and losses, includes 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. Other income expense, net decreased by $150.3 million year-over-year, mainly due to $126.5 million non-recurring legal settlement charges.

Foreign Exchange Gain (Loss)

Foreign exchange results decreased by $97.8 million year-over-year and was primarily a result of exposure to certain currencies with limited derivative hedging markets, such as the Argentine peso and Angolan kwanza. Additional losses resulted from balance sheet remeasurements and cost of carry.

Income from Associates

For the years ended December 31, 2023 and 2022, we recorded an income of $34.4 million and $44.6 million, respectively, from investments in associates and joint ventures. Income generated by our equity method investments during 2023 decreased year-over-year, driven by a decrease in operational activity of our joint ventures. See Note 9 to the consolidated financial statements for further details.

Loss from Investment in Technip Energies

For the year ended December 31, 2022, we recorded a loss of $27.7 million as a result of our investment in Technip Energies. The amounts recognized represented the 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 for the year ended December 31, 2022, which related to a premium paid and a write-off of debt issuance costs in connection with the repurchase of the 2021 Notes. See Note 19 to our consolidated financial statements for further details.

Net Interest Expense

Net interest expense decreased by $13.4 million in 2023 compared to 2022, largely due to the reduction in outstanding debt.

Provision for Income Taxes

Our provision for income taxes for 2023 and 2022 reflected effective tax rates of 88.6% and 308.1%, respectively. The year-over-year decrease in the effective tax rate was largely 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 U.K.

Discontinued Operations

Loss from discontinued operations, net of income taxes, was $26.4 million for the year ended December 31, 2022. 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 details.

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 our subsidiaries in their functional 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

	Year Ended December 31,		Favorable/(Unfavorable)	
(In millions, except %)	2023	2022	$	%
Revenue	$6,434.8	$5,461.2	$973.6	17.8%
Operating profit	$ 524.4	$ 359.3	$165.1	46.0%
Operating profit as a percentage of revenue	8.1%	6.6%		1.5pts

Subsea revenue increased $973.6 million during the year ended December 31, 2023, compared to the same period in 2022, driven by an increase in backlog during 2022, related to higher energy demand and upstream spending, further aided by our unique commercial offerings. $630.0 million of the increase in revenue came from Brazil, $257.1 million from the U.S., and $229.9 million from Norway, due to increased supply of flexible pipe and subsea

production equipment combined with higher installation activities across these geographies. The increase in revenue in Brazil, the U.S., and Norway was offset by a net $143.4 million decrease from the rest of the world primarily from lower activity as projects reached completion.

Subsea operating profit for the year ended December 31, 2023 increased by $165.1 million, $123.4 million from volume, combined with $201.1 million in favorable activity mix, partially offset by a $98.5 million increase in operating expense.

Surface Technologies

	Year Ended December 31,		Favorable/(Unfavorable)	
(In millions, except %)	2023	2022	$	%
Revenue	$1,392.3	$1,264.5	$127.8	10.1%
Operating profit	$ 94.9	$ 43.1	$ 51.8	120.2%
Operating profit as a percentage of revenue	6.8%	3.4%		3.4 pts.

Surface Technologies revenue increased by $127.8 million, during the year ended December 31, 2023, compared to the same period in 2022, $76.0 million in the Middle East, $22.1 million in North America, $31.8 million in Europe and Central Asia, and $20.3 million in the rest of the world. The increase in the Middle East resulted from recent project awards in support of longer-term customer production targets in the region driving increased supply of drilling and completions products. The increased revenue in North America was driven by improved commercial conditions supporting higher drilling and completions activity. The increase in Europe, Central Asia, and the rest of the world is the result of increased operator activity on projects in these geographies. Approximately 59% of total segment revenue was generated outside of North America for the year ended December 31, 2023.

Surface Technologies operating profit increased $51.8 million; $21.3 million of the increase was due to improved operational performance in North America, $27.4 million was the result of higher activity in the Middle East and North Sea, and $7.6 million from improved operational performance in the rest of the world.

Corporate Items

	Year Ended December 31,		Favorable/(Unfavorable)	
(In millions, except %)	2023	2022	$	%
Corporate expense	$(143.0)	$(74.7)	$(68.3)	(91.4)%

Corporate expenses increased by $68.3 million year-over-year, mostly due to the non-recurring legal settlement costs of $126.5 million incurred during 2023, which was offset by a decrease in various other corporate expenses. See Note 21 for more details on legal settlement costs.

Inbound Orders and Order Backlog

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

	Inbound Orders Year Ended December 31,	
(In millions)	2023	2022
Subsea	$ 9,749.0	$6,738.3
Surface Technologies	1,233.9	1,340.8
Total inbound orders	**$10,982.9**	**$8,079.1**

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.

	Order Backlog December 31,	
(In millions)	2023	2022
Subsea	$12,164.1	$8,131.5
Surface Technologies	1,066.9	1,221.5
Total order backlog	**$13,231.0**	**$9,353.0**

Subsea - Order backlog for Subsea as of December 31, 2023, increased by $4.0 billion from December 31, 2022. Subsea backlog of $12.2 billion as of December 31, 2023, was composed of various subsea projects, including Petrobras Buzios 6, Mero I, Mero II, and Marlim; Total Energies Mozambique LNG, Lapa North East and Clov 3; ExxonMobil Yellowtail and Uaru; AkerBP Utsira; Azule Energy Agogo; Shell Jackdaw and Dover; Husky West White Rose; Equinor RAIA, Rosebank, and Irpa, Verdande; Tullow Jubilee South East; Wintershall Maria and Dvalin; and Harbour Talbot.

Surface Technologies - Order backlog for Surface Technologies as of December 31, 2023 decreased by $154.6 million, compared to December 31, 2022. Surface Technologies' backlog of $1.1 billion as of December 31, 2023 was composed primarily of projects in the Middle East, namely Aramco and ADNOC. The remaining backlog was composed of various projects in the rest of the world.

Liquidity and Capital Resources

Most of our cash is managed centrally and flows through bank accounts controlled and maintained by TechnipFMC globally in various 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, 2023	December 31, 2022
Cash and cash equivalents	$ 951.6	$ 1,057.1
Short-term debt and current portion of long-term debt	(153.8)	(418.8)
Long-term debt, less current portion	(965.1)	(999.3)
Lease liabilities	(854.3)	(872.5)
Net debt	**$(1,021.6)**	**$(1,233.5)**

Cash Flows from Continuing Operations

The consolidated statements of cash flows for the periods ended December 31, 2023 and 2022 were as follows:

	Year Ended December 31,	
(In millions)	2023	2022
Cash provided by operating activities from continuing operations	$ 742.9	$ 443.7
Cash (required) / provided by investing activities from continuing operations	(72.0)	157.5
Cash required by financing activities from continuing operations	(760.1)	(883.6)
Effect of exchange rate changes on cash and cash equivalents	(16.3)	12.1
Decrease in cash and cash equivalents	**$(105.5)**	**$(270.3)**
Decrease (increase) in working capital from continuing operations	**$ 284.7**	**$ (70.2)**
Free cash flow from continuing operations	**$ 524.1**	**$ 280.3**

Operating cash flows from continuing operations - During 2023 and 2022, we generated $742.9 million and $443.7 million, respectively, in operating cash flows from continuing operations. The increase of $299.2 million in cash generated by operating activities from continuing operations in 2023, as compared to 2022, was due to timing differences on project milestones, payments to vendors for inventory, fluctuations in derivative assets and liabilities, and timing of income tax payments.

Investing cash flows from continuing operations - We used $72.0 million of cash in investing activities from continuing operations during 2023 as compared to $157.5 million cash generated in investing cash flows from continuing operations during 2022. The decrease of $229.5 million in cash from investing activities was primarily due to $288.5 million proceeds from sales of our investment in Technip Energies during 2022 and an increase in capital expenditures of $55.4 million. This cash use was offset by an increase in proceeds from sales of assets of $54.5 million during 2023 primarily related to the sale of the Apache II pipelay vessel and other investing activities.

Financing cash flows from continuing operations - Financing activities from continuing operations used $760.1 million and $883.6 million in 2023 and 2022, respectively. The decrease of $123.5 million in cash used for financing activities was due primarily to the decreased debt pay-down and issuance activity of $228.1 million during 2023, partially offset by $104.9 million of increase of share repurchases during 2023.

The change in working capital represents total changes in operating current assets and current 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)	**2023**	**2022**
Cash provided by operating activities from continuing operations	$ 742.9	$ 443.7
Capital expenditures	(218.8)	(163.4)
Free cash flow from continuing operations	**$ 524.1**	**$ 280.3**

Debt and Liquidity

We are committed to maintaining a capital structure that provides sufficient cash resources to support future operating and investment plans. We maintain a level of liquidity sufficient to allow us to meet our cash needs in both the short term and long term. During 2023, we reduced our total debt position primarily through the full repayment of $270.2 million of our 3.15% 2013 Private Placement Notes.

Availability of borrowings under the Revolving Credit Facility (see definition below) is reduced by the outstanding letters of credit issued against the facility. As of December 31, 2023, there were $54.2 million letters of credit outstanding and availability of borrowings under the Revolving Credit Facility was $1,195.8 million.

As of December 31, 2023, TechnipFMC was in compliance with all debt covenants. See Note 19 to the consolidated financial statements contained in this U.K. Annual Report for further details related to our outstanding debt instruments.

Credit Ratings - As of December 31, 2023, our credit ratings with Standard and Poor's ("**S&P**") were BB+ for long-term unsecured, guaranteed debt (2021 Notes) and for the long-term unsecured debt (the Private placement notes). On March 7, 2024 both the issuer credit rating and the correspondent-rated notes were upgraded by S&P to BBB-. Our credit ratings with Moody's are Ba1 for our long-term unsecured, guaranteed debt. See Note 19 for further details regarding our 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 financial instrument and the value of the net credit differential between the counterparties to the derivative contract. Adjustments to our derivative financial 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 financial 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. We continue to maintain sufficient liquidity to support the needs of the business through growth, cyclicality, and unforeseen events. We continue to maintain and drive sustainable leverage to preserve access to capital throughout the cycle. Our capital expenditures can be adjusted and managed to match market demand and activity levels. Projected capital expenditures do not include a contingent capital that may be needed to respond to contract awards. In maintaining our commitment to sustainable leverage and liquidity, we expect to be able to continue to generate cash flow available for investment in growth and distribution to shareholders through the business cycle.

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. As of December 31, 2023 and 2022, 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, 2023, would have changed our revenue and income before income taxes attributable to TechnipFMC by approximately $381.8 million and $21.4 million, respectively.

When transactions are denominated in currencies other than our subsidiaries' respective functional currencies, we manage these exposures through the use of derivative financial 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 financial 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 derivative financial 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 financial instruments fair value will not have an immediate impact on our results of operations since the gains and losses associated with these derivative financial instruments are recorded in other comprehensive income. When the anticipated transactions occur, these changes in value of derivative financial 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 consolidated statement of financial position, we also hedge the foreign currency fluctuation of these assets and liabilities with derivative financial instruments after netting our exposures worldwide. These derivative financial 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 financial 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 financial 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 $115.3 million in the net fair value of cash flow hedges reflected in our consolidated statement of financial position as of December 31, 2023.

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 the consolidated statements of income. 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 of December 31, 2023, TechnipFMC's floating rate debt amounted to $230.3 million compared to an aggregate total debt of $1,118.9 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, 2023, a 1% (100 basis points) increase in interest rates would lower the fair value of the fixed rate Senior notes and Private placements by $18.7 million before tax. A 1% (100 basis points) decrease in interest rates would raise the fair value by $14.6 million before tax.

A 1% (100 basis points) increase in interest rates would generate an additional net income of $8.0 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, 2023 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 Total Equity from US GAAP to IFRS as of December 31, 2023 and 2022, together with a reconciliation of net income (loss) attributable to TechnipFMC plc for the years ended December 31, 2023 and 2022, respectively. 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, 2023 and for the years ended December 31, 2023 and 2022, the main differences between US GAAP and IFRS for TechnipFMC relate to the following:

(In millions; unaudited)	December 31,	
	2023	2022
Total TechnipFMC plc stockholders' equity in accordance with US GAAP	**$3,172.1**	**$3,276.7**
Leases	(38.3)	(62.3)
Goodwill	142.2	142.2
Impairment of property, plant and equipment	(22.0)	(23.0)
Defined benefit plans	(22.3)	(22.1)
LIFO inventory adjustments	20.7	15.8
Hyperinflationary economies	(2.8)	11.5
Income tax	(0.8)	–
Other	(3.0)	(10.8)
Total equity in accordance with IFRS	**$3,245.8**	**$3,328.0**

(In millions; unaudited)	Year Ended	
	2023	2022
Net income (loss) attributable to TechnipFMC plc in accordance with US GAAP	**$ 56.2**	**$(107.2)**
Leases	(9.6)	(8.6)
Impairment of property, plant and equipment	–	(1.0)
Defined benefit plans	(12.7)	(12.2)
LIFO inventory adjustments	4.3	5.6
Hyperinflationary economies	(13.9)	(7.8)
Income tax	10.1	–
Other	(11.5)	(5.5)
Net income (loss) attributable to TechnipFMC plc in accordance with IFRS	**$ 22.9**	**$(136.7)**

Leases

Under the US GAAP leasing accounting guidance, 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 the majority of its leases as operating leases under US GAAP, which 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.

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 non-US Surface businesses 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.

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 on the consolidated statement of other comprehensive income ("**OCI**") and subsequently amortized to net income through a corridor approach as elected by TechnipFMC. Under IFRS, actuarial gains and losses are recognized immediately on the consolidated statement OCI for long-term benefit plans. Gains and losses are not subsequently recognized in the consolidated statement of 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 on the consolidated statement OCI and subsequently recognized on the consolidated statement of 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 the consolidated statement of income 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 on the consolidated statements of income as a component of defined benefit cost, based on the discount rate used to determine the obligation.

US GAAP does not limit the amount of the net defined benefit asset that can be recognized on the balance sheet, whereas, under IFRS, all defined benefit plans in a surplus position could be affected by the asset ceiling. A reduction in the net defined benefit asset as a result of the asset ceiling may be more likely to occur when surplus assets may not fully revert to the employer upon plan wind-up or termination, due to plan provisions, local laws (including tax laws), or the constructive obligation of the employer to share the surplus with other parties, including plan participants.

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.

Hyperinflationary economies

Under US GAAP in hyperinflationary economies local functional currency financial statements are remeasured as if the functional currency was the reporting currency (U.S. dollar in the case of a US parent), with resulting exchange differences recognized in income.

Under IFRS in hyperinflationary economies, the standard requires that the functional currency be maintained. However, local functional currency financial statements (current and prior period) need to be restated in terms of the measuring unit current (i.e., general price index) at the balance sheet date with the resultant monetary gains (losses) recognized in the statement of income. Once the financial statements are adjusted by applying a general price index, the financial statements are translated to the presentation currency at the current rate. See Note 30.2 for details.

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 income taxes, excluding charges and credits ("**Adjusted Net Income (Loss)**"); 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:

(In millions)	Year Ended	
	December 31, 2023	December 31, 2022
Net income (loss) attributable to TechnipFMC plc	$ 56.2	$ (61.9)
Charges and (credits):		
Restructuring, impairment and other charges	20.0	22.0
Non-recurring legal settlement charges	126.5	–
Loss from investment in Technip Energies	–	27.7
Tax on charges and (credits)	(1.3)	(0.4)
Adjusted net income (loss) attributable to TechnipFMC plc	$201.4	$ (12.6)
Weighted diluted average shares outstanding	452.3	449.5
Reported earnings (loss) per share - diluted	$ 0.12	$ (0.14)
Adjusted earnings (loss) per share - diluted	$ 0.45	$ (0.03)

(In millions)	Year Ended	
	December 31, 2023	December 31, 2022
Net income (loss) attributable to TechnipFMC plc	$ 56.2	$ (61.9)
Income (loss) attributable to non-controlling interests	(4.3)	25.4
Provision for income tax	154.7	105.4
Net interest expense	88.7	150.7
Depreciation and amortization	377.8	377.2
Restructuring, impairment and other charges	20.0	22.0
Non-recurring legal settlement charges	126.5	–
Loss from investment in Technip Energies	–	27.7
Adjusted EBITDA	$819.6	$646.5
Foreign exchange, net	119.0	23.9
Adjusted EBITDA, excluding foreign exchange, net	$938.6	$670.4

Free cash flow is defined as operating cash flows less capital expenditures. The following table reconciles cash provided by operating activities, 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, 2023	December 31, 2022
Cash provided by operating activities from continuing operations	$ 693.0	$ 352.1
Capital expenditures	(225.2)	(157.9)
Free cash flow from continuing operations	$ 467.8	$ 194.2

Non-Financial & Sustainability Information Statement

The Company submits the following climate-related financial disclosures as required under the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 and to comply with sections 414CA and 414CB of the Companies Act 2006. These disclosures are located within the section entitled "*Environmental, Social, and Governance*" below. These disclosures include:

a) a description of our governance arrangements in relation to assessing and managing climate-related risks and opportunities (see the sections entitled "*Governance of Environmental, Social, and Governance Matters*" and "*Environmental and QHSES Governance*");

b) a description of how we identify, assesses, and manages climate-related risks and opportunities (see the sections entitled "*Enterprise Risk Management Process*" and "*Environmental Risk Management*");

c) a description of how processes for identifying, assessing, and managing climate-related risks are integrated into our overall risk management process (see the section entitled "*Enterprise Risk Management Process*");

d) a description of (i) the principal climate-related risks and opportunities arising in connection with our operations, and (ii) the time periods by reference to which those risks and opportunities are assessed (see the 2021-2023 and 2024-2026 ESG scorecards ("**Scorecards**") and the section entitled "*Climate-Related Scenario Resiliency*");

e) a description of the actual and potential impacts of the principal climate-related risks and opportunities on our business model and strategy (see the section entitled "*Climate-Related Scenario Resiliency*");

f) an analysis of the resilience of our business model and strategy, taking into consideration different climate-related scenarios (see the section entitled "*Climate-Related Scenario Resiliency*");

g) a description of the targets used by the Company to manage climate-related risks and to realize climate-related opportunities and of performance against those targets (see the 2021-2023 and 2024-2026 Scorecards and the section entitled "*Environmental*"); and

h) a description of the key performance indicators used to assess progress against targets used to manage climate-related risks and realize climate-related opportunities and of the calculations on which those key performance indicators are based (see the section entitled "*Environmental*").

Environmental, Social, and Governance

Our Environmental, Social, and Governance decisions are founded on the principles that guide our Company, including our Core Values and Foundational Beliefs. The actions we take in furtherance of our ESG objectives support our intention to act as responsible corporate citizens and drive our ambitions to be more sustainable as we deliver on our strategic goals consistent with our long-term value creation. Beginning in 2017, we have realized these ambitions through measures that seek to hold us accountable.

In 2020, we established the Scorecard measured over 2021–2023, with clear, verifiable metrics designed to drive long-term behavior. This Scorecard measured our progress toward specific, measurable ESG goals relevant to our business in relation to the planet, people, and communities in which we operate.

We will maintain the same Scorecard approach for the period 2024–2026, as we believe this approach drives meaningful change and holds us accountable for delivering on our commitments. We have adopted new, measurable ESG goals that account for the progress we achieved in our 2021–2023 Scorecard and various stakeholder interests.

A snapshot of our ESG achievements reflected in the 2021–2023 Scorecard and ESG ambitions reflected in the 2024–2026 Scorecard are set forth below.

While the Scorecard measures specific achievements in ESG initiatives, our activities are neither limited to those that are measured on our Scorecard, nor to actions and monitoring required by law.

Recent ESG Recognition

NOIA ESG Excellence Award

- TechnipFMC was recognized as the winner of the 2023 National Offshore Industries Association ESG Excellence Award. The award recognizes the Company's commitment to ESG actions, including efforts in fair representation and inclusion and in energy transition technologies.

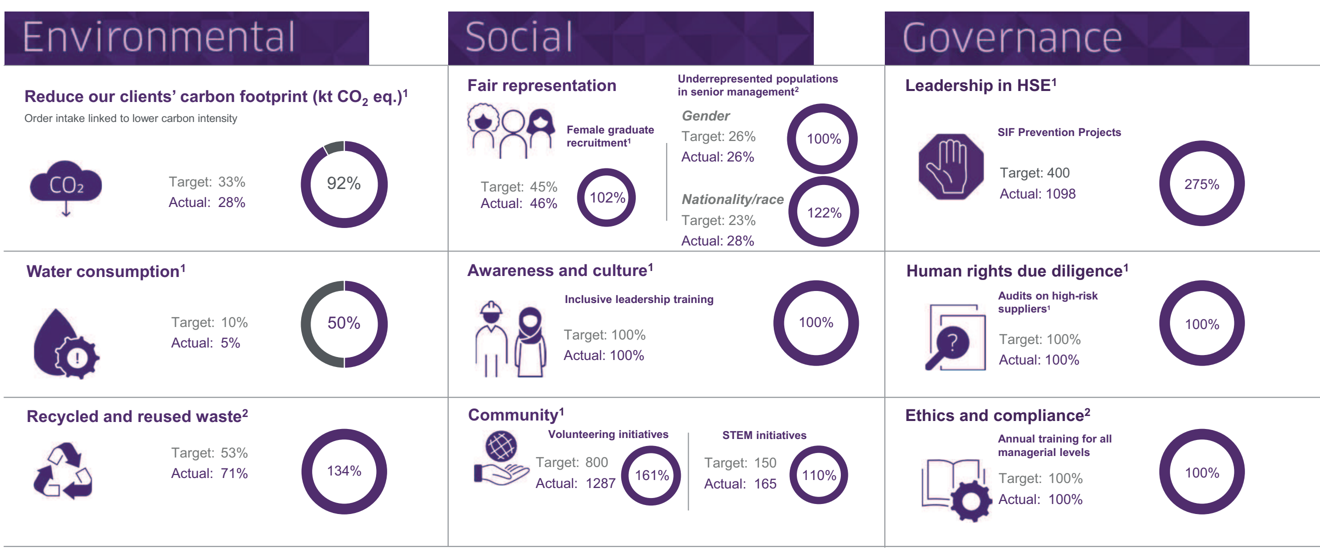
Human Rights Program Awarded 2023 Chair and CEO Prize

- At the Company's internal 2023 Driving Change Awards, our human rights program received the Chair and CEO Prize, which is awarded to an initiative for overall exceptional achievement and impact to our business. The program achieved tangible impacts such as:
  - Immediate return of migrant workers' passports and identity documents so that they have freedom to leave work as they choose;
  - Repayment to workers of backpay;
  - Implementation of grievance mechanisms and improvement in human rights policies and procedures; and
  - Training of suppliers and engagement on TechnipFMC expectations.

  For more information on our human rights program, please see the section entitled "*Our Compliance Program*" below.

Results of our 2021–2023 Scorecard

Year 3 results against 2021-2023 targets



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

The 2024–2026 Scorecard

Our ESG Scorecard commitments 2024-2026

Environmental	Social	Governance
New Energy • Introduce **three new fully qualified products** across the **New Energy technology portfolio** by end of 2026.	**Fair representation** • Attract a diverse workforce whereby at least **50 percent of roles** filled have a minimum of **one diverse candidate** in the candidate pool in 2024, **60 percent of roles** in 2025, and **70 percent of roles** in 2026.	**Leadership in HSE** • Roll-out of waves I, II and III of **Safe Choice** (our behavioural based training program) plan, including **training and coaching**, by end of 2026.
Our carbon footprint • Increase the **usage of our renewable energy** to **60 percent** from the baseline (2023) by end of 2026. • Target to **reduce** our **Scope 1 and Scope 2 GHG emissions** by **50 percent** by 2030.	**Community** • At least **80 percent of countries** in which we operate participate **in STEM** education and engagement activities **annually.** • **120,000 hours** of **volunteering** by end of 2026.	**Ethical business behavior** • Initiate **on-site human rights audit** of at least **50 percent of suppliers** identified for assessments each year. • **100 percent** completion of **annual advanced integrity curriculum training** of **managerial personnel.**

We show progress in two ways: (1) Annual as a percentage of the corresponding year and (2) Cumulative as a percentage of the 2026 commitment.

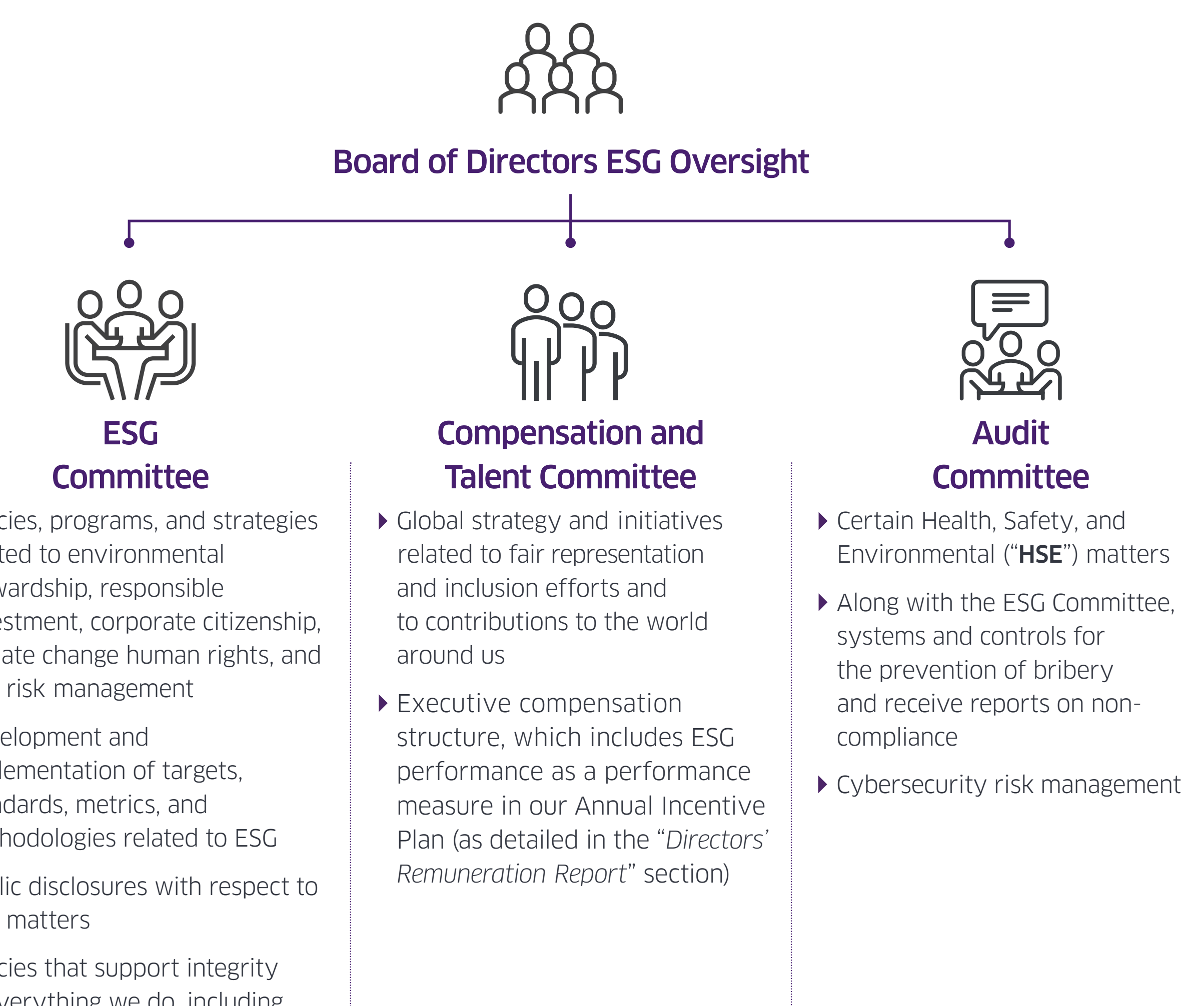
Governance of Environmental, Social, and Governance Matters

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, climate risk, 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 stakeholders 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 as detailed in each committee's charter.



Management Oversight

TechnipFMC's Executive Leadership Team ("**ELT**") sets the overall direction and approach toward our ESG efforts. The ESG Steering Committee, which meets bimonthly, is composed of members of the ELT who are directly responsible for various aspects of the ESG program. The ESG Steering Committee is responsible for the specific Company initiatives toward corporate responsibility, sustainability, climate-related risks and opportunities and actions aimed to further such initiatives. The ESG Steering Committee sets 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.

In addition to the ESG Steering Committee, TechnipFMC has internal organizations responsible for executing and overseeing the day-to-day aspects of our environmental strategy. These organizations include the Environmental Operating Committee and the Environmental Network.

The Environmental Operating Committee is composed of members from our business segments and functions who meet to:

- Clarify workstream objectives;
- Determine goals, KPIs and milestones;
- Establish organization and processes related to the environmental aspects of our ESG strategy;
- Elevate risks and 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, including the implementation of plans to further progress towards goals.

The Environmental Network serves as a conduit between the Environmental Operating Committee, the global environmental team, and health, safety, and environmental ("**HSE**") specialists and professionals throughout the Company. The Environmental Network's responsibilities include creating environmental programs, supporting the enhancement of environmental performance, sharing best practices and lessons learned, and developing global environmental initiatives involving local working groups, regions, and projects in an effort to reduce the Company's environmental footprint.

Enterprise Risk Management Process

TechnipFMC's enterprise risk management ("**ERM**") process is designed to identify, evaluate, respond to, control, and monitor risk. This ERM process is applicable to activities of TechnipFMC in all business functions and is applied at the global business unit, global function, and enterprise-wide levels.

Under the global ERM process, risk is considered as an effect of uncertainty on objectives and is defined by situations or circumstances that have both a likelihood of occurring and a potentially negative (threat) or positive (opportunity) consequence. This process includes climate-related risks and opportunities but is not limited to such risks and opportunities and does not treat climate-related risks and opportunities differently than any other identified risk and opportunity. Instead, climate-related risks and opportunities are assessed across the sub-processes identified below.

Under this process, global business unit and function leadership identify, manage, and monitor risks, with the top risks being reviewed with the ELT and Board of Directors annually and more frequently, if needed, for enterprise level consideration and mitigation.

This general process is applied globally across TechnipFMC and includes annual enterprise risk reporting and reviews, as well as closing of response actions and acceptance of residual risks.

This enterprise risk management process consists of the following six sub-processes:

- Strategy;
- Integration;
- Risk Assessment;
- Risk Treatment (mitigation);
- Monitoring and Review; and
- Recording and Reporting.

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, and waste and water management. Additionally, this section includes TCFD-aligned disclosures on climate change-related risks and opportunities in accordance with the requirements of the amended Companies Act.

Our environmental measurement and reporting methods have evolved since establishing our 2021–2023 Scorecard commitments. For instance, in 2021, some workplaces did not have the capabilities to adequately report their water consumption and waste generation. Since then, several sites have implemented measuring capabilities that allow 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 begin working towards the goals set out in the 2024–2026 Scorecard, our measuring and reporting methods will continue to evolve as we learn more about our behaviors and identify improvement opportunities.

Environmental Risk Management

TechnipFMC recognizes that the environment can impact the company in the short-, medium- and long-term. Those risks may manifest as physical risks, such as an increase in the severity of extreme weather events or longer-term shifts in climate patterns, or as transition risks, such as policy, legal, technology, and market changes arising from the transition to a lower-carbon economy.

TechnipFMC's assessment and management process for climate-related risks and opportunities starts with the Board of Directors, as further detailed above on page 36, and includes the ESG Steering Committee (see page 35), our enterprise risk management process outlined below on page 36, and the Quality, Health, Safety, Environment, and Security ("**QHSES**") systems and standards set out below.

These risks and opportunities are considered at various cadences, as appropriate for the respective process. But ultimately, these risks and opportunities are identified, assessed, and managed, at some level, on an ongoing basis.

Environmental and QHSES Governance

As part of the environmental governance framework, environmental data is collected on a periodic basis through our 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 the leadership of our business units and functions 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 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

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 requirements 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 potential environmental risks of our activities, products, and services and opportunities to manage the related impacts by identifying and implementing appropriate controls, consequently improving 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 governance of GHG management, we developed a process in 2022 to account for GHG emissions in projects and products in accordance with the GHG Protocol (as defined below). 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 standard management.

We continue to commit resources and expertise to eliminate hazards, reduce risks, and prevent environmental pollution related to our activities through design, process improvement, and technologies. As such, 38 workplaces had an active ISO 14001 certification during 2023, as compared to 48 certifications in 2022. This decrease is due to the recent consolidation of several, pre-existing ISO certifications. The Company uses the same management system to certify these entities throughout the organization.

Climate-Related Scenario Resiliency

In 2023, the Company conducted a qualitative climate scenario analysis focused on its Subsea business in the U.K. (the "**Scenario Analysis**"), which feeds into the assessment of the resilience of Company's business model and strategy in the light of risk arising under certain climate change scenario projections. TechnipFMC relied on the services of a reputable third party for completion of the Scenario Analysis.

As the Scenario Analysis is the first such analysis of this type that the Company has conducted, we focused initially on our Subsea business in the U.K., which we deem the most relevant geography and business line for purposes of the Scenario Analysis. TechnipFMC anticipates that it will develop the sophistication of its climate risk scenario analysis capabilities over time, ultimately building to a quantitative scenario analysis of TechnipFMC.

The Scenario Analysis considered short-term impacts of less than three years, medium-term impacts between three and five years, and long-term impacts between six and 20 years against a status quo scenario of 4° C warming, moderate climate action of 2.5° C warming, and aggressive climate action of 1.5° C warming. Our time horizons were chosen based on industry leading practices, TCFD recommendations, and collaboration with TechnipFMC stakeholders.

The Scenario Analysis was based on Intergovernmental Panel on Climate Change (the "**IPCC**") scenarios SSP1-2.6, SSP2-4.5, and SSP5-8.5 and International Energy Agency (the "**IEA**") scenarios Net Zero Emissions by 2050 (NZE2050), Sustainable Development Scenario ("**SDS2**"), Announced Pledges Scenario ("**APS**"), and Stated Policies Scenario ("**STEPS**"). The IPCC scenarios were relied upon more when considering physical risk-related analysis, as we consider the IPCC scenarios more suited to physical risks, and the IEA scenarios were relied upon more when considering transition risk-related analysis, as we consider the IEA scenarios more suited to transition risks. We mapped the IPCC and IEA scenarios to the three climate impact scenarios based on the forecasted change in mean global temperature, and using

that mapping, we leveraged the forecasted impacts under each scenario in the respective reports to identify the potential likelihood and impact of each principal. Our scenario selection was informed by industry leading practices, TCFD and U.K. CFD recommendations, and guidance from the IPCC and the IEA.

To assess the Company's principal climate-related risks and opportunities, we conducted a climate-focused risk survey, employee interviews, and a climate risk lab. These inputs identified the following principal climate-related risks for TechnipFMC:

- Enhanced climate and emissions reporting obligations;
- Regulations limiting current business activities (e.g., limits on future oil and gas extraction activities);
- Increased pricing of GHG emissions;
- Decreased access to capital; and
- Sector stigmatization.

These efforts also identified the following principal climate-related opportunities for the Company:

- Growing demand for lower-emission products and services; and
- Increased revenue through access to new and emerging markets, including new energy and resilience.

While some actual impacts to the Company may have been influenced at least in part by climate-related risks, such climate-related matters have not had a material impact on our operations historically. The potential impacts of the Company's principal climate-related risks and opportunities are as follows:

RISKS & OPPORTUNITIES	TIME HORIZON	POTENTIAL IMPACTS & OTHER CONSIDERATIONS
Enhanced Climate & Emissions Reporting	High impact risk in the medium term with aggressive climate action (1.5º C warming).	Transition risk leading to increased costs to obtain and maintain the capabilities required to comply with evolving reporting obligations (*e.g.*, talent, data, systems, technology). TechnipFMC's choices in relation to the selected technologies, systems, and platforms, as well as the organizational choices relating to climate and sustainability disclosures may result in synergies and reduce the cost of compliance.
Regulations Limiting Current Business Activities	High impact risk in the long term with moderate climate action (2.5º C warming). High impact risk in the short term with aggressive climate action (1.5º C warming).	Transition risk leading to reduced revenue due to reduced demand in response to legislation banning new oil and gas exploration and extraction. Stranding/early retirement of assets supporting oil and gas extraction; the likelihood of stranded assets asset early retirement can, however, be reduced based on the feasibility of and cost associated with the conversion of manufacturing facilities from supporting the Subsea business to supporting the new energy business.
Increased Pricing of GHG Emissions	High impact risk in the long term with moderate climate action (2.5º C warming). High impact risk in the short term with aggressive climate action (1.5º C warming).	Transition risk leading to increased costs associated with current business activities either to reduce or offset emissions associated with operations. The rate of advancement for carbon capture and storage technology, as well as ongoing activities to reduce the emissions from TechnipFMC's Subsea offering, can reduce the impact of increasing GHG emissions prices.

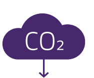
RISKS & OPPORTUNITIES	TIME HORIZON	POTENTIAL IMPACTS & OTHER CONSIDERATIONS
Decreased Access to Capital	High impact risk in the long term with moderate climate action (2.5º C warming). High impact risk in the medium term with aggressive climate action (1.5º C warming).	Transition risk leading to reduced revenue due to delay or disruption of planned activities, such as the inability to start new projects or slowing down ongoing projects. Strategic decisions related to TechnipFMC’s investment in and growth of the New Energies business could lessen the impact of financial institutions and institutional investors divesting from fossil fuels, and potentially expand TechnipFMC’s access to capital.
Sector Stigmatization	High impact risk in the long term with moderate (2.5º C warming) or aggressive (1.5º C warming) climate action.	Transition risk leading to increased costs of workforce attraction and retention. Strategic decisions related to TechnipFMC’s investment in and growth of the new energy business could reduce the costs associated with workforce retention and attraction and potentially attract those seeking jobs involving new technology, sustainability, and energy transition.
Growing Demand for Lower-Emission Products & Services	Medium impact opportunity in the long term in a status quo scenario (4º C warming) or with moderate climate action (2.5º C warming). Medium impact opportunity in the short term with aggressive climate action (1.5º C warming).	Transition opportunity leading to increased revenue driven by growing demand for lower-emission products and services. TechnipFMC’s investment in efficiency and emissions reduction, as well as the pace of technological advancement, may increase the potential benefit to the Company.
Increased revenue through access to new and emerging markets	High impact opportunity in the long term with aggressive climate action (1.5º C warming).	Transition opportunity leading to new revenue streams from new markets (e.g., tidal energy, hydrogen) and improved reputation if the Company effectively (co-)invests in those areas. Strategic decisions related to TechnipFMC’s investment in and growth of the New Energy business may increase the potential benefit to TechnipFMC.

The range of climate impact scenarios and time horizons underlying the Scenario Analysis account for a variety of possible circumstances and allow TechnipFMC to make informed decisions regarding climate-related risks and opportunities. Recognizing the limits inherent in such an exercise, we are encouraged that our operational initiatives and decisions, our carbon capture and storage technology and emissions reductions, and the growth of our New Energies business are illustrative of the strategic resilience of the Company under the variety of such possible circumstances over the foreseeable future.

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 global Scope 1 and Scope 2 GHG emissions by 50% by 2030 – was announced in November 2020 and, along with our lower carbon intensity products target from our Scorecard, is our primary target for managing climate-related risks. 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.



Environmental

Reduce our carbon footprint by 50% by 2030 (kt CO_2 eq.)

2017 Baseline: 677
Target: 338
Actual: 266

2017 Re- Baseline: 312
Target: 156
Actual: 266

Metric shows against target and is annual

TechnipFMC calculates Scope 1 and Scope 2 GHG emissions in alignment with the GHG Protocol Corporate Accounting and Reporting Standard (the "**GHG Protocol**"). More specifically, we measure and report data on emissions produced by: fuels purchased; refrigerants used in the manufacturing, servicing, and disposal of refrigeration and air-conditioning equipment; and purchased energy consumption. This activity data is multiplied by appropriate emission factors commonly used in the industry, including those sources from the U.S. Environmental Protection Agency, the U.K. Department for Environment, Food & Rural Affairs (Defra), and the International Energy Agency, to calculate the Scope 1 and Scope 2 GHG emissions.

We continue our journey to achieve these targets, considering 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.

The table below describes the annual quantity of Scope 1 and Scope 2 GHG emissions resulting from those activities within the operational control of the Company, reported in tonnes of CO_2e, reflecting an adjusted 2017 base year and our operational scope after the Spin-off (as defined in the section entitled "*Company Overview*" above).

For 2023, the Company's Scope 2 GHG emissions were calculated using the GHG Protocol's market- and location-based methods. With the market-based method, we quantify those emissions by applying emission factors provided by the instrument chosen to purchase energy. The location-based method uses the average emissions intensity of the grid that supply energy to the respective workplace(s) to calculate Scope 2 emissions. At the Company, the market-based method is used where an instrument certifies that Company has procured an amount of renewable energy exclusively available to it. The renewable energy attributes are only applied to those workplaces consuming the purchased energy under these instruments.

Scope 1 and Scope 2 GHG emissions from workplaces of the Company in the U.K. represent 0.9 percent from the Scope 1 and 2 GHG emissions for the total Company. The total of the Scope 1 and 2 GHG emissions for 2023 were calculated using the Scope 2 GHG emissions by the market-based method.

GHG Emissions (in Tonnes CO_2e equivalent)	2021*		2022		2023	
	Scope 1	Scope 2[1]	Scope 1	Scope 2[1]	Scope 1	Scope 2[2]
GHG Emissions by Scope	238,114	40,865	247,473	35,355	235,263	31,166
TOTAL GHG Emissions	**278,979**		**282,828**		**266,429**	

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

1 Scope 2 emissions calculated with the market-based method.

2 Reflects the Company's Scope 2 emissions calculated with the market-based method. In 2023, the Company's Scope 2 emissions calculated with the location-based method were 42,147 tonnes CO2e equivalent.

The Company's Scope 1 and 2 GHG emissions in 2023 decreased by 6 percent as compared to 2022, with a 15 percent reduction against our adjusted baseline year. Given the emissions stemming from our vessels, which comprise more than 77 percent of our total Scope 1 and 2 GHG emissions, our OneFleet team continues to implement measures to increase energy efficiencies aboard our vessels and to evaluate the use of biofuels in the fleet, considering the associated logistics and viability. The energy efficiency initiatives implemented in our fleet as part of each vessel's Ship Energy Efficiency Management Plan (SEEMP), which uses digitized operational data to improve energy and operational efficiency, contributed to our decrease in GHG emissions in 2023. Through our engagement and collaboration with stakeholders, our vessels transit at speeds that optimize fuel efficiency, thus, reducing fuel consumption and lowering emissions.

GHG Emissions Intensity

Our 50 by 30 target considers 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 environmental performance 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 2023, the GHG intensity decreased by 14 percent as compared to 2022.

	2021	2022	2023
GHG Emissions Intensity (kg CO_2e/workhours)	5.61	5.19	4.48

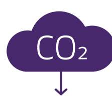
Energy Consumption

Our total energy consumed for 2023 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 (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, 169,286 MWh came from purchased energy in 2023. In 2023, TechnipFMC saw an absolute increase of 6 percent of purchased energy consumed as compared to 2022. Of that purchased energy, 35 percent came from renewable energy sources that the Company procured through instruments such as renewable energy certificates, power purchase agreements, and similar options. We continue monitoring the renewable energy composition of the purchased electricity from the grids that provide energy to our workplaces.

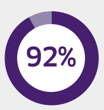
Energy consumed by the Company in the U.K. represents 2 percent of the total energy consumed by the Company. The total amount of purchased electricity, heat, steam, or cooling consumed by the Company in the U.K. is 7 percent of the total purchased energy consumed by the Company.

Our Scorecard Commitments



Our clients' carbon footprint

Target: 33%
Actual: 28%



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 the 2021–2023 Scorecard, we set a target to reduce our clients' carbon footprint by achieving 33 percent 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 2021–2023 Scorecard period. As of the end of 2023, our average percentage of CI Orders was 28 percent.

Water management

Target: 10%
Actual: 5%

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. The average reduction in water consumption for 2021–2023 as compared to the 2020 baseline was 5 percent.

Waste management

Target: 53%
Actual: 71%

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 2023, waste generation increased by 11 percent in comparison with 2022. This 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 2023, which was 71 percent, in contrast with 61 percent in 2022.

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 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.

Beyond the Scorecard

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

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. Our workplaces in Singapore, Trafalgar, Tananger, and Hyderabad are powered in part from solar panels at their locations. Our facilities in Brazil began with changing to lower energy light bulbs and now currently six of TechnipFMC's eight operating facilities in Brazil operate with electricity that is 100 percent from the country's vast hydro-based resources and other renewable sources. During 2023, we acquired renewable energy credits for some of our workplaces by procuring purchased energy from renewable sources through our energy providers. We also evaluate opportunities to use biofuel solutions as transportation fuel for 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 monthly at 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 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 2023.

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 helps 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 2023 is 0.08 versus 0.02 in 2022.

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 actions in support of our fair representation 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

Fair representation

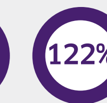
Female graduate recruitment[1]

Target: 45%
Actual: 46%

Underrepresented populations in senior management[2]

Gender
Target: 26%
Actual: 26%

100%



Nationality/race
Target: 23%
Actual: 28%

(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 2023, we recruited 46 percent female participants to our graduate program, which exceeded our 45 percent target for 2023.

Under our 2021-2023 Scorecard, we aimed to increase underrepresented populations in senior management: our target was to increase the percentage of females in senior management to 26 percent by the end of 2023. As of December 31, 2023, female representation in senior management was 26 percent. We also aimed to increase the percentage of underrepresented nationalities (nationalities outside North American and European countries) and U.S. minorities in senior management to 23 percent, and as of the end of 2023, we exceeded our target with 28 percent. The protection of personal information varies widely from country to country thereby making it difficult to track certain characteristics. Instead, we linked to nationality and U.S. minorities to encourage the development of local talent around the globe.

Our consideration of diversity in the succession plans for our leadership roles and resulting efforts to identify internal talent early have translated into an increase in depth and representation of females and underrepresented nationalities and U.S. minorities. We have maintained 38 percent representation of females in our Executive Leadership Team.

Awareness and Culture

Inclusive leadership training

Target: 100%
Actual: 100%

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 2021–2023 Scorecard, we set a goal of 100 percent completion of this curriculum by managers by 2023. In 2023, we met our expectations with 100 percent of managers completing the curriculum.

Community

Volunteering initiatives

Target: 800

Actual: 1287

STEM initiatives

Target: 150

Actual: 165

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 “do 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.

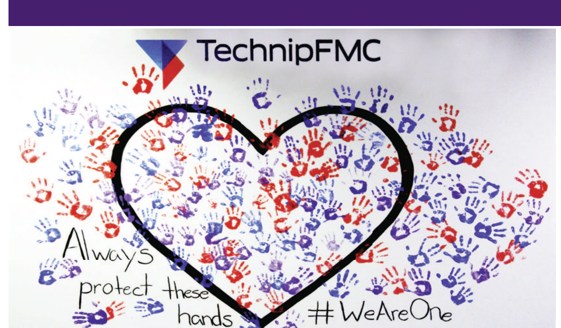
In 2021–2023, we worked toward participating in 800 volunteering initiatives and 150 STEM initiatives by the end of 2023, and we exceeded our targets with 1,287 volunteering and 165 STEM initiatives of our three-year target. Our employees’ dedication and generosity are examples of corporate social responsibility 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**”), which are open to all of our employees. We explore those areas over the following pages.

Community Highlights

Family Day



Embracing a vibrant company culture, our global Family Day events stand as a testament to our commitment to unity and innovation. With a spotlight on STEM, we create engaging experiences that inspire curiosity across generations. These events exemplify our dedication to fostering a collaborative and inclusive environment, where families witness firsthand our passion for STEM and Power of Purple as well as getting a glimpse of an employee’s workday. From interactive activities to exciting demonstrations, our Family Day celebrations reinforce the values that drive our company forward, showcasing a dynamic blend of camaraderie and a dedication to shaping the future.

Global Giving

In a testament to our commitment to global giving, our company proudly champions the 36-year United Way of Greater Houston campaign, donating $1.35 million. This enduring partnership symbolizes our dedication to making a positive impact on communities. Additionally, we celebrated a record-breaking year for our American Heart Association campaign, donating $454,327, reflecting the collective generosity and compassion of our employees. These milestones underscore our belief in corporate social responsibility, fostering a culture of philanthropy that transcends borders and transforms lives. Together, we strive for a brighter and healthier future for all.

BOLD STEM Day

In 2023, more than 400 Greater Houston area students attended the 6th TechnipFMC STEM Day event at our Gremp Campus and participated in interactive science, technology, engineering, and mathematics activities that promoted learning, discovery, and interest in new fields.

Sponsored by BOLD (Black Organization for Leadership and Development), the event was a collaboration between internal and external STEM partners who created more than 25 stations focused on introducing K-12 students to new ideas and career paths.

Employee Networks and Resource Groups

STRIVE BOLD EmPower iPODER!
Parents ENRG VALOR
OPEM IDEA XYZ SAFE

The following ENRGs continued to use their grassroot 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. Three new ENRGs – OPEM (Orgulho de Poder ser Eu Mesmo – Proud to be Myself) – Brazil; iPODER! (Provide Opportunities, Development, Engagement & Representation for Hispanic/Latino) – U.S.; A4A (Accessibility for All) – U.K. Also EmPower has chapters in Africa, Brazil, France, and the Middle East.

Employee Matters

Our people are at the 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 our employees are entitled to fair treatment and respect, wherever they work: in the office, offshore, 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 discriminating, intimidating, or hostile.

Furthermore, we are committed to hiring and employee development decisions that are fair, objective, and not based on protected characteristics. Our policy is for employment decisions to be 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, 2021	December 31, 2022	December 31, 2023
Permanent employees	19,103	20,301	21,469
Temporary employees (fixed-term)[1]	1,507	1,671	1,293
Employees on payroll	**20,610**	**21,972**	**22,762**
Contracted workforce	1,392	1,374	2,265
Total workforce	**22,002**	**23,346**	**25,027**

(1) Temporary employees include interns and apprentices.

From 2021 through 2023, TechnipFMC had the following number of executive officers and employees:

	Male Employees			Female Employees			Total			% of Female Employees		
	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
Directors (non-executive directors)	4	4	4	4	4	4	8	8	8	50%	50%	50%
Executive officers (including Douglas J. Pferdehirt)	5	5	5	3	3	3	8	8	8	38%	38%	38%
Senior managers	57	55	51	14	13	17	71	68	68	20%	19%	25%
Employees on payroll (overall)	16,084	16,943	17,692	3,979	4,242	5,070	20,063	21,185	22,762	20%	20%	22%

Figures for 2021 include Technip Energies.

Attracting Talent

Our Employee Value Proposition ("**EVP**") is part of the way we attract, engage, and retain our people. It is an aspect of our employer brand that communicates the attributes and qualities that make our organization a great place to work, and helps us attract people who will contribute to, and thrive within TechnipFMC. In 2023, we redefined our EVP in a way that reflects the company we are today. We sought extensive input and feedback from a cross-section of our

employees, senior leadership team, and new recruits, and announced “The energy to transform” as our new EVP. Built on two pillars – relentless innovation and caring for the future – it is underpinned by our global collaborative culture. It links to our overall brand positioning, which is driving change in the energy industry, and it describes both what the company does and what it offers employees and potential employees.

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. In 2023, we achieved a reduction in recruiting lead times, even in a year of increased hiring volume.

Developing and Keeping Talent

People development is a key focus at TechnipFMC, including providing learning, career development and knowledge sharing opportunities enabling our people to perform at their fullest potential, and develop capabilities for simplification, standardization, and industrialization.

We focus on talent development through a process called “Talking Talents.” This program forms the basis for developing employees into our three main career pathways: Leadership, Project Management, and Technology. Input from the Talking Talents process is also used for succession planning. As in previous years, in 2023, our leaders spent a considerable amount of time planning for succession, resulting in an increase in depth of succession, utilization of talents and cross-pollination between business units and functions. Representation of underrepresented nationalities and gender also increased, as represented by the percentage of succession plans that included the specified populations.

We believe that regular dialogue between managers and employees is key to driving performance and building trust and engagement. Our Check-In process is embedded in our culture, where managers and employees meet at least quarterly to discuss goals, share feedback, and have in-depth discussion about the employee’s development, including creating individual development plans. This process focuses leaders on the development of people on their team and enables employees to own their career path and focus on the future. In 2022 and 2023, we conducted Check-in Conversation workshops across our business attended by a majority of our managers. Our tools for developing employees also include a continuous feedback platform that enables feedback to be provided from peers, leaders, and reporting employees.

Developing effective leaders at all levels of the organization is also a top priority at TechnipFMC. Leadership You is our internal leadership development model which focuses on four areas: engaging people, thinking strategically, driving results, and embracing change. This program is available to all employees, self-directed, customizable, and driven by a global, enterprise-wide learning and knowledge management ecosystem.

Learning and Training

With the forecasted growth in our business, sharpening our focus on 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, 24/7, 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.

Our iLearn learning platform continues to be the main hub for delivering our formal learning initiatives such as eLearning courses, videos, instructor led training, and resource materials. We continue to embrace our digital transformation and strive to deliver engaging content. In 2023, there were more than 32,000 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 2023, almost 432,000 training hours and 324,323 course completions were completed with 84 percent of completions being done online, which resulted in 18 training hours per employee. We also saw a substantial increase in the amount of training hours related to our technical and engineering training where 164,271 hours were completed. This was the result of a significant focus and strategy to better engage with our technical employees and provide additional learning opportunities.

We leverage our internal knowledge sharing tools, The Bridge and The Well, to collaborate across the Company. The Bridge has 49 chartered global knowledge-sharing networks, up from 44 networks in 2022. The related knowledge repository, The Well, has more than 5,450 pages (up from 5,100 in 2022), which received more than 1.3 million visits in 2023 (up from 824,000 in 2022). 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.

Technical Expertise Program

The global Technical Expertise Program ("**TEP**") recognizes employees ("**Technical Experts**") who have demonstrated technical mastery in their discipline, as well as technical impact, people development, business impact and industry leadership. The TEP currently has about 859 members, and in 2023, we added new sub-disciplines to capture under-represented technical communities and activities.

Our Technology Fellows are the highest tier of the TEP and personify its mission of advancing the Company's technical leadership by advising, innovating, enhancing operations, sharing knowledge, and inspiring others – within the company and across the industry. Each Fellow is a pillar in their field of expertise, setting standards across the industry, cultivating the next generation of experts, and ensuring that TechnipFMC retains its market leadership and competitive advantage.

In 2023, our Fellows sponsored a significant global initiative on intellectual property called "Think IP." Through this program, they will share their knowledge broadly across the Company's learning ecosystem and drive initiatives to protect our competitive advantage and respect our Company's intellectual property and the intellectual property of other companies.

Equal Opportunity and Fair Representation

Three of our Foundational Beliefs – integrity, respect, and sustainability – are tangibly embedded in our commitment to equal opportunity and fair representation. While we recognize the importance of equal opportunity and fair representation to our long-term value and performance, we also recognize the importance of pursuing these aims in legally compliant manners. It is our policy that employment decisions, including those related to recruitment, selection, evaluation, compensation, and development, among others, not be 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, disability, or any other legally protected characteristic. Our equal opportunity and fair representation efforts are part of our legal compliance considerations, and we are committed to only rewarding legal methods of promoting these efforts.

In 2023, TechnipFMC was named one of the World's Top Companies for Women by Forbes, for the second year in a row.

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 2023, we celebrated International Day of Persons with Disabilities. In recent years, we have had various initiatives to promote inclusion and respect featuring our colleagues throughout the globe, including:

- Inspiring stories featuring perspectives from leadership and people with disabilities;
- Creating awareness of disabilities through web-based learning experiences; and
- Webcast with a diversity and inclusion expert, that shared a personal testimonial on disability in the workplace.

Other global days marked by TechnipFMC in 2023 include International Women's Day, International Day of Persons with Disabilities, and World Mental Health Day, among others.

Employee Networks and Resource Groups

TechnipFMC's ENRGs aim to engage and reinforce our commitment to creating an environment where all employees can achieve their full potential. Our ENRGs are open to all of our employees and include BOLD (Black Organization for Leadership and Development), EmPower Women's Network, Parents Network, ¡PODER! Latin Network, OPEM (Proud to be Myself), Military Veterans and Friends Network, XYZ Network for professional development, and STRIVE and IDEA Networks for diversity and inclusion. 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.

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 STEM careers.

Employee Engagement and Well-being

In 2023, we conducted a global employee engagement survey. 73 percent of employees participated in the survey, and there was an improvement in overall engagement score as compared to the previous survey in 2021. This was the result of global actions and communications including a focus on senior leadership engagement through regular webcasts, site visits and quarterly meetings, roll out of a global wellbeing program "Workplace Options," and regular communication to employees on business prospects and long-term strategy. In addition, engagement survey information was also made available by managers, location and business units, and leaders had access to review results, identify improvement opportunities and put action plans in place.

As committed by our Chair and CEO, we annually mark the month of October as mental health awareness month with several activities to promote awareness. Our 2023 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 Viva Engage 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." Our global well-being program from Workplace Options provides all our employees with access to mental health resources, counseling and health coaching.

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 monitored and adjusted based on various forms of feedback from multiple levels across the Company. Digital tools help us gauge the effectiveness of our digital communication platforms — from email to intranet to internal social media. 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**") includes all our eligible European entities and meets at least twice a year with management.

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, upholding human rights, and ethics and compliance training – but also links to the aspirations of our Foundational Beliefs, because how we do business is as important as why we do business.

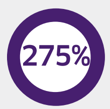
Our Scorecard Commitments

Leadership in HSE

SIF Prevention Projects

Target: 400

Actual: 1098



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 2023, 650 SIFP projects were raised from which 323 were implemented and closed. During the 2021–2023 Scorecard period, 1098 SIFP projects were raised and completed against the target of 400 SIFPs. The goal was exceeded by 175 percent.

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

Human rights due diligence

Audits on high-risk suppliers[1]

Target: 100%

Actual: 100%

Metric shows against target and is cumulative

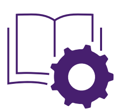
We are raising the bar on workers’ welfare through human rights audits of our suppliers in high-risk countries and those suppliers engaged in high-risk activities with respect to worker welfare. Under our ESG objectives, we have undertaken a commitment to complete 100 percent of human rights audits on 100 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 percent of the selected desk audits and more than 60 percent of the selected on-site audits of our most significant high-risk suppliers. In 2023, we completed the remaining on-site audits to achieve our objective of completing audits of 100 percent of our highest risk suppliers. In addition to the foregoing, starting in 2022 we annually reviewed and updated our list of selected suppliers to assess based on factors such as high-risk countries of operations, high-risk scope of work, and spend.

The Company's assessment and audit process has consisted of the following three levels:

(1) In our Level 1 Due Diligence phase, we issued our Self-Assessment Questionnaire ("**SAQ**"), which was developed based on industry best practices, to the selected suppliers. and conducted additional due diligence research via web search and the Company's due diligence subscription services.

(2) In our Level 2 Desktop Audits, we followed-up on supplier SAQ responses to further assess potential risk and to determine whether on-site audits were warranted.

(3) For our Level 3 "On-Site" Audits, we dispatched a third-party auditor to the supplier's operational site to conduct a thorough review of the supplier's facilities, documentation, and policies and to interview the supplier's workers. The on-site audits resulted in an audit report that measured the supplier's performance against the auditor's human rights audit standard.



Ethics and compliance

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. This commitment targets 100 percent 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 course.

For 2023, we met our expectations, with 100 percent of managers taking the required ethics and integrity course.

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 anti-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 was appointed as our Executive Vice President and Chief Legal Officer in 2023, and reports dually to the Chair and CEO and 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 violations 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 regarding retaliation against employees for reporting in good faith any suspected violations of our policies or Code of Business Conduct.

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.

Anti-Corruption and Anti-Bribery Compliance Controls

The Company is committed to conducting business around the world 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).

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 anti-corruption related operational standards that translate our general principles into concrete operating procedures.

Our Anti-Bribery and Corruption Standard is 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 anti-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 employ a Business Partner Standard that establishes the due diligence requirements and procedures for third-party government intermediaries and joint ventures/consortia partners and enables us to assess and manage the bribery and corruption risks of third-party arrangements while conducting business globally.

We have a Gifts, Hospitality, and Travel Standard 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 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 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.

Our Anti-Bribery and Corruption Standard; Business Partner Standard; Gifts, Hospitality, and Travel Standard; and Social Donations, Sponsorships, and Charitable Contributions Standard each apply to all of our directors, officers, employees, and contracted personnel.

Code of Business Conduct

Our Code of Business Conduct is built on our Foundational Beliefs and gives our directors, officers, employees, and contracted personnel 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, contracted personnel, officers, directors, and external parties to anonymously report violations of our Code of Business Conduct or other policies and 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.

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 compliance or legal department, the employee's human resources representative, or an independent third party via our dedicated reporting helpline and website.

We treat all reports of suspected violations of our Code of Business Conduct seriously 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 New York Stock Exchange ("**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 fundamentally guides how we 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 express a strong commitment for respecting human rights, and we do not tolerate any form of modern slavery or the use of prohibited 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 we 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, 2022 in accordance with section 54 of the U.K. Modern Slavery Act 2015. This document is available on our website at ***www.technipfmc.com***. Our statement addressing 2023 shall be published on our website later this year.

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; and
- The International Labour Organization's Fundamental Conventions.

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

The Company also maintains 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 companies that are working together to promote the rights and

welfare of workers. 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 maintain an internal Human Rights Working Group and internal Human Rights Leaders Network, which bring together our support functions and operations to foster and promote a better working environment for our employees and our suppliers. These groups also continuously strive for the standardization of our processes across the Company and among our peers. These efforts have resulted, for example, in the TechnipFMC Suppliers and Subcontractors Integrity Expectations, which require our suppliers' adherence to international human rights standards in the execution of their operations. We also continue to assess how our company-wide assessment, due diligence, and monitoring processes could be standardized and reinforced in this area.

Speak Up

Our core values and foundational beliefs are essential to how we conduct business. The Company has worked diligently to provide an environment where our employees feel safe to speak up without fear of retaliation if they see behavior that is not in line with our Code of Business Conduct. The Company takes every allegation seriously and does not tolerate retaliation in any form against anyone raising a concern in good faith. Every reported concern or issue is treated seriously, fairly, and promptly. Employees are encouraged to raise integrity concerns through the multiple reporting channels available, which include their manager, Compliance, People & Culture, or through the Integrity Helpline. The Company's Integrity Helpline is an accessible and confidential way for employees, contractors, customers, vendors, and other stakeholders to seek assistance and report potential violations of ethics matters.

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 and other policies and procedures require 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, forced, indentured, or involuntary 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, compliance with trade compliance laws, adherence to international human rights standards, and avoidance of conflicts of interest.

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 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.

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

In 2023, 59.4 million hours were worked at the Company's facilities and project sites worldwide.

Safety Performance[1]	2021	2022	2023
Total Recordable Incident Rate (TRIR)	0.26	0.31	0.30
Lost Time Injury Frequency (LTIF)	0.11	0.06	0.07
Leadership and Management Walkthrough Frequency	21.86	26.15	30.86
Fatal Accident Frequency	0	0.0037	0

(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, 2023.

In 2023, 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 2023, 71 sessions were delivered and more than 1,300 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.

Our SIFP program is a cornerstone of our prevention mindset. SIFP is a proactive high impact risk prevention program which aims to shift the organization focus from reactive to proactive risk reduction. The objectives are to prevent serious injuries, proactively reduce our overall risk profile by putting mitigation strategies in place, and bring visibility to critical issues requiring the support of leadership.

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 2023, we continued important actions to further reduce our risk profile and to prevent serious injuries, described below.

- 650 new SIFP projects were raised, 323 of which were implemented and closed in 2023.
- The key risk conditions remain unchanged with the top three being: dropped objects, energy release, and uncontrolled moves. In 2023, we have focused and prioritized SIFP projects that contribute to removing or reducing exposure of personnel in the line of fire and we will continue 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." By removing the barriers to psychological safety, we are creating a culture where SWA is expected, accepted, welcomed, celebrated, and rewarded. Our QHSE digital management system is designed to report SWA so that we can more easily celebrate and recognize SWA.

Making the Safe Choice: Human Performance in HSE

TechnipFMC recognizes that even with access to the most advanced technology, equipment, and processes, our people play a crucial role in every aspect of its operations. From design to handling, installing, operating, and the obsolescence of our products or services, the human factor is essential. To ensure the safety of our people, partners, and environment, it is vital to maintain the quality of our risk perception and decision-making.

To address industry trends and improve our organization's safety culture, we launched the Safe Choice program in January 2023. This program aims to equip and empower our people with the motivation and mindset for safe decision-making at all organizational levels. Safe Choice provides new personal knowledge on decision-making, cognitive biases, fast and slow thinking, and present motivation linked directly to our current safety tools and systems.

Safe Choice is a proven intervention that underpins existing policies, strategies, processes, tools, and procedures by focusing on human factors and performance to drive HSE performance.

We started rolling out the first phase of the Safe Choice program to our frontline personnel, including Technical Service Personnel ("**TSPs**"), Field Service Technicians ("**FSTs**"), and all construction workers on TechnipFMC-owned vessels. These personnel groups work in highly hazardous worksites and in the case of TSPs and FSTs on client locations. We are committed to deploying the Safe Choice program successfully and to the safety of our people, assets, and the environment.

In the second phase of the program, which launched in late 2023, we began expanding the program to apply to all personnel at our spool and service bases, as well as those working in our manufacturing facilities and workshops. We are confident that our Company leaders at all levels throughout the Company will fully support the Safe Choice program and promote its success.

We have made significant progress in the implementation of the Safe Choice program in 2023 and plan to continue expanding its reach in 2024.

Security

Security within TechnipFMC is considered a fundamental service, which 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, which includes 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, 2023. 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 volatility of economic conditions. 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 "*Remuneration and Shareholder Engagement*" of the Directors' Remuneration Report).
- **Interests of employees:** In 2023, each of our more than 21,000 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 "*Governance*" 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 2023–2024 Off-Season Shareholder Outreach Campaign involved our active outreach to shareholders representing approximately 56 percent 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 paragraphs entitled "*Shareholder Engagement*" of the Directors' 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 natural gas industry activity and expenditure levels and the demand for and price of 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.
- Disruptions in the political, regulatory, economic, and social conditions or public health crises in 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 restrictive covenants thereof may restrict our ability to take certain corporate actions.
- 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 cyber-attacks, could adversely impact our business and results of operations.
- Pirates and maritime conflicts 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, including laws and regulations related to environment, climate change and greenhouse gas emissions, privacy, data protection, and data security, 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.
- We are subject to compliance risk with tax laws of numerous jurisdictions, and challenges to our interpretation of, or future changes to, tax laws could adversely affect us.

General Risk Factors

- Our businesses are dependent on the continuing services of our key managers and employees.
- Seasonal, weather, and other climatic 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.

Risks Related to Our Business and Industry

Demand for our products and services depends on oil and natural gas industry activity and expenditure levels, which are directly affected by trends in the demand for and price of oil and natural gas.

We are substantially dependent on conditions in the oil and natural 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 natural 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 10 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 natural 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 natural 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, including building artificial intelligence ("**AI**") capabilities into our products and services 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.

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, including AI and machine learning. However, there is no guarantee of future demand for those technologies because the market for the new technologies may not develop or 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. For example, the AI algorithms that we use may be flawed or may be based on datasets that are biased or insufficient, and our AI features may not achieve sufficient levels of

accuracy or may not function as designed or have unintended consequences. 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. There is also uncertainty around the validity and enforceability of intellectual property rights related to our use, development, and deployment of AI. 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 to 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 or public health crises in 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, cyber terrorism, military activity, and wars, including the continued conflict between Russia and Ukraine and Hamas and Israel;

- public health crisis such as the COVID-19 pandemic;
- 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 Depository Trust Company ("**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 flows 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, 2023, our total debt was $1.1 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.

Under our Revolving Credit Facility (see definition below), U.S. dollar-denominated loans bear interest, at the Company's option, at a base rate or an adjusted rate linked to the Secured Overnight Financing Rate ("**SOFR**") and Euro-denominated loans bear interest on an adjusted rate linked to the Euro interbank offered rate ("**EURIBOR**"). SOFR has limited history, and the future performance of SOFR cannot be predicted based on historical performance. SOFR, 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 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 $1.25 billion senior secured multi-currency revolving credit facility (as amended, 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 impairment 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, 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. Expectations regarding such practices and disclosures may result in increased costs (including but not limited to increased costs related to compliance, stakeholder engagement, contracting and insurance), changes in demand for certain product or service offerings, changes in the availability or cost of capital, enhanced compliance or disclosure obligations, or other impacts. In addition, negative attitudes toward or perceptions of fossil fuel products and their relationship to the environment and climate change may reduce the demand or authorization for production of oil and natural 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 or respond to stakeholder concerns, 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 any failure, or perceived failure, to comply with or advance certain ESG initiatives (including the timeline and manner in which we complete such initiatives) may result in various adverse impacts, including reputational damage or, 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 towards 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.'' Simultaneously, there are efforts by some stakeholders to reduce companies' efforts on certain ESG-related matters. Both advocates and opponents to certain ESG matters are increasingly resorting to a range of activism forms, including media campaigns and litigation, to advance their perspectives. To the extent we are subject to such activism, it may require us to incur costs or otherwise adversely impact our business. This and other stakeholder expectations will likely lead to increased costs as well as scrutiny that could heighten all of the risks identified in this risk factor. 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 alternative and renewable energy is also intensively competitive and rapidly evolving. If the demand for alternative and renewable energy sources 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 or other event such as a major cyberattack, 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 cyber-attacks, could adversely impact our business and results of operations.
The efficient and successful operation of our business is dependent on the security and integrity of our physical assets and computing hardware, software, technology infrastructure, online sites and networks (collectively, "**IT Systems**"), and data about customers, employees and others, including personal information and proprietary business data (collectively, "**Confidential Information**") that we process and maintain. Accordingly, we rely upon the capacity, reliability, and security of our IT Systems and our ability to expand and update such systems in response to changing needs and evolving threats.

We face numerous and evolving cybersecurity risks that threaten the confidentiality, integrity, and availability of our IT Systems and Confidential Information. We are continuously subject to cyber-attacks, including phishing, malware, ransomware, and other security incidents, and expect attacks and other incidents in the future. No attack or incident has had a material adverse effect on our business; however, this may not be the case with future attacks. There can be no assurance that our cybersecurity risk management program and processes, including our policies, controls or procedures, will be fully implemented, complied with or effective in protecting our IT Systems and Confidential Information. Accordingly, our IT Systems, Confidential Information, and physical assets are vulnerable to compromise and damage 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. 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 cyber-attack, 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 provide IT Systems, for example, to support the operation of our IT hardware, software infrastructure, and cloud services, and in certain instances, we 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). Third parties are also involved in helping us collect, process and maintain aspects of our Confidential Information. The security and privacy measures implemented by third parties

on whom we rely for internal and external operations may not be sufficient to identify or prevent cyber-attacks, 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 cyber-attack, we cannot ensure such provisions will withstand legal challenges or cover all or any such damages. We have acquired and continue to acquire companies with cybersecurity vulnerabilities and/or unsophisticated security measures, which exposes us to significant cybersecurity, operational, and financial risks.

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 but not limited to fraud or malice on the part of insiders or third parties, accidental technological failure or unknown vulnerabilities in hardware or software, 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 (such as AI) 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 cyber-attack, we may suffer material adverse effects on our business.

Pirates and maritime conflicts endanger our maritime employees and assets.
We face material piracy and maritime conflict risks in the Gulf of Guinea, the Somali Basin, the Gulf of Aden, and the Red Sea, 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. We may face additional risks to the extent other maritime disputes or conflicts emerge, such as the conflict around the Houthis' attacks in the Red Sea following the Israel/Hamas war. 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 as a result of 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 expand in the future, or we introduce new features in our products and services, such as AI, that subject us to new and evolving laws and regulations, 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 nº 2016-1691 dated December 9, 2016 relating to Transparency, Anti-corruption and Modernization of the Business Practice, the Brazilian law nº 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 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 European Union 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 EU, the U.S., Brazil, and more globally. For example, in the U.S., various policymakers, including the SEC and the State of California, have adopted (or are considering adopting) 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 "greenhouse gases" ("**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 personal injury 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, including through our use of AI, 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, the UK General Data Protection Regulation and Data Protection Act 2018 (collectively, the "**U.K. GDPR**"), certain U.S. state regulations, and the Lei Geral de Proteção de Dados ("**LGPD**" in Brazil). The GDPR, U.K. GDPR and implementing legislation in the EEA 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 UK GDPR's rules on transferring personal data outside of the EEA and UK (including to the United States). Case law from the Court of Justice of the European Union ("**CJEU**") states that reliance on the standard contractual clauses—a standard form of contract approved by the European Commission as an adequate personal data transfer mechanism—alone may not necessarily be sufficient in all circumstances and that transfers must be assessed on a case-by-case basis. On October 7, 2022, President Biden signed an Executive Order on 'Enhancing Safeguards for United States Intelligence Activities' which introduced new redress mechanisms and binding safeguards to address the concerns raised by the CJEU in relation to data transfers from the EEA to the United States and which formed the basis of the new EU-US Data Privacy Framework ("**DPF**"), as released on December 13, 2022. The European Commission adopted its Adequacy Decision in relation to the DPF on July 10, 2023, rendering the DPF effective as an EU GDPR transfer mechanism to U.S. entities self-certified under the DPF. On October 12, 2023, the U.K. Extension to the DPF came into effect (as approved by the U.K. Government), as a U.K. GDPR data transfer mechanism to U.S. entities self-certified under the U.K. Extension to the DPF. We currently rely on the standard contractual clauses to transfer personal data outside the EEA and the U.K. Addendum to the EU standard contractual clauses and the U.K. International Data Transfer Agreement to transfer personal data outside the EEA and the U.K. with respect to both intragroup and third-party transfers. 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. We expect the existing legal complexity and uncertainty regarding international personal data transfers to continue. In particular, we expect the DPF Adequacy Decision to be challenged and international transfers to the United States and to other jurisdictions more generally to continue to be subject to enhanced scrutiny by regulators. 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, we may have to stop using certain tools and vendors and make other operational changes, we have had to and will have to implement revised standard contractual clauses for existing customer arrangements within required time frames, 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, tracking technologies, 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 to opt-in consent for all but essential use cases, as seen in recent guidance and decisions, this could lead to substantial costs, require significant systems changes. Violations of such laws could result in regulatory investigations, fines, orders to cease/change our use of such technologies, as well as civil claims including class actions, and reputational damage.

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 percent of the total worldwide annual turnover of the preceding financial year). Since we are subject to the supervision of relevant data protection authorities under both the EU GDPR and the U.K. GDPR, we could be fined under each of those regimes independently in respect of the same breach. In addition, we may also face regulatory investigations and enforcement action, reputational damage, orders to cease/change our data processing activities,

enforcement notices, assessment notices (for a compulsory audit), and/or 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 United Kingdom, 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 United States 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, which 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.

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 United Kingdom, the United States, 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 United States, which made extensive changes to the U.S. taxation of multinational companies, and is subject to continuing regulatory and possible legislative changes. 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 percent, so-called "pillar two," 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. In this respect, the Council of the European Union unanimously adopted the directive implementing "pillar two" on December 22, 2021 and that the European Union member States had to transpose this Directive into their national laws by December 31, 2023 for the rules to become applicable for fiscal years starting on or after December 31, 2023 (with the exception of the "under taxed payment rule," which is to be applicable for fiscal years starting on or after December 31, 2024). In July 2023, as part of the Finance (No. 2) Act 2023, legislation was enacted in the United Kingdom which introduced a Pillar Two Income Inclusion Rule applicable to periods after December 31, 2023. We continue to assess and monitor legislative changes.

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 United States (such as the recent United States Inflation Reduction Act which, among other changes, introduced a 15 percent corporate minimum tax on certain United States corporations and a one percent excise tax on certain stock redemptions by United States corporations, which the U.S. Treasury indicated may also apply to certain stock redemptions by a foreign corporation funded by certain United States affiliates), the United Kingdom, 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 United Kingdom and other countries.
We operate in a manner such that we believe we are eligible for benefits under tax treaties between the United Kingdom and other countries. However, our ability to qualify for such benefits will depend on whether we are treated as a UK 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 United States 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 United Kingdom 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 United Kingdom 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 United Kingdom. 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 United Kingdom 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 United Kingdom, 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 United Kingdom 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 United Kingdom. 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 United Kingdom 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 recruit, 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, weather, and other climatic 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, or result in operational interruptions. 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 longer-term climatic changes, such as shifting 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, Nigeria, and Argentina, 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 22 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 15, 2024

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, 2023.

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, 2023, and at the date of this Directors' Report, were as follows:

Executive Director

Chair and CEO

Douglas J. Pferdehirt

Non-Executive Directors

Claire S. Farley
Eleazar de Carvalho Filho
Robert G. Gwin
Peter Mellbye (did not stand 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 pursuing, understanding, and implementing 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 and interests. 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 4, 2024, 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	437,135,619	$437,135,619

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 2023 Annual General Meeting of Shareholders on April 28, 2023 (“**2023 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 $147,102,671, 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 $147,102,671, 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 2023 AGM to allot and issue such number of the aforementioned ordinary shares as represents 5 percent of the Company’s issued share capital, being an aggregate nominal value equal to $44,130,801, for general purposes plus an additional number of the aforementioned ordinary shares as represents a further 5 percent of the Company’s issued share capital, being an aggregate nominal amount equal to $44,130,801, 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 2024 (“**2024 AGM**”) or (b) at the close of business on July 28, 2024. New authorities are being recommended by the Board of Directors for approval by shareholders at our 2024 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 of Shareholders (“**2021 AGM**”).

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 2024 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 > Investors overview > AGM materials*.”

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 AGM 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 12,289,216 ordinary shares during the financial year ending December 31, 2023.

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 4, 2024, 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 4, 2024, 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 percent or more of the Company's ordinary shares were as follows:

Name and Address of Beneficial Owner	Shares	Percent of Class[1]
The Vanguard Group 100 Vanguard Blvd. Malvern, PA 19355	39,914,980[2]	9.13%
T. Rowe Price Associates, Inc. 100 E. Pratt Street Baltimore, MD 21202	37,348,994[3]	8.54%
T. Rowe Price Investment Management, Inc. 100 E. Pratt Street Baltimore, MD 21202	36,353,777[4]	8.32%
FMR LLC 245 Summer Street Boston, Massachusetts 02210	34,119,424[5]	7.81%
BlackRock, Inc. 50 Hudson Yards New York, NY 10001	23,478,641[6]	5.37%

(1) The calculation of percentage of ownership of each listed beneficial owner is based on 437,135,619 Ordinary Shares outstanding on March 4, 2024.

(2) Based solely on a Schedule 13G filed with the SEC on February 13, 2024, The Vanguard Group has shared voting power over 158,951 Ordinary Shares, sole dispositive power over 39,344,861 Ordinary Shares, and shared dispositive power over 570,119 Ordinary Shares. The Vanguard Group reports that various persons have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, Ordinary Shares, and no one person's interest in the Company is more than 5% of the total outstanding Ordinary Shares.

(3) Based solely on a Schedule 13G/A filed with the SEC on February 14, 2024, T. Rowe Price Associates, Inc. has sole voting power over 12,415,564 Ordinary Shares and sole dispositive power over 37,335,426 Ordinary Shares. T. Rowe Price Associates, Inc. reports that various persons have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, Ordinary Shares, and no one person's interest in the Company is more than 5% of the total outstanding Ordinary Shares.

(4) Based solely on a Schedule 13G filed with the SEC on February 14, 2024, T. Rowe Price Investment Management, Inc. has sole voting power over 14,918,224 Ordinary Shares and sole dispositive power over 36,353,777 Ordinary Shares. T. Rowe Price Investment Management, Inc. reports that various persons have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, Ordinary Shares, and no one person's interest in the Company is more than 5% of the total outstanding Ordinary Shares.

(5) Based solely on a Schedule 13G/A 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 8, 2024, FMR LLC has sole voting power over 33,959,738 Ordinary Shares and sole dispositive power over

34,119,424 Ordinary Shares. Ms. Johnson has sole dispositive power over 34,119,424 Ordinary Shares. FMR LLC and Ms. Johnson report that various persons have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, Ordinary Shares, and no one person's interest in the Company is more than 5% of the total outstanding Ordinary Shares.

(6) Based solely on a Schedule 13G filed with the SEC on February 2, 2024, BlackRock, Inc. has sole voting power over 20,434,947 Ordinary Shares and sole dispositive power over 23,478,641 Ordinary Shares. BlackRock, Inc. reports that various persons have the right to receive or the power to direct the receipt of dividends from, or the proceeds from, the sale of, Ordinary Shares, and no one person's interest in the Company is more than 5% of the total outstanding 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 U.K.

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

On July 26, 2023, the Company announced the initiation of a quarterly cash dividend. On July 25, 2023 and October 24, 2023, the Board authorized and declared a quarterly cash dividend of $0.05 per share. The cash dividends paid during the years ended December 31, 2023; 2022; and 2021 were $43.5 million, nil, and nil, respectively.

On February 20, 2024, the Company announced that its Board has authorized and declared a quarterly cash dividend of $0.05 per share, payable on April 3, 2024 to shareholders of record as of the close of business on the NYSE on March 19, 2024. The ex-dividend date is March 18, 2024.

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.

Energy and Carbon Reporting

The annual quantity of GHG emissions measured in tonnes of CO2 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, 2023

On February 20, 2024, the Company announced that its Board has authorized and declared a quarterly cash dividend of $0.05 per share. Please see the section entitled “*Dividend*” above for more detail on the recently announced dividend.

On February 28, 2024, FMC Technologies Pension Plan Limited (the trustee of the Company's U.K. pension plan) and Just Retirement Limited (the insurer) entered into a buy-in policy with a first payment start date on April 24, 2024.

On March 7, 2024, both the Company's issuer credit rating and the correspondent rated Notes were upgraded by S&P to BBB-.

On March 11, 2024, the Company completed the sale of equity interests and assets of MSB to One Equity Partners.

No other significant events since December 31, 2023 are reported.

Future Developments

Expected future developments of the Company and our subsidiaries are set out in the section entitled “Business Segments” of the Strategic Report section of this U.K. Annual 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 section of this U.K. Annual Report.

Political Donations

The Company has not made any political donations or incurred any political expenditure during the year ended December 31, 2023. In addition, the Company has not made any contributions to a non-U.K. political party during the year ended December 31, 2023.

Financial Risk Management Objectives/Policies

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 plans for assessing, monitoring, and managing 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, mitigate, manage, and control financial and business risks and that the Company has adequate insurance coverage to reasonably 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, 2023 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; and
- 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 U.K. 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 15, 2024

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, 2023. 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 2023, including an upfront "*At a Glance*" section to highlight the key aspects of remuneration policy; and

iii. The Directors' Remuneration Policy.

Pursuant to English law, the Directors' Remuneration Report forms part of the statutory annual report of the Company for the year ended December 31, 2023, 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 2024 AGM on April 26, 2024, the Directors' Remuneration Report will be subject to a non-binding advisory shareholder vote. In addition, the Remuneration Policy, which was last approved by shareholders in 2021, will be submitted for shareholder approval for a binding vote at the upcoming Annual General Meeting of Shareholders ("**Annual General Meeting**").

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, 2023 to December 31, 2023.

Our compensation programs are 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.

Actions that Created Shareholder Value in 2023

We are committed to creating long-term and sustainable shareholder value through strategic actions that benefit both the Company and our shareholders.

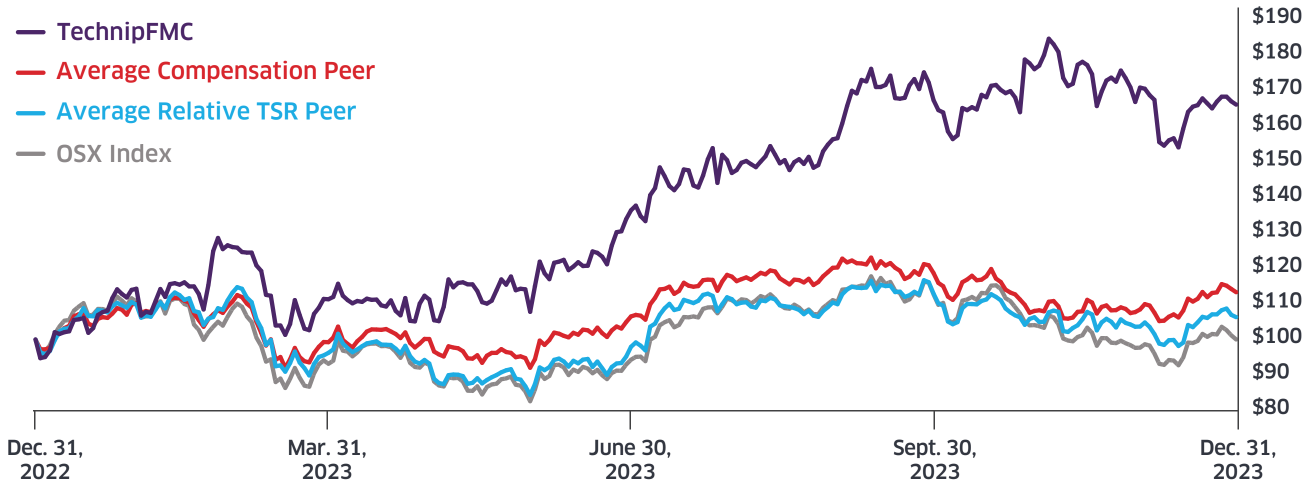
Below is a summary of key actions taken during 2023 intended to create growth and value for shareholders:

- Initiated a quarterly cash dividend, representing $0.20 per share on an annualized basis;
- Authorized additional share repurchase of up to $400 million, increasing total authorization to $800 million;
- Established new commitment to return more than 60% of annual free cash flow[1] to shareholders through at least 2025;
- Announced strategic actions that create greater focus on core products, market-leading technologies and integrated solutions, including sales of the Measurement Solutions business and Apache II pipelay vessel for total proceeds of approximately $260 million; and
- Gained inclusion into the Russell U.S. Index, helping drive increased investor awareness, higher trading volume, and expanded ownership.

(1) Free cash flow is calculated as cash provided by operating activities less capital expenditures.

We Outperformed Our Peers and Major Indexes in 2023

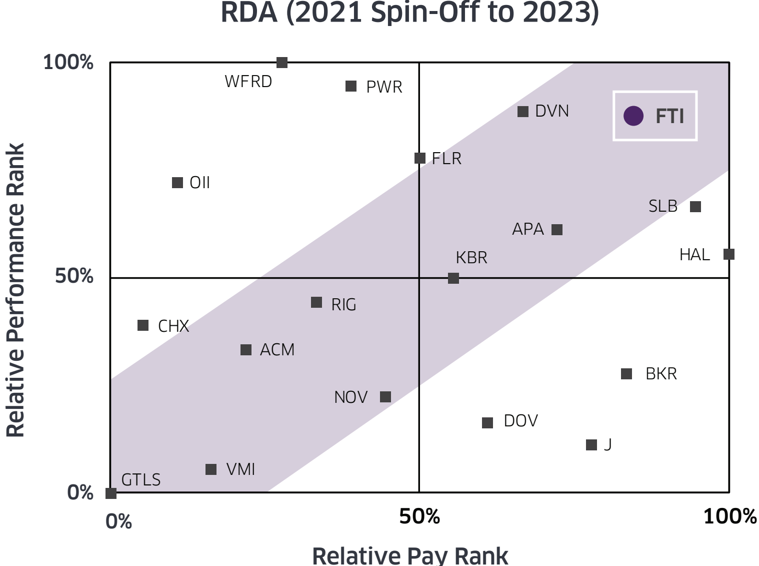
Our total shareholder return ("**TSR**") in 2023 meaningfully outperformed our peer groups and the PHLX Oil Service Sector ("**OSX**") index due to the Company's strong execution and key strategic initiatives outlined below.



The graph above compares the cumulative TSR on our Ordinary Shares for the period from December 31, 2022 to December 31, 2023 with our relative TSR Peer Group, our Compensation Peer Group, and the OSX index. The comparison assumes $100 was invested, including reinvestment of dividends, if any, in our Ordinary Shares, relative TSR Peer Group, Compensation Peer Group, and the OSX index on December 31, 2022. Please see the sections entitled "*Compensation Peer Group*" and "*2023 Performance Stock Unit Awards*" for lists of the peer companies included in our Compensation Peer Group (defined below) and TSR Peer Group (defined below), respectively. The results shown in the graph above are not necessarily indicative of future performance.

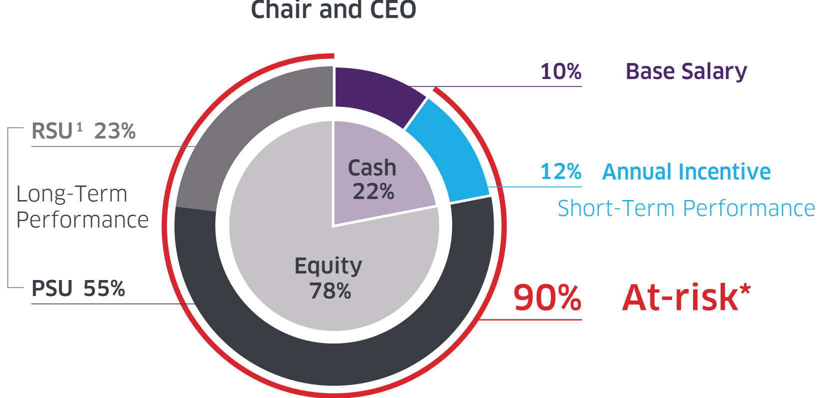
CEO Pay Is Aligned with Relative Performance of TechnipFMC

Realizable Degree of Alignment, or RDA, is a measure used to assess whether CEO realizable pay is aligned with TSR relative to a peer group. The graph below shows that our CEO percentile rank among our Compensation Peer Group (as defined in the section entitled "*Compensation Peer Group*" below) is aligned to our performance for the period between our 2021 Spin-Off through the end of 2023.



Our 2023 Pay Programs Emphasize Pay-for-Performance

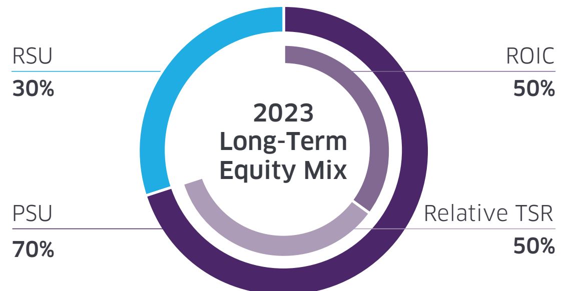
Our executive compensation incentive mix is intended to create a balance between achieving both short-term and long-term interests of the business through compensation that links the interests of our Chair and CEO with shareholders through significant at-risk compensation.

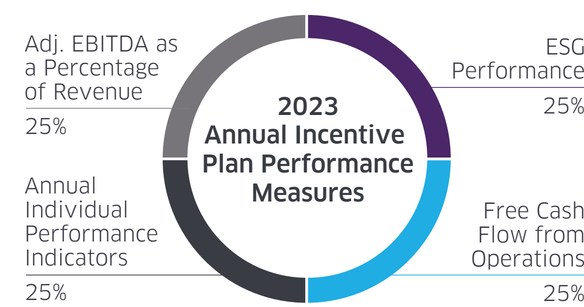


[1] RSUs are included in at-risk pay because their delivered value is based on share price at vesting.

Annual and Long-Term Incentive Performance Measures

As intended by our pay-for-performance program, our 2023 executive compensation is directly tied to key financial, operational, ESG, and individual measures.





- Total target compensation comprises salary, an annual cash incentive, and long-term equity incentives.
- Total target compensation is benchmarked relative to relevant peer groups by our independent compensation consultant, Fredrick W. Cook & Co., Inc. ("**FW Cook**").
- The Compensation and Talent Committee references the median of the peer group and considers other factors such as experience, tenure, role criticality, and performance of the incumbent executive director, when making compensation decisions.
- The 2023 annual cash incentive was based on Adjusted EBITDA as a percentage of revenue (25%), free cash flow from operations (25%), ESG Scorecard measures (25%), and individual performance in areas of strategic significance (25%).

- Payouts for the financial portion are based on quantifiable performance. There is no payout if Company performance is below a minimum level of performance due to our emphasis on paying for performance. Payouts increase with increasing levels of performance, and there is a cap on payout at maximum performance. Performance targets and goals are predetermined, communicated in advance, and disclosed publicly.
- The ESG Scorecard includes specific, measurable, and challenging goals to reduce our environmental impact, to support the communities where we live and operate, to improve and respect fair representation and inclusion in our Company, to reinforce our health and safety culture, and to reaffirm our commitments to respecting human rights and corporate governance.
- Payout for the individual performance indicators is based on rigorous, individual goal setting and year-end evaluation of performance.

- Performance stock units ("**PSUs**") comprise the majority of the 2023 long-term equity incentive grant (70%) with payout contingent on relative TSR performance and return on invested capital ("**ROIC**"), measured over the three-year (2023-2025) performance period.
  - The relative TSR performance measure comprises 50% of the PSU award and is based on equity returns — both share price performance and dividend distributions – relative to an external peer group. There is no payout if Company performance is below a minimum level of performance, and there is a cap on payout at maximum performance. In addition, in the case of negative absolute TSR performance, payouts are capped at target, even if our TSR performance relative to our Relative TSR Peer Group (as defined below) is above target.
  - ROIC comprises 50% of the PSU award and is calculated based on a three-year average net operating profit after tax, divided by a three-year average invested capital. This measure assesses our profitability and how effectively the Company uses capital over the three-year performance period to generate income.
  - Performance targets and goals are predetermined, communicated in advance, and disclosed publicly.
- PSUs vest on the third year after the grant date following the end of the 2023-2025 performance period. The remainder (30%) of the 2023 long-term equity incentive grant is delivered in the form of Restricted Stock Units ("RSUs") and one-third of the shares vest each year over a three-year period. The delivered value of RSUs to executive directors is based on share price performance.

Remuneration and Shareholder Engagement

The Compensation and Talent Committee values our shareholders' feedback on our executive compensation program as expressed through our regular shareholder engagement actions and the annual "say-on-pay" vote and 2022 Directors' Remuneration Report. At our 2023 Annual General Meeting of Shareholders, we received 96.5 percent support for our "say-on-pay" proposal and 96.6 percent support for our 2022 U.K. remuneration proposal.

As part of our regular annual shareholder engagement, we contacted shareholders representing 56% of our outstanding shares and met with shareholders representing 29% of our outstanding shares. A team comprising senior leadership in Investor Relations, Legal, and People & Culture discussed and obtained feedback from shareholders on an important range of topics, including our executive compensation program, measures connected to short and long-term incentives, and how we recognize performance through pay. Additionally, as requested by one of our major shareholders, one meeting was attended by the Chair of the Compensation and Talent Committee. Shareholder feedback reflected strong support for our current executive compensation program and compensation philosophy.

96.6%

of 2023 Annual General Meeting Votes Supported Our 2022 U.K. Remuneration Report

Remuneration Arrangements in 2023

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

Proposed Remuneration Arrangements in 2024

The current Remuneration Policy was approved by shareholders at the 2021 Annual General Meeting for a period of up to three years. As a result, and in line with U.K. requirements, we are submitting our Remuneration Policy for shareholder approval at the 2024 Annual General Meeting.

The Compensation and Talent Committee has taken this opportunity to review the continued appropriateness of the Remuneration Policy to ensure it continues to provide operational flexibility and is aligned with North American and U.K. market practices and regulatory environment.

We look forward to hearing your views on our director compensation arrangements, and your continued support at the 2024 Annual General Meeting.

Yours sincerely,

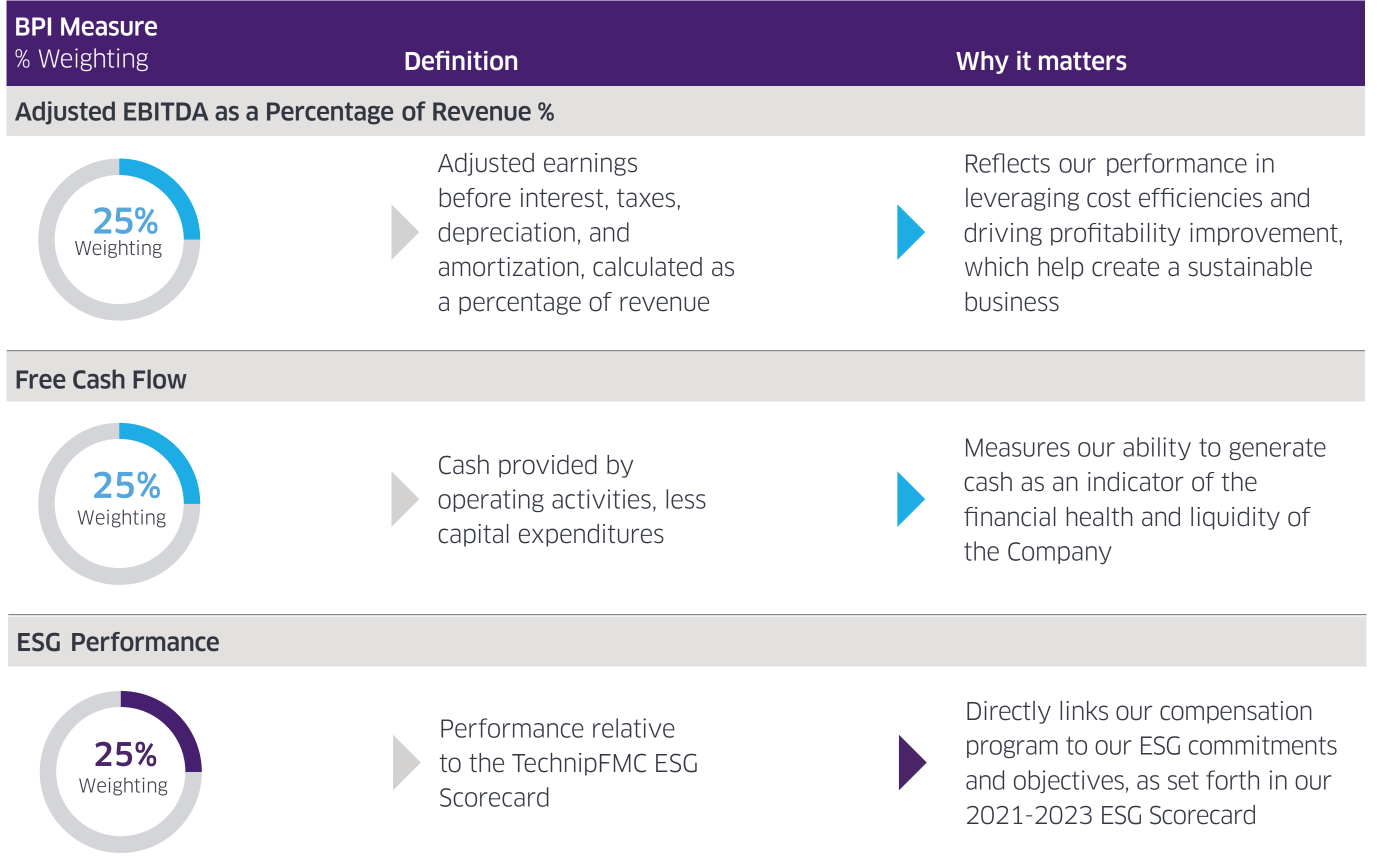
John O'Leary
Director and Compensation and Talent Committee Chair

March 15, 2024

Annual Report on Remuneration: At a Glance – 2023 Highlights

2023 Performance Impact on Compensation

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



BPI Measure % Weighting	Definition	Why it matters
Adjusted EBITDA as a Percentage of Revenue %		
25% Weighting	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	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	Performance relative to the TechnipFMC ESG Scorecard	Directly links our compensation program to our ESG commitments and objectives, as set forth in 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 Company performance.

2023 Performance Impact on Annual Cash Incentive

The annual cash incentive comprises 12% of 2023 total target at-risk compensation for our Chair and CEO. Our Chair and CEO achieved a payout of 164.75% 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 153% based on the following:
  - Performance for adjusted EBITDA as a percentage of revenue was calculated to be 120%;
  - Performance on free cash flow conversion measures was calculated to be 200%; and
  - Performance towards our 2021-2023 ESG objectives was confirmed at 140%.
- The payout for the individual annual performance indicator (which makes up 25% of the annual incentive plan) was 200%.

Overview of our Compensation Practices

Our executive compensation practices are designed to drive performance, align with shareholder interests, and support strong governance practices that align with the best standards in executive compensation. These practices are annually reviewed through shareholder engagement, recommendations from our independent compensation consultant, and executive compensation best practices.

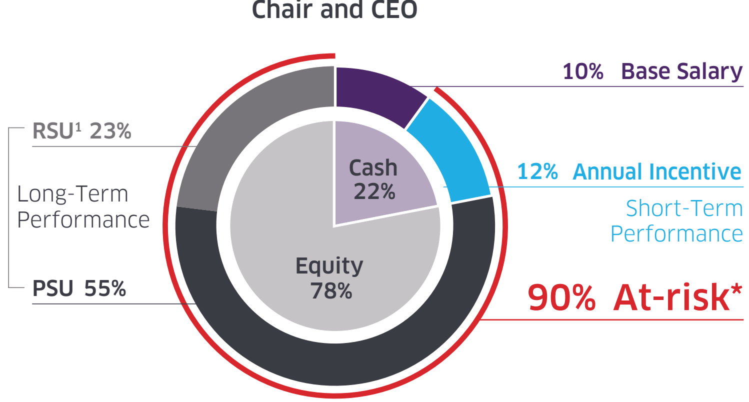
What We Do:	What We Don't Do:
✓ Pay for performance by aligning performance measures with our strategy and shareholder interests	✗ Single-trigger vesting upon a change in control
✓ Ensure the majority of NEO compensation is performance-based, "at-risk" compensation	✗ Guaranteed bonuses
✓ Maintain a clawback policy in the event of erroneously awarded incentive based compensation resulting from a financial restatement, malfeasance, or fraud	✗ Uncapped incentives
✓ Require robust share ownership by executives and directors	✗ Tax gross-ups on any severance payments
✓ Engage an independent, external compensation consultant	✗ Excessive perquisites, benefits, or pension payments
✓ Benchmark compensation against relevant industry peer groups	✗ Discounting, reloading, or repricing of stock options
✓ Cap performance share unit ("**PSU**") payout at target when relative total shareholder return ("**TSR**") exceeds peers' TSR, but absolute TSR is negative	✗ Hedging and pledging of Company securities

Annual Report on Remuneration: Report for the Year Ended December 31, 2023

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 2024 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 2023 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.



[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, 2023 and 2022.

A proportion of the annual incentive and long-term incentive awards (the variable and at-risk element), 97% is subject to share price appreciation. During 2023, 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								
2023	$1,328,700	$70,361	$6,084,272	$43,006,723	$271,773	$1,670,834	$49,090,996	$50,761,830
2022	$1,236,000	$60,811	$4,987,404	–	$209,382	$1,506,193	$ 4,987,404	$ 6,493,597

(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.

(2) The taxable benefits for 2023 for the Chair and CEO include all: (i) personal use of Company automobile of $14,310.34 (ii) financial planning services of $15,000 (iii) U.K. tax preparation fees of $4,439.39, (iv) company paid life and disability insurance fees of $701.52, (v) security of $26,071.20, and (vi) spousal travel of $9,841.46.

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) security of $5,378.19, (vi) spousal travel of $9,613, and (vii) taxable travel expenses of $1,544.

(3) The amount disclosed in the Annual Incentive Awards column for 2023 for the Chair and CEO represents the sum of annual cash incentive bonus and time-based (non-performance based) RSUs awarded in 2023. In 2023, the Chair and CEO's annual cash incentive was $2,955,195, calculated using a target bonus of 135% of salary, a BPI rating of 153%, and an API rating of 200%. The time-based (non-performance based) RSUs awarded in 2023 were valued at $3,129,077.46 comprising 30% of the Chair and CEO's long-term equity incentive target value of $10,430,295, consisting of 223,346 shares vesting on a graded schedule with 73,704 vesting on February 21, 2024, 73,704 vesting on February 21, 2025 and 75,938 vesting on February 21, 2026.

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.

(4) The 2023 compensation reflects the impact of significant TechnipFMC share price appreciation over the 2021-2023 performance period, as well as a PSU payout of 200% of target for relative TSR performance above the 75th percentile compared to the peer group. On April 1, 2021, Mr. Pferdehirt was granted 948,120 target PSUs with a fair market value of $7,565,997 based on a share price of $7.98 (“**2021 PSUs**”). On March 1, 2024, the 2021 PSUs were paid out at 200% of target, as outlined in the section entitled “*Payout under the 2021 PSU Awards Based on Relative TSR*,” resulting in the vesting of 1,896,240 shares with a fair market value of $43,006,723 based on a share price of $22.58, plus dividends of $0.10 per share. The total fair market value increase of the 2021 PSUs from the time of grant to March 1, 2024, as a result of the 200% of target payout, share price appreciation, and dividend payments, was $35,440,726. Mr. Pferdehirt did not receive any performance-based RSUs with a performance period ending 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 2023 (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 peer group 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 2023 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	7,043	272	N/A

(1) Accrued balance as of December 31, 2023 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 2023 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 his 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, 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 2023 Executive Director Compensation

Our executive director compensation program comprises 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	▸ At-risk cash compensation ▸ Target value based on role, set with reference to market median peer group ▸ Paid based on achievement of business performance targets (75%) and achievement of individual performance targets (25%) ▸ 2023 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 2023 to 2025 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 CEOs' interests with the interests of our shareholders by incentivizing to increase share value, while reinforcing the retention impact of our compensation program	▸ Realized value based in part on post-grant share price appreciation ▸ Three-year ratable vesting schedule
Health and Welfare Benefits, Retirement Benefits, and Perquisites	To facilitate the performance of the role and ensure a market competitive total compensation package	▸ The same health and welfare benefits offered to other employees of the Company in the respective countries ▸ Retirement savings offered through participation in our U.S. Qualified Savings Plan (401(k)) 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

Compensation Peer Group

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

In determining peer groups, the Compensation and Talent Committee evaluates companies with reasonably similar business characteristics, which includes the factors outlined below:

- **Applicable Industry Focus** – Prioritize public companies with energy or engineering and construction elements that trade on major U.S. stock exchanges;
- **Relevant Size Range** – Companies within a reasonable range of TechnipFMC for revenue, market capitalization, and assets; and
- **Business Characteristics** – Companies with similar margin profiles, international focus, asset intensity, and sales per full-time employee; prioritized companies that are logistically and technically complex, mature stage businesses, and business-to-business focused.

In 2022, the Compensation and Talent Committee conducted its annual review of the compensation peer group and determined that the following companies ("**Compensation Peer Group**") continue to constitute the peer group for benchmarking executive compensation decisions for 2023:

2023 Compensation Peer Group	
AECOM	Jacobs Engineering Solutions Inc.
APA Corporation	KBR, Inc.
Baker Hughes Company	National Oilwell Varco, Inc.
ChampionX Corp.	Oceaneering International, Inc.
Chart Industries, Inc.	Quanta Services, Inc.
Devon Energy Corporation	SLB
Dover Corporation	Transocean Ltd.
Fluor Corporation	Valmont Industries, Inc.
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 (2022)	Base Salary (2023)	Change %
Douglas J. Pferdehirt	$1,236,000	$1,328,700	7.5%

Annual Cash Incentive (Audited Information)

2023 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 2022 and 2023 annual cash incentive targets for our Chair and CEO:

Chair and CEO	2022	2023	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 directors' 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 component 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; and
- 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 and challenging without incentivizing inappropriate risk taking.

2023 Measures and Results

The 2023 results versus target for adjusted EBITDA as a percentage of revenue and free cash flow are outlined below.

	2023 Goals[1]			2023 Performance[2]	
2023 BPI Measure	Threshold Performance	Target Performance	Maximum Performance	Performance %	Payout %
Adjusted EBITDA as a Percentage of Revenue % *25% Weighting*	10.2%	11.7%	13.2%	12.0%	120%
Free Cash Flow *25% Weighting*	$150 million	$300 million	$450 million	$468 million	200%

(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 Quarterly Reports on 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 at or below threshold performance is 0%, payout at target performance is 100%, and payout at or above maximum performance is 200%. 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.

Results of the 2021-2023 ESG Scorecard

To align our executives' incentives with our ESG commitments, we link executive compensation to our ESG Scorecard performance. 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 2023

The ESG Committee is responsible for determining and assessing the Company's ESG Scorecard objectives, certifying results, and recommending a performance rating to the Compensation and Talent Committee, who reviews this information to determine the ESG Scorecard payout.

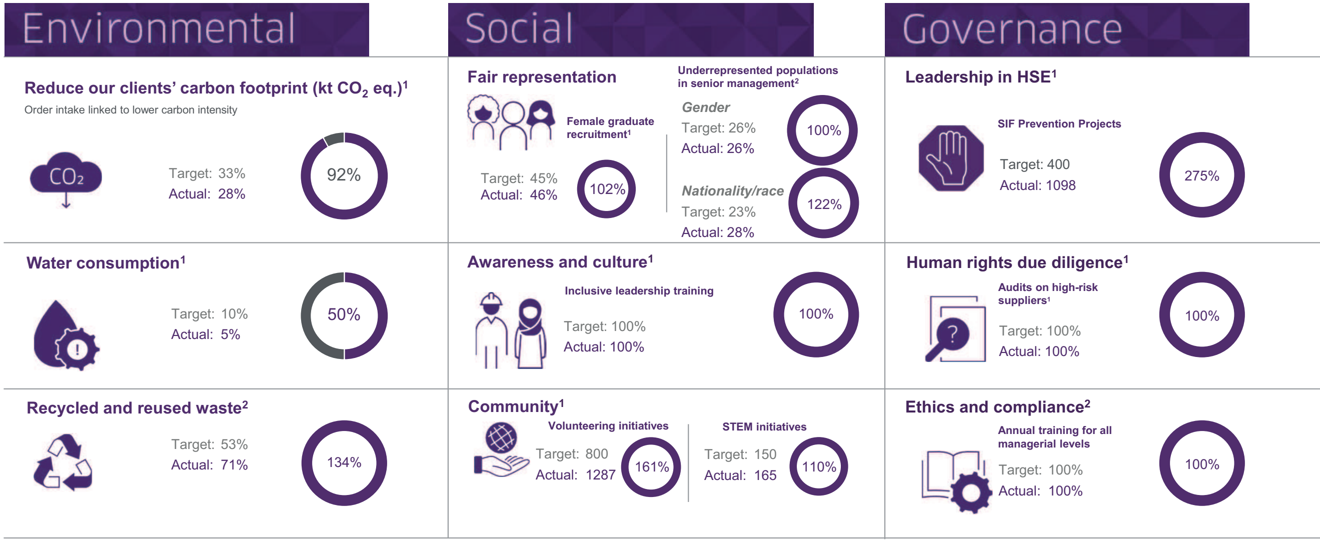
In recommending a rating, the ESG Committee performed a comprehensive review of the Company's 2021-2023 ESG Scorecard objectives and considered the following:

- Environmental pillar: We reduced our GHG emissions and exceeded our waste recycling and reuse objectives;
- Social pillar: We achieved or significantly outperformed our targets on fair representation, inclusion, volunteering, and STEM initiatives;
- Governance pillar: We exceeded our SIFP projects, human rights, and met our human rights due diligence and ethics and compliance objectives;

- In aggregate, we met or exceeded ten of the twelve individual objectives connected to our 2021-2023 ESG Scorecard;
- Our commitment over the past three years to meaningfully advance ESG initiatives and cultivate inherent and sustainable behavior in all of our ESG pillars; and
- Our significant progress in raising awareness of how individual employee actions contribute to the achievement of our ESG objectives and embedding ESG awareness into our culture, as demonstrated by our achievements in our ESG Scorecard.

Based on this assessment, the ESG Committee determined that, in the aggregate, the Company exceeded its 2021-2023 ESG Scorecard objectives and recommended a payout reflective of an above expectations rating. Aligned with this rating, the Compensation and Talent Committee approved a payout of 140% out of a maximum 200%. A summary of the 2021-2023 ESG Scorecard component of the 2023 annual incentive is provided below.

Year 3 results against 2021-2023 targets



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

For more detail on how each metric is measured and our progress in 2023, please see the section entitled "*Environmental, Social, and Governance.*"

API Component – 25% of Annual Cash Incentive

The API objectives for the Chair and CEO are established at the start of the year. Similar to our BPI performance objectives, API objectives are set at “stretch” levels (i.e., objectives that are difficult and challenging but should be achievable with superior execution) using a rigorous evaluation process.

Each February, the Compensation and Talent Committee reviews and approves the Chair and CEO’s API objectives for the new fiscal year, and evaluates the API objectives set for the prior fiscal year to determine the payout for the API component of his annual cash incentive.

If the 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 2023, the Chair and CEO received an API rating of 200%.

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

Douglas J. Pferdehirt
Chair and CEO

200% Overall Rating

Objective	Achievements
ABOVE EXPECTATIONS	
Shareholder Returns:	
Deliver superior returns	2023 TSR outperformed our peers and the OSX index
Achieve debt reduction	Reduced the Company's gross and net debt position and achieved debt leverage targets
Expand shareholder distributions	Expanded Company shareholder distributions adding a dividend as well as increasing the total value of the share repurchase program
ABOVE EXPECTATIONS	
Strategy and Growth:	
Advance strategic financial objectives Advance technology partnerships, and strategic alliances Achieve ESG Scorecard objectives	Both business segments outperformed 2023 financial targets, resulting in the Company exceeding targets for total Company adjusted EBITDA margin, free cash flow, revenue, backlog, and ROIC Continued to advance key technology partnerships and strategic alliances Advanced the Company's Industrialization and Transformation activities, including implementing 14 Transformative Industrialization programs Drove the successful achievement of our three-year ESG Scorecard objectives. See the section entitled "*Environmental, Social and Governance*" above
ABOVE EXPECTATIONS	
Execute on Key Business Deliverables:	
Deliver profitable growth for Subsea and Surface businesses Continue to evolve New Energy business	Delivered above-target inbound, revenue, and EBITDA for both the Subsea and Surface businesses Delivered record iEPCI™ awards for our Subsea business Signed in-country corporate procurement agreements with key strategic customers for our Surface business Secured key contracts for our New Energy business and remains on track to achieve more than $1 billion in inbound by 2025
ABOVE EXPECTATIONS	
Organizational Readiness:	
Ensure succession planning in place and incorporate fair representation	Continued succession planning and talent development actions to increase breadth and depth of succession plans, and increased diversity in succession plans and talent acquisition Increased representation of females and underrepresented minorities in senior leadership of the Company
ABOVE EXPECTATIONS	
Promote Foundational Beliefs:	
Integrity – Engage/advance industry progress in Human Rights Sustainability – Achieve metrics on fair representation and community QHSE (Quality, Health, Safety and Environmental) – Reduce SIFR (Serious Injury and Fatality Rate) and exceed SIFP (Serious Injury and Fatality Prevention) target	Promoted human rights through active industry leadership, including in cross industry forums Actively contributed to advancement in gender and racial diversity through the Association of Women in Energy (AWE) and CEO Action for Racial Equity Advisory Boards Exceeded 2021–2023 ESG Scorecard goals for fair representation, inclusive leadership training, and community/STEM volunteering Actively led TechnipFMC as a top contributor to both United Way and American Heart Association Exceeded SIFR and SIFP targets

Determination of 2023 Annual Cash Incentive Payout for the Chair and CEO

The Chair and CEO's 2023 annual cash incentive payout was calculated to be $2,955,195 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%	153%	200%	164.8%	222.4%	$2,955,195

Long-Term Equity Incentives (Audited Information)

Annual long-term 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.

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.

Payout under the 2021 PSU Awards Based on Relative TSR

In February 2024, the Compensation and Talent Committee approved the performance results for the PSUs granted to executive directors in February 2021. The PSUs were subject to a performance period beginning February 16, 2021 (the date of the Spin-off) through December 31, 2023, and performance was based on relative TSR performance against an industry peer group of companies that the Committee believed reflected the companies we compete with for both shareholder investments and customers.

Relative TSR for the applicable performance period is based on the difference between the volume weighted average share price ("**VWAP**") for the first month performance period (February 16 to February 26, 2021) and the VWAP for the last 30 days of the measurement period (December 1 to December 31, 2023), plus any dividends paid during that period, which are assumed to be reinvested into the stock. The difference in VWAP from the two periods is divided by the beginning VWAP value to determine total shareholder return.

The performance condition requires the Company to perform at or above the 25th percentile for a threshold payout of 50% and 75th percentile or greater for a payout of 200% of target. The payout is interpolated on a straight-line basis between those points. If our absolute TSR is negative for the performance period, the payout in respect of the TSR element is capped at target, regardless of our relative performance.

Over the 2021-2023 performance period, the Company's TSR ranked in the 94th percentile relative to its TSR peer group, which resulted in a payout of 200% of target PSUs as illustrated in the table below.

Performance period	TechnipFMC relative TSR position	TechnipFMC percentile rank	payout
February 16, 2021 to December 31, 2023	138.3%	94th	200%

2023 Long-Term Equity Incentive (Audited Information)

For 2023, the Compensation and Talent Committee set the target value of equity awards for our Chair and CEO with reference to market median peer group total compensation data. The table below sets forth the Long-Term Incentive target value for the Chair and CEO for 2022 and 2023. The target value is based on the Chair and CEO's base salary at the time of the award multiplied by his target long-term incentive percentage of 785%.

Chair and CEO	2022 Long-Term Incentive Target Award	2023 Long-Term Incentive Target Award
Douglas J. Pferdehirt	$9,700,000	$10,430,295

2023 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 2023, 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 2023-2025.

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	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 shareholder investments and customers
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 2023 PSU awards will be measured against a group of companies (collectively, the "**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 shareholder investments and customers, have comparable median market capitalization and revenue to TechnipFMC, and are exposed to similar markets in terms of industry and global scope.

2023 Relative TSR Peer Group		
Baker Hughes Company	Nabors Industries Ltd.	Transocean Ltd.
ChampionX Corp.	National Oilwell Varco, Inc.	Oceaneering International, Inc.
Core Laboratories N.V.	SLB	
Halliburton Company	Subsea 7 S.A.	

The vesting date for the 2023 PSU awards is February 21, 2026, with a performance period of January 1, 2023 through December 31, 2025.

The Compensation and Talent Committee approved the following targets for the 2023 PSU awards:

Relative TSR

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 (ROIC)

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 2022-2024 will be disclosed at the end of the performance period.

PSU Grant Detail

	2022 PSU Grant[1]	2023 PSU Grant[2]
Number of PSUs/ conditional share awards awarded	861,675	521,142
Share Price on Grant Date	$ 7.88	$ 14.01
Fair Value on the date of award[1]	$ 6,789,999	$ 7,301,199
Fair Value of award as a % of salary	549%	549%
Face Value on the date of award at maximum performance[1]	$13,579,998	$14,602,399
Face Value of award at maximum performance as a % of salary	1099%	1099%

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

(2) Calculated using the grant price, equal to the closing price on the New York Stock Exchange on the date of grant, February 17, 2023.

2023 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.

For 2023, the Compensation and Talent Committee modified the vesting schedule of our RSU awards from a three-year cliff to a three-year ratable schedule, with RSUs vesting in three equal installments over three years on the anniversary of the grant date.

The Compensation and Talent Committee's decision to use a combination of graded vesting for RSUs and three-year cliff vesting for PSUs ensures a balanced and effective retention strategy for our equity awards. In addition, this modification aligns with market practices of our Compensation Peer Group, as reported by FW Cook.

The number of RSUs granted to executive directors was determined by dividing the target value set for each executive officer by the closing price of the Company's Ordinary Shares on the NYSE on the date prior to the grant date.

RSU Grant Detail

	2022 RSU Grant[1]	2023 RSU Grant[2]
Number of RSUs/ conditional share awards	369,289	223,346
Share Price on Grant Date	$ 7.88	$ 14.01
Face Value on the date of award[1]	$2,909,997	$3,129,077
Award as a % of salary	235%	235%

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

(2) Calculated using the grant price, equal to the closing price on the New York Stock Exchange on the date of grant, February 17, 2023.

Clawback Policy

In 2023, we adopted an updated compensation recovery clawback policy that enables us to recoup and/or cancel previously awarded compensation in defined situations. The updated policy supersedes our prior clawback policy.

Covered Employees	Executive officers, including executive directors, subject to the reporting requirements of Section 16 of the Exchange Act
Covered Compensation	Cash and equity that is granted, earned, or vested based on the attainment of financial reporting measures
Triggering Events	Restatement of the Company's quarterly or annual financial statements resulting in erroneously awarded compensation Illegal acts, including fraud, material theft of Company assets, bribery, and corruption; gross negligence; and willful misconduct
Compensation and Talent Committee Authority	Administer, interpret, and construe the policy Cancel previously granted compensation in part or in whole, whether vested or deferred Clawback previously earned or erroneously awarded compensation by requiring the executive officer to repay the Company any gain realized or payment received Reduce or offset future incentive compensation

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 2023.

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 full share ownership requirement as of December 31, 2023.

Share Retention Requirements

An executive director is required to retain 50% of the net shares acquired after the vesting of time-based restricted stock units and performance-based restricted stock units until the required ownership level is achieved. 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 2023.

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, 2023:

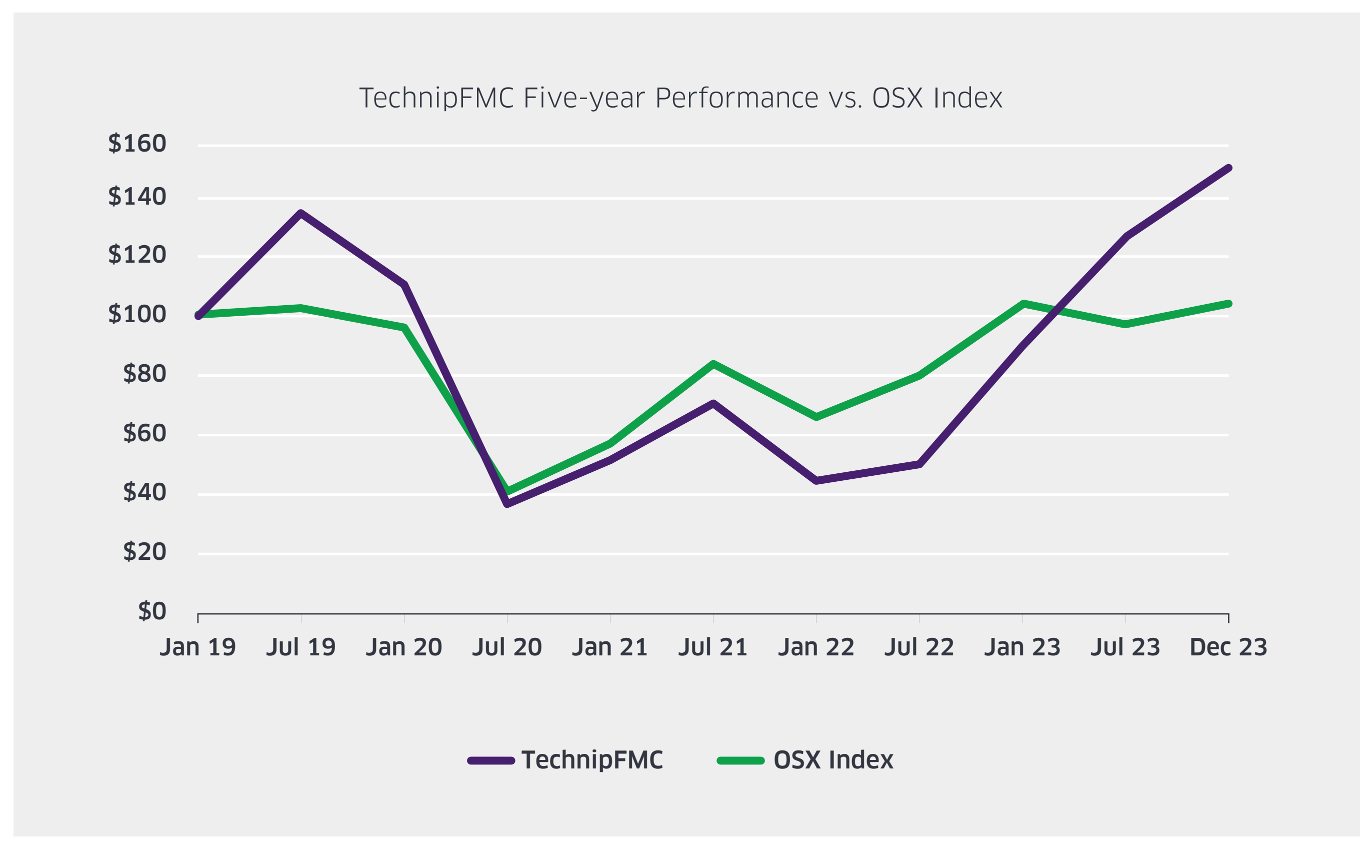
Name	Share Ownership Requirements (% of salary)	Number of Shares Required to Hold[1]	Number of Shares Owned Outright (including Connected Persons)	Vested but Unexercised Stock Options	Unvested and Unexercised Stock Options	RSUs Time Based	RSUs Subject to Performance Conditions[1]	Weighted Average Exercise Price of Vested Options	Weighted Average Period to Vest of RSUs
Chair and CEO	600%	395,839	1,697,581	970,547	0	1,224,714	2,330,937	$20.38	11.57

(1) Number of Shares Required to Hold is based on the share price as of December 29, 2023 of $20.14. 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. No stock options were exercised in 2023.

(2) Represents target. Maximum possible payout is 200% of target, or 4,661,874 RSUs.

TSR Performance Graphs and Table for the Chair and CEO

The figure below indicates the Company's TSR performance against the OSX index from January 1, 2019 through December 31, 2023. 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	2023
Total Single Figure of Remuneration	$5,437,504	$7,861,135	$6,282,074	$20,092,366	$6,493,597	$50,761,830
Annual Cash Incentive Award Paid as a % of Maximum	65%	87%	50%	81%	62%	82%
Long-Term Incentive Award Paid as a % of Maximum	0%	25%	12.5%	50%	0%	100%

(1) For more details on the calculation of the Total Single Figure of Remuneration, please see the section 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. 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.

	2022 to 2023			2021 to 2022			2020 to 2021			2019 to 2020		
	Salary[1]	Bonus	Benefits[2]	Salary[1]	Bonus	Benefits[2]	Salary	Bonus	Benefits	Salary	Bonus	Benefits
Douglas J. Pferdehirt	7.5%	42%	27%	0%	-23%	-28%	30%	62%	26%	-30%	-43%	-9%
Average U.S. Employee	6.3%	49%	47%	1.5%	39.0%	7.7%	125%	129%	2.7%	20.5%	-11.1%	-11.5%

Non-Executive Directors	2022 to 2023			2021 to 2022			2020 to 2021			2019 to 2020		
	Salary	Bonus	Benefits	Salary	Bonus	Benefits	Salary	Bonus	Benefits	Salary	Bonus	Benefits
Eleazar de Carvalho Filho	7%	N/A	100%	0%	N/A	-100%	30%	N/A	-87.7%	-20%	N/A	230%
Claire S. Farley	-2%	N/A	0%	0%	N/A	0%	30%	N/A	0%	-20%	N/A	N/A
Robert Gwin	–	N/A	–	–	–	–	–	–	–	–	–	–
Peter Mellbye	-4%	N/A	351%	0%	N/A	100.0%	30%	N/A	-89%	-20%	N/A	281%
John O'Leary	4%	N/A	100%	0%	N/A	-100%	30%	N/A	-88%	-20%	N/A	230%
Margareth Øvrum	0%	N/A	-63%	0%	N/A	589.0%	30%	N/A	0%	N/A	N/A	N/A
Kay G. Priestly	4%	N/A	414%	0%	N/A	-83%	30%	N/A	-31%	-20%	N/A	230%
John Yearwood	0%	N/A	100%	0%	N/A	-100%	30%	N/A	-85%	-20%	N/A	N/A
Sophie Zurquiyah	0%	N/A	403%	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. Mr. O'Leary and Ms. Priestly had their salary increase due to the increase in their respective chair fees. Mr. O'Leary as the Chair of the Compensation and Talent Committee had his annual chair fee increased from $15,000 to $20,000. Ms. Priestly as the Chair of the Audit committee had an increase from $20,000 to $25,000. Mr. Mellbye as the chair of the ESG committee also had his chair fee increased from $10,000 to $15,000 but also left the board after the second quarter resulting in a decrease. Mr. de Carvalho Filho was appointed to the chair of the ESG committee after the second quarter resulting in an increase in salary.

(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 2023, the average cost went to $2263.19.

In 2021, Mr. de Carvalho Filho had a taxable benefit total of $445.84 while in 2022 he had $0, in 2023 he incurred a cost of $2,225.79. In 2021, Ms. Farley had a taxable benefit total of $0 while in 2022 she had $0, in 2023 she remained at $0. In 2021, Mr. Mellbye had a taxable benefit total of $0 while in 2022 he had $493.37, in 2023 he incurred a cost of $2,225.79. In 2021, Mr. O'Leary had a taxable benefit total of $445.84 while in 2022 he had $0, in 2023 he incurred a cost of $2,225.79. In 2021, Ms. Øvrum had a taxable benefit total of $875.47 while in 2022 she had $6,034.70, in 2023 she incurred a cost of $2,225.79. In 2021, Ms. Priestly had a taxable benefit total of $2,522.66 while in 2022 she had $433.20, in 2023 she incurred a cost of $2,225.79. In 2021, Mr. Yearwood had a taxable benefit total of $283.81 while in 2022 he had $0, in 2023 he incurred a cost of $2,225.79. In 2021, Ms. Zurquiyah had a taxable benefit total of $1,410.49 while in 2022 she had $493.37, in 2023 she incurred a cost of $2,480.17. Values were converted to USD using the 12/29/2023 exchange rate.

Payments to Past Directors (Audited Information)

The Company made no payments to past directors for the period under review.

Payments for Loss of Office (Audited Information)

The Company made no payments to past directors for the period under review.

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.

Financial year	Option	Total Remuneration P25 (Lower Quartile)	Total Remuneration P50 (Median)	Total Remuneration P75 (Upper Quartile)	Base Salary Only P25 (Lower Quartile)	Base Salary Only P50 (Median)	Base Salary Only P75 (Upper Quartile)
2023	C	872:1	696:1	491:1	27:1	21:1	16:1
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

			U.K. Employees					
	CEO		P25		P50		P75	
Financial year	Base Salary	Total Remuneration	Base Salary	Total Remuneration	Base Salary	Total Remuneration	Base Salary	Total Remuneration
2023	$1,328,700	$50,761,830	$49,451	$58,185	$62,070	$72,909	$85,216	$103,403

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, 2023. 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 2,000 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 since 2019.

The 2023 ratio reflects the share value appreciation of equity awards granted on April 1, 2021, at a share price of $7.98 compared to a share price of $22.58 as of March 1, 2024, the vesting date of such awards, and a performance payout of 200% of target for the 2021 PSUs. For more information, see the section entitled "*Executive Director's Single Figure Table (Audited Information)*."

Relative Importance of Spend on Pay

The table below sets out data for 2022 and 2023.

Relative spend information	2022	2023	% Change
Remuneration for All Global Employees	$1,396,560,000	$1,492,127,000	6.8%
Distributions to Shareholders	–	$ 43,545,217	100%

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 2023, pursuant to our current Directors' Remuneration Policy, which was approved at our 2018 Annual General Meeting. Our current Chair and CEO, Mr. Pferdehirt, is not included in the table below as he was an employee during 2023 and did not receive any additional compensation for his service as a director.

Board of Director Members

Non-Executive Director	2023 ($000s)					2022 ($000s)				
	Base fees	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	17.5	175	2.2	294.7	100	10.0	175	0.0	285.0
Claire S. Farley	100	57.5	175	0	332.5	100	60.0	175	0.0	335.0
Robert Gwin[4]	100	7.5	189.5	0	297.0	–	–	–	–	–
Peter Mellbye[5]	50	12.5	0	2.2	64.7	100	17.5	175	0.5	293.0
John O'Leary	100	30	175	2.2	307.2	100	25.0	175	0.0	300.0
Margareth Øvrum	100	10	175	2.2	287.2	100	10.0	175	6.0	291.0
Kay G. Priestly	100	35	175	2.2	312.2	100	30.0	175	0.4	305.4
John Yearwood	100	20	175	2.2	297.2	100	20.0	175	0.0	295.0
Sophie Zurquiyah	100	10	175	2.5	287.5	100	10.0	175	0.5	285.5

(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 $7.88 and $14.01 on March 8, 2022 and February 17, 2023 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.

(4) Mr. Gwin joined the Board of Directors on February 1, 2023. In addition to the annual equity grant of $175,000, he received a prorata award for his service prior to the February 20, 2023 Board of Directors meeting.

(5) Mr. Mellbye retired from the board on April 28, 2023.

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 December 31, 2023, 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	24,826	94,601	12,491	107,092
Claire S. Farley	$500,000	24,826	147,113	12,491	159,604
Robert Gwin[2]	$500,000	4,965	–	13,531	13,531
John O'Leary	$500,000	24,826	106,204	12,491	118,695
Margareth Øvrum	$500,000	14,896	53,275	12,491	65,766
Kay G. Priestly	$500,000	24,826	101,765	12,491	114,256
John Yearwood	$500,000	19,861	86,147	12,491	98,638
Sophie Zurquiyah	$500,000	9,930	44,137	12,491	56,628

(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 2023, 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.

(2) Mr. Gwin joined the Board of Directors on February 1, 2023. In addition to the annual equity grant of $175,000, he received a prorata award for his service prior to the February 20, 2023 Board of Directors meeting.

(3) Mr. Mellbye retired from the board on April 28, 2023. As such, he was not subject to share ownership requirements as of December 31, 2023.

All of our Directors met their applicable share ownership requirements as of December 31, 2023.

Application of the Policy in 2024

Compensation for directors is recommended annually by the Compensation and Talent Committee with the assistance of FW Cook and approved by the Board.

The Directors’ Remuneration will be implemented with effect from the 2024 Annual General Meeting (April 26, 2024) as follows:

Salary and Benefits

Chair and CEO Base salary for 2024 is $1,328,720.

Benefits and Pension

No changes are being made.

Annual Bonus

The bonus opportunity and operation for executive directors in 2024 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%*
2024-2026 ESG Scorecard Performance	*25%*
API	**25%**
Total	**100%**

The 2024 Adjusted EBITDA as a Percentage of Revenue and Free Cash Flow Conversation targets are commercially sensitive but align with our 2024 fiscal year plan. The targets will be disclosed in our 2024 U.K. Annual Report. Please see the section entitled “*The 2024-2026 Scorecard*” section for the Company’s 2024-2026 Scorecard objectives.

2024 Long-Term Equity Incentive Plan

Our annual 2024 long-term equity grant will 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 one-third 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 value while reinforcing the retention impact of our compensation program

We believe that both ROIC and relative TSR closely align with value creation, are meaningful measures of our long-term performance, and motivate 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 2024 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 2024, we intend to retain the same Relative TSR Peer Group as 2023. 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 2024 relative TSR peer group is outlined below:

2024 Relative TSR Peer Group		
Baker Hughes Company	Nabors Industries Ltd.	Transocean Ltd.
ChampionX 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 2024-2026 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 2024-2026 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. The 2024-2026 ROIC target is commercially sensitive and will be disclosed at the end of the performance period, but it aligns with the Company's long-term plan at the time it was approved.

The results for the ROIC three-year period of 2024–2026 will be disclosed at the end of the performance period.

Non-Executive Director fees

For the year ending December 31, 2023, 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 2023	Compensation 2024	% increase
Annual Retainer	$100,000 paid in cash.	$105,000 paid in cash.	5.0%
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.	$185,000 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.	5.7%
Annual Chair Fee	$25,000 for Audit Committee	$25,000 for Audit Committee	0%
	$20,000 for Compensation and Talent Committee	$20,000 for Compensation and Talent Committee	0%
	$15,000 for Environmental, Social, and Governance Committee	$15,000 for Environmental, Social, and Governance Committee	0%
Annual Lead Independent Director Fee	$50,000	$50,000	0%
Meeting Fee	$2,500 per committee meeting	Not applicable	–
Annual Committee Member Fee	Not applicable	$10,000 per committee	–
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 2023

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 compensation 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. Based on the outcomes of this competitive search, the Compensation and Talent Committee appointed FW Cook as its independent compensation consultant in 2021. FW Cook provides the Compensation and Talent Committee independent advice in evaluating our director and executive compensation program, as well as insight into legislative and governance activity, market prevalence, and setting the Compensation Peer Group used to inform executive compensation decisions.

The Compensation and Talent Committee annually assesses FW Cook's independence and objectivity by considering seven factors:

- 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 director compensation;
- FW Cook's fees and expenses for consulting services to the Committee were less than 1% of FW Cook's total revenue in 2023;
- FW Cook's policies and procedures are designed to prevent conflicts of interest;
- No member of the FW Cook consulting team (or the consulting team's immediate family members) owns TechnipFMC stock;
- No member of the FW Cook consulting team (or their spouse) serving TechnipFMC's Committee has any business or personal relationship with any executive officer of TechnipFMC, nor does any other employee of FW Cook have such a relationship; and
- Other factors deemed relevant that might impair the independence of FW Cook from TechnipFMC, any Committee member of TechnipFMC, or any member of TechnipFMC's management.

FW Cook was paid approximately $102,000 in time and expenses related to executive compensation services provided in 2023. In accordance with its annual practice and pursuant to the SEC rules and NYSE listing standards, the Compensation and Talent Committee reviewed and considered the independence of FW Cook during 2023 and determined that FW Cook's work performed during 2023 did not raise any conflicts of interest.

Compensation and Talent Committee Members

All members of the Compensation and Talent Committee are independent. The Compensation and Talent Committee met four times in 2023 and all members attended each meeting. From January 1, 2023 to December 31, 2023, 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, 2023

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 2023 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 and Accounts	▸ Review executive officer share ownership guidelines and compliance ▸ Discuss shareholders' and proxy advisory feedback and review annual general meeting vote results ▸ Determine the Compensation Peer Group	▸ Review internal governance policies (e.g., clawback and insider trading policy) and compliance ▸ Approve annual equity budget for non-executives, and review impact on shareholder dilution ▸ Review 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 2023 Annual General Meeting, 96.6% of votes cast approved our 2023 Directors' Remuneration Report with 3.4% voting against the report (percentages subject to rounding), and 2,433,722 votes 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 director compensation program, and is pleased with the support from shareholders stemming from our extensive shareholder engagement and changes made to the director compensation program as a result. An integral component in the evaluation and review of our compensation program are our shareholder engagement initiatives, explained in further detail in the letter from our Compensation and Talent Committee Chair.

On behalf of the Board

John O'Leary
Director and Compensation and Talent Committee Chair

March 15, 2024

Remuneration Policy

This section of the report sets out the remuneration policy for the executive and non-executive directors which shareholders are asked to approve at the 2024 Annual General Meeting of Shareholders on April 26, 2024.

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 independent 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 considers relevant market data and factors relating to the Company 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 executive director is present in the discussion of their own remuneration and independent advice is provided by our independent compensation consultants.

Future Policy Table for Executive Directors

The table and accompanying notes below describe each component of the Company's executive directors' remuneration package.

<table>
<tr><th colspan="2">Base Salary</th></tr>
<tr><td>Purpose and link to strategy</td><td>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</td></tr>
<tr><td>Operation</td><td>Reviewed annually or following a change in responsibilities, with changes usually taking effect at the start of the fiscal year (January 1) although it may be reviewed at other times if considered appropriate.

The Compensation and Talent Committee considers the following parameters when setting and reviewing base salary levels:
▸ economic conditions and governance trends;
▸ the individual's performance, skills, and responsibilities;
▸ base salaries of comparable positions within peer companies of similar size and industry; and
▸ market pay levels.

Salaries are normally paid in the currency of the executive director's home country.</td></tr>
<tr><td>Maximum payment</td><td>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 market median level of peer companies. Salary adjustments may also reflect wider market conditions in the geography in which the executive director is based.

While there is no current intent to materially increase salary levels, we understand that the U.K. regulations with which this policy complies envisage a monetary cap on each component. For this purpose, no executive director's salary will exceed $2,000,000.</td></tr>
<tr><td>Performance assessment</td><td>The Compensation and Talent Committee annually sets salaries by considering factors such as base pay versus market, peer company compensation for similar positions, and the individual performance of an executive director, along with the overall performance of the Company.</td></tr>
<tr><td>Provisions to recover sums paid or the withholding of payments</td><td>Not applicable</td></tr>
</table>

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, which may vary based on the location. The Chair and CEO currently participates in the Company's U.S. Qualified Savings Plan (401(k)) 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 section entitled "*Annual Report on Remuneration*."
Maximum payment	The annual company contributions to the U.S. Qualified Savings Plan (401(k)) and U.S. Non-Qualified Savings Plan are capped based on a percentage of eligible earnings, typically comprising base and annual cash incentive earnings for the plan year. The current employer contribution cap of 7% may be subject to periodic review, but executive directors will not have the level increased unless the revised level is applied to most eligible participants.
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 objectives as well as individual contributions to the Company's performance

Annual Performance Bonus	
Operation	Performance measures and stretch targets are set annually in advance by the Compensation and Talent Committee by reference to the annual operating plan and may relate to success measures as it considers appropriate. Below is a summary of performance measures linked to the annual bonus in 2024. EBITDA as a percentage of revenue (25% weight) and free cash flow from operations (25% weight) are key financial objectives that measure the Company's ability to drive profitability, manage cost, generate cash, and create a sustainable business. Performance relative to the Company's ESG Scorecards (25% weight) drives behaviors and creates outcomes that make a positive impact on the planet, people, and communities in which the Company operates. Individual performance objectives (25% weight) comprise personal stretch goals that are built around various strategic business objectives. The award is usually paid out in cash after the end of the financial year when the Compensation and Talent Committee reviews the results and approves the payouts for each performance component. The Compensation and Talent Committee annually reviews the performance measures connected to the annual performance bonus which may include financial, non-financial, corporate, divisional, strategic, operational, and/ or personal measures. The weighting of each measure is based on both shareholder input and the business priorities for the 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 within the overall caps. 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 applicable caps and provide applicable disclosures on the rationale for issuing such bonus.

Annual Performance Bonus	
Maximum payment	For below threshold performance, the bonus normally pays out at 0% of target value although this can be varied by the Committee. ▸ 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 maximum annual bonus for the Chair and CEO for 2024 is set at 270% of base salary (or 200% of the target value of 135% of base salary). ▸ As the U.K. regulations require a cap, the Committee has set a cap of 400% of base salary, noting that there is no intent to increase the actual maximum payout from the current 270% level. 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 suitable stretch 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 ESG Committee. The Compensation and Talent Committee has discretion to vary the measures and weighting of these measures over the life of this Remuneration Policy. Further details are set out on page 128 in the Operation section of this Annual Performance Bonus table.
Provisions to recover sums paid or the withholding of payments	Clawback provisions apply as described on page 111 of the Directors' Remuneration Report. The precise terms of such provisions may be amended from time to time having regard to market norms in the U.S.

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 2022 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 2024, long-term award grants consist of: ▸ Performance Stock Units: an award of shares subject to performance conditions assessed over a period of three years; and ▸ Restricted Stock Units: an award of shares that vest one-third each year, over three years from the grant date. 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 and any and all elements of the Incentive Plan may be utilized to the extent permitted under the plan. A minimum of 50% will be performance based. However, it is the current intention of the Compensation and Talent Committee that the 2024 weighting for the Chair and CEO be as follows (based on the fair value at the grant date): ▸ 70% PSUs; and ▸ 30% RSUs. 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 $20 million per annum. PSUs pay out at 25% of target for achievement of threshold performance, and at 0% for below threshold performance. For stretch performance, PSU awards may vest at up to 200% of the target value. 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 a fair value as of the grant date of $20 million.

Long-term Incentive Schemes	

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, earnings per share);
	  - a measure of the Company's performance on environmental, social, and governance metrics;
	  - a measure of efficiency (for example, operating margin, operating cash conversion, and ROIC); and
	  - a measure of the Company's relative performance in relation to its peers (for example, relative TSR).
	- For 2024, the performance measures for PSUs are ROIC (50% weight) and relative Total Shareholder Return (50% weight).
	
	The Compensation and Talent Committee has discretion to amend the performance metrics and weightings 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.
	
	Measures and targets will be determined by the Compensation and Talent Committee annually at its discretion prior to grant and will be disclosed in the applicable annual report on remuneration.

Provisions to recover sums paid or the withholding of payments	Clawback provisions apply as described on page 111 of the *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, which 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. No material changes to benefits or perquisites are currently in contemplation and, in particular, there is no current intent to increase the current value provided.
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 our strategic and financial business plan over the short and long-term, shareholder feedback and general market practices.

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 (401(k)). 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 (401(k)). 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 matches 5% of the employee's contributions to the U.S. Non-Qualified Savings Plan. Participants are 100% vested in their contributions and the employer matching 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. These levels have been fixed for some time, but the Company may review and increase these percentages from time to time provided that any increase will not extend to an executive director unless also applied to a majority of eligible employees. Similar to the U.S. Qualified Savings (401(k)) 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 (401(k)). 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 although some flexibility may be applied with respect to buyout awards as described below. 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 rigorous 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 below.

If an executive director were to be subsequently appointed under a service agreement during the term of the Remuneration Policy, or, indeed, if the Committee subsequently decides that it is appropriate to enter into such an agreement with a current executive director, 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.

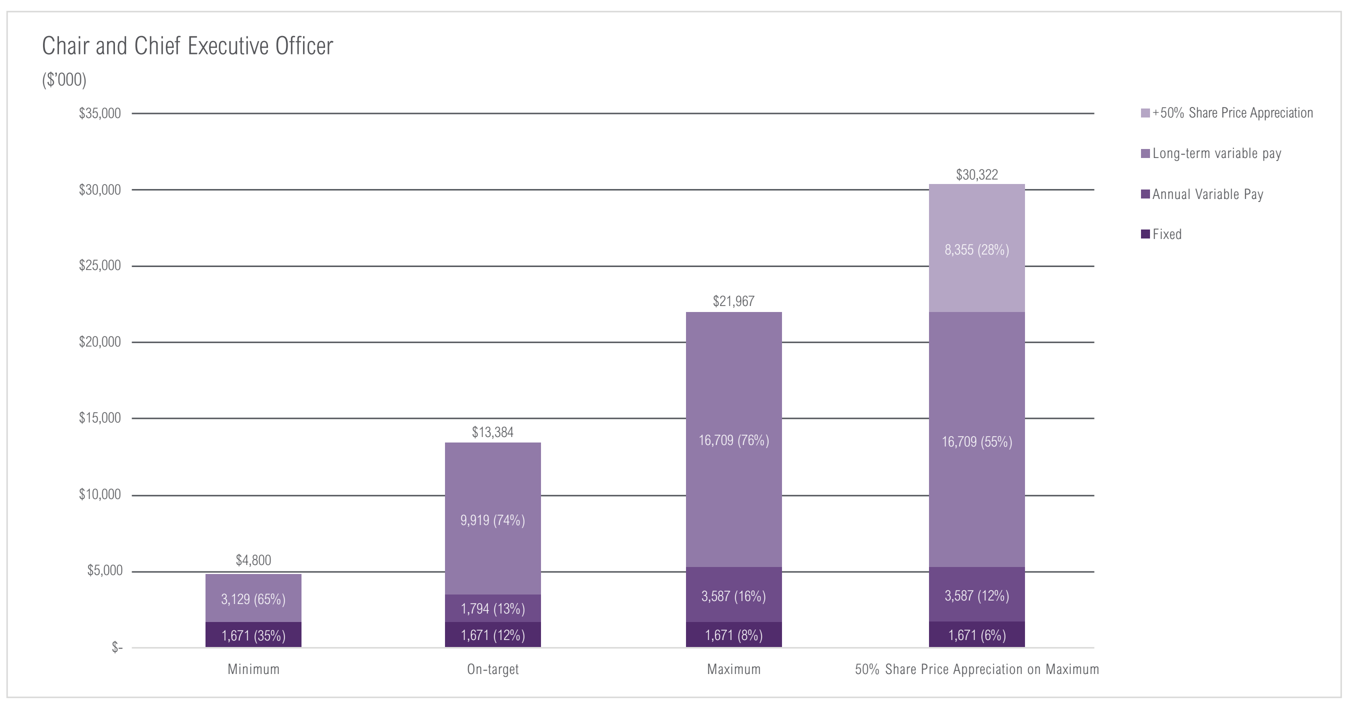
Share Ownership and Retention Requirements

While the U.K. regulations do not require the Company to set out its practice regarding share ownership requirements, The Compensation and Talent Committee considers this to be part of the overall compensation arrangements and the current approach is summarized below. This is not technically part of the policy and may be modified from time to time.

Share Ownership Requirements	Chair and CEO: 6x base salary
Qualifying Share Interests	• Ordinary shares owned outright • PSU awards where the performance period is final and approved • Unvested RSUs
Time for Achievement	Five years from the effective date of appointment Pro rata requirement of 20% per year applies within the first five years
Consequences for Non-achievement	At the discretion of the Board of Directors
Retention Requirement	50% of the net shares acquired after the vesting of time-based RSUs and PSUs until the required ownership level is achieved

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 proposed 2024 Remuneration 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).



The table below sets out the elements and approach to calculation for the chart above.

Performance	Fixed pay	Annual variable pay	Long-term variable pay
Threshold performance / Minimum pay-out	Chair and CEO Base pay for 2024: $1,328,700 Chair and CEO taxable benefits as per the single figure of remuneration: $70,361 Chair and CEO retirement benefits as per the single figure of remuneration: $271,773 Chair and CEO face value of restricted stock awards at grant: $3,129,077	N/A	N/A

Performance	Fixed pay	Annual variable pay	Long-term variable pay
On-target / "expected" performance	Fixed Pay (see above)	On-target bonus (100% of target) For 2024: 135% of salary for the Chair and CEO	Performance Stock Units at 100% of target For 2024: face value of $7,301,207 for the Chair and CEO
Maximum performance	Fixed Pay (see above)	Maximum bonus (200% of target) For 2024: 270% of salary for the Chair and CEO	Performance Stock Units at 200% of target For 2024: face value of $14,602,413 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.

The above sets out the current position although the Committee reserves the right to amend these provisions within the life of the Remuneration Policy, having suitable regard to market practice in the U.S., should it consider it appropriate to do so.

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 the greater of (a) the executive's base salary as in effect on the effective date of the agreement or (b) the executive's base salary on the effective date of termination;
- a pro-rated payment equal to the amount of his annual target bonus for the year that 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: (x) 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; (y) a voluntary termination by the Chair and CEO for "good reason" within 24 months of the change in control; or (z) 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 that 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.

The above sets out the current position although the Committee reserves the right to amend these provisions within the life of the policy, having suitable regard to market practice in the U.S., should it consider it appropriate to do so.

Future Policy Table for Non-Executive Directors

Director's 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 $600,000 annually in cash and grant date fair value of equity to each person. 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 core compensation elements for non-executive directors. These elements of compensation are reviewed annually by the Compensation and Talent Committee's independent compensation consultant and are subject to change, should it be considered appropriate, to ensure alignment with competitive market practices, but in no way should the total exceed the $600,000 maximum. Where any discretion is exercised, the basis of this exercise should be disclosed in the next annual remuneration report.

Compensation Element	Purpose
Annual Retainer	Cash compensation for the non-executive director's time and service on the Board.
Annual Equity Grant	Equity compensation to create alignment with shareholder interests and assist in complying with stock ownership requirements. Delivered as RSUs, awards vest after one year of service and are settled in Ordinary Shares on a date elected by the non-executive director that is either (a) after a period of one 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.

Compensation Element	Purpose
Annual Chair Fees	Cash compensation provided to the Chair of each committee of the Board of Directors to recognize the additional responsibilities and time required for leading their specific committee.
Annual Lead Independent Director Fee	Cash compensation for the additional responsibilities and time required to fulfill the position.
Committee Membership Fee	A fixed cash fee payable to each non-executive director for participating on a committee.
Other compensation	Reimbursement of travel and other related expenses incurred in connection with attending Board and committee meetings. Assistance with annual individual U.K. tax returns.

Director's 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 as of December 31, 2023. 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.

Other Provisions
The directors' appointment letters currently 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 retire. These provisions may be amended during the life of the Remuneration Policy having regard to market practice in the U.S.

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 practices across the Company. However, there are some differences in the structure of the Remuneration Policy for 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 entitled "*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 2023 Annual General Meeting, 96.6% of votes cast by shareholders approved our 2022 Directors' Remuneration Report with 3.4% votes cast against the report (percentages subject to rounding). The high shareholder support demonstrates the alignment of our Directors' Remuneration Report to shareholder interests. For more information on our 2023–2024 shareholder engagement, please see the "*Letter from the Chair of the Compensation and Talent Committee*" above.

Changes in the Remuneration Policy

In seeking approval of the proposed Remuneration Policy, the Compensation Committee reviewed the current policy, considered the views of shareholders, and considered 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.

The key changes to this 2024 Remuneration Policy compared to the 2021 Remuneration policy are summarized below:

- Adjusted in the target maximum grant date fair value of annual long-term equity award granted to the Chair and CEO from $18 million per annum to $20 million per annum, to provide flexibility for the future to adjust compensation mix and the proportion of equity-based compensation during a period of volatility in the energy industry sector. However, this change did not impact the 2024 long-term equity grant, which will remain below $18 million.
- Adjusted the maximum threshold for annual non-executive director remuneration of combined cash and grant date fair value of equity from $500,000 to $600,000. However, this change does not impact 2024 non-executive director remuneration, which remains below $500,000.
- Adjusted maximum threshold for annual bonus payments to 400% of annual base salary.
- Adjusted maximum threshold for annual base salary to $2,000,000.
- Expanded information on performance measures linked to the annual bonus payment and compensation elements for non-executive directors.

Cautionary Statement Regarding Forward-Looking Statements

This U.K. Annual Report contains "forward-looking statements" as defined in Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended. 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.

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 2023 and of the group's profit 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 2023; Consolidated Statements of Income, Consolidated Statements of Other Comprehensive Income, Consolidated Statements of Cash Flows, Consolidated Statements of Changes in Stockholders' Equity, and Company Statements 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 22 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, Portugal, Norway, 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 68% of revenue at the transactional level.

Key audit matters

- Revenue recognition (group)
- Carrying value of investments in subsidiaries (parent)

Materiality

- Overall group materiality: USD 43m (2022: USD 38m) based on 0.6% of revenue.
- Overall company materiality: USD 40.85m (2022: USD 36m) based on 1% of total assets subject to a capped allocation of group materiality.
- Performance materiality: USD 32.25m (2022: USD 28.5m) (group) and USD 30.6m (2022: USD 27m) (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.

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 64% 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. Please refer to Note 1.5 Use of critical accounting estimates, judgements and assumptions, Note 3 Segment information and Note 5 Revenue in the group financial statements.	In auditing the group's revenue from products and services recognised over time, 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 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 as well as 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 2023 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, and management judgements involved in determining impairment triggers. Please refer to Note 2.4 Use of critical accounting estimates, judgements 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 obtained and read management's assessment which concluded that there were no impairment triggers;
	
	- We considered external and internal sources of information which could be indicative of impairment triggers including:
	
	    - 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 2023 and post year end against the carrying value of the investments;
	
	    - Recent market commentary on the group; and
	
	    - Current year backlog and order intake compared to prior years.
	
	- We performed a lookback test by comparing the 2023 actual performance against the 2023 budgeted performance;
	
	- We assessed management's consideration of impairment reversals; 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 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 scope and specified procedure component teams. We also visited the US, Norway and Brazil component teams during the year. Of the 25 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 specified procedure component audits gave appropriate coverage of all material balances at a group level. On a consolidated bases, these provided coverage of 68% 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 and 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 enquires 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 transitional risks and physical risks.

The key areas of the financial statements where management evaluated that climate risk has a potential impact are the forecasted future cash flows generated by non-current assets and those associated with goodwill.

We considered the following areas to potentially be impacted by climate risk and consequently we focused our audit work on the carrying value of non-current assets and goodwill.

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 related disclosures.

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 31 December 2023.

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 43m (2022: USD 38m).	USD 40.85m (2022: USD 36m).
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 56.8m.

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 USD 9m and USD 36m. 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% (2022: 75%) of overall materiality, amounting to USD 32.25m (2022: USD 28.5m) for the group financial statements and USD 30.6m (2022: USD 27m) 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 4.3m (group audit) (2022: USD 3.8m) and USD 2m (company audit) (2022: USD 1.8m) 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 cash flow 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 cash flow position per management's going concern working 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 2023 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 the 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 account 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;
- Indentifying and testing journal entries, in particular any journal entries posted with unusual account combinations impacting revenue; and
- Understanding and assessing management's ongoing processes for investigation 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
15 March 2024

CONSOLIDATED FINANCIAL STATEMENTS

TECHNIPFMC PLC

FOR THE YEAR ENDED DECEMBER 31, 2023

Company No. 09909709

CONSOLIDATED STATEMENTS OF INCOME

(In millions, except per share data)	Note	Year Ended December 31, 2023	2022
Revenue:	5		
Service revenue from customer contracts		$ 4,283.4	$ 3,634.5
Product revenue from customer contracts		3,266.4	2,868.4
Lease revenue		277.3	222.8
Total revenue		7,827.1	6,725.7
Costs and expenses:	6		
Cost of service revenue		3,383.5	3,011.7
Cost of product revenue		2,915.6	2,594.3
Cost of lease revenue		184.1	170.0
Selling, general and administrative expense		684.5	620.3
Research and development expense		69.0	67.0
Impairment, restructuring and other expenses	22	20.0	1.1
Total costs and expenses		7,256.7	6,464.4
Other income (expense), net	6	(128.5)	21.8
Foreign exchange loss, net	6	(166.6)	(68.8)
Income from associates	9	34.4	44.6
Loss from investment in Technip Energies	33	—	(27.7)
Income before net interest expense and income taxes		309.7	231.2
Financial income	6	47.2	19.3
Financial expense	6	(194.4)	(179.9)
Loss on early extinguishment of debt		—	(29.8)
Income before income taxes		162.5	40.8
Provision for income taxes	7	143.9	125.7
Net income (loss) from continuing operations		18.6	(84.9)
Loss from discontinued operations	33	—	(26.4)
Net income (loss)		18.6	(111.3)
(Income) loss from continuing operations attributable to non-controlling interests		4.3	(25.4)
Net income (loss) attributable to TechnipFMC plc		$ 22.9	$ (136.7)
Earnings (loss) per share from continuing operations attributable to TechnipFMC plc	8		
Basic and diluted		$ 0.05	$ (0.25)
Loss per share from discontinued operations attributable to TechnipFMC plc			
Basic and diluted		$ —	$ (0.06)
Total earnings (loss) per share attributable to TechnipFMC plc			
Basic and diluted		$ 0.05	$ (0.30)
Weighted average shares outstanding			
Basic		438.6	449.5
Diluted		452.4	449.5

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME

(In millions)	Year Ended December 31, 2023	2022
Net income (loss) attributable to TechnipFMC plc	$ 22.9	$ (136.7)
(Income) loss from continuing operations attributable to non-controlling interests	4.3	(25.4)
Net income (loss) attributable to TechnipFMC plc, including non-controlling interest	18.6	(111.3)
Exchange differences on translating entities operating in foreign currency [(1)]	111.2	(30.7)
Cash flow hedging	40.9	8.2
Income tax effect	(2.9)	(8.0)
Other comprehensive income (loss) to be reclassified to statement of income in subsequent years, net of tax [(1)]	149.2	(30.5)
Actuarial gains (losses) on defined benefit plans	(32.2)	45.5
Income tax effect	3.7	(7.6)
Other comprehensive income (loss) not being reclassified to statement of income in subsequent years, net of tax	(28.5)	37.9
Other comprehensive income, net of tax [(1)]	120.7	7.4
Comprehensive income (loss), net of tax [(1)]	139.3	(103.9)
Comprehensive (income) loss attributable to non-controlling interest	0.5	(21.3)
Comprehensive income (loss) attributable to TechnipFMC plc [(1)]	$ 139.8	$ (125.2)

(1) A correction was posted to amend a small mathematical difference noted in the 2022 comparative figures.

Comprehensive income (loss) attributable to:

(In millions)	Year Ended December 31, 2023	2022
Continuing operations [(1)]	$ 139.8	$ (98.8)
Discontinued operations	—	(26.4)
Comprehensive income (loss) attributable to TechnipFMC plc [(1)]	$ 139.8	$ (125.2)
Non-controlling interest		
Continuing operations	$ 0.5	$ (21.3)
Comprehensive (income) loss attributable to non-controlling interest	0.5	(21.3)
Comprehensive income (loss), net of tax [(1)]	$ 139.3	$ (103.9)

(1) A correction was posted to amend a small mathematical difference noted in the 2022 comparative figures.

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(In millions, except par value data)	Note	December 31, 2023	December 31, 2022
Assets			
Non-current assets			
Investments in associates	9	$ 274.4	$ 325.0
Property, plant and equipment, net	10	2,308.0	2,399.1
Right-of-use assets	4	740.0	733.2
Goodwill	11	140.9	140.9
Intangible assets, net	11	601.6	716.0
Deferred tax assets	7	148.5	46.1
Derivative financial instruments	27	30.4	7.2
Defined benefit asset, less current portion	20	44.1	48.9
Other assets	12	286.1	126.2
Total non-current assets		4,574.0	4,542.6
Current assets			
Cash and cash equivalents	13	951.6	1,057.1
Trade receivables, net	14	1,138.1	968.5
Contract assets, net(1)	5, 14	1,036.0	1,047.2
Inventories, net	15	1,106.7	1,053.1
Derivative financial instruments	27	183.4	282.7
Income taxes receivable	7	187.4	150.5
Advances paid to suppliers		89.5	80.8
Other current assets	16	425.4	450.9
		5,118.1	5,090.8
Assets classified as held for sale	2	155.1	18.5
Total current assets(1)		5,273.2	5,109.3
Total assets(1)		$ 9,847.2	$ 9,651.9
Liabilities and equity			
Ordinary shares	17	$ 432.9	$ 442.2
Retained earnings, net income and other reserves		3,454.3	3,643.0
Accumulated other comprehensive loss	17	(676.8)	(793.7)
Total TechnipFMC plc shareholders' equity		3,210.4	3,291.5
Non-controlling interest	17	35.4	36.5
Total equity		3,245.8	3,328.0
Non-current liabilities			
Long-term debt, less current portion	19	965.1	999.3
Lease liabilities	4	705.3	685.8
Deferred tax liabilities	7	133.0	96.3
Accrued pension and other post-retirement benefits, less current portion	20	138.7	110.1
Derivative financial instruments	27	24.8	3.6
Non-current provisions	21	5.2	6.1
Other liabilities	23	79.7	77.9
Total non-current liabilities		2,051.8	1,979.1
Current liabilities			
Short-term debt and current portion of long-term debt	19	153.8	418.8
Lease liabilities	4	149.0	186.7
Accounts payable, trade	24	1,355.1	1,282.0
Contract liabilities(1)	5	1,470.4	1,142.7
Accrued payroll		187.8	175.6
Derivative financial instruments	27	179.9	346.6
Income taxes payable	7	182.9	120.5
Current provisions(1)	21	265.7	286.1
Other current liabilities including warranty provisions of $45.0 and $74.2 for 2023 and 2022	23	540.7	385.8
		4,485.3	4,344.8
Liabilities classified as held for sale	2	64.3	—
Total current liabilities(1)		4,549.6	4,344.8
Total liabilities(1)		6,601.4	6,323.9
Total equity and liabilities		$ 9,847.2	$ 9,651.9

(1) The December 31, 2022 balances for contract loss provisions of $63.1 million and $12.9 million have been reclassified from contract assets and contract liabilities to current provisions, respectively. As the effect from reclassification is discussed in Note 21 and there is no further impact, an additional statement of financial position has not been presented.

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 15, 2024

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions)	Note	Year Ended December 31, 2023	2022
Cash provided by operating activities			
Net income (loss)		$ 18.6	$ (111.3)
Less: Net (income) loss from discontinued operations		—	26.4
Adjustments to reconcile net income (loss) to cash provided by operating activities			
Depreciation	4, 10	447.3	439.8
Amortization	11	89.7	92.0
Impairments	10, 11, 22	1.7	4.7
Employee benefit plan and share-based compensation costs		46.7	56.6
Deferred income tax benefit, net		(41.9)	(8.9)
Loss from investment in Technip Energies		—	27.7
Unrealized loss on derivative instruments and foreign exchange		29.6	87.9
Income from equity affiliates, net of dividends received		(34.2)	(31.9)
Loss on early extinguishment of debt		—	29.8
Payments for debt issuance cost		(16.7)	—
Payments related to taxes withheld on share-based compensation		(17.2)	—
Financial income classified as investing cash flows		(47.2)	(19.3)
Other		62.9	(47.6)
Changes in operating assets and liabilities, net of effects of acquisitions			
Trade receivables, net and contract assets, net		(252.8)	(61.2)
Inventories, net		(84.2)	(33.5)
Accounts payable, trade		59.2	50.6
Contract liabilities		306.4	187.7
Income taxes payable, net		40.6	(55.6)
Other assets and liabilities, net		134.4	(190.2)
Cash provided by operating activities		742.9	443.7
Cash provided (required) by investing activities			
Capital expenditures		(218.8)	(163.4)
Proceeds from sale of debt securities		14.9	9.7
Acquisitions, net of cash acquired		—	(18.5)
Proceeds from sale of assets		84.7	30.2
Proceeds from sale of investment in Technip Energies (FVTPL)		—	288.5
Proceeds from repayment of advances to joint venture		—	12.5
Financial income		47.2	19.3
Other		—	(20.8)
Cash provided (required) by investing activities		(72.0)	157.5
Cash required by financing activities			
Proceeds from issuance of short-term debt	19	5.0	16.8
Repayments of short-term debt	19	(346.6)	(217.2)
Cash settlement for derivative hedging debt		(30.0)	(80.5)
Proceeds from issuance of long-term debt	19	—	60.9
Repayments of long-term debt	19	—	(430.2)
Share repurchases	17	(205.1)	(100.2)
Payments for the principal portion of lease liabilities	4	(141.0)	(128.3)
Dividends paid	17	(43.5)	—
Other		1.1	(4.9)
Cash required by financing activities		(760.1)	(883.6)
Effect of changes in foreign exchange rates on cash and cash equivalents		(16.3)	12.1
Decrease in cash and cash equivalents		(105.5)	(270.3)
Cash and cash equivalents, beginning of period	13	1,057.1	1,327.4
Cash and cash equivalents, end of period	13	$ 951.6	$ 1,057.1

The following items are included within operating activities:

(In millions)	Year Ended December 31, 2023	2022
Supplemental disclosures of cash flow information attributable to continuing operations		
Cash paid for interest on debt	$ 96.7	$ 110.6
Cash paid for interest on lease	$ 52.6	$ 42.7
Cash paid for income taxes (net of refunds received)	$ 150.7	$ 189.2

The following table provides non-cash investing and financing activities:

(In millions)	Year Ended December 31, 2023	2022
Right-of-use assets obtained in exchange for lease obligations	$ 115.9	$ 283.2
Dividend receivable in exchange for loan receivable	$ 85.0	$ —

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, 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 (Note 17)	(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
Net income (loss)	$ —	$ 22.9	$ —	$ (4.3)	$ 18.6
Other comprehensive income	—	—	116.9	3.8	120.7
Issuance of ordinary shares, net of shares withheld for tax (Note 17)	3.0	(20.1)	—	—	(17.1)
Share-based compensation (Note 18)	—	45.8	—	—	45.8
Shares repurchased and cancelled (Note 17)	(12.3)	(192.8)	—	—	(205.1)
Dividends declared and paid (Note 17)	—	(43.5)	—	—	(43.5)
Other	—	(1.0)	—	(0.6)	(1.6)
Balance as of December 31, 2023	$ 432.9	$ 3,454.3	$ (676.8)	$ 35.4	$ 3,245.8

(a) Other in Accumulated Other Comprehensive Income (Loss) and Retained Earnings, Net Income, and Other Reserves for the year ended December 31, 2022 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" or "U.K.") 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, United Kingdom. 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**") as applicable to companies reporting under those standards.

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 International Accounting Standards ("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 operating cycle. We believe our liquidity continues to exceed the level required to achieve this goal.

During the preparation of these consolidated financial statements, we reviewed our expected requirements through December 31, 2025 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 of December 31, 2023, the Company was in a net current asset position of $723.6 million, with available undrawn facilities of $1.25 billion. On April 24, 2023, we amended and extended to April 24, 2028 our Credit Agreement for 5 years from the date of the amendment. 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 $275.0 million for 2024 and 3.0 to 3.5% of total revenue for 2025. 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 2024 forecasted margins compared with 2023 actuals, similar to the reductions experienced during the COVID pandemic in 2020, and assuming no growth in 2025 from the reduced 2024 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, 2025.

We also continue to actively monitor the current economic environment, including inflation, interest rates and the market volatility caused by the current geopolitical situation in Ukraine and Israel, including the impact on economic activity. 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.

Most of our cash is managed centrally and flows through bank accounts controlled and maintained by TechnipFMC globally in various jurisdictions to best meet the liquidity needs of our global operations. 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 significant 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 2023

The Company has applied the following new standard and amendments to International Financial Reporting Standards ("IFRS") and International Accounting Standards ("IAS") for the first time in its consolidated financial statements for the year ended December 31, 2023.

- IFRS 17, "Insurance Contracts"
- Amendments to IAS 8, "Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates"
- Amendments to IAS 12, "Taxation", relating to Deferred tax related to assets and liabilities arising from a single transaction
- Amendments to IAS 1 and IFRS Practice Statement 2, "Disclosure of Accounting Policies"

These amendments did not have any impact on the Company's accounting policies and did not require retrospective adjustments.

Amendment to IAS 12 "International Tax Reform"

On May 23, 2023, the IASB issued the Amendment to IAS 12 "International Tax Reform - Pillar Two Model Rules", which introduces a mandatory temporary exception to the requirements of IAS 12 for the recognition and specific disclosure of deferred tax assets and liabilities arising from the OECD "Pillar Two Model Rules". The amendments provide a temporary exception from the requirement to recognize and disclose deferred taxes arising from enacted or substantively enacted tax law that implements the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top-up tax ('QDMTT') described in those rules. The amendments to IAS 12 make it clear that entities subject to Pillar Two rules must ignore the deferred tax implications of enacted or substantively enacted Pillar Two legislation in their IFRS financial statements. However, for annual reporting periods beginning on or after January 1, 2023, these entities will need to provide some additional disclosures about current taxes in their annual financial reports. The Company applied the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023. See additional disclosures in Note 7.

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, 2023

Certain new accounting standards and interpretations have been published that are not mandatory for December 31, 2023 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.

Amendment to IAS 12 “International Tax Reform - Pillar Two Model Rules”

The Company is within the scope of the OECD “Pillar Two Model Rules”. Pillar Two legislation was enacted in U.K. on July 19, 2023, the jurisdiction in which the Company is incorporated, and will come into effect from January 1, 2024. Since the Pillar Two legislation was not effective at the reporting date, the Company has no related current tax exposure. The group applies the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023. The Company has performed an assessment of the potential exposure to Pillar Two income taxes. The Company does not expect a material exposure to Pillar Two income taxes.

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.

Amendment to IAS 7 and IFRS 7 “Supplier Finance Arrangements”

On May 25, 2023, the IASB issued the Amendment to IAS 7 and IFRS 7 “Supplier Finance Arrangements”, which requires entities to provide additional information on supplier finance contracts allowing the users of the financial statements to assess how these supplier contracts affect liabilities and cash flows and to understand the effect on the exposure to liquidity risks. The amendments will be effective on or after January 1, 2024. 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 Company's consolidated financial statements.

Amendments to IFRS 16 "Leases" Lease Liability in a Sale and Leaseback

In September 2022, the IASB finalized narrow-scope amendments to the requirements for sale and leaseback transactions in IFRS 16 Leases which explain how an entity accounts for a sale and leaseback after the date of the transaction. The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines ‘lease payments’ and ‘revised lease payments’ in a way that does not result in the seller-lessee recognizing any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate. The amendments will be effective on or after January 1, 2024. 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 Company's consolidated financial statements.

Amendments to IAS 21 - Lack of Exchangeability

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations. Assessing exchangeability between two currencies requires an analysis of different factors; such as the time frame for the exchange, the ability to obtain the other currency, markets or exchange mechanisms, the purpose of obtaining the other currency, and the ability to obtain only limited amounts of the other currency. When a currency is not exchangeable into another currency, the spot exchange rate needs to be estimated. The amendments to IAS 21 do not provide detailed requirements on how to estimate the spot exchange rate. Instead, they set out a framework under which an entity can determine the spot exchange rate at the measurement date. The amendments will be effective on or after January 1, 2025. We are currently evaluating the impact of this amendment on our consolidated financial statements and do not expect that the adoption of the amendments will have a significant impact on the Company's consolidated financial statements.

1.4. Summary of significant accounting policies

a) Consolidation principles and joint arrangements

In accordance with IFRS 10 “Consolidated Financial Statements”, 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 net income. Any change in Other Comprehensive Income ("OCI") of those entities are reflected in the statement of OCI. Changes recorded directly in the equity of the associate or joint venture, when applicable, are recognized in the 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 associates or, if applicable, as net loss from discontinued operations in the consolidated statement of income.

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, 2023 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 net income. Retained investment is recognized at fair value, with revaluation gain also recognized in net income.

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 net income as income from associates or, if applicable, as net income 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 63.7% of our revenue for the year ended December 31, 2023. 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 statement of income, 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 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 oil and natural gas; and
- *Surface Technologies* - designs and manufactures systems and provides services used by oil and gas companies involved in land and shallow water exploration and production of 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.

Total revenue by segment includes intersegment sales, which are made at prices approximating those that the selling entity is able to obtain in an arm's length transaction. Segment operating profit (loss) is defined as total segment revenue less segment operating expenses. Income (loss) from associates is included in calculation of segment operating profit (loss). The following items have been excluded in calculating the segment operating profit (loss): non-recurring legal settlement charge, 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 mostly reported on the basis of Brazil, United States, Norway, United Kingdom, Guyana, Angola, Ghana, Australia, United Arab Emirates, Mozambique, Saudi Arabia, Canada, Malaysia and Indonesia.

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 income/ (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 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 market 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 the consolidated statement of income 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 the consolidated statement of income.

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/ triggering events 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 carrying value, including goodwill. If the carrying 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 recoverable amount 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 fair value less cost to sell 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 GCGU valuation was determined by utilizing the income approach. 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.

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 is initially recognized at cost or at their fair value in case of business combinations.

Depreciation is calculated 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. We most commonly applied the following useful lives:

- 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, we review the useful lives of our 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 expenses 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 expenses.

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 indicators/ triggering 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 carrying 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 revised recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the assumptions or 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 net income.

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.

In determining the lease term, TechnipFMC considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). In making this assessment, TechnipFMC considers all relevant economic factors such as contract-based factors, asset-based factors, entity-based factors, and market-based factors, which include (but are not limited to) the below:

- If contractual terms and conditions for the optional periods are attractive compared with current market rates. For example, the lease payment during the renewal period for an office building is the same rate as the base rate, which is lower than the market rate for a similar office building;
- If leasehold improvements are expected to have significant economic value for the lessee when the option to renew or terminate the lease or to purchase the underlying asset becomes exercisable. For example, TechnipFMC, as a lessee, makes modifications to a production building it is leasing. Because these modifications were costly, it would be more economically beneficial for TechnipFMC to renew the building lease than to uninstall the modifications and start a new lease in a different building;
- If the lessee would incur substantial additional costs relating to the termination of the lease and/or the signing of a new lease, such as negotiation costs, relocation costs, costs of identifying another underlying asset suitable for operations, or costs associated with returning the underlying asset in a specified condition or to a specified location; and
- If the underlying asset is important to the lessee's operations. For example, if the underlying asset is a specialized asset and the location of the underlying asset is important.

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 or a market interest rate), 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 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 net income 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 subleases certain of its leased real estate and vessels to third parties. These subleases are classified as operating leases.

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", development costs are capitalized if all of the following criteria are met:

- the projects are clearly identified;
- the ability to reliably measure expenditures incurred by each project during its development;
- the ability to demonstrate the technical and industrial feasibility of the project;
- maintain the financial and technical resources available to achieve the project;
- the ability to demonstrate the intention to complete, to use or to commercialize products resulting from the project; and
- the ability 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 indicators/ triggering 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 internal or external indicators/ triggering 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 for vessels has been assessed and we do not consider this to 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 or estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is recognized in net income 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 statement of financial position 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"). 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.

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.

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 FVOCI, 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 FVOCI.

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 net income 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 FVTPL

Financial assets at FVTPL 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 FVTPL (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 FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of income.

This category includes derivative instruments, listed and non-quoted equity investments which TechnipFMC had not irrevocably elected to classify at FVOCI, 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 income 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 FVTPL. 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 estimates 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 "Financial Instruments", 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 ECL which uses a lifetime expected loss allowance. TechnipFMC's trade receivables and contracts assets constitute a homogeneous portfolio, therefore, to measure the ECL, 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 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 FVTPL (i.e., instruments held for trading including derivatives not designated as hedging instruments and also instruments designated upon initial recognition as of FVTPL),
- financial debt at amortized cost,
- 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 FVTPL

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 income.

TechnipFMC has not elected to designate any financial liability as of FVTPL.

Financial debts (current and non-current)

Current and non-current financial debts include bond loans, commercial paper programs and other borrowings. After initial recognition, the debt instrument 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 measurement and redemption amount 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 instruments

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. Derivative instruments 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 2022 we reviewed the applicability of IFRS 9 and discontinued the policy applying cash as a natural hedge instrument. The impact of the change in policy is not material to the activities of the Company and has been presented in the statements of changes to stockholders' equity as of December 31, 2022.

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 income 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 OCI, and the ineffective portion of the gain or loss on the hedging instrument is recorded in the statement of income. The amounts accumulated in 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 in net income as a reclassification adjustment in the same period or periods during which the hedged cash flows affect net income. 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 the consolidated statement of income 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 statement of income. 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 statement of income; and
- the changes in fair value of derivative financial instruments that do not qualify as hedging in accounting standards are directly recorded in the statement of income.

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 statement of income 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 carrying 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 fair 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 income 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.

Contract loss provisions

Contract loss provisions are recorded for contract losses that arise because estimated cost for the contract exceeds estimated contract revenue. The losses expected to complete a contract are recognized in the entire amount in the year in which they are considered probable and are recorded within project costs.

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 statement 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". 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 fair value of 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 net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the consolidated statement of income.

The actuarial gains and losses resulting from adjustments related to experience and changes in actuarial assumptions are recorded in OCI.

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 International Financial Reporting Interpretations Committee ("IFRIC") 23 "Uncertainty over Income Tax Treatment".

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

TechnipFMC presents current and non-current assets and current and non-current liabilities as separate classifications in its statement of financial position. Current assets include assets (such as inventories, trade receivables and contract assets) that are sold, consumed or realized as part of the normal operating cycle even where they are not expected to be realized within 12 months after the reporting period. Some current liabilities, such as trade payables, contract liabilities and some accruals for employee and other operating costs, are part of the working capital used in the Company’s normal operating cycle. Such operating items are classified as current liabilities even if they are due to be settled more than 12 months after the reporting period.

z) Hyperinflationary accounting

TechnipFMC applies provisions of IAS 29, Hyper inflationary economies ("IAS 29") to the financial statements of our subsidiaries whose functional currency is the currency of a hyper-inflationary economy. Non-monetary assets, liabilities and equity items are restated in terms of the measuring unit current at the statement of financial position date with the resultant monetary gain (losses) recognized in Other income and expenses. The prior year comparatives, for both monetary and non-monetary items, are restated in terms of the measuring unit current at the end of the latest reporting period.

In 2018 we started to apply inflationary accounting to the financial statements of our subsidiaries in Argentina. See Note 30.2 for details.

aa) Reclassifications

Certain prior-year amounts have been reclassified to conform to the current year's presentation. Refer to Note 21 for reclassifications recorded as of December 31, 2022 and 2021.

1.5. Use of critical accounting estimates, assumptions and judgements

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) 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 accounting for pension and other post-retirement benefit plans 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 gross profit for the year ended December 31, 2023 was negatively impacted on a net basis by approximately $92.3 million, as a result of aggregate changes in contract estimates related to projects that were in progress as of December 31, 2022 with $91.0 million and $1.3 million in our Subsea and Surface Technologies segments, respectively. Certain projects that were significantly impacted negatively by changes to estimated project costs during this period totaled $106.1 million. These were offset partially by projects with material positive impacts from favorable negotiations of variable considerations of $39.1 million. The remaining other changes resulted in a net negative impact of $25.3 million.

Our gross profit 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, with $104.6 million and $0.3 million in our Subsea and Surface Technologies segments, respectively. Certain projects that were significantly impacted negatively by changes to estimated project costs during this period totaled $192.7 million. These were offset partially by projects with material positive impacts from favorable negotiations of variable considerations of $171.7 million. The remaining other changes resulted in a net positive impact of $125.5 million.

See Note 5 for further details.

Accounting for pension and other post-retirement benefit plans

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 statement of financial position and to the amount of pension expense in our 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 in 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.

See Note 20 for further details.

b) Judgments

In the process of applying TechnipFMC's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Accounting for defined benefit pension surpluses

Defined benefit pension surpluses are only recognized to the extent they are recoverable. The determination of whether TechnipFMC have unconditional right to a refund of surplus may require judgement. The majority of benefit payments are from trustee-administered funds. Plan assets held in trusts are governed by local regulations and practice in each country, as is the nature of the relationship between TechnipFMC and the trustees (or equivalent) and their composition. Trustees might have discretionary power but not an obligation to wind-up the plan and use surplus to augment benefits or repay surplus funds (if any) to the employer after receiving advice from the plan's actuary.

Management applies IFRIC Interpretation 14, IAS 19 - The Limits on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction ("IFRIC 14") in exercising its judgement whether TechnipFMC, as the ultimate beneficiary, will have an unconditional right to defined benefit pension surpluses in the event of the wind-up or gradual settlement scenarios. A defined benefit pension surplus is recognized when the trustees would owe a fiduciary duty to the employer (TechnipFMC) as a potential recipient of surplus under a wind-up scenario, and if the employer is the ultimate beneficiary under the plan rules after defined benefit obligations are settled in full.

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 and Note 30 for discussion on foreign exchange risks and impact from devaluation of Argentine peso and Angolan kwanza. 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

In 2023, the Company conducted a qualitative climate scenario analysis focused on its Subsea business in the United Kingdom (the "Scenario Analysis"), which feeds into the assessment of the resilience of Company's business model and strategy in the light of risk arising under certain climate change scenario projections. We focused initially on our Subsea business in the United Kingdom, which we deem the most relevant business for purposes of the Scenario Analysis due to its significant exposure to risks arising from climate action and enhanced GHG emissions regulation. While some actual impacts of the Company's may have been influenced at least in part by climate-related risks, such climate-related matters have not had a material impact on our operations historically. The climate change Scenario Analysis undertaken this year did not identify any material financial impact.

The potential impacts of the Company's principal climate-related risks relate to transition risks arising from the transition phase aimed at reducing emissions and thus mitigating the effects of climate change and include the following identified potential impacts:

- reduced revenue due to reduced demand in response to legislation banning new oil & gas exploration and extraction;
- reduced revenue due to delay or disruption of planned activities, such as the inability to start new projects or slowing down ongoing projects;

- stranding/early retirement of assets supporting oil & gas extraction;
- increased costs associated with current business activities either to reduce or offset emissions associated with the Company's operations;
- increased costs of workforce attraction and retention;
- increased costs to obtain and maintain the capabilities required to comply with evolving reporting obligations (e.g., talent, data, systems, technology).

For details refer to discussion in section *"Climate-Related Scenario Resiliency"* included within *"Environmental, Social, and Governance"* Report.

Significant accounting estimates and judgements in preparing the consolidated financial statements could be impacted by actions taken to limit the effects of climate change. Climate risks may in fact affect the recoverable amount of the Company's property, plant and equipment, intangible assets and the goodwill and other financial and non-financial assets. During the preparation of these consolidated 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 (see discussion in section "*Going concern*" in Note 1);
- recoverable amount of property, plant and equipment, intangible assets and goodwill in the medium to long term. (See Note 11);
- realizability of pensions assets (See Note 20);
- recoverable amount of investments in the Company's affiliates and joint ventures (See Note 9);
- recoverability of deferred tax assets (See Note 7); and
- creditworthiness of the Company's customers (See discussion on Credit risk in Note 30).

In addition, new laws or regulations introduced in response to climate change may give rise to new obligations that did not previously exist. Management monitors the relevant regulations in order to assess whether such obligations require the recognition of specific provisions or otherwise the disclosure of related contingent liabilities. As of December 31, 2023 the Company did not identify any material obligations arising from climate action.

NOTE 2. DISPOSAL OF MEASUREMENT SOLUTIONS BUSINESS

In November 2023, TechnipFMC announced an agreement to sell the Company's Measurement Solutions business (the "MSB") to One Equity Partners (the "Buyer") for $205 million in cash, subject to customary adjustments at the closing of the transaction. As part of the Surface Technologies segment, the MSB encompasses terminal management solutions and metering products and systems and includes engineering and manufacturing locations in North America and Europe.

We have recorded $5.2 million in transaction costs associated with the sale during 2023. These transaction costs are included within impairment, restructuring and other expenses in our consolidated statement of income. The assets and liabilities of MSB are classified as current assets and liabilities held for sale as presented in our consolidated statement of financial position as of December 31, 2023.

(In millions)	December 31, 2023
Assets	
Trade receivables, net of allowances	$ 25.1
Contract assets	12.7
Inventories, net	52.0
Other current assets	3.3
Total current assets	93.1
Property, plant and equipment, net of accumulated depreciation	31.0
Intangible assets, net of accumulated amortization	28.8
Measurement Solutions business classified as assets held for sale	**$ 152.9**
Liabilities	
Accounts payable, trade	$ 19.8
Contract liabilities	11.6
Other current liabilities	10.9
Total current liabilities	42.3
Accrued pension and other post-retirement benefits, less current portion	15.1
Other liabilities	6.9
Measurement Solutions business classified as liabilities held for sale	**$ 64.3**

On March 11, 2024 we completed the sale of equity interests and assets of MSB to the Buyer.

Other assets and liabilities classified as held for sale

Included within assets classified as held for sale are other various assets totaling $2.2 million and $18.5 million as of December 31, 2023 and 2022, respectively.

NOTE 3. SEGMENT INFORMATION

3.1 Information by business segment

Segment revenue and segment operating profit (loss)

(In millions)	Year Ended December 31, 2023	2022
Segment revenue		
Subsea	$ 6,434.8	$ 5,461.2
Surface Technologies	1,392.3	1,264.5
Total revenue	$ 7,827.1	$ 6,725.7
Segment operating profit		
Subsea	$ 524.4	$ 359.3
Surface Technologies	94.9	43.1
Total segment operating profit	$ 619.3	$ 402.4
Corporate items		
Other corporate expenses [(a)]	$ (143.0)	$ (74.7)
Interest income	47.2	19.3
Interest expense	(194.4)	(179.9)
Loss on early extinguishment of debt	—	(29.8)
Loss from investment in Technip Energies	—	(27.7)
Foreign exchange losses	(166.6)	(68.8)
Total corporate items	(456.8)	(361.6)
Income before income taxes [(b)]	$ 162.5	$ 40.8

(a) Corporate expense includes a non-recurring legal settlement charge for the year ended December 31, 2023, corporate staff expenses, stock-based compensation expenses and other employee benefits.
(b) Includes amounts attributable to non-controlling interests.

Segment assets

(In millions)	Year Ended December 31, 2023	2022
Segment assets:		
Subsea	$ 6,290.7	$ 6,482.8
Surface Technologies	1,719.1	1,500.5
Total segment assets	8,009.8	7,983.3
Corporate [(a)]	1,837.4	1,668.6
Total assets [(b)]	$ 9,847.2	$ 9,651.9

(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.
(b) The December 31, 2022 balances for contract loss provisions of $63.1 million have been reclassified from contract assets to current provisions. See Note 21.

Other business segment information:

	Capital Expenditures		Depreciation and Amortization		Research and Development Expense	
	Year Ended December 31,					
(In millions)	2023	2022	2023	2022	2023	2022
Subsea	$ 193.0	$ 120.2	$ 447.2	$ 459.1	$ 65.0	$ 62.2
Surface Technologies	23.4	37.4	86.4	68.1	4.0	4.8
Corporate	2.4	5.8	3.4	4.6	—	—
Total	$ 218.8	$ 163.4	$ 537.0	$ 531.8	$ 69.0	$ 67.0

3.2 Information by geography

Sales by geography were identified based on the location where TechnipFMC's products and services were delivered.

(In millions)	Year Ended December 31, 2023	2022
Revenue		
Brazil	$ 1,687.6	$ 1,047.3
United States	1,569.5	1,348.4
Norway	1,134.1	907.6
United Kingdom	867.2	710.3
Guyana	500.4	369.1
Angola	400.8	247.9
Ghana	265.6	184.7
Australia	174.6	295.4
United Arab Emirates	161.4	117.8
Mozambique	153.6	284.4
Saudi Arabia(1)	148.9	98.8
Canada	70.9	88.0
Malaysia	69.2	228.5
Indonesia	50.0	42.6
All other countries(1)	573.3	754.9
Total revenue	$ 7,827.1	$ 6,725.7

(1) The year ended December 31, 2022 sales amount for All other countries included $59.4 million of revenue delivered to Saudi Arabia and accordingly, have been reclassified for the year ended December 31, 2022 to conform with presentation.

Property, plant and equipment, net by geography is as follows:

(In millions)	December 31, 2023	2022
United Kingdom	$ 714.7	$ 741.6
Netherlands	380.7	371.9
Brazil	352.3	306.4
United States	318.9	405.8
Norway	227.1	225.3
All other countries	314.3	348.1
Total property, plant and equipment, net	$ 2,308.0	$ 2,399.1

NOTE 4. LEASES

Lessee arrangements

The following table shows the summary of amounts relating to leases recognized in the consolidated statements of income:

(In millions)	Year Ended December 31, 2023	2022
Depreciation of right-of-use assets	$ 158.4	$ 153.8
Interest expense on lease liabilities	49.9	42.9
Variable lease costs	51.0	21.0
Short-term lease costs	45.7	14.0
Sublease income	5.7	3.6

The above expenses relating to short term and variable payments are not included in lease liabilities.

The following table shows the carrying values and depreciation charge of right-of-use assets by types of assets:

	Depreciation		Net Book Value	
	Year Ended December 31,		December 31,	
(In millions)	**2023**	**2022**	**2023**	**2022**
Real Estate	$ 85.1	$ 92.5	$ 602.3	$ 608.5
Vessels	57.5	52.1	66.5	88.8
Machinery and equipment	10.5	7.8	53.7	27.2
IT equipment and Office furniture	5.3	1.4	17.5	8.7
Total	$ 158.4	$ 153.8	$ 740.0	$ 733.2

Additions to the right-of-use assets during the year ended December 31, 2023 and 2022 were $115.9 million and $128.3 million, respectively.

The consolidated statements of financial position show the following amounts relating to lease liabilities:

	December 31,	
(In millions)	**2023**	**2022**
Current lease liabilities	$ 149.0	$ 186.7
Non-current lease liabilities	705.3	685.8
Total lease liabilities	$ 854.3	$ 872.5

The following table shows the supplemental cash outflow information related to leases:

	Year Ended December 31,	
(In millions)	**2023**	**2022**
Payments for the principal portion of lease liabilities	$ 141.0	$ 128.3
Cash paid for interest on lease liabilities	52.6	42.7

The following table shows the summary of the maturity of lease liabilities:

	December 31,	
(In millions)	**2023**	**2022**
Less than a year	$ 196.4	$ 188.6
Between 1 and 2 years	149.5	151.7
Between 2 and 3 years	116.6	121.7
Between 3 and 4 years	100.5	98.2
Between 4 and 5 years	84.9	85.2
Thereafter	584.2	640.4
Total lease payments	1,232.1	1,285.8
Less: Imputed interest	377.8	413.3
Total lease liabilities (1)	$ 854.3	$ 872.5

(1) Includes the current portion of $149.0 million and $186.7 million for lease liabilities as of December 31, 2023 and 2022, 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 $277.3 million and $222.8 million for the year ended December 31, 2023 and 2022, 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)	2023	2022
Less than a year	$ 3.0	$ 23.8
Between 1 and 2 years	3.0	3.0
Between 2 and 3 years	3.0	3.0
Between 3 and 4 years	3.0	3.0
Between 4 and 5 years	0.8	3.0
Thereafter	—	0.8
Total undiscounted cash flows	$ 12.8	$ 36.6

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 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 designs and manufactures products and systems, performs engineering, procurement and project management and provides services used by oil and natural gas companies involved in offshore exploration and production of oil and natural gas.

Systems and services may be sold separately, or as integrated systems and services offered within one contract. Many of the systems and products TechnipFMC supplies for subsea applications are 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.

Revenue for engineering, procurement, construction and installation projects is principally generated from long-term contracts with customers. We have determined these contracts generally have one performance obligation as the delivered product is built to customer and/or field specifications. We generally recognize revenue over time for such contracts as the customized products do not have an alternative use for TechnipFMC and we have an enforceable right to payment plus a reasonable profit for performance completed to date.

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 pressure control products used in well completion and stimulation activities for oilfield service companies. We also provide installation, flowback and other services for exploration and production 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 customized products do not have 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.

Commitments

TechnipFMC has commitments with customers and/or other beneficiaries (financial and insurance institutions) relating to the fulfillment of performance obligations entered into by itself and/or by its subsidiaries, associates and joint ventures in the event of non-performance and payment of any damages arising from non-performance. Refer to Note 26 for details.

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, 2023 and 2022:

	Reportable Segments Year Ended December 31,			
	2023		2022	
(In millions)	**Subsea**	**Surface Technologies**	**Subsea**	**Surface Technologies**
Latin America	$ 2,182.9	$ 125.8	$ 1,460.1	$ 137.4
Europe and Central Asia	1,927.4	198.5	1,550.1	166.7
North America	1,064.2	574.1	780.6	552.0
Africa	920.8	49.1	865.6	37.6
Asia Pacific	331.3	95.2	687.5	97.2
Middle East	8.2	349.6	117.3	273.6
Total revenue	$ 6,434.8	$ 1,392.3	$ 5,461.2	$ 1,264.5

The following table represents revenue by contract type for each reportable segment for the years ended December 31, 2023 and 2022:

	Year Ended December 31,			
	2023		2022	
(In millions)	**Subsea**	**Surface Technologies**	**Subsea**	**Surface Technologies**
Services	$ 4,072.7	$ 210.7	$ 3,410.4	$ 224.1
Products	2,264.1	1,002.3	1,993.8	874.6
Lease	98.0	179.3	57.0	165.8
Total revenue	$ 6,434.8	$ 1,392.3	$ 5,461.2	$ 1,264.5

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 statements 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 sometimes 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, 2023 and 2022, respectively:

(In millions)	December 31, 2023	December 31, 2022	$ change	% change
Contract assets [1]	$ 1,036.0	$ 1,047.2	$ (11.2)	(1)%
Contract (liabilities) [1]	(1,470.4)	(1,142.7)	(327.7)	29 %
Net contract (liabilities)	$ (434.4)	$ (95.5)	$ (338.9)	355 %

(1) The December 31, 2022 balances for contract loss provisions of $63.1 million and $12.9 million have been reclassified from contract assets and contract liabilities to current provisions, respectively. See Note 21.

The decrease in our contract assets from December 31, 2022 to December 31, 2023 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 client cash payments in advance.

In order to determine revenue recognized in the period from contract liabilities, we first allocate revenue to the individual contract liability balance outstanding at the beginning of the period until the revenue exceeds that balance. Any subsequent revenue we recognize increases our contract asset balance. Revenue recognized for the years ended December 31, 2023 and 2022 that were included in the contract liabilities balance as of December 31, 2022 and 2021 was $647.1 million and $607.4 million, respectively.

In addition, net revenue recognized for the years ended December 31, 2023 and 2022 from our performance obligations satisfied or partially satisfied in previous periods had a favorable impact of $7.2 million and $160.8 million, respectively. Certain projects were materially impacted favorably for the years ended December 31, 2023 and 2022 by negotiations of variable consideration of $39.1 million and $110.6 million, respectively and were offset by individually immaterial net negative impact of $31.9 million and net positive impact of $50.2 million, respectively.

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, 2023, the aggregate amount of the transaction price allocated to order backlog was $13,231.0 million. TechnipFMC expects to recognize revenue on approximately 40.0% of the order backlog through 2024 and 60.0% thereafter.

The following table details the consolidated order backlog for each business segment and represents the estimated timing of recognition as of December 31, 2023:

(In millions)	2024	2025	Thereafter
Subsea	$ 4,812.0	$ 3,411.0	$ 3,941.1
Surface Technologies	483.8	133.0	450.1
Total remaining unsatisfied performance obligations	$ 5,295.8	$ 3,544.0	$ 4,391.2

The following table details the consolidated order backlog for each business segment as of December 31, 2022:

(In millions)	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

NOTE 6. EXPENSES BY NATURE, OTHER INCOME AND EXPENSE ITEMS, FINANCIAL INCOME AND EXPENSES

6.1 Expenses by nature

An analysis of operating expenses by nature is as following:

	Year Ended December 31,	
(In millions)	2023	2022
Wages and salaries	$ 1,492.1	$ 1,394.1
Social security costs	396.9	339.3
Other pension costs	11.5	14.6
Right-of-use lease amortization	158.4	153.8
Depreciation and amortization	378.6	378.0
Impairment	1.7	4.7
Purchases, external charges and other expenses	4,817.5	4,179.9
Total costs and other expenses	$ 7,256.7	$ 6,464.4

6.2 Other income (expense), net

Other income (expense) is as following:

	Year Ended December 31,	
(In millions)	2023	2022
Net gain from disposal of property, plant and equipment	$ 13.3	$ 6.4
Legal settlement charges [(1)]	(126.5)	—
Other	(15.3)	15.4
Total other income (expense), net	$ (128.5)	$ 21.8

(1) See Note 23 for further details

6.3 Financial income

Financial income consists of the following:

	Year Ended December 31,	
(In millions)	2023	2022
Interest income from treasury management	$ 44.8	$ 19.0
Financial income related to long-term employee benefit plans	1.5	—
Other	0.9	0.3
Financial income	$ 47.2	$ 19.3

6.4 Financial expenses

Financial expenses consist of the following:

(In millions)	Year Ended December 31, 2023	2022
Interest expense on debt	$ (126.6)	$ (136.6)
Interest expense on leases	(49.9)	(42.1)
Other	(17.9)	(1.2)
Financial expenses	(194.4)	(179.9)
Financial expenses, net	$ (147.2)	$ (160.6)

6.5 Foreign exchange gain (loss)

Foreign exchange loss increased $97.8 million year-over-year comprised of losses of $166.6 million and $68.8 million in 2023 and 2022, respectively. This increase is primarily driven by the devaluation of Argentine peso and Angolan kwanza currencies that have limited derivative hedging markets, in addition to statement of financial position remeasurement impacts.

NOTE 7. INCOME TAX

7.1 Income tax expense

The income tax expense recognized in the consolidated statements of income is $143.9 million and $125.7 million in 2023 and 2022 respectively, explained as follows:

(In millions)	Year Ended December 31, 2023	2022
Current income tax expense	$ (185.7)	$ (134.6)
Deferred income tax credit	41.8	8.9
Income tax expense as recognized in the consolidated statements of income	$ (143.9)	$ (125.7)

	Year Ended December 31, 2023	2022
Deferred income tax related to items booked directly to opening equity	$ (19.9)	$ (4.4)
Deferred income tax related to items booked to equity during the year	0.8	(15.5)
Income tax expense as recognized in the consolidated statements of other comprehensive income	$ (19.1)	$ (19.9)

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, 2023	2022
Net income (loss) from continuing operations	$ 18.6	$ (84.9)
Income tax expense	(143.9)	(125.7)
Income before income taxes	162.5	40.8
At TechnipFMC plc statutory income tax rate of 25.0%	(40.6)	(7.8)
Differences between TechnipFMC plc and foreign income tax rates	(155.1)	(83.0)
Net change in tax contingencies	0.2	(5.1)
Deferred tax assets (not) recognized	50.4	(31.1)
Other	1.2	1.3
Effective income tax expense	(143.9)	(125.7)
Tax rate	88.6 %	308.1 %
Income tax expense as recognized in the consolidated statements of income	$ (143.9)	$ (125.7)

In 2023 our income tax expense as recognized in the consolidated statements of income had $155.1 million expense related to differences between TechnipFMC plc and foreign income tax rates. This

amount includes $77.6 million expense associated with undistributed earnings of foreign subsidiaries that are not considered permanently reinvested.

7.3 Deferred income tax

Significant components of deferred tax assets and liabilities are as follows:

(In millions)	December 31, 2022	Recognized in Statement of Income	Recognized in Statement of OCI	December 31, 2023
Lease liability	$ 206.6	$ 10.5	$ —	$ 217.1
Accrued expenses	23.2	8.0	—	31.2
Other tax credits	18.4	(3.4)	—	15.0
Net tax losses	13.9	156.7	—	170.6
Non-deductible interest	4.4	9.0	—	13.4
Inventories	3.0	4.3	—	7.3
Margin recognition on construction contracts	—	(3.1)	—	(3.1)
Contingencies and other	(0.4)	55.9	—	55.5
Contract liabilities	(2.9)	(36.3)	—	(39.2)
Foreign exchange	(5.2)	(41.2)	(2.9)	(49.3)
Tax on foreign subsidiaries' undistributed earnings not indefinitely reinvested	(13.4)	(46.6)	—	(60.0)
Provisions for pensions and other long-term employee benefits	(26.4)	(1.3)	3.7	(24.0)
Property, plant and equipment, goodwill and other assets	(66.0)	(31.1)	—	(97.1)
Lease right of use asset	(205.4)	(16.5)	—	(221.9)
Deferred income tax assets (liabilities), net	$ (50.2)	$ 64.9	$ 0.8	$ 15.5

(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
Net tax losses	20.7	(6.8)	—	13.9
Contingencies and other	6.5	(6.9)	—	(0.4)
Inventories	3.6	(0.6)	—	3.0
Other tax credits	0.3	18.1	—	18.4
Margin recognition on construction contracts	0.1	(0.1)	—	—
Non-deductible interest	—	4.4	—	4.4
Tax on foreign subsidiaries' undistributed earnings not indefinitely reinvested	—	(13.4)	—	(13.4)
Contract liabilities	(2.9)	—	—	(2.9)
Foreign exchange	(6.4)	9.2	(8.0)	(5.2)
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)

As of December 31, 2023, the net deferred tax asset of $15.5 million is broken down into a deferred tax asset of $148.5 million and a deferred tax liability of $133.0 million as recorded in the consolidated statement of financial position. This position reflects a net increase in deferred tax assets from the prior year net deferred tax liability position which is primarily related to the recognition of net tax losses in Norway and Brazil jurisdictions, which were previously unrecognized. These changes are due to improved forecast with material sources of future taxable income and significant improvement on the Company's profitability profile during the 2023 year thus informing the expected realizability of the net tax losses.

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 consolidated statement of financial position.

7.4 Tax loss carry-forwards and tax credits

As of December 31, 2023 and 2022, no deferred tax assets have been recognized in respect of U.S. foreign tax credit carryforwards of $120.4 million and $136.5 million, which, if not utilized, will begin to expire in 2024. 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 $0.8 million in 2023 and $0.3 million in 2022, respectively.

As of December 31, 2023, we had $484.8 million of tax-effected net operating loss carryforwards with approximately $22.2 million estimated to be utilized against an uncertain tax position and $314.3 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
2024 – 2027	$ 27.1
2028 – 2032	116.8
2033 – 2043	36.8
Non-Expiring	304.1
	$ 484.8

For the years ended December 31, 2023 and 2022, the uncertain tax position balances in the consolidated statements of financial position amount to $68.8 million and $64.7 million, respectively, for which $46.6 million and $36.3 million, respectively, relate to income taxes payable and $22.2 million and $28.3 million, respectively relate to deferred incomes taxes. It is reasonably possible that within twelve months, $6.9 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)	**2023**	**2022**
Net income (loss) from continuing operations attributable to TechnipFMC plc	$ 22.9	$ (110.3)
Loss from discontinued operations attributable to TechnipFMC plc	—	(26.4)
Net income (loss) attributable to TechnipFMC plc	$ 22.9	$ (136.7)
Weighted average number of shares outstanding	438.6	449.5
Dilutive effect of restricted stock units	5.8	—
Dilutive effect of performance shares	8.0	—
Total shares and dilutive securities	452.4	449.5
Basic and diluted earnings (loss) per share attributable to TechnipFMC plc:		
Earnings (loss) per share from continuing operations attributable to TechnipFMC plc		
Basic and diluted	$ 0.05	$ (0.25)
Loss per share from discontinued operations attributable to TechnipFMC plc		
Basic and diluted	$ —	$ (0.06)
Total earnings (loss) per share attributable to TechnipFMC plc		
Basic and diluted	$ 0.05	$ (0.30)

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 income/(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 2023, the average annual share price amounted to $16.78 and the closing price to $20.14. In 2022, the average annual share price amounted to $8.43 and the closing price to $12.19.

For the years ended December 31, 2022, 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 years ended December 31, 2022, 8.9 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,	
(In millions of shares)	**2023**	**2022**
Share option awards	0.8	1.5
Total	0.8	1.5

NOTE 9. INVESTMENTS IN ASSOCIATES

Our investments in associates and joint ventures were as follows as of December 31, 2023 and 2022:

(In millions, except %)	December 31, 2023 Percentage Owned	December 31, 2023 Carrying Value	December 31, 2022 Percentage Owned	December 31, 2022 Carrying Value
Dofcon Brasil AS	50 %	$ 261.9	50 %	$ 312.8
Serimax Holdings SAS	20 %	8.9	20 %	8.6
Other	—	3.6	—	3.6
Investments in associates		$ 274.4		$ 325.0

Our income from investments in associates for the years ended December 31, 2023 and 2022 was $34.4 million and $44.6 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 2023 and 2022, we did not record any impairments of our equity method investments.

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 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.

In June 2023, Dofcon Brasil AS declared a dividend of $170.0 million to its JV partners. The dividend receivable was recorded within other current assets on our consolidated statement of financial position until December 2023 when the Dofcon JV partners agreed and signed the agreement to convert their outstanding dividend receivable into a long-term loan receivable from Dofcon. As a result of this conversion, we converted our 50% share of this dividend receivable into a long-term loan receivable that has a due date of June 26, 2028 and is included in other assets on our consolidated statement of financial position as of December 31, 2023.

Dofcon Navegacao Ltda and Techdof Brasil AS have debts related to loans on its vessels. TechnipFMC and DOF Subsea provide guarantees for the debts and our share of the guarantees were $380.9 million and $441.0 million as of December 31, 2023 and 2022, respectively. During March 2023, DOF ASA completed the process of restructuring, unrelated and outside of the joint venture, and DOF Services AS is the new holding company of DOF Group. As a result of the restructure within DOF Group, the cross default provisions ceased to exist and therefore waivers and consents are no longer required. Accordingly, TechnipFMC has not recognized a liability related to its guarantees.

TechDof Brasil AS owns and operates the Skandi Buzios vessel. During June 2023, a fire occurred onboard the vessel alongside Porto do Açu in Brazil. Repairs on the vessel have started during the fourth quarter of 2023 and are progressing according to plan. The vessel is scheduled to be back in operation during the second half of 2024. During our annual impairment review we assessed the carrying value of the vessel was lower than the fair market value determined by broker valuations, and thus no impairment has been recorded after consideration of the incident.

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 acquired non-controlling interest in Magnora Offshore Wind AS, a partnership with Magnora ASA, in order to develop floating offshore wind projects. As of December 31, 2023 and 2022, the investment balance was $3.0 million and $3.4 million, respectively, which represented approximately 20% ownership.

Reconciliation of carrying value in TechnipFMC's investment in associates and joint ventures is as follows:

(In millions)	2023	2022
Carrying value of investments as of January 1	$ 325.0	$ 292.4
Acquisitions	—	3.0
Share of income of associates	34.4	44.6
Distributed dividends	(85.2)	(12.9)
Other comprehensive income	—	0.5
Net foreign exchange differences and other	0.2	(2.6)
Carrying value of investments as of December 31	$ 274.4	$ 325.0

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%	**2023**	**2022**
Cash and cash equivalents	$ 146.9	$ 67.8
Other current assets	100.9	95.0
Total current assets	247.8	162.8
Non-current assets	1,357.0	1,515.1
Total assets	$ 1,604.8	$ 1,677.9
Equity	$ 523.9	$ 625.6
Financial non-current liabilities (excluding trade payables)[1]	894.6	652.2
Other non-current liabilities[1]	43.2	100.3
Total non-current liabilities [1]	937.8	752.5
Financial current liabilities (excluding trade payables)[1]	109.6	271.5
Other current liabilities[1]	33.5	28.3
Total current liabilities[1]	143.1	299.8
Total equity and liabilities	$ 1,604.8	$ 1,677.9

(1) Certain balances as of December 31, 2022 were reclassified between current and non-current.

	Dofcon	
(In millions)	**December 31,**	
Data at 100%	**2023**	**2022**
Revenue	$ 336.0	$ 308.4
Depreciation and amortization	(91.9)	(89.8)
Interest income	18.5	12.8
Interest expense	(47.9)	(51.6)
Income tax benefit	(46.4)	(33.5)
Net income for the period	$ 68.3	$ 99.4
Other comprehensive income (loss)	1.1	(1.7)
Total comprehensive income	$ 69.4	$ 97.7

(In millions)	Dofcon	
Data at 100%	**2023**	**2022**
Carrying value of investment as of January 1	$ 625.6	$ 553.8
Net income for the period	68.3	99.4
Other comprehensive income (loss)	1.1	(1.7)
Distributed dividends	(171.1)	(25.9)
Carrying value of investment as of December 31	$ 523.9	$ 625.6
TechnipFMC's share in %	50.0%	50.0%
TechnipFMC's share in investment	$ 261.9	$ 312.8
Carrying value of TechnipFMC's investment	$ 261.9	$ 312.8

In addition to the interest in Dofcon disclosed above, TechnipFMC also has interests in a number of individually immaterial associates and joint ventures 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%	**2023**	**2022**
Non-current assets	$ 106.4	$ 105.0
Current assets	70.8	80.2
Total assets	$ 177.2	$ 185.2
Total equity	$ 60.1	$ 59.8
Non-current liabilities	24.1	20.6
Current liabilities	93.0	104.8
Total equity and liabilities	$ 177.2	$ 185.2

Summarized statement of total comprehensive income (at 100%) are presented below:

(In millions)	Year Ended December 31,	
Data at 100%	**2023**	**2022**
Revenue	$ 128	$ 122.1
Depreciation and amortization	(8.1)	(10.3)
Interest expense	(6.3)	(4.4)
Income tax benefit	(1.5)	(0.9)
Loss for the period	$ (0.3)	$ (26.3)
Other comprehensive loss	(3.5)	(5.6)
Total comprehensive loss	$ (3.8)	$ (31.9)

NOTE 10. PROPERTY, PLANT AND EQUIPMENT

The following tables include the carrying value of property, plant and equipment, including costs, accumulated depreciation and impairment losses by classes of assets:

(In millions)	Land	Buildings	Vessels	Machinery and Equipment	Assets under construction	Other	Total
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
Costs	78.9	604.2	2,362.3	2,346.2	157.9	362.4	5,911.9
Accumulated depreciation	(7.9)	(174.2)	(815.9)	(1,248.8)	—	(242.0)	(2,488.8)
Accumulated impairment	(8.0)	(106.0)	(566.4)	(419.1)	(1.1)	(14.5)	(1,115.1)
Net book value as of December 31, 2023	$ 63.0	$ 324.0	$ 980.0	$ 678.3	$ 156.8	$ 105.9	$ 2,308.0

Property, plant and equipment is reviewed for impairment whenever events or changes in circumstances indicate the carrying values may not be recoverable. We did not record any material impairments of property, plant and equipment in 2023 and 2022.

A reconciliation of the carrying value 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, 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
Additions	—	5.3	51.2	93.2	67.2	11.6	228.5
MSB classified as held for sale	—	—	—	(29.4)	(1.6)	—	(31.0)
Disposals	(5.4)	(14.2)	(43.9)	(15.8)	3.2	(0.8)	(76.9)
Depreciation expense for the year	(0.4)	(19.0)	(97.0)	(154.3)	(1.6)	(16.4)	(288.7)
Impairment	—	(2.5)	—	0.9	—	—	(1.6)
Net foreign exchange differences	0.8	5.6	31.9	13.4	5.5	6.2	63.4
Other	6.7	8.3	9.2	20.6	(30.3)	0.7	15.2
Net book value as of December 31, 2023	$ 63.0	$ 324.0	$ 980.0	$ 678.3	$ 156.8	$ 105.9	$ 2,308.0

NOTE 11. GOODWILL AND INTANGIBLE ASSETS, NET

11.1 Intangible assets, net

The following tables include the carrying value of intangible assets, including costs, accumulated amortization and impairment losses by classes of assets:

(In millions)	Acquired Technology	Customer Relationships	Trade names	Licenses, Patents and Trademarks	Software	Other	Total
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
Costs	230.0	285.4	597.4	68.9	110.9	48.9	1,341.5
Accumulated amortization	(163.2)	(200.0)	(210.3)	(68.9)	(96.0)	5.9	(732.5)
Accumulated impairment	—	—	—	—	—	(7.4)	(7.4)
Net book value as of December 31, 2023	$ 66.8	$ 85.4	$ 387.1	$ —	$ 14.9	$ 47.4	$ 601.6

A reconciliation of the carrying value 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, 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
Additions	—	—	—	—	1.2	—	1.2
MSB classified as held for sale	(3.3)	—	(23.9)	—	(0.1)	(1.5)	(28.8)
Amortization charge for the year	(23.0)	(28.4)	(31.9)	(1.2)	(4.0)	(1.2)	(89.7)
Net foreign exchange differences	—	—	0.3	—	(0.1)	2.7	2.9
Net book value as of December 31, 2023	$ 66.8	$ 85.4	$ 387.1	$ —	$ 14.9	$ 47.4	$ 601.6

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 values of goodwill by reporting segment are as follows:

	Surface Technologies	Total
December 31, 2021	$ 140.9	$ 140.9
December 31, 2022	140.9	140.9
December 31, 2023	$ 140.9	$ 140.9

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, 2023 and 2022 in our non-US Surface Technologies businesses. The recoverable amount over carrying value for our non-US Surface Technologies businesses was approximately 50% of its carrying value as of October 31, 2023. No reasonably possible change in any of the estimates would cause the non-US Surface Technologies businesses carrying value to exceed its recoverable amount.

The following table presents the discount rates used by management in determining the recoverable amount of our Surface Technologies segments for the years ended December 31, 2023 and 2022 as:

	Year Ended December 31,	
	2023	2022
Risk-adjusted post-tax discount rate	14.6%	14.1%

Assumptions

The assumptions considered were the long-term growth expectation in the business, cost and margin, however these were not considered key assumptions given the overall value of the goodwill and significant headroom.

NOTE 12. OTHER NON-CURRENT ASSETS

Other non-current assets consisted of the following:

	December 31,	
(In millions)	2023	2022
Non-current financial assets at amortized cost, gross	$ 130.3	$ 104.2
Dofcon loan receivable (Note 9)	85.0	—
Trade receivables - non-current	47.4	—
Loss allowance	(3.0)	0.3
Non-current financial assets at amortized cost, net	259.7	104.5
Non-quoted equity instruments at Fair Value Through Profit or Loss (“FVTPL”)	2.1	1.9
Quoted equity instruments at FVTPL	24.3	19.8
Total non-current assets, net	$ 286.1	$ 126.2

NOTE 13. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of the following:

	December 31,			
(In millions)	2023		2022	
Cash at bank and in hand	$	723.8	$	1,021.3
Cash equivalents		227.8		35.8
Total cash and cash equivalents	$	951.6	$	1,057.1
U.S. dollar	$	570.5	$	480.3
Euro		40.1		42.4
British pound sterling		28.3		89.0
Norwegian krone		51.9		59.2
Australian dollar		7.0		6.3
Malaysian ringgit		6.0		—
Other		247.8		379.9
Total cash and cash equivalents by currency	$	951.6	$	1,057.1
Fixed term deposits	$	4.7	$	21.7
Other		223.1		14.1
Total cash equivalents by nature	$	227.8	$	35.8

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.

Included within the balance of Other cash and cash equivalents as of December 31, 2023 were $211.0 million in the Wells Fargo Govt. Money Market Fund, $10.0 million in an account at HSBC for Mutual Funds and $1.7 million in various fixed deposit short-term investments accruing interest at an average of 7.56% per year.

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 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, 2023 and 2022 were determined as follows for both trade receivables and contract assets:

(In millions)	December 31, 2023 Trade Receivables	December 31, 2023 Contract Assets	December 31, 2022 Trade Receivables	December 31, 2022 Contract Assets [(1)]
Gross amount	$ 1,172.6	$ 1,037.4	$ 1,000.0	$ 1,043.7
Opening loss allowance	(31.5)	3.5	(29.0)	1.9
(Increase) decrease in loss allowance	(3.0)	(1.9)	(5.4)	—
Used allowance reversals	—	—	3.2	—
Unused allowance reversals	—	—	11.3	—
Effects of foreign exchange and other	—	(3.0)	(11.6)	1.6
Closing loss allowance	(34.5)	(1.4)	(31.5)	3.5
Total, net	$ 1,138.1	$ 1,036.0	$ 968.5	$ 1,047.2

(1) The December 31, 2022 balances for contract loss provisions of $63.1 million have been reclassified from contract assets to current provisions. See Note 21.

See Note 30 for further details 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:

(In millions)	December 31, 2023	December 31, 2022
Raw materials	$ 401.3	$ 317.4
Work in process	148.2	152.0
Finished goods	557.2	583.7
Total inventories, net	$ 1,106.7	$ 1,053.1

All amounts in the table above are reported net of obsolescence reserves of $99.7 million and $108.2 million as of December 31, 2023 and 2022, respectively. Inventories recognized as expense during the years ended December 31, 2023 and 2022, respectively, amounted to $2,915.6 million and $2,594.3 million.

NOTE 16. OTHER CURRENT ASSETS

Other current assets consisted of the following:

(In millions)	December 31, 2023	December 31, 2022
Current financial assets at amortized cost	$ 9.1	$ 12.4
Current financial assets, total	9.1	12.4
Value added tax receivables	196.0	185.6
Tax receivables and other receivables	96.8	138.9
Prepaid expenses	83.5	61.9
Held to maturity investments	1.3	15.7
Pension asset	11.3	12.3
Other	27.4	24.1
Other current assets, total	416.3	438.5
Total other current assets, net	$ 425.4	$ 450.9

NOTE 17. STOCKHOLDERS' EQUITY

17.1 Changes in TechnipFMC's ordinary shares and treasury shares

As of December 31, 2023 and 2022, TechnipFMC's share capital was 432,847,108 ordinary shares and 442,208,014 ordinary shares, respectively.

The movements in share capital were as follows:

(Number of shares in millions)	Ordinary Shares Issued
December 31, 2021	450.7
Stock awards	1.6
Shares repurchased and cancelled	(10.1)
December 31, 2022	442.2
Stock awards	3.0
Shares repurchased and cancelled	(12.3)
December 31, 2023	432.9

17.2 Dividends

In July 2023, the Company announced the initiation of a quarterly cash dividend and stated its intent to pay dividends on a quarterly basis. On July 25, 2023 and October 24, 2023, Board of Directors authorized and declared a quarterly cash dividend of $0.05 per share. The cash dividends paid during the years ended December 31, 2023, 2022 and 2021 were $43.5 million, nil and nil, respectively.

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 representative of an 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". Therefore, we are not permitted to pay dividends out of share capital, which includes share premium.

The 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.

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.

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. On July 26, 2023, the Board of Directors authorized additional share repurchase of up to $400.0 million. Together with the existing program, the Company's total share repurchase authorization was increased to $800.0 million of our outstanding ordinary shares under our share repurchase program. Pursuant to this share repurchase program, we repurchased $205.1 million of ordinary shares during the year ended December 31, 2023. Since the initial share repurchase authorization in July 2022, we have purchased an aggregate amount of $305.3 million of ordinary shares through December 31, 2023. Based upon the remaining repurchase authority of $494.7 million and the closing stock price as of December 31, 2023, approximately 24.6 million ordinary shares could be subject to repurchase. All shares repurchased were immediately cancelled.

As of December 31, 2023, 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	1,325.4	$ 20.27	—

We had no unregistered sales of equity securities during the years ended December 31, 2023 and 2022.

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, 2021	$ (68.5)	$ 12.2	$ (783.3)	$ (839.6)	$ (4.9)	$ (844.5)
Net gain/(loss) before reclassification to statement of income, net of tax	69.9	37.9	(26.6)	81.2	(4.1)	77.1
Reclassification to statement of income, net of tax	(35.3)	—	—	(35.3)	—	(35.3)
December 31, 2022	$ (33.9)	$ 50.1	$ (809.9)	$ (793.7)	$ (9.0)	$ (802.7)
Net gain/(loss) before reclassification to statement of income, net of tax	30.9	(28.5)	107.4	109.8	3.8	113.6
Reclassification to statement of income, net of tax	7.1	—	—	7.1	—	7.1
December 31, 2023	$ 4.1	$ 21.6	$ (702.5)	$ (676.8)	$ (5.2)	$ (682.0)

(1) Recorded under this heading is the effective portion of the change in fair value of the derivative financial instruments qualified as cash flow hedging.

17.5 Non-controlling interests

Non-controlling interests amounting to $35.4 million and $36.5 million as of December 31, 2023 and 2022, respectively, did not represent a material component of TechnipFMC's consolidated financial statements in the years ended December 31, 2023, and 2022.

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, 2023, outstanding awards to active and retired non-employee directors included 101.0 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)	**2023**	**2022**
Share-based compensation expense	$ 45.8	$ 40.5
Income tax benefits related to share-based compensation expense	10.1	8.8

As of December 31, 2023 and 2022, the portion of share-based compensation expense related to outstanding awards to be recognized in future periods is as follows:

	December 31,	
	2023	**2022**
Share-based compensation expense not yet recognized (In millions of U.S. dollars)	$ 43.4	$ 52.6
Weighted-average recognition period (in years)	0.93	1.26

Restricted share units

A summary of the non-vested restricted share units' activity is as follows:

	2023		2022	
(Shares in thousands)	**Shares**	**Weighted-Average Grant Date Fair Value**	**Shares**	**Weighted-Average Grant Date Fair Value**
Non-vested as of January 1	9,721.7	$ 7.81	9,589.5	$ 11.35
Granted	1,778.1	$ 14.06	2,874.1	$ 7.89
Vested	(4,143.3)	$ 7.35	(2,193.8)	$ 16.57
Cancelled/forfeited	(438.8)	$ 8.47	(548.1)	$ 7.99
Non-vested as of December 31	6,917.7	$ 9.65	9,721.7	$ 7.81

The total grant date fair value of restricted stock share units vested during the years ended December 31, 2023 and 2022 was $30.5 million and $36.4 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, 2022, performance is based on results of return on invested capital (50%) and total shareholder return ("TSR") (50%).

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,	
	2023	2022
Weighted-average fair value [(1)]	$ 21.70	$ 11.34
Expected volatility [(2)]	69.4 %	65.9 %
Risk-free interest rate [(3)]	4.4 %	1.8 %
Expected performance period in years [(4)]	3.0	3.0

(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 2023, 2022 and 2021.

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, 2021	2,309.6	$ 13.26
Granted	2,427.0	$ 9.49
Cancelled/forfeited	(223.6)	$ 11.07
Balance as of December 31, 2022	4,513.0	$ 10.44
Granted	1,291.6	$ 17.86
Cancelled/forfeited	(324.9)	$ 11.85
Balance as of December 31, 2023	5,479.7	$ 12.11

The total grant date fair value of performance shares vested during years ended December 31, 2023 and 2022 was nil and nil, 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 net income (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, 2023 and 2022.

The following is a summary of share option activity during year ended December 31, 2023:

(Shares in thousands)	Shares	Weighted average exercise price	Weighted average remaining life
Balance as of December 31, 2022	1,441.2	$ 20.31	5.3
Exercised	(58.7)	$ 16.46	—
Cancelled	(57.1)	$ 25.16	—
Balance as of December 31, 2023	1,325.4	$ 20.27	4.3
Exercisable as of December 31, 2023	1,325.4	$ 20.27	4.3

The aggregate intrinsic value of stock options outstanding and stock options exercisable as of December 31, 2023 was both $1.4 million.

Cash received from the share option exercises was $1.1 million and nil during each of the years ended December 31, 2023 and 2022. The total intrinsic value of share options exercised during each of the years ended December 31, 2023 and 2022 was $0.3 million and nil, respectively. 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, 2023:

	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	519.3	5.2	$ 16.46	519.3	$ 16.46
$20.00-$24.00	676.0	3.6	$ 22.22	676.0	$ 22.22
$25.00-$26.00	130.1	3.9	$ 25.29	130.1	$ 25.29
TOTAL	1,325.4	4.3	$ 20.27	1,325.4	$ 20.27

The following summarizes significant ranges of outstanding and exercisable 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

NOTE 19. DEBT

19.1 Debt

Short-term debt and current portion of long-term debt consisted of the following:

(In millions)	December 31,			
	2023		2022	
	Carrying value	Fair Value	Carrying value	Fair Value
3.15% 2013 Private placement due 2023	$ —	$ —	$ 138.6	$ 136.6
3.15% 2013 Private placement due 2023	—	—	133.4	131.6
Bank borrowings	135.9	135.9	127.5	127.5
Other	17.9	17.9	19.3	19.3
Total short-term debt and current portion of long-term	$ 153.8	$ 153.8	$ 418.8	$ 415.0

Debt consisted of the following:

(In millions)	December 31, 2023		December 31, 2022	
	Carrying value	Fair Value	Carrying value	Fair Value
5.75% 2020 Private placement due 2025	$ 219.9	$ 224.3	$ 211.6	$ 217.4
6.50% Senior notes due 2026	200.6	203.2	199.7	199.8
4.00% 2012 Private placement due 2027	82.9	78.2	80.0	76.7
4.00% 2012 Private placement due 2032	108.1	92.7	104.1	81.2
3.75% 2013 Private placement due 2033	108.3	85.0	104.4	73.0
Bank borrowings and other	245.3	245.3	299.5	299.5
Total long-term debt	965.1	928.7	999.3	947.6
Bank borrowings and other	153.8	153.8	146.8	146.8
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	153.8	153.8	418.8	415.0
Total debt	$ 1,118.9	$ 1,082.5	$ 1,418.1	$ 1,362.6

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 statements of financial position. The deferred debt issuance costs are amortized to interest expense over the term of the Revolving Credit Facility.

On April 24, 2023, we entered into a fifth amendment (the "Amendment No. 5") to the Revolving Credit Facility (as amended, the "Credit Agreement"), dated February 16, 2021, which increases the commitments available to the Company to $1.25 billion and extends the term to five years from the date of the Amendment No. 5. The Credit Agreement also provides for a $250.0 million letter of credit sub-facility.

Availability of borrowings under the Credit Agreement is reduced by the outstanding letters of credit issued against the facility. As of December 31, 2023, there were $54.2 million letters of credit outstanding and availability of borrowings under the Credit Agreement was $1,195.8 million.

Borrowings under the Credit Agreement bear interest at the following rates, plus an applicable margin, depending on currency:

- U.S. dollar-denominated loans bear interest, at the Company's option, at a base rate or an adjusted rate linked to the Secured Overnight Financing Rate ("Adjusted Term SOFR"); and

- Euro-denominated loans bear interest on an adjusted rate linked to the Euro interbank offered rate ("EURIBOR").

The applicable margin for borrowings under the Credit Agreement ranges from 2.50% to 3.50% for Term Benchmark (as defined in the Credit Agreement) loans and 1.50% to 2.50% for base rate loans, depending on a total leverage ratio. The Credit Agreement is subject to customary representations and warranties, covenants, events of default, mandatory repayment provisions and financial covenants.

Letter of Credit Facility - On April 24, 2023, the Company entered into a new $500 million five-year senior secured performance letters of credit facility (the "Performance LC Credit Agreement"). The commitments under the Performance LC Credit Agreement may be increased to $1.0 billion, subject to the satisfaction of certain customary conditions precedent. The Performance LC Credit Agreement permits the Company and its subsidiaries to have access to performance letters of credit denominated in a variety of currencies to support the contracting activities with counterparties that require or request a performance or similar guarantee. It contains substantially the same customary representations and warranties, covenants, events of default, mandatory repayment provisions and financial covenants as the Credit Agreement and benefits from the same guarantees and security as the Credit Agreement on a pari passu basis.

Upon the occurrence of an Investment Grade Debt Rating by any two of three Rating Agencies and the satisfaction of certain other conditions precedent, the collateral securing the Credit Agreement, the Performance LC Credit Agreement, and the guarantees provided by certain subsidiaries of the Company shall be automatically released ("fall-away") and certain negative covenants will no longer apply to the Company.

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 statements of financial position. 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.

As of December 31, 2023, 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 senior notes (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% which matured during October 2023 (the "Tranche B 2023 Notes) and €125.0 million bearing interest of 3.15% which also matured during 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. During 2023, we repaid the outstanding $270.2 million of our 3.15% October 2023 "Tranche B & C 2023 Notes".

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% which matured in 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 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 the outstanding $161.0 million of our 3.40% June 2022 "Tranche A 2022 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 structured entity, which is fully consolidated in our consolidated financial statements. The transaction was funded through debt of $96.2 million and expiring on January 8, 2031.

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. These agreements expired in January 2023 and were renewed until January 13, 2025, with an extension option for an additional five years. As a result we have a financial liability of $51.6 million and 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,					
	2023			2022		
(In millions)	Guarantee	Without Guarantee	Total	Guarantee	Without Guarantee	Total
Current facilities and other	$ —	$ 17.7	$ 17.7	$ —	$ 122.3	$ 122.3
Short-term portion of long-term debt	24.2	111.9	136.1	22.7	273.8	296.5
Total short-term debt and current portion of long-term	24.2	129.6	153.8	22.7	396.1	418.8
Total long-term debt, less current portion and finance leases	374.0	591.1	965.1	338.0	661.3	999.3
Total debt excluding finance leases	$ 398.2	$ 720.7	$ 1,118.9	$ 360.7	$ 1,057.4	$ 1,418.1

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 on the consolidated statement of financial position and recognize changes in that funded status on the consolidated statements of other 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, 98.5% 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.

Non-US 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 $0.3 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 2024. 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 2031 as of December 31, 2023. Actual benefit payments may differ from expected benefit payments.

(In millions)	Expected benefit payments
2024	$ 54.7
2025	54.6
2026	55.0
2027	59.0
2028-2033	378.3
Total	$ 601.6

20.2 Remeasurement effects recognized in the consolidated other comprehensive income (OCI)

	December 31,	
(In millions)	2023	2022
Actuarial loss due to experience on defined benefit obligation	$ 19.5	$ 13.9
Actuarial (gain) loss due to demographic assumption changes in defined benefit obligation	(6.3)	1.1
Actuarial (gain) loss due to financial assumption changes in defined benefit obligation	25.7	(384.9)
Return on plan assets (greater) lower than discount rate	(0.2)	319.6
Change in irrecoverable surplus other than interest	(3.2)	1.1
Actuarial (income) loss recognized in other comprehensive income	$ 35.5	$ (49.2)

20.3 Defined benefit asset (liability) recognized in the consolidated statements of financial position

As of December 31, 2023, the net defined benefit liability of $127.5 million is comprised of a defined benefit asset of $55.4 million and defined benefit liability of $182.9 million as recognized on the consolidated statement of financial position. As of December 31, 2022, there was a gross defined benefit liability of $105.9 million recognized on the consolidated statement of financial position.

The amounts recognized on the consolidated 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, 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 gain/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 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)
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
December 31, 2022	$ 842.1	$ 736.2	$ 105.9

(In millions)	Benefit Obligation	Fair Value of Plan Assets	Benefit Obligation
December 31, 2022	$ 842.1	$ 736.2	$ 105.9
Expense as recorded in the statement of income	51.9	38.5	13.4
Total current service cost	3.4	—	3.4
Net financial costs	43.6	38.5	5.1
Actuarial losses of the year	0.4	—	0.4
Administrative costs and taxes	4.5	—	4.5
Actuarial gain/loss recognized in other comprehensive income	38.9	3.4	35.5
Actuarial loss on (defined benefit obligation) / gain on (plan assets)	38.9	3.4	35.5
- Experience	19.5	—	19.5
- Financial assumptions	25.7	—	25.7
- Demographic assumptions	(6.3)	—	(6.3)
Actuarial gain on plan assets	—	0.2	(0.2)
Change in irrecoverable surplus other than interest	—	3.2	(3.2)
Contributions and benefits paid	(54.8)	(44.5)	(10.3)
Contributions by employer	—	5.7	(5.7)
Benefits paid by employer	(4.6)	—	(4.6)
Benefits paid from plan assets	(50.2)	(50.2)	—
Exchange difference	19.0	20.3	(1.3)
Other	(1.4)	(0.8)	(0.6)
MSB benefit obligations classified as held for sale	(15.1)	—	(15.1)
December 31, 2023	$ 880.6	$ 753.1	$ 127.5

In 2023 and 2022, the discounted defined benefit obligation included $818.0 million and $787.0 million for funded plans and $62.4 million and $54.6 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, 2023 and 2022.

(In millions)	United Kingdom	United States	Other	Total
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
December 31, 2023				
Defined Benefit Obligation	$ 316.3	$ 518.4	$ 45.6	$ 880.3
Fair Value of Plan Assets	369.8	371.5	11.5	752.8
Net Defined Benefit (Asset) Obligation	$ (53.5)	$ 146.9	$ 34.1	$ 127.5

Below are the details of the principal categories of plan assets by country in terms of percentage of their total fair value:

	December 31, 2023					
(In %)	Bonds	Shares	Real Estate	Cash	Other	Total
Eurozone	— %	— %	— %	— %	100 %	100 %
United Kingdom	11 %	74 %	13 %	3 %	— %	100 %
United States	21 %	54 %	— %	2 %	23 %	100 %

	December 31, 2022					
(In %)	Bonds	Shares	Real Estate	Cash	Other	Total
Eurozone	— %	— %	— %	— %	100 %	100 %
United Kingdom[1]	11 %	63 %	13 %	13 %	— %	100 %
United States	8 %	83 %	— %	10 %	— %	101 %

(1) Plan asset percentages as of December 31, 2022 were reclassified between bonds, shares and real estate.

20.4 Actuarial assumptions

	December 31, 2023			
	Discount Rate	Future Salary Increase (above Inflation Rate)	Healthcare Cost Increase Rate	Inflation Rate
Eurozone	3.2 %	3.0% to 3.5%	NA	2.2 %
United Kingdom	4.7 %	N/A	NA	2.7% to 3.2%
United States	5.1 %	N/A	NA	2.5

	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

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, 2023			
	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	26	29	28	31
United Kingdom	21	24	22	25
United States	21	23	21	23

	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

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant.

The discount rates as of December 31, 2023 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, 2023 remain unchanged compared to 2022. A 25% decrease in the discount rate would increase the defined benefit obligation by approximately 2.8%. A 25% increase in the discount rate would decrease the defined benefit obligation by approximately (3.0)%. A one-year decrease in the life expectancy would decrease the defined benefit obligation by approximately (2.9)%. A one year increase in the life expectancy would increase the defined benefit obligation by approximately 2.5%. A 25% increase in inflation rates would increase the defined benefit obligation by 0.9%. A 25% decrease in inflation rates would decrease the defined benefit obligation by (0.9)%.

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, 2023 and 2022, our liability for the Non-Qualified Plan was $23.8 million and $20.2 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, 2023 and 2022, we had investments for the Non-Qualified Plan totaling $23.0 million and $18.5 million at fair market value, respectively.

We recognized expense of $21.1 million and $19.8 million for matching contributions to these plans in 2023 and 2022, respectively. Additionally, we recognized expense of $4.4 million and $8.7 million for non-elective contributions in 2023 and 2022, respectively.

NOTE 21. PROVISIONS (CURRENT AND NON-CURRENT)

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 differences	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
Contract loss provision [(3)]	86.5	125.8	(136.3)	—	—	—	76.0
Other current provisions [(2)]	102.1	90.3	(105.2)	(18.2)	2.1	0.5	71.6
Total current provisions	364.0	251.6	(276.2)	(45.6)	(1.7)	(6.0)	286.1
Total provisions	$ 381.3	$ 254.0	$ (283.8)	$ (52.7)	$ (1.8)	$ (4.8)	$ 292.2

Movements in each class of provision as of December 31, 2023 are as follows:

(In millions)	As of December 31, 2022	Increase	Used Reversals	Unused Reversals	Foreign exchange differences	Other	As of December 31, 2023
Restructuring obligations	$ 1.7	$ 0.9	$ (1.4)	$ —	$ (0.1)	$ (0.5)	$ 0.6
Other non-current provisions	4.4	0.3	(0.2)	(0.1)	0.2	—	4.6
Total non-current provisions	6.1	1.2	(1.6)	(0.1)	0.1	(0.5)	5.2
Contingencies related to contracts	13.5	6.8	(0.4)	(3.4)	(0.3)	(0.2)	16.0
Tax	18.1	—	(9.4)	(0.3)	0.6	—	9.0
Litigation [1]	98.5	21.3	(71.9)	(1.7)	2.5	—	48.7
Restructuring obligations	8.4	14.5	(7.8)	(0.6)	—	0.1	14.6
Contract loss provision [3]	76.0	51.2	(87.6)	—	—	—	39.6
Other current provisions [2]	71.6	132.2	(80.8)	(3.3)	1.3	16.8	137.8
Total current provisions	286.1	226.0	(257.9)	(9.3)	4.1	16.7	265.7
Total provisions	**$ 292.2**	**$ 227.2**	**$ (259.5)**	**$ (9.4)**	**$ 4.2**	**$ 16.2**	**$ 270.9**

(1) *Litigation* - Includes provision of $70.0 million for the year ended December 31, 2022, regarding the investigation by the French authorities (Parquet National Financier) related to offshore platform projects awarded to Technip S.A. between 2007-2008 in West Africa. See detailed description below in section *Litigation* in Note 21.
(2) *Other current provisions* - The majority of this balance is related to our annual bonus plan of $136.2 million and $70.8 million as of December 31, 2023 and 2022, respectively.
(3) *Contract loss provisions* - The December 31, 2022 balances for contract loss provisions of $63.1 million and $12.9 million have been reclassified from contract assets and contract liabilities to current provisions, respectively. The December 31, 2021 balances for contract loss provisions of $4.4 million and $82.1 million have been reclassified from contract assets and contract liabilities to current provisions, respectively. Contract provisions recognized in relation to an IFRS 15 contract should be presented as provisions, and not as contract liabilities, as they would not meet the definition of a contract liability as per IFRS 15.

The accounting policy principles utilized to evaluate the amounts and types of provisions for liabilities and charges are described in Note 1. We have provisions of the following nature:

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.

Litigation - On June 25, 2019, we announced a global resolution to pay a total of $301.3 million to the U.S. Department of Justice (“DOJ”), the SEC, and Brazilian authorities (Federal Prosecution Service (“MPF”), the Comptroller General of Brazil (“CGU”) and the Attorney General of Brazil (“AGU”)) to resolve these anti-corruption investigations related to historic conduct by Technip S.A. in Brazil and historic conduct by FMC Technologies concerning services provided by a vendor, Unaoil S.A.M. 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 consented to the entry of an Administrative Order issued by the SEC related to Unaoil.

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.

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.

As previously disclosed, we have also resolved an investigation by French authorities (the Parquet National Financier ("PNF")). On June 22, 2023, the Company, through its subsidiary Technip UK Limited, along with Technip Energies France SAS, a subsidiary of Technip Energies NV, reached a resolution with the PNF of all outstanding matters, including its investigations into historical projects in Equatorial Guinea, Ghana, and Angola. The resolution took the form of a *convention judiciaire d'interet public* ("CJIP"), which does not involve any admission of liability or guilt.

Under the terms of the CJIP, Technip UK and Technip Energies France will pay a public interest fine of €154.8 million and €54.1 million, respectively, for a total of €208.9 million ("Legal settlement liability"). Under the companies' separation agreements, TechnipFMC is responsible for €179.45 million to be paid in installments through July 2024, and Technip Energies is responsible for the remaining €29.45 million. During the three-months ended June 30, 2023, we recorded a $126.5 million liability incremental to our existing provision. After making a scheduled installment payment of €24.7 million on July 13, 2023, we have an outstanding balance of €154.8 million that is translated to $171.1 million and is recorded in other current liabilities in our consolidated statement of financial position as of December 31, 2023. The outstanding $171.1 million Legal settlement liability is classified as a financial liability at amortized costs. See Note 23.

TechnipFMC fully cooperated with the PNF and was not required to retain a monitor. The CJIP received final approval by the President of the Tribunal Judiciaire of Paris at a hearing on June 28, 2023.

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, 2023 and 2022, and that the ultimate resolution of such matters will not materially affect our consolidated financial position, results of operations, or cash flows.

Contract loss provision - The provision balances include estimated contract losses and final project costs related mainly to long-term construction projects.

NOTE 22. IMPAIRMENT, RESTRUCTURING AND OTHER EXPENSES

Impairment, restructuring and other expenses were as follows:

	Year Ended December 31,	
(In millions)	**2023**	**2022**
Subsea	$ 4.9	$ (13.0)
Surface Technologies	9.8	10.4
Corporate and other	5.3	3.7
Total restructuring, impairment, and other expense	$ 20.0	$ 1.1

2023

During the year ended December 31, 2023, we incurred $20.0 million of restructuring, impairment and other expenses, out of which we incurred $8.2 million of restructuring and severance expenses, primarily associated with exiting operations in Canada and the closure of sites in Mexico and Angola. We also incurred restructuring charges of $3.9 million in Singapore and Argentina. We incurred $5.2 million of costs associated with the disposal of the MSB. Additionally, we incurred $1.7 million of asset impairment in the U.K.

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.

NOTE 23. OTHER LIABILITIES (CURRENT AND NON-CURRENT)

Other current liabilities are as follows:

	December 31,	
(In millions)	**2023**	**2022**
Legal settlement liability (Note 21)	$ 171.1	$ —
Current financial liabilities at amortized cost, total	171.1	—
Other taxes payable	78.5	65.3
Warranty obligations (Note 25)	45.0	74.2
Social security liability	81.9	70.9
Other[1]	164.2	175.4
Other current liabilities, total	369.6	385.8
Total other current liabilities	$ 540.7	$ 385.8

(1) Includes miscellaneous other employee, medical and costs of operations.

Other non-current liabilities are as follows:

	December 31,	
(In millions)	**2023**	**2022**
Obligations on non-qualified employee retirement plans	$ 23.8	$ 20.2
Subsidies	0.3	0.3
Other[1]	55.6	57.4
Total non-current liabilities	$ 79.7	$ 77.9

(1) Includes miscellaneous accruals.

NOTE 24. ACCOUNTS PAYABLE, TRADE

Trade payables amounted to $1,355.1 million as of December 31, 2023 as compared to $1,282.0 million as of December 31, 2022. 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, 2023 and 2022. A reconciliation of warranty obligations for the years ended December 31, 2023 and 2022 as follows:

	Year Ended December 31,	
(In millions)	**2023**	**2022**
Balance at beginning of period	$ 74.2	$ 86.2
Warranty expenses	16.5	18.2
Adjustment to existing accruals	(40.5)	(19.0)
Claims paid	(5.2)	(11.2)
Balance at end of period	$ 45.0	$ 74.2

NOTE 26. COMMITMENTS AND CONTINGENT LIABILITIES

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.

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 statements of financial position, results of operations, or cash flows.

Guarantees made by our consolidated subsidiaries consisted of the following:

	December 31,	
(In millions)	**2023**	**2022**
Financial guarantees (1)	$ 231.9	$ 170.2
Performance guarantees (2)	1,821.7	1,458.2
Maximum potential undiscounted payments	$ 2,053.6	$ 1,628.4

(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. Financial guarantees are in the scope of IFRS 9, however the fair value is immaterial both as of December 31, 2023 and 2022, respectively. The maximum potential liability on the contracts is disclosed in the table above.

(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, 2023			
	Analysis by Category of Financial Instruments			
(In millions)	Carrying Value	At Fair Value through Profit or Loss	Assets/ Liabilities at Amortized cost	Designated as cash flow hedges
Pension assets	$ 11.3	$ 11.3	$ —	$ —
Trade receivables, net	1,138.1	—	1,138.1	—
Other financial assets (Note 12)	295.2	26.4	268.8	—
Derivative financial instruments (Note 27)	213.8	(0.1)	—	213.9
Cash and cash equivalents (Note 13)	951.6	951.6	—	—
Total financial assets	$ 2,610.0	$ 989.2	$ 1,406.9	$ 213.9
Legal settlement liability (Note 21)	$ 171.1	$ —	$ 171.1	$ —
Long-term debt, less current portion (Note 19)	965.1	—	965.1	—
Non-current lease liabilities (Note 4)	705.3	—	705.3	—
Short-term debt and current portion of long-term debt (Note 19)	153.8	—	153.8	—
Accounts payable, trade	1,355.1	—	1,355.1	—
Derivative financial instruments (Note 27)	204.7	12.0	—	192.7
Current lease liabilities (Note 4)	149.0	—	149.0	—
Total financial liabilities	$ 3,704.1	$ 12.0	$ 3,499.4	$ 192.7

	December 31, 2022			
	Analysis by Category of Financial Instruments			
(In millions)	Carrying Value	At Fair Value through Profit or Loss	Assets/ Liabilities at Amortized cost	Designated as cash flow hedges
Pension assets	$ 12.3	$ 12.3	$ —	$ —
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	$ 2,466.4	$ 1,119.0	$ 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

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 on the consolidated statement of financial position. 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, 2023 Level 1	Level 2	Level 3	Total
Investments:				
Traded securities[(1)]	$ 24.3	$ —	$ —	$ 24.3
Money market and stable value funds	—	2.1	—	2.1
Derivative financial instruments:				
Foreign exchange contracts	—	213.8	—	213.8
Total assets	$ 24.3	$ 215.9	$ —	$ 240.2
Derivative financial instruments:				
Foreign exchange contracts	$ —	$ 204.7	$ —	$ 204.7
Total liabilities	$ —	$ 204.7	$ —	$ 204.7

(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
Total assets	$ 19.8	$ 291.8	$ —	$ 311.6
Derivative financial instruments:				
Foreign exchange contracts	—	350.2	—	350.2
Total liabilities	$ —	$ 350.2	$ —	$ 350.2

(1) Includes equity securities, fixed income and other investments measured at fair value.

During the years ended December 31, 2023 and 2022, 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 year, 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.

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 statements 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 derivative financial instruments 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 derivative financial instruments. For derivative financial instruments that qualify as a cash flow hedge, the effective portion of the gain or loss of the derivative financial instrument, which does not include the time value component of a forward currency rate, is reported as a component on the consolidated statement of OCI and reclassified into the consolidated statement of income in the same period or periods during which the hedged transaction affects earnings. For derivative financial 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 financial 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 on our consolidated statement of financial position.

We held the following material net positions as of December 31, 2023 and 2022 in local currency (LC):

	December 31, 2023			
	Maturity			
(In millions except for rates)	**1-12 months**	**12-24 months**	**Beyond 24 months**	**Total**
Australian dollar				
Notional amount (LC)	298.5	8.4	—	306.9
Average forward rate (LC/USD)	1.5	1.5	1.5	1.5
USD equivalent	202.7	5.7	—	208.4
Brazilian real				
Notional amount (LC)	1,895.6	(119.1)	—	1,776.5
Average forward rate (LC/USD)	4.8	4.8	4.8	4.8
USD equivalent	391.6	(24.6)	—	367.0
British pound				
Notional amount (LC)	(394.8)	122.0	107.7	(165.1)
Average forward rate (LC/USD)	0.8	0.8	0.8	0.8
USD equivalent	(502.2)	155.2	137.0	(210.0)
Canadian dollar				
Notional amount (LC)	0.6	0.2	—	0.8
Average forward rate (LC/USD)	1.3	1.3	1.3	1.3
USD equivalent	0.4	0.2	—	0.6
Czech koruna				
Notional amount (LC)	309.9	120.8	—	430.7
Average forward rate (LC/USD)	22.4	22.4	22.4	22.4
USD equivalent	13.9	5.4	—	19.3
Euro				
Notional amount (LC)	1,092.3	203.2	37.3	1,332.8
Average forward rate (LC/USD)	0.9	0.9	0.9	0.9
USD equivalent	1,207.2	224.6	41.2	1,473.0
Indian rupee				
Notional amount (LC)	1,402.0	—	—	1,402.0
Average forward rate (LC/USD)	83.1	83.1	83.1	83.1
USD equivalent	16.9	—	—	16.9
Indonesian rupiah				
Notional amount (LC)	66,755.3	—	—	66,755.3
Average forward rate (LC/USD)	15,439.0	15,439.0	15,439.0	15,439.0
USD equivalent	4.3	—	—	4.3
Malaysian ringgit				
Notional amount (LC)	189.0	(1.8)	—	187.2
Average forward rate (LC/USD)	4.6	4.6	4.6	4.6
USD equivalent	41.1	(0.4)	—	40.7
Mexican peso				
Notional amount (LC)	28.5	—	—	28.5
Average forward rate (LC/USD)	17.0	17.0	17.0	17.0
USD equivalent	1.7	—	—	1.7
Norwegian krone				
Notional amount (LC)	3,440.6	2,221.0	(231.3)	5,430.3
Average forward rate (LC/USD)	10.2	10.2	10.2	10.2
USD equivalent	338.5	218.5	(22.8)	534.2

Singapore dollar				
Notional amount (LC)	145.0	3.5	—	148.5
Average forward rate (LC/USD)	1.3	1.3	1.3	1.3
USD equivalent	109.8	2.7	—	112.5
Swedish krona				
Notional amount (LC)	76.0	23.9	—	99.9
Average forward rate (LC/USD)	10.0	10.0	10.0	10.0
USD equivalent	7.6	2.4	—	10.0
New Israeli shekel				
Notional amount (LC)	(7.0)	—	—	(7.0)
Average forward rate (LC/USD)	3.6	3.6	3.6	3.6
USD equivalent	(1.9)	—		(1.9)
Kuwaiti dinar				
Notional amount (LC)	—	(0.5)	—	(0.5)
Average forward rate (LC/USD)	0.3	0.3	0.3	0.3
USD equivalent	—	(1.7)	—	(1.7)
Polish zloty				
Notional amount (LC)	24.4	—	—	24.4
Average forward rate (LC/USD)	3.9	3.9	3.9	3.9
USD equivalent	6.2	—	—	6.2
U.S. dollar	(1,839.9)	(588.9)	(160.1)	(2,588.9)

	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
Swedish krona				
Notional amount (LC)	13.4	5.5	—	18.9
Average forward rate (LC/USD)	10.4	10.4	10.4	10.4
USD equivalent	1.3	0.5	—	1.8
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	(1,333.3)	(224.8)	0.4	(1,557.7)

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 financial 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 December 31, 2023 and 2022 our portfolio of these instruments included the following material net positions:

	December 31, 2023			
(In millions except rates)	**1-12 months**	**12-24 months**	**Beyond 24 months**	**Total**
Brazilian real				
Notional amount (LC)	14.9	—	—	14.9
Average forward rate (LC/USD)	4.8	4.8	4.8	—
USD equivalent	3.1	—	—	3.1
Euro				
Notional amount (LC)	(11.6)	(0.4)	—	(12.0)
Average forward rate (LC/USD)	0.9	0.9	0.9	—
USD equivalent	(12.8)	(0.5)	—	(13.3)
Norwegian krone				
Notional amount (LC)	3.3	4.2	—	7.5
Average forward rate (LC/USD)	10.2	10.2	10.2	—
USD equivalent	0.3	0.4	—	0.7
U.S. dollar (total)	9.6	0.1	—	9.7

	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	5.2	5.2	5.2
USD equivalent	18.7	—	—	18.7
Euro				
Notional amount (LC)	(1.9)	—	—	(1.9)
Average forward rate (LC/USD)	0.9	0.9	0.9	0.9
USD equivalent	(2.0)	—	—	(2.0)
Norwegian krone				
Notional amount (LC)	(24.6)	—	—	(24.6)
Average forward rate (LC/USD)	9.9	9.9	9.9	9.9
USD equivalent	(2.5)	—	—	(2.5)
U.S. dollar (total)	(12.5)	—	—	(12.5)

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 on the consolidated statements of financial position:

	December 31, 2023		December 31, 2022	
(In millions)	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Derivatives designated as hedging instruments				
Foreign exchange contracts				
Current - Derivative financial instruments	$ 183.5	$ 167.9	$ 254.8	$ 332.5
Long-term - Derivative financial instruments	30.4	24.8	7.2	3.6
Total derivatives designated as hedging instruments	213.9	192.7	262.0	336.1
Derivatives not designated as hedging instruments				
Foreign exchange contracts				
Current - Derivative financial instruments	(0.1)	12.0	27.9	14.1
Total derivatives not designated as hedging instruments	(0.1)	12.0	27.9	14.1
Total derivatives	$ 213.8	$ 204.7	$ 289.9	$ 350.2

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 Company 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 $(2.0) million and $(1.0) million for 2023 and 2022, 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 gain (loss) of $4.1 million and $(33.9) million as of 2023 and 2022, respectively. We expect to transfer approximately $25.6 million earnings from the consolidated statements of other comprehensive income to the consolidated statements of income 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 2027.

The following represents the effect of cash flow hedge accounting on the consolidated statements of income for the years ended December 31, 2023 and 2022:

(In millions)	Year Ended December 31, 2023			Year Ended December 31, 2022		
Total amount of income (expense) presented in the consolidated statements of income associated with hedges and derivatives	**Revenue**	**Cost of sales**	**Other income (expense), net**	**Revenue**	**Cost of sales**	**Other income (expense), net**
Amounts reclassified from accumulated OCI to income (loss)	$ (12.6)	$ 25.6	$ (5.5)	$ (7.4)	$ (14.5)	$ (13.1)
Ineffective amounts	—	—	(2.0)	—	—	(1.0)
Total cash flow hedge gain (loss) recognized in income	(12.6)	25.6	(7.5)	(7.4)	(14.5)	(14.1)
Gain (loss) recognized in income on derivatives not designated as hedging instruments	(0.1)	(1.0)	(24.3)	(0.3)	(0.7)	78.1
Total[(a)]	$ (12.7)	$ 24.6	$ (31.8)	$ (7.7)	$ (15.2)	$ 64.0

(a) The total effect of cash flow hedge accounting on selling, general and administrative expense is not material for each of the years ended December 31, 2023 and 2022.

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)	2023	2022
Balance at beginning of period	$ (33.9)	$ (68.5)
Effective portion of changes in fair value	33.9	77.9
Amount reclassified to statement of income	7.1	(35.3)
Tax effect	(3.0)	(8.0)
Balance at end of period	$ 4.1	$ (33.9)

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 December 31, 2023 and 2022 we had no collateralized derivative contracts.

The following tables present both gross information and net information of recognized derivative instruments:

	December 31, 2023			December 31, 2022		
(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	$ 213.8	$ (103.4)	$ 110.4	$ 289.9	$ (142.5)	$ 147.4
Derivative liabilities	$ 204.7	(103.4)	$ 101.3	$ 350.2	$ (142.5)	$ 207.7

NOTE 28. PAYROLL STAFF

As of December 31, 2023, TechnipFMC had approximately 21,000 full-time employees.

The average monthly number of employees (including executive directors) employed by TechnipFMC during the years ended December 31, 2023 and 2022 are as follows:

By function:	2023	2022
Production / Services	15,440	14,866
Selling and distribution	1,927	1,858
General and administrative	4,105	3,979
Total	21,472	20,703

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)	2023	2022
Dofcon	$ 14.2	$ 16.6
Others	2.5	1.3
Total trade receivables	$ 16.7	$ 17.9

As of December 31, 2023 and 2022, we did not have any material accounts payable outstanding with our related parties.

Loan receivables as of December 31, 2023 includes $85.0 million to Dofcon, for which interest income of $3.4 million has been recorded during the year ended December 31, 2023.

Revenue consisted of these amounts from the following related parties:

	Year Ended December 31,	
(In millions)	2023	2022
Dofcon	$ 8.1	$ 21.3
Others	12.4	7.8
Total revenue	$ 20.5	$ 29.1

Expenses consisted of these amounts to the following related parties:

	Year Ended December 31,	
(In millions)	2023	2022
Dofcon	$ 25.3	$ 14.4
Others	27.5	31.8
Total expenses	$ 52.8	$ 46.2

29.2 Executive compensation

The below table sets forth the single figure of remuneration for the years ended December 31, 2023 and 2022 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.

(In millions)	Chief Executive Officer 2023	2022
Salary	$ 1.3	$ 1.2
Taxable benefits	0.1	0.1
Annual incentive	6.1	5.0
Long-term incentive awards	43.0	—
Pension-related benefits	0.3	0.2
Total remuneration	$ 50.8	$ 6.5

Total remuneration for non-executive directors was $2.5 million and $2.4 million for the years ended December 31, 2023 and 2022, respectively.

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 statements of financial position:

(In millions)	December 31, 2023	2022
Cash and cash equivalents	$ 951.6	$ 1,057.1
Less: Short-term debt and current portion of long-term debt	153.8	418.8
Less: Long-term debt, less current portion	965.1	999.3
Less: Lease liabilities	854.3	872.5
Net debt	$ (1,021.6)	$ (1,233.5)

Reconciliation of liabilities from financing activities is as follows:

			Non-cash changes			
(In millions)	Opening balance at 12/31/2022	Cash flows	Exchange rate effects	Bond amortization	Other changes (1)	Closing balance at 12/31/2023
Long-term debt, less current portion	$ 999.3	$ —	$ 36.0	$ 2.2	$ (72.4)	$ 965.1
Short-term debt and current portion of long-term debt	418.8	(341.6)	3.9	—	72.7	153.8
Liabilities from leases	872.5	(141.0)	(6.1)	—	128.9	854.3
Liabilities from financing activities	**$ 2,290.6**	**$ (482.6)**	**$ 33.8**	**$ 2.2**	**$ 129.2**	**$ 1,973.2**

(1) This relates to reclassification from non-current to current debt. Liabilities from finance leases relates to the addition of new leases.

(In millions)	Opening balance at 12/31/2021	Cash flows	Non-cash changes: Exchange rate effects	Non-cash changes: Bond amortization	Non-cash changes: 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.

Cash flows

Operating cash flows from continuing operations - During 2023, we generated $742.9 million in operating cash flows from continuing operations, as compared to $443.7 million in 2022, resulting in a $299.2 million increase compared to 2022. The increase in cash generated by operating activities from continuing operations in 2023 as compared to 2022 was primarily due to improved profitability, timing differences on project milestones, payments to vendors for inventory, fluctuations in derivative assets and liabilities and timing of income tax payments.

Investing cash flows from continuing operations - Investing activities from continuing operations used $72.0 million of cash during 2023. Investing cash flows from continuing operations generated $157.5 million cash during 2022. The decrease of $229.5 million in cash from investing activities was primarily due to the absence of $288.5 million proceeds received from sales of our investment in Technip Energies during 2022 and an increase in capital expenditures of $55.4 million. This cash use was partially offset by an increase in proceeds from sales of assets of $54.5 million during 2023 primarily related to the sale of the Apache II pipelay vessel and other investing activities.

Financing cash flows from continuing operations - Financing activities from continuing operations used $760.1 million and $883.6 million in 2023 and 2022, respectively. The decrease of $123.5 million in cash used for financing activities was due primarily to the decreased debt pay down and issuance activity of $228.1 million, partially offset by $104.9 million of increase of share repurchases during 2023.

Debt and Liquidity

Total borrowings as of December 31, 2023 and 2022 were $1,118.9 million and $1,418.1 million, respectively. See Note 19 for further details.

Availability of borrowings under the Credit Agreement is reduced by the outstanding letters of credit issued against the facility. As of December 31, 2023, there were $54.2 million letters of credit outstanding and availability of borrowings under the Credit Agreement was $1,195.8 million.

During 2023, we repaid $270.2 million of our 3.15% 2013 Private placement notes “Tranche B & C 2023 Notes”.

During 2022, we repaid $161.0 million of our 3.40% 2012 Private placement notes and we completed a tender offer and purchase 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, 2023, we were in compliance with all restrictive covenants under our credit facilities. See Note 19 for further details.

Credit Ratings - As of December 31, 2023 our credit ratings with Standard and Poor's ("S&P") were BB+ for long-term unsecured, guaranteed debt (2021 Notes) and for the long-term unsecured debt (the Private placement notes). On March 7, 2024 both the issuer credit rating and the correspondent rated Notes were upgraded by S&P to BBB-. 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)	2024	2025	2026	2027	2028	2029 and beyond	Total
Debt	$ 153.8	$ 332.1	$ 261.5	$ 108.0	$ 25.3	$ 238.2	$ 1,118.9
Interest on debt	61.3	42.4	18.8	12.5	10.3	37.0	182.3
Accounts payable, trade	1,355.1	—	—	—	—	—	1,355.1
Derivative financial instruments	179.9	21.0	2.7	1.1	—	—	204.7
Legal settlement liability	171.1	—	—	—	—	—	171.1
Finance lease liabilities	196.4	149.5	116.6	100.5	84.9	584.2	1,232.1
Total financial liabilities as of December 31, 2023	$ 2,117.6	$ 545.0	$ 399.6	$ 222.1	$ 120.5	$ 859.4	$ 4,264.2

(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

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 or decrease in the average exchange rates of all foreign currencies as of December 31, 2023, would have changed our revenue and income before income taxes attributable to TechnipFMC by approximately $381.8 million and $21.4 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 consolidated 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 $115.3 million in the net fair value of cash flow hedges reflected in our consolidated statement of financial position as of December 31, 2023.

Argentine operations

We apply provisions of IAS 29 to the financial statements of our subsidiaries in Argentina whose functional currency is the currency of a hyper-inflationary economy. Non-monetary assets, liabilities and equity items are restated in terms of the measuring unit current at the statement of financial position date with the resultant monetary gain (losses) recognized in other income and expenses. The prior year comparatives, for both monetary and non-monetary items, are restated in terms of the measuring unit current at the end of the latest reporting period. We applied Argentina Consumer Price Index ("Argentina CPI") to restate the financial statements of our subsidiaries in Argentina at the end of the reporting period and the movement in Argentina CPI during the current and the previous reporting period. As a result of IAS 29 restatement procedures we recorded a monetary gain of $16.2 million in Other income (expense), net in the consolidated statement of income for the year ended December 31, 2023.

The Central Bank of Argentina has maintained certain currency controls that limited our ability to access U.S. dollars in Argentina and to remit cash from our Argentine operations. The new president of Argentina was inaugurated on December 10, 2023, and the proposed certain significant economic changes had significant impact on the foreign currency-related effects of business transactions in Argentina. Due to the Argentine peso devaluation, primarily following the Presidential Inauguration, we recognized a foreign exchange loss of approximately $70.5 million for the year ended December 31, 2023. We have taken various actions to address the situation to reduce our foreign exchange exposure.

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, 2023	December 31, 2022
Fixed Rate	$ 888.6	$ 1,153.9
Floating Rate	230.3	264.2
Total debt	$ 1,118.9	$ 1,418.1

Sensitivity analysis as of December 31, 2023

TechnipFMC's floating rate debt amounted to $230.3 million compared to an aggregate total debt of $1,118.9 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, 2023, the net short-term cash position of TechnipFMC (cash and cash equivalents, less short-term financial debts) amounted to $648.8 million.

As of December 31, 2023, a 1% (100 basis points) increase in interest rates would lower the fair value of the fixed rate Senior notes and Private placements by $18.7 million before tax. A 1% (100 basis points) decrease in interest rates would raise the fair value by $14.6 million before tax.

A 1% (100 basis points) increase in interest rates would generate an additional net income of $8.0 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, 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 synthetic bonds, convertible bonds 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 net income 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.

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.

TechnipFMC utilizes a "pooled" approach to estimate expected credit losses for financial assets with similar risk characteristics based on internal or external expected loss assumptions from groups of similar assets. The common risk characteristics that are used to pool similar risk assets include collateral type, credit rating/scores, industry, geographical location and duration of financial assets.

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. 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.

The expected loss rates are based on historical losses experienced over a period of 12 months before December 31, 2023 or December 31, 2022, 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, 2023					
	Days past due					
(In millions)	Current	Less than 3 months	3 to 12 months	Over 1 year	Total Trade Receivables	Contract Assets
Carrying value, net	$ 731.3	$ 84.0	$ 135.4	$ 187.4	$ 1,138.1	$ 1,036.0

	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 [1]
Carrying value, net	$ 502.1	$ 146.0	$ 106.4	$ 214.0	$ 968.5	$ 1,047.2

(1) The December 31, 2022 balances for contract loss provisions of $63.1 million have been reclassified from contract assets to current provisions. See Note 21.

NOTE 31. AUDITORS' REMUNERATION

Fees payable to TechnipFMC's auditors and its associates are as follows:

(In millions)	2023	2022
Fees payable to TechnipFMC plc's auditors for the audit of its annual financial statements including 404B internal control	$ 10.4	$ 9.8
Fees payable to TechnipFMC plc's auditors and its associates for the audit of its subsidiaries	3.0	2.9
Total fees payable for audit services	$ 13.4	$ 12.7
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

All subsidiaries are consolidated in the financial statements. Ownership interests noted in the table below reflect holdings of ordinary shares. All consolidated companies close their accounts as of December 31.

TechnipFMC's subsidiaries, joint venture undertakings and equity affiliates as of December 31, 2023 are listed below:

32.1 Directly owned subsidiaries

Company Name	Address	Share Class	Group interest held in %
FRANCE			
Technip Offshore International SAS	1BIS Place de la Défense Tour Trinity 92400 Courbevoie	Ordinary shares	100
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.	523 Zona Industrial Matanzas, Planta De Bauxilum Puerto Ordaz Ciudad Bolivar	Ordinary shares	99.88

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
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 – Angol	Ordinary Shares	49
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	Ground Floor, 1 William Street, Perth, Western Australia 6000, Australia	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, Pavuna,cidade e Estado do Rio de Janeiro 21535-900, Brazil	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
Braswims Equipamentos Submarinos LTDA	AVENIDA HENRIQUE VALADARES, 23, ROOM 501 PART, RIO DE JANEIRO	Equity interest	100
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 1603-1, Building A, Vanke Center,No. 55, Dingan,Shanghai, China 200020, China	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
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	100
GABON			
FMC Gabon S.A.R.L.	Boite Postale (B.P) 277 Port Genti	Equity interest	99
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
TechnipFMC (Ghana) Limited	6th Floor, One Airport Square, 00233, Accra	Ordinary shares	49
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
PT Technip Indonesia	Metropolitan Tower, 15th Floor, JL. R. A. Kartini Kav, 14 (T.B Simatupang), Cilandak Jakarta Selatan 12430	Ordinary shares	9
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
CHANNEL ISLANDS			
CSO Oil & Gas Technology (West Africa) Ltd	26 New Street, St. Helier, Jersey, JE2 3RA, Channel Islands	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	100
Flexiasia Sdn Bhd	Suite 13.03, 13th Floor 207 Jalan Tun Razak 50400 Kuala Lumpur	Ordinary shares	29
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
FMC Wellhead Equipment Sdn. Bhd.	Suite 13.03, 13th Floor 207 Jalan Tun Razak 50400 Kuala Lumpur	Ordinary shares	49
Technip Marine (M) Sdn Bhd	Suite 13.03, 13th Floor 207 Jalan Tun Razak 50400 Kuala Lumpur	Ordinary shares	100
MAURITIUS			
Coflexip Stena Offshore (Mauritius) Ltd.	IQ EQ Corporate Services (Mauritius) Ltd, (Formerly SGG Corporate Services (Mauritius)	Ordinary shares	100
GIL Mauritius Holdings Ltd	IQ EQ Corporate Services (Mauritius) Ltd, (Formerly SGG Corporate Services (Mauritius)	Ordinary shares	100
Global Construction Mauritius Services Ltd (In Liquidation)	IQ EQ Corporate Services (Mauritius) Ltd, (Formerly SGG Corporate Services (Mauritius)	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	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	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	Ordinary shares	100

MOZAMBIQUE			
Technip Mozambique Lda	Edifico Topazio, Av, Vladimir Lenine, 8th Floor,Mozambique, 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
Technip Holding Benelux B.V.	Zuidplein 126, WTC, Tower H, 15e, Amsterdam 1077XV, Netherlands	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	99.93
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	99.98
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	99.97 99.97
TechnipFMC Pipelaying BV	Zuidplein 126, WTC, Tower H, 15th Fl. Amsterdam 1077XV	Ordinary shares	100
NIGERIA			
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
RUSSIAN FEDERATION			
FMC Eurasia LLC	4, Lesnoy Lane 4, Business centre "White Stone",Moscow 125047, Russian Federation	Ordinary shares	100
SAUDI ARABIA			
FMC Technologies Saudi Arabia Limited	PO Box 3076 2nd Industrial City Dammam 34326, Eastern Province	Ordinary shares	100
Global Al Rushaid Offshore Ltd	P O Box No 31685, 31952 Al Khoba	Ordinary shares	50
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
Technipfmc Industries-Sole Proprietorship L.L.C.	Abu Dhabi, Mussaffah -ICAD III 98NR24, Abu Dhabi	Capital	100
UNITED KINGDOM			
AABB Limited	Hadrian House, Wincomblee Road, Newcastle upon Tyne, NE6 3PL, U.K.	Ordinary Shares	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	Birchin Court, 20 Birchin Lane, London, EC3V 9DU, U.K.	Dissolved March 22, 2023	

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.	Dissolved July 4, 2023	
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 Limited	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 Subsea 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 Limited	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
VIETNAM			
FMC Technologies (Vietnam) Co., Ltd.	No. 29, Le Duan Street Ben Nghe Ward, Distric 1 Ho Chi Minh City	Equity interest	100

32.3 Joint ventures

Company Name	Address	Share Class	Group interest held in %
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	20
Technip-DeepOcean PRS JV DA	Killingøy 5515 Haugesund	No capital	50
FRANCE			
Serimax Holdings SAS	346 rue de la Belle Etoile 95700 Roissy en France	Ordinary shares	20

32.4 Associated undertakings

Company Name	Address	Share Class	Group interest held in %
FINLAND			
Creowave Oy	Yrttipellontie 10 H 90230 Oulu	Ordinary shares	24.9
NORWAY			
Kongsberg Technology Training Centre AS	Kirkegårdsveien 45 3616 KONGSBERG	Ordinary shares	33.31

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
FMC/KOS West Africa Limited	00621727
Control Systems International (UK) Limited	03244592
FMC Kongsberg Services Limited	04869111
Schilling Robotics Limited	04848086
Spoolbase UK Limited	05315706
Subsea I & C Services Limited	09460007
Subsea Maritime Services Limited	09919636
Subsea Offshore Services Limited	09681629
Technip Offshore Manning Services Limited	04055455
Technip-Coflexip UK Holdings Limited	02424225
TechnipFMC (Europe) Limited	11437449
TechnipFMC Corporate Holdings Limited	12346753
TechnipFMC DSV3 Limited	11489082
TechnipFMC Finance Limited	14501545
TechnipFMC Group Holdings Limited	14501041
TechnipFMC International Finance Limited	11112457
TechnipFMC International UK Limited	11112462
West Africa Subsea Services Limited	10345570

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 years 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.

The following table summarizes the components of income from discontinued operations, net of tax that were recognized during the year ended December 31, 2022:

(In millions)	Year ended December 31, 2022
Costs and expenses	$ (26.4)
Loss from discontinued operations before income taxes	(26.4)
Provision for income taxes	18.9
Loss from discontinued operations attributable to TechnipFMC plc	$ (45.3)

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 Technip Energies share sales during the year ended December 31, 2022:

(In millions)	Year ended December 31, 2022
Proceeds from sale of additional shares, net of transaction costs	$ 288.5
Carrying value 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)

Investment in Technip Energies

On February 16, 2021, 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 value 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.

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

On February 20, 2024, the Company announced that its Board of Directors has authorized and declared a quarterly cash dividend of $0.05 per share, payable on April 3, 2024 to shareholders of record as of the close of business on the New York Stock Exchange on March 19, 2024. The ex-dividend date is March 18, 2024.

On February 28, 2024, FMC Technologies Pension Plan Limited (the Trustee of the Company's U.K. pension plan) and Just Retirement Limited (the insurer) entered into a buy-in policy with a first payment start date on April 24, 2024.

On March 7, 2024, both the Company's issuer credit rating and the correspondent rated Notes were upgraded by S&P to BBB-.

On March 11, 2024, the Company completed the sale of equity interests and assets of MSB to One Equity Partners. See Note 2 for details.

COMPANY FINANCIAL STATEMENTS

TECHNIPFMC PLC

FOR THE YEAR ENDED DECEMBER 31, 2023

Company No. 09909709

COMPANY STATEMENTS OF FINANCIAL POSITION

(In millions)	Note		December 31, 2023		December 31, 2022
Assets					
Investments in subsidiaries	3	$	4,084.8	$	4,084.8
Loan receivables – related parties	4		1,511.9		—
Other assets			28.9		—
Total non-current assets			5,625.6		4,084.8
Cash and cash equivalents			0.8		3.7
Trade and other receivables, net	6		47.0		24.5
Loan receivables - related parties	4		—		4,441.3
Income taxes receivable			6.6		8.8
Other current assets			2.2		20.0
Total current assets			56.6		4,498.3
Total assets		$	5,682.2	$	8,583.1
Equity and Liabilities					
Ordinary shares	7	$	432.9	$	442.2
Retained earnings, net income and other reserves			1,915.6		2,222.3
Total shareholders' equity			2,348.5		2,664.5
Long-term debt	8		719.7		699.6
Loan payables – related parties (1)	9		1,211.6		768.9
Total non-current liabilities (1)			1,931.3		1,468.5
Short-term debt	8		16.8		290.4
Trade and other payables	10		1,385.6		753.5
Loan payables – related parties (1)	9		—		3,406.2
Current income tax liabilities			—		—
Total current liabilities (1)			1,402.4		4,450.1
Total liabilities			3,333.7		5,918.6
Total equity and liabilities		$	5,682.2	$	8,583.1
As of January 1		$	2,222.3	$	2,551.9
Loss for the year			(95.9)		(280.0)
Other changes in retained earnings			(210.8)		(49.6)
Retained earnings		$	1,915.6	$	2,222.3

(1) To appropriately reflect the nature of loan payables due to related parties, $2,637.3 million of the previously reported December 31, 2022 balance for non-current "Loan payables – related parties" has been reclassified to current "Loan payables – related parties". The disclosure provided in Note 9 in the Company's 2022 U.K. Annual Report was not impacted by these reclassifications and was accurately presented. The effect of the reclassification has no further impact, including at December 31, 2021, and hence an additional statement of financial position has not been presented.

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 15, 2024

COMPANY STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(In millions)	Ordinary Shares	Retained Earnings, Net Income/(Loss) and Other reserves	Total Shareholders' Equity
Balance as of December 31, 2021	$ 450.7	$ 2,551.9	$ 3,002.6
Net loss	—	(280.0)	(280.0)
Issuance of ordinary shares (Note 7)	1.6	—	1.6
Shares repurchased and cancelled (Note 7)	(10.1)	(90.1)	(100.2)
Share-based compensation (Note 7)	—	40.5	40.5
Balance as of December 31, 2022	$ 442.2	$ 2,222.3	$ 2,664.5
Net loss	—	(95.9)	(95.9)
Dividends (Note 7)	—	(43.5)	(43.5)
Issuance of ordinary shares (Note 7)	2.9	(20.1)	(17.2)
Shares repurchased and cancelled (Note 7)	(12.2)	(192.8)	(205.0)
Share-based compensation (Note 7)	—	45.8	45.8
Other	—	(0.2)	(0.2)
Balance as of December 31, 2023	$ 432.9	$ 1,915.6	$ 2,348.5

The accompanying notes are an integral part of the consolidated financial statements.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

NOTE 1 - GENERAL CORPORATE INFORMATION

TechnipFMC is a public limited company by shares, incorporated and domiciled in England and Wales ("United Kingdom" or "U.K."), with registered number 09909709, 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, United Kingdom. On February 18, 2022, following a comprehensive review of the strategic objectives, we voluntarily delisted TechnipFMC's shares from Euronext Paris.

Nature of operations - TechnipFMC plc 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. We have operational headquarters in Houston, Texas, United States, and we principally operate across two business segments: Subsea and Surface Technologies.

NOTE 2 - ACCOUNTING PRINCIPLES

2.1 Basis of preparation

The Company's financial statements for the year ended December 31, 2023 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 International Financial Reporting Standards ("IFRS") in full. The disclosure exemptions adopted by the Company are as follows:

- No detailed disclosures in relation to financial instruments;
- No statements of cash flows;
- 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 Company's 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 for the years ended December 31, 2023 and 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 statement of income 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 Company's 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 2023

The Company has applied the following new standard and amendments to International Financial Reporting Standards ("IFRS") and International Accounting Standards ("IAS") for the first time in its financial statements for the year ended December 31, 2023.

- IFRS 17, “Insurance Contracts”
- Amendments to IAS 8, "Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates"
- Amendments to IAS 12, "Taxation", relating to Deferred tax related to assets and liabilities arising from a single transaction
- Amendments to IAS 1, "Presentation of Financial Statements" and IFRS Practice Statement 2, "Disclosure of Accounting Policies"

These amendments did not have any impact on the Company's accounting policies and did not require retrospective adjustments.

Amendment to IAS 12 “International Tax Reform"

On May 23, 2023, the IASB issued the Amendment to IAS 12 “International Tax Reform - Pillar Two Model Rules”, which introduces a mandatory temporary exception to the requirements of IAS 12 for the recognition and specific disclosure of deferred tax assets and liabilities arising from the OECD “Pillar Two Model Rules”. The amendments provide a temporary exception from the requirement to recognize and disclose deferred taxes arising from enacted or substantively enacted tax law that implements the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top-up tax (‘QDMTT’) described in those rules. The amendments to IAS 12 make it clear that entities subject to Pillar Two rules must ignore the deferred tax implications of enacted or substantively enacted Pillar Two legislation in their IFRS financial statements. However, for annual reporting periods beginning on or after January 1, 2023, these entities will need to provide some additional disclosures about current taxes in their annual financial reports. The Company applied the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023. See additional disclosures in Note 5.

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, 2023

Certain new accounting standards and interpretations have been published that are not mandatory for December 31, 2023 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 financial statements.

Amendment to IAS 12 “International Tax Reform - Pillar Two Model Rules”

The Company is within the scope of the OECD “Pillar Two Model Rules”. Pillar Two legislation was enacted in U.K. on July 19, 2023, the jurisdiction in which the Company is incorporated, and will come into effect from January 1, 2024. Since the Pillar Two legislation was not effective at the reporting date, the Company has no related current tax exposure. The group applies the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023. The Company has performed an assessment of the potential exposure to Pillar Two income taxes. The Company does not expect a material exposure to Pillar Two income taxes.

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 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 financial statements.

Amendment to IAS 7 and IFRS 7 “Supplier Finance Arrangements”

On May 25, 2023, the IASB issued the Amendment to IAS 7 and IFRS 7 “Supplier Finance Arrangements”, which requires entities to provide additional information on supplier finance contracts allowing the users of the financial statements to assess how these supplier contracts affect liabilities and cash flows and to understand the effect on the exposure to liquidity risks. The amendments will be effective on or after January 1, 2024. We are currently evaluating the impact of this amendment on our financial statements and do not expect that the adoption of the amendment will have a significant impact on the Company's financial statements.

Amendments to IFRS 16 "Leases" Lease Liability in a Sale and Leaseback

In September 2022, the IASB finalized narrow-scope amendments to the requirements for sale and leaseback transactions in IFRS 16 Leases which explain how an entity accounts for a sale and leaseback after the date of the transaction. The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines ‘lease payments’ and ‘revised lease payments’ in a way that does not result in the seller-lessee recognizing any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate. The amendments will be effective on or after January 1, 2024. We are currently evaluating the impact of this amendment on our financial statements and do not expect that the adoption of the amendment will have a significant impact on the Company's financial statements.

Amendments to IAS 21 - Lack of Exchangeability

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations. Assessing exchangeability between two currencies requires an analysis of different factors; such as the time frame for the exchange, the ability to obtain the other currency, markets or exchange mechanisms, the purpose of obtaining the other currency, and the ability to obtain only limited amounts of the other currency. When a currency is not exchangeable into another currency, the spot exchange rate needs to be estimated. The amendments to IAS 21 do not provide detailed requirements on how to estimate the spot exchange rate. Instead, they set out a framework under which an entity can determine the spot exchange rate at the measurement date. The amendments will be effective on or after January 1, 2025. We are currently evaluating the impact of this amendment on the financial statements and do not expect that the adoption of the amendments will have a significant impact on the Company's 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. At each statement of financial position date, the Company reviews the carrying values 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 value, the carrying value of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately on the income statement.

Where an impairment loss subsequently reverses, the carrying value of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying value does not exceed the carrying value 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 on 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 "Financial Instruments" ("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 value of a loan receivable.

c) 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. 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 Company's statement of income 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 on the Company's 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 expired. 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 value is recognized in the Company's 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 statement of financial position 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 Company's 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 Company's financial statement, the statement of income of the Company’s branch is translated into U.S. dollar ("USD") 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 the Company's financial statements of the branch are recorded in other comprehensive income ("OCI") 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 Company's statement of income.

g) Share capital and dividend distribution

Ordinary 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 Company's statement of changes in shareholders' equity. Interim dividends are recognized when paid.

h) Taxation

Corporate tax is payable on taxable income 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 income 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 statement of financial position date.

i) 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 FVOCI.

Financial assets at FVTPL 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 FVTPL are carried in the Company's statement of financial position at fair value with net changes in fair value recognized in the Company's statement of income.

j) 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.

k) Reclassifications

Certain prior-year amounts have been reclassified to conform to the current year's presentation. Refer to the statement of financial position for reclassifications recorded as of December 31, 2022.

2.4 Use of critical accounting estimates, judgments and assumptions

The preparation of the Company's financial statements requires the use of critical accounting estimates, judgements 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 expenses. 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 $10.7 million and $2.4 million as of December 31, 2023 and 2022, respectively. 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 value may not be recoverable. No impairment indicators were identified as of December 31, 2023.

Judgements

2023

During the year ended December 31, 2023, we did not have any significant transactions that required a critical judgment in applying the Company's accounting policies.

2022

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 value 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.

There have been no other critical judgments made in applying the Company’s accounting policies.

NOTE 3 - INVESTMENTS IN SUBSIDIARIES

The movements in carrying value of investments in subsidiaries are as follows:

(In millions)	2023	2022
Net carrying value as of January 1,	$ 4,084.8	$ 10,052.4
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
Net carrying value as of December 31,	$ 4,084.8	$ 4,084.8

(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 value 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. See Note 11.

During 2023 there were no changes to wholly-owned subsidiary undertakings.

During 2022 the Company transferred a number of wholly-owned subsidiary undertakings to other wholly-owned subsidiaries for the issue of shares. These transactions did not substantially change the risk, timing or amount of cash flows available to the Company and accordingly they were recorded at cost with no change to the total carrying value of investments or any gain or loss.

During the year ended December 31, 2023 and 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, 2023 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
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)	2023	2022
Loan receivables - current	$ —	$ 4,441.3
Loan receivables - non-current	1,511.9	—
Total loan receivables - related parties	$ 1,511.9	$ 4,441.3

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, 2023 and 2022.

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.

During 2023 the Company signed an amendment to the Corporate Holdings Ltd loan. According to the agreement the loan receivable due from Corporate Holdings Ltd was settled with the outstanding loan due to TechnipFMC Corporate Holdings Ltd. As of December 31, 2023 the outstanding loan receivable from Corporate Holdings Ltd is in the amount of $1,511.9 and interest rate of 6.31% repayable on December 31, 2026.

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 23.5%. The income/ (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 nil as of December 31, 2023 and 2022, respectively.

The movement in the deferred tax asset is shown below:

	December 31,	
(In millions)	**2023**	**2022**
As of January 1	$ —	$ (1.8)
French Branch deferred tax contributed	—	1.8
Movement relating to pensions	—	—
Credit to income statement	—	—
As of December 31	$ —	$ —

There were no deferred tax asset movements in 2023.

NOTE 6 - TRADE AND OTHER RECEIVABLES

	December 31,	
(In millions)	**2023**	**2022**
Trade receivables - related parties	$ 37.9	$ 16.2
Prepaid expenses	9.1	8.3
Total trade and other receivables, net	$ 47.0	$ 24.5

The Company's trade receivables from related parties are stated net of loss allowance of nil as of December 31, 2023 and 2022. There was no material expected credit loss for trade and other receivables as of December 31, 2023 and 2022.

NOTE 7 - STOCKHOLDERS' EQUITY

7.1 Changes in the Company's ordinary shares

As of December 31, 2023, TechnipFMC's share capital was 432,847,108 ordinary shares. As of December 31, 2022, TechnipFMC's share capital was 442,208,014 ordinary shares. The movements in ordinary shares were as follows:

(In millions of shares)	Ordinary Shares
December 31, 2021	450.7
Stock awards	1.6
Shares repurchased and cancelled	(10.1)
December 31, 2022	442.2
Stock awards	2.9
Shares repurchased and cancelled	(12.2)
December 31, 2023	432.9

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". 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 income available for distribution justify the payment. When recommending or declaring payment of a dividend, the directors are required under U.K. law to comply with their duties, including considering its future financial requirements.

The additional information required in relation to shareholder's equity is provided in Note 17 to TechnipFMC consolidated financial statements.

7.2 Dividends

On July 26, 2023, the Company announced the initiation of a quarterly cash dividend. On July 25, 2023 and October 24, 2023, Board of Directors authorized and declared a quarterly cash dividend of $0.05 per share. The cash dividends paid during the years ended December 31, 2023 and 2022 were $43.5 million and nil, respectively.

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. On July 26, 2023, the Board of Directors authorized additional share repurchase of up to $400.0 million. Together with the existing program, the Company's total share repurchase authorization was increased to $800.0 million of our outstanding ordinary shares under our share repurchase program. Pursuant to this share repurchase program, we repurchased $205.1 million of ordinary shares during the year ended December 31, 2023. Since the initial share repurchase authorization in July 2022, we have purchased an aggregate amount of $305.3 million of ordinary shares through December 31, 2023. Based upon the remaining repurchase authority of $494.7 million and the closing stock price as of December 31, 2023, 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 arrangements. Details of the directors' remuneration is provided in the Directors' Remuneration Report in this U.K. Annual Report.

NOTE 8 - DEBT (SHORT-TERM AND LONG-TERM)

Debt consisted of the following:

(In millions)	December 31, 2023	December 31, 2022
5.75% Notes due 2025	$ 219.8	$ 211.6
Senior notes due 2026	200.6	199.7
4.00% Notes due 2027	82.9	80.0
4.00% Notes due 2032	108.1	104.1
3.75% Notes due 2033	108.3	104.4
Total Long-term debt	719.7	699.8
3.15% Notes due 2023	—	138.6
3.15% Notes due 2023	—	133.4
Other	16.8	18.4
Total short-term debt and current portion of long-term debt	16.8	290.4
Total debt	$ 736.5	$ 990.2

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:

(In millions)	December 31, 2023	December 31, 2022
Borrowings from TechnipFMC Corporate Holdings Ltd (UK)	$ —	$ 3,011.7
Borrowings from TechnipFMC (Europe) Ltd	—	394.5
Short-term loan payables - related parties	—	3,406.2
Borrowing from TechnipFMC International Holdings BV	29.6	28.7
Borrowing from Technip Coflexip UK Holdings Ltd	38.3	37.1
Borrowings from Technip Holding Benelux BV	294.0	284.8
Borrowing from TechnipFMC (Europe) Ltd	405.1	—
Borrowings from TechnipFMC International (UK) Ltd	444.6	418.3
Long-term loan payables - related parties	1,211.6	768.9
Total loan payables - related parties	$ 1,211.6	$ 4,175.1

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.

- During 2023 the Company signed an amendment to the Corporate Holdings Ltd borrowings. According to the agreement the loan receivable due from Corporate Holdings Ltd was settled with the outstanding loan payable to TechnipFMC Corporate Holdings Ltd. As of December 31, 2022, the loan payable to TechnipFMC Corporate Holdings Ltd was $3,011.7 million. 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 with 5 year term and interest rates of 4.83%, 4.68% and 2.69% respectively.
- As of December 31, 2023, loan from TechnipFMC International Ltd was in the amount of $444.6 million with a five-year term and interest rate of 2.69%. During 2022, the loan was extinguished. As of December 31, 2022, loan from TechnipFMC International Limited is in the amount of $417.5 million with a three-year term and interest rate of 6.19%.
- Loan from TechnipFMC (Europe) Limited is in the amount of $405.1 million and $394.5 million as of December 31, 2023 and 2022, respectively, with a 5 year term and interest rate of 2.69%.

- Loan from Technip Holding Benelux BV is in the amount of $294.0 million and $284.8 million as of December 31, 2023 and 2022, respectively, with a 5 year term and interest rate of 3.22%.
- Loan from Technip Coflexip UK Holdings Limited is in the amount of $38.3 million and $37.1 million as of December 31, 2023 and 2022, respectively, with a 5 year term and interest rate of 3.22%.
- Loan from TechnipFMC International Holdings BV is in the amount of $29.6 million and $28.7 million as of December 31, 2023 and 2022, respectively, with a 5 year term and interest rate of 3.22%.

NOTE 10 - TRADE AND OTHER PAYABLES

Trade and other payables consist of the following:

	December 31,	
(In millions)	**2023**	**2022**
Overdraft with cash pool	$ 1,370.0	$ 732.5
Trade payables - related parties	15.0	18.4
Other current liabilities	0.6	2.6
Trade and other payables	$ 1,385.6	$ 753.5

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 values 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

There were no contributions in 2023.

NOTE 12 - SUBSEQUENT EVENTS

On February 20, 2024, the Company announced that its Board of Directors has authorized and declared a quarterly cash dividend of $0.05 per share, payable on April 3, 2024 to shareholders of record as of the close of business on the New York Stock Exchange on March 19, 2024. The ex-dividend date is March 18, 2024.

On March 7, 2024 both the Company's issuer credit rating and the correspondent rated Notes were upgraded by S&P to BBB-.