



OFFSHORE

ENERGY. COMMITTED.



ANNUAL REPORT 2019

Aggregated information on joint ventures and associates

| | 2019 | 2018 |
|---|------------|------------|
| Net result at 100% | 68 | 29 |
| Reconciliation equity at 100 % with investment in associates and joint ventures | | |
| | 2019 | 2018 |
| Equity at 100% | 142 | 372 |
| Partner ownership | 15 | (120) |
| Share in negative net equity reclassification to loans to joint ventures and associates | 168 | 168 |
| Investments in associates and joint ventures | 325 | 421 |

4.3.32 INFORMATION ON NON-CONTROLLING INTERESTS

The Company has several jointly owned subsidiaries:

| Entity name | Partners | % of ownership | Country registration | 2019 main reporting segment | Project name |
|---|---|----------------|----------------------|-----------------------------|------------------------------|
| Aseng Production Company Ltd. | GE Petrol | 60.00 | Cayman island | Lease & Operate | FPSO Aseng |
| Gepsing Ltd. | GE Petrol | 60.00 | Cayman island | Lease & Operate | FPSO Aseng / FPSO Serpentina |
| Gepsing Ltd - Equatorial Guinea Branch | GE Petrol | 60.00 | Equatorial Guinea | Lease & Operate | FPSO Aseng / FPSO Serpentina |
| Brazilian Deepwater Floating Terminals Ltd. | Malaysia International Shipping Corporation Behard | 51.00 | Bermuda | Lease & Operate | FPSO Espirito Santo |
| Brazilian Deepwater Production Ltd. | Malaysia International Shipping Corporation Behard | 51.00 | Bermuda | Lease & Operate | FPSO Espirito Santo |
| Brazilian Deepwater Production Contractors Ltd. | Malaysia International Shipping Corporation Behard | 51.00 | Bermuda | Lease & Operate | FPSO Espirito Santo |
| Operações Marítimas em Mar Profundo Brasileiro Ltda | owned by Brazilian Deepwater Production Contractors (see information above) | 51.00 | Brazil | Lease & Operate | FPSO Espirito Santo |
| Alfa Lula Alto S.à.r.l. | Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha ; Queiroz Galvao Oleo e Gas, S.A. | 61.00 | Luxembourg | Turnkey | FPSO Cidade de Marica |
| Alfa Lula Alto Holding Ltd. | Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha ; Queiroz Galvao Oleo e Gas, S.A. | 61.00 | Bermuda | Lease & Operate | FPSO Cidade de Marica |
| Alfa Lula Alto Operações Marítimas Ltda. | owned by Alfa Lula Alto Holding Ltd. (see information above) | 61.00 | Brazil | Lease & Operate | FPSO Cidade de Marica |
| Beta Lula Central S.à.r.l. | Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha ; Queiroz Galvao Oleo e Gas, S.A. | 61.00 | Luxembourg | Turnkey | FPSO Cidade de Saquarema |
| Beta Lula Central Holding Ltd. | Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha ; Queiroz Galvao Oleo e Gas, S.A. | 61.00 | Bermuda | Lease & Operate | FPSO Cidade de Saquarema |
| Beta Lula Central Operações Marítimas Ltda. | Owned by Betal Lula Central Holding Ltd. (see information above) | 61.00 | Brazil | Lease & Operate | FPSO Cidade de Saquarema |
| Tupi Nordeste S.à.r.l. | Nippon Yusen Kabushiki Kaisha; Itochu Corporation; Queiroz Galvao Oleo e Gas, S.A. | 70.50 | Luxembourg | Lease & Operate | FPSO Cidade de Paraty |
| Tupi Nordeste Operações Marítimas Ltda. | Owned by Tupi Nordeste Holding (see information below) | 70.50 | Brazil | Lease & Operate | FPSO Cidade de Paraty |

4 FINANCIAL STATEMENTS 2019

| Entity name | Partners | % of ownership | Country registration | 2019 main reporting segment | Project name |
|---------------------------------------|---|----------------|----------------------|-----------------------------|-------------------------|
| Tupi Nordeste Holding Ltd. | Nippon Yusen Kabushiki Kaisha; Itochu Corporation; Queiroz Galvao Oleo e Gas, S.A. | 70.50 | Bermuda | Lease & Operate | FPSO Cidade de Paraty |
| Guara Norte S.à.r.l. | Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha ; Queiroz Galvao Oleo e Gas, S.A. | 75.00 | Luxembourg | Lease & Operate | FPSO Cidade de Ilhabela |
| Guara Norte Holding Ltd. | Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha ; Queiroz Galvao Oleo e Gas, S.A. | 75.00 | Bermuda | Lease & Operate | FPSO Cidade de Ilhabela |
| Guara Norte Operações Marítimas Ltda. | Owned by Guara Norte Holding Ltd. (see information above) | 75.00 | Brazil | Lease & Operate | FPSO Cidade de Ilhabela |
| FPSO Brasil Venture S.A. | MISC Berhad | 51.00 | Switzerland | Lease & Operate | FPSO Brazil |
| SBM Operações Ltda. | MISC Berhad | 51.00 | Brazil | Lease & Operate | FPSO Brazil |
| SBM Systems Inc. | MISC Berhad | 51.00 | Switzerland | Lease & Operate | FPSO Brazil |
| SBM Nauvata Private Limited | Nauvata Engineering Private Limited | 51.00 | India | Turnkey | Engineering services |
| South East Shipping Co. Ltd. | Mitsubishi Corporation | 75.00 | Bermuda | Lease & Operate | Yetagun |
| Mero 2 Operacoes Maritima Ltd. | Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha | 64.50 | Brazil | Lease & Operate | FPSO Sepetiba |
| Mero 2 Operacoes Holding S.A. | Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha | 64.50 | Switzerland | Lease & Operate | FPSO Sepetiba |
| Mero 2 Owning B.V. | Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha | 64.50 | The Netherlands | Lease & Operate | FPSO Sepetiba |
| Mero 2 B.V. | Mitsubishi Corporation; Nippon Yusen Kabushiki Kaisha | 64.50 | The Netherlands | Lease & Operate | FPSO Sepetiba |

Note that the percentage of ownership of entities related to FPSO *Cidade de Marica*, FPSO *Cidade de Saquarema*, FPSO *Cidade de Paraty*, FPSO *Cidade de Ilhabela* presented above reflect the ownership of the Company at year-end 2019 after the purchase of shares from Constellation. FPSO *Capixaba* is excluded from the table above as it is now 100% owned by the Company as a result of the Constellation transaction. For more information refer to note 4.3.1 Financial Highlights.

Included in the consolidated financial statements are the following items that represent the Company's interest in the revenues, assets and loans of the partially owned subsidiaries.

Figures are presented at 100% before elimination of intercompany transactions.

Information on non-controlling interests (NCI) – 2019

| Project name | Place of business | Total assets | Non-current assets | Cash | Loans | Non-current liabilities | Current liabilities | Dividends to NCI | Revenue |
|------------------------------|-------------------|--------------|--------------------|------------|--------------|-------------------------|---------------------|------------------|--------------|
| FPSO Aseng / FPSO Serpentina | Equatorial Guinea | 152 | 106 | 6 | 0 | 0 | 20 | 0 | 74 |
| FPSO Espirito Santo | Brazil | 231 | 181 | 19 | - | 150 | 94 | 12 | 107 |
| FPSO Cidade de Marica | Brazil | 1,684 | 1,540 | 61 | 1,119 | 1,069 | 158 | 2 | 200 |
| FPSO Cidade de Saquarema | Brazil | 1,651 | 1,532 | 37 | 1,195 | 1,155 | 123 | 8 | 202 |
| FPSO Cidade de Paraty | Brazil | 1,126 | 1,025 | 26 | 421 | 318 | 151 | - | 161 |
| FPSO Cidade de Ilhabela | Brazil | 1,503 | 1,336 | 87 | 677 | 562 | 168 | - | 197 |
| FPSO Sepetiba | Brazil | 415 | - | 3 | - | 13 | 136 | - | 121 |
| Non material NCI | | 27 | 0 | 4 | - | - | 3 | 4 | 3 |
| Total 100% | | 6,790 | 5,721 | 243 | 3,411 | 3,267 | 854 | 25 | 1,065 |

Information on non-controlling interests (NCI) – 2018

| Project name | Place of business | Total assets | Non-current assets | Cash | Loans | Non-current liabilities | Current liabilities | Dividends to NCI | Revenue |
|-------------------------------|-------------------|--------------|--------------------|------------|--------------|-------------------------|---------------------|------------------|--------------|
| FPSO Aseng / FPSO Serpentina | Equatorial Guinea | 163 | 121 | 5 | 0 | 0 | 22 | 23 | 77 |
| FPSO Espirito Santo | Brazil | 281 | 223 | 9 | - | 200 | 86 | 20 | 107 |
| FPSO Cidade de Marica | Brazil | 1,725 | 1,591 | 61 | 1,216 | 1,144 | 145 | - | 198 |
| FPSO Cidade de Saquarema | Brazil | 1,677 | 1,581 | 23 | 1,276 | 1,200 | 95 | - | 202 |
| FPSO Cidade de Paraty | Brazil | 1,167 | 1,077 | 31 | 524 | 427 | 150 | - | 151 |
| FPSO Cidade de Ilhabela | Brazil | 1,546 | 1,388 | 87 | 792 | 677 | 161 | - | 190 |
| FPSO Capixaba | Brazil | 191 | 176 | 8 | 83 | 113 | 79 | - | 51 |
| Non material NCI ¹ | | 39 | 0 | 9 | - | - | 7 | 23 | 31 |
| Total 100% | | 6,789 | 6,158 | 234 | 3,891 | 3,761 | 745 | 66 | 1,006 |

1 Turrítella (FPSO) was sold in January 2018. Turrítella's numbers have been condensed into non-material NCI.

Reference is made to note 4.3.24 Borrowings and Lease Liabilities for a description of the bank interest-bearing loans and other borrowings per entity.

Included in the consolidated financial statements are the following items that represent the aggregate contribution of the partially owned subsidiaries to the Company consolidated financial statements:

Interest in non-controlling interest (summary)

| | 2019 | 2018 |
|---------------------------|------|------|
| Net result | 145 | 132 |
| Accumulated amount of NCI | 865 | 978 |

Reconciliation equity at 100 % with Non-controlling interests on partially owned subsidiaries

| | 2019 | 2018 |
|----------------------------------|------------|------------|
| Equity at 100% | 2,670 | 2,284 |
| Company ownership | (1,805) | (1,305) |
| Accumulated amount of NCI | 865 | 978 |

4.3.33 RELATED PARTY TRANSACTIONS

During 2019, no major related party transactions requiring additional disclosure in the financial statements took place.

For relations with Supervisory Board members, Management Board members and other key personnel reference is made to note 4.3.6 Employee Benefit Expenses.

The Company has transactions with joint ventures and associates which are recognized as follows in the Company's consolidated financial statements:

Related party transactions

| | Note | 2019 | 2018 |
|--|--------|------|------|
| Revenue | | 19 | 27 |
| Cost of sales | | (13) | (18) |
| Loans to joint ventures and associates | 4.3.16 | 55 | 234 |
| Trade receivables | | 52 | 99 |
| Trade payables | | 17 | 56 |
| Lease liabilities ¹ | | 97 | 109 |

1 DSCV SBM Installer charter lease contract.