GROUP CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022

Statement of financial position

Assets

(in US$ thousands)	Notes	31/12/2022	31/12/2021
Intangible assets (net)	3.3	189,591	200,215
Property, plant and equipment (net)	3.3	818,520	815,116
Right-of-use assets	6.5	7,758	—
Deferred tax assets	6.1	—	—
Equity associates	2.4	286,229	275,864
Non-current financial assets (net)	4.2	6,051	4,425
Other non-current assets (net)	4.2	—	—
NON-CURRENT ASSETS		**1,308,149**	**1,295,620**
Inventories (net)	3.4	13,526	12,515
Underlift positions receivables	3.5	60,666	42,736
Trade receivables and related accounts (net)	3.6	40,021	29,455
Current tax receivables	6.1	61	130
Other current assets	3.7	29,564	97,339
Other current financial assets	4.2	87,676	13,148
Cash and cash equivalents	4.3	137,825	195,675
Current derivative financial assets	4.4	176	—
CURRENT ASSETS		**369,515**	**390,997**
TOTAL ASSETS		**1,677,664**	**1,686,618**

Liabilities

(in US$ thousands)	Notes	31/12/2022	31/12/2021
Share capital		193,831	193,831
Additional paid-in capital		29,567	29,567
Consolidated reserves (*)		428,297	332,029
Net income, Group share		204,817	119,733
EQUITY, GROUP SHARE		**856,512**	**675,160**
Non-controlling interests		13,954	13,866
TOTAL EQUITY		**870,465**	**689,026**
Deferred tax liabilities	6.1	163,805	136,185
Non-current provisions	3.10	83,499	95,477
Other non-current borrowings and financial debt	4.4	137,007	271,887
Non-current Shareholder loans	4.4	71,254	73,000
Non-current lease liabilities	4.4	7,048	—
NON-CURRENT LIABILITIES		**462,613**	**576,548**
Current provisions	3.10	18,788	37,239
Other current borrowings and financial debt	4.4	114,947	175,753
Current Shareholder loans	4.4	11,121	16,017
Current lease liabilities	4.4	1,843	—
Overlift position liability	3.5	5,030	—
Trade payables and related accounts	3.8	68,842	51,350
Current tax liabilities	6.1	12,186	6,908
Other current liabilities	3.9	111,829	132,979
Current derivate financial liabilities	4.4	—	797
CURRENT LIABILITIES		**344,585**	**421,043**
TOTAL LIABILITIES		**1,677,664**	**1,686,618**

(*) treasures shares included

Consolidated statement of profit & loss and other comprehensive income

Net income for the period

(in US$ thousands)	Notes	31/12/2022	31/12/2021
Sales		676,480	499,666
Other income from operations		—	1
Change in overlift/underlift position		12,902	25,196
Other operating expenses		(246,173)	(244,762)
EBITDA	3.1	**443,209**	**280,100**
Depreciation and amortisation & provisions related to production activities net of reversals		(83,730)	(96,418)
Depreciation and amortisation & provisions related to drilling activities net of reversals		(1,637)	(10,447)
Current operating income		**357,841**	**173,234**
Provisions and impairment of drilling assets		—	—
Expenses and impairment of exploration assets net of reversals		(1,214)	(85)
Other non-current income and expenses		(3,008)	(679)
Income from asset disposals		(1,305)	(14,490)
Operating Income	**3.1**	**352,314**	**157,980**
- Cost of gross debt		*(18,970)*	*(14,244)*
- Income from cash		*261*	*1*
- Income and expenses related to interest-rate derivative financial instruments		*(1,040)*	*(2,505)*
Cost of net financial debt		(19,749)	(16,748)
Net foreign exchange adjustment		(2,076)	3,806
Other financial income and expenses		(1,539)	(3,344)
Financial income	**4.1**	**(23,364)**	**(16,286)**
Income tax	6.1	(145,465)	(43,675)
Net income from consolidated companies		**183,485**	**98,020**
Share of income/loss of associates	2.4	22,404	22,936
Consolidated net income		**205,889**	**120,956**
o/w:- Net income, Group share		*204,817*	*119,732*
- Non-controlling interests		*1,073*	*1,223*

Other comprehensive income for the period

(in US$ thousands)	31/12/2022	31/12/2021
Net income for the period	**205,889**	**120,956**
Foreign exchange adjustment for the financial statements of foreign entities	374	(200)
Change in fair value of hedging Investments instruments	973	2,364
Total comprehensive income for the period	**207,237**	**123,119**
- Group share	*207,150*	*122,309*
- Non-controlling interests	*87*	*811*

Changes in shareholders' equity

(in US$ thousands)	Capital	Additional paid-in capital	Other reserves	Currency translation adjustment	Income for the period	Equity, Group share	Non-controlling interests	Total equity
DECEMBER 31, 2021	**193,831**	**42,112**	**904,452**	**(11,759)**	**(588,977)**	**539,660**	**13,056**	**552,716**
Net income					119,733	119,733	1,223	120,956
Fair value of hedging instruments			2,364			2,364		2,364
Other comprehensive income			(213)	426		213	(413)	(200)
TOTAL COMPREHENSIVE INCOME	**—**	**—**	**2,150**	**426**	**119,733**	**122,309**	**811**	**123,119**
Appropriation of income - dividends			(588,977)		588,977	—	—	—
Tax effect from unwinding of 2017			17,142			17,142		17,142
Impact of change in consolidation			(3,707)			(3,707)	—	(3,707)
Bonus shares			839			839		839
Changes in treasury shares		(12,545)	11,461			(1,085)		(1,085)
TOTAL TRANSACTIONS WITH SHAREHOLDERS	**—**	**(12,545)**	**(563,241)**	**—**	**588,977**	**13,190**	**—**	**13,190**
JANUARY 1, 2022	**193,831**	**29,567**	**343,362**	**(11,333)**	**119,733**	**675,159**	**13,867**	**689,026**
Net income					204,817	204,817	1,073	205,889
Fair value of hedging instruments			973			973		973
Other comprehensive income			(36)	1,396		1,360	(986)	374
TOTAL COMPREHENSIVE INCOME	**—**	**—**	**937**	**1,396**	**204,817**	**207,150**	**87**	**207,237**
Appropriation of income - dividends			90,558		(119,733)	(29,174)	—	(29,174)
Bonus shares			1,435			1,435		1,435
Changes in treasury shares		—	1,942			1,942		1,942
TOTAL TRANSACTIONS WITH SHAREHOLDERS	**—**	**—**	**93,935**	**—**	**(119,733)**	**(25,798)**	**—**	**(25,798)**
DECEMBER 31, 2022	**193,831**	**29,567**	**438,234**	**(9,937)**	**204,817**	**856,511**	**13,954**	**870,465**

Consolidated statement of cash flow

(in US$ thousands)	Notes	31/12/2022	31/12/2021
Net income		205,889	120,956
Tax expense for continuing operations		145,465	43,675
Consolidated income before tax		**351,354**	**164,630**
Net increase (reversals) of amortisation, depreciation and provisions	3.3 & 3.4 & 3.6 & 3.10	82,699	106,444
Exploration expenses	3.3	1,214	85
Share of income from equity associates	2.4	(22,404)	(22,936)
Other income and expenses calculated on bonus shares		1,435	839
Gains (losses) on asset disposals		1,305	14,490
Dilution gains and losses		—	—
Other financial items		28,323	16,286
CASH FLOW BEFORE TAX		**443,926**	**279,838**
Income tax paid		(112,497)	(81,537)
- Inventories	*3.4*	(1,103)	2,054
- Trade receivables	*3.6*	(15,974)	8,545
- Trade payables	*3.8*	17,643	7,360
- Overlift/underlift position	*3.5*	(12,902)	(25,196)
- Other receivables	*3.7 & 4.2*	65,353	80,094
- Other payables	*3.9*	(18,551)	9,022
Change in working capital requirements for operations		34,466	81,878
NET CASH FLOW FROM OPERATING ACTIVITIES		**365,895**	**280,180**
Proceeds from disposals of property, plant and equipment and intangible assets		103	—
Disbursements for acquisitions of property, plant and equipment and intangible assets	3.3	(102,512)	(164,355)
Acquisitions of property, plant & equipment paid in equity instruments		—	—
Dividends received from equity associates	2.4	12,040	15,050
Change in deposits	4.2	(77,575)	—
Acquisition of equity associates		—	(7,921)
NET CASH FLOW FROM INVESTMENT ACTIVITIES		**(167,944)**	**(157,226)**
Treasury share acquisitions/sales		(1,905)	1,202
Dividends paid out		(29,174)	—
Loan repayments	4.4	(456,250)	(86,021)
Proceeds from new loans	4.4	250,675	—
Additional paid-in capital on hedging instruments		(330)	—
Interest paid on financing	4.4	(18,676)	(10,287)
Interest received on investment	4.1	264	—
NET CASH FLOW FROM FINANCING ACTIVITIES		**(255,396)**	**(95,105)**
Impact of exchange rate fluctuations		(405)	(382)
CHANGE IN CASH POSITION *		**(57,850)**	**27,466**
CASH * AT BEGINNING OF PERIOD		**195,675**	**168,209**
CASH * AT END OF PERIOD		**137,825**	**195,675**

* Banks overdrafts are included in cash.

Notes to the consolidated financial statements

Note 1 GENERAL INFORMATION

Étabbvklissements Maurel & Prom S.A. ("The Company" or "M&P") is domiciled in France. The Company's registered office is located at 51 rue d'Anjou, 75008 Paris, France. The Company's consolidated financial statements include the Company and its subsidiaries (the entity designated as the "Group" and each one individually as the "entities of the Group") and the Group's share in its joint ventures. The Group, which is listed for trading on Euronext Paris, acts primarily as an operator specialising in the exploration and production of hydrocarbons (oil and gas).

The consolidated financial statements for the year ended 31 December 2022 were approved by the Board of Directors on 16 March 2023. They will be subject to approval by the General Shareholders' Meeting of 23 May 2023.

The financial statements are presented in US dollars ($).

Amounts are rounded off to the nearest thousand dollars, except where otherwise indicated.

Note 1.1 Significant events

Activity

In Gabon, M&P's working interest oil production (80%) on the Ezanga permit was 14,646 bopd (gross production: 18,308 bopd) for 2022. Average production for the year is therefore 6% lower than in 2021, mainly due to the disruption caused by the incident at the end of April at the Cap Lopez export terminal, the situation having returned to normal in the third quarter.

The well stimulation campaign that began in the fourth quarter of 2022 continues. Tangible results are already visible, with a significant increase in the field's production potential, which is now above 21,000 bopd.

In Tanzania, M&P's working interest gas production (48.06%) on the Mnazi Bay permit stood at 43.2 mmcfd (total production: 90.0 mmcfd) for 2022, up 10% from 2021.

In Angola, M&P's working interest production (20%) from Block 3/05 in 2022 is 3,732 bopd (gross production: 18,660 bopd), up 9% from 2021.

The price of Brent crude oil rose sharply in 2022 in connection with the beginning of the Russian attack on Ukraine and the economic recovery in many parts of the world. It averaged $101 in 2022, versus $72 in 2021.

The Group's valued production (income from production activities, excluding lifting imbalances and inventory revaluation) was $700 million for 2022, up 43% from the previous year. The restatement of lifting imbalances, net of inventory revaluation, had a negative impact of $35 million for the fiscal year, mainly due to a net underlift position of [718,000] thousand barrels at the end of 2022. After incorporating income from drilling activities ($12 million), consolidated sales for 2022 are therefore $676 million, an increase of 35% compared to 2021.

The cash position at the close of 31 December 2022 was $138 million (31 December 2021: $196 million). This amount excludes $76 million placed in escrow as part of the offer announced on 5 December 2022 for Wentworth Resources Plc..

During the 2022 fiscal year, M&P repaid a total of $201 million in gross debt, reducing its gross debt to $337 million at 31 December 2022 (from $539 million at the end of 2021), of which $255 million was a bank loan (RCF of $67 million fully drawn at 31 December 2022) and $82 million was a shareholder loan.

As a result, net debt has decreased by $143 million over the year 2022 to $200 million, compared to $343 million at 31 December 2021.

Changes in assets

In Colombia, drilling operations on the Zorro-1 exploration wells on the COR-15 permit were completed in early January 2023. The well encountered oil indications in the Guadalupe formations, the main objective of the drilling, and Lower Socha, from which a 20° API oil sample was taken. However, the production test conducted on Lower Socha only produced formation water. As a result, the well was concluded unsuccessfully.

In Venezuela, in early December 2022 and with the approval of the US government, Chevron signed an agreement with the Venezuelan authorities allowing for the payment of debts owed by PDVSA as well as enhanced control over the operations of their joint venture with PDVSA, particularly in the areas of purchasing, cash management and crude sales. M&P has entered into negotiations with the Venezuelan government to obtain a similar arrangement to that of Chevron in relation to its interest in Urdaneta West.

Wentworth Resources Plc ("WW") and M&P announced in December 2022 that they had reached agreement on the terms of a recommended offer for the entire issued and to be issued share capital of WW by M&P.

At the Court Meeting and the General Shareholders' Meeting of Wentworth Resources ("Wentworth") held on 23 February 2023, the requisite majority of Wentworth Shareholders voted to pass the resolution to amend Wentworth's articles of association and implement the Scheme.

The completion of the acquisition of Wentworth remains subject to the approval of the Tanzanian authorities.

Note 1.2 Preparation basis

Normative framework

Pursuant to Regulation (EC) No 1606/2002 of 19 July 2002 on international standards, the consolidated financial statements of the Maurel & Prom Group for the year ended 31 December 2022 have been prepared in accordance with IAS/IFRS International Accounting Standards applicable at 31 December 2022, as approved by the European Union and published by the IASB, and available at: https://ec.europa.eu/info/banking-and-finance-website-notice-users-en.

The accounting principles and methods applied in the preparation of the consolidated financial statements as at 31 December 2022 are identical to those used for the consolidated financial statements as at 31 December 2021, with the exception of IFRS standards, amendments and interpretations as adopted by the European Union and the IASB, which are mandatory for fiscal years beginning on or after 1 January 2021 (and which had not been applied early by the Group), specially:

Amendments to IFRS 4, IFRS 7, IAS 39 and IFRS 9 "Interest rate benchmark reform – Phase

The application of these amendments and other interpretations did not have a material impact on the financial statements as at 31 December 2022.

The details of the IFRS Interpretation Committee (IFRS-IC) related to the application of "IAS 19 - Employee Benefits" have no impact on the Group.

In March 2021, the IFRS Interpretations Committee (IFRS-IC) published an interpretation of IAS 38 "Costs of configuring or customising software under a Software as a Service (SaaS) contract". This interpretation clarifies the steps that an entity must follow to recognize the costs of configuring or customising software in a SaaS (Software As A Service) arrangement. An analysis of potential impacts of this decision is currently being assessed, with no major impacts expected.

The Group has not applied in advance any of the new standards and amendments mentioned below, the application of which is mandatory for periods ending on or after 1 January 2022:

– Amendments to IAS 1 - Definition of accounting methods;

– Amendments to "IAS 16 Tangible fixed assets" – Income generated before planned

use;

– Amendments to IAS 37 - Onerous Contracts - Contract Fulfilment Costs;

– Improvements to IFRS 2018-2020.

The group does not expect any significant effect from the application of these new standards and amendments.

Going Concern

When preparing financial statements, the Group has assessed its ability to continue as going concern, which is not questioned as at 31 December 2022 with regard to the following information:

– increased cash-flow generating capacity of its assets in a higher price environment,

– compliance with the covenants,

– a cash position at the close of 31 December 2022 of $138 million (compared with $196 million at 31 December 2021),

– a reduction in its net debt to $200 million at closing compared with $343 million at 31 December 2021,

– Finally, M&P is able to withdraw additional liquidity on simple request thanks to the unused tranche of $100 million of the Shareholder Loan.

Use of judgment and accounting estimates

While preparing consolidated financial statements, the Group analysed potential risks related to climate change. Based on the Group's current assessment of the risks and opportunities associated with climate change, this analysis has not led to a reappraisal of the value of its fixed production assets.

The preparation of consolidated financial statements under IFRS requires the Group to make accounting choices, produce a number of estimates and use certain assumptions that may affect the reported amounts of assets and liabilities, the notes concerning potential assets and liabilities as at the reporting date, and the income and expenses for the period. Changes in facts and circumstances may lead the Group to review such estimates.

The results obtained may differ materially from such estimates when different circumstances or assumptions are applied.

In addition, when a specific transaction is not treated by any standard or interpretation, the Group’s Management uses its own discretion to define and apply the accounting methods that will provide relevant, reliable information. The financial statements give a true and fair view of the Group’s financial position, performance and cash flows. They reflect the substance of transactions, are prepared with prudence, and are complete in all material respects.

Management estimates used in preparing financial statements relate primarily to:

– impairment tests on oil assets;
– recognition of oil carry transactions;
– provisions for site remediation;
– valuation of equity associates and underlying assets;
– the accounting treatment of derivative financial instruments entered into by the Group;
– underlift/overlift positions;
– recognition of deferred tax assets;
– estimated proven and probable hydrocarbon reserves.

Note 2 BASIS FOR CONSOLIDATION

Note 2.1 Consolidation methods

Consolidation

Companies controlled by Établissements Maurel & Prom SA are fully consolidated.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of the subsidiaries are included in the consolidated financial statements as from the date control is gained until the date control ceases.

Intra-Group balances, transactions, income and expenses are eliminated on consolidation.

Equity associates

Joint ventures and associates are consolidated using the equity method.

Joint ventures are arrangements giving the Group joint control, according to which it has rights to the net assets of the arrangement and not rights to the assets and obligations for the liabilities of the arrangement.

Affiliated entities are entities over whose financial and operating policies the Group has significant influence without controlling or jointly controlling them. Significant influence is assumed when the percentage of voting rights is greater than or equal to 20%, unless a lack of participation in the Company's management reveals a lack of significant influence. When the percentage is less, the entity is consolidated using the equity method if significant influence can be demonstrated.

The gains resulting from transactions with the equity associates are eliminated through a reduction of the equity associate to the extent of the Group's stake in the associate. Losses are eliminated in the same way as gains, but only insofar as they do not represent an impairment.

When the impairment criteria as defined in IAS 39 "financial instruments: Recognition and Measurement" indicate that equity associates may have declined in value, the amount of the impairment loss is measured using the rules specified in IAS 36 "Impairment of Assets".

Business combinations

Business combinations are accounted for using the acquisition method in accordance with IFRS 3 "Business Combinations". Thus, when control of a company is acquired, this method requires the recognition of the identifiable assets and assumed liabilities by the Group at their fair value (with exceptions) in accordance with IFRS guidelines.

The Group values the goodwill on the acquisition date as:

– the fair value of the transferred consideration; plus

– the amount recognised for non-controlling interests in the acquired company; plus

– if the business combination is carried out in stages, the fair value of any interest previously held in the acquired company; minus

– the net amount recognised (generally at fair value) for the identifiable assets acquired and the liabilities taken over.

When the difference is negative, a profit for acquisition under advantageous conditions must be recognised directly in Operating Income.

Costs related to the acquisition, other than those related to the issuance of a debt or equity securities, which the Group bears as a result of a business combination, are expensed as they are incurred.

Determination of goodwill is finalised within a period of one year from the acquisition date.

Such goodwill is not amortised but tested for impairment at the end of each accounting period and whenever there is an impairment indicator; any impairment charge recognised on goodwill is irreversible.

Changes in the percentage of the Group's stake in a subsidiary which do not result in a loss of control are recognised as equity transactions.

Goodwill relating to equity associates is recognised under equity associates. .

Currency translation

The consolidated financial statements are presented in US dollars, which is the Group's reporting currency.

The functional currency of the operating subsidiaries is the US dollar.

The financial statements of foreign subsidiaries for which the functional currency is not the US dollar are converted using the closing rate method. Assets and liabilities, including goodwill on foreign subsidiaries, are translated at the exchange rate in effect on the closing date of the fiscal year. Income and expenses are converted at the average rate for the period. Currency translation adjustments are recognised under the "Currency translation adjustments" item of other comprehensive income within shareholders' equity, while those related to minority interests are recognised under “non-controlling interests”. Currency translation adjustments related to a net investment in a foreign activity are recorded directly under other comprehensive income.

Expenses and income in foreign currencies are recognised at their equivalent in the functional currency of the entity concerned at the transaction date. Assets and liabilities in foreign currencies are reported in the balance sheet at their equivalent value in the functional currency of the entity concerned based on the closing rate. Differences resulting from conversion into foreign currencies at this closing rate are carried on the income statement as other financial income or other financial expenses.

When the payment of a monetary item that is a receivable or a payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, the resulting foreign exchange gains and losses are considered to be part of the net investment in a foreign operation and are accounted for in other comprehensive income and presented as a translation reserve.

In case of difference in the functional currency, the Group applies hedge accounting to foreign currency adjustments between the functional currency of the foreign activity and the functional currency of the holding.

Foreign exchange adjustments resulting from the translation of financial liabilities designated as a net investment hedge of a foreign activity are recognised as other comprehensive income for the effective portion of the hedge and accumulated in the translation reserve. Any adjustment relating to the ineffective portion of the hedging is recognised in net income. When the net investment hedged is sold, the amount of the adjustments recognised as the translation reserve related to it is reclassified in the income statement as income from the disposal..

Note 2.2 Informations about scope of consolidation and non-consolidated equity interests

Pursuant to ANC recommendation 2017-01 of 2 December 2017, the full list of Group entities is presented in the period’s Annual Report, chapter 7.

Note 2.3 List of consolidated entities

The consolidation scope in fiscal year 2022 concerned primarily the companies listed below:

Company	Registered office	Consolidation method[(a)]	% control 31/12/2022	31/12/2021
Etablissements Maurel & Prom S.A.	Paris	Parent	Consolidating company	
Maurel & Prom Assistance Technique International S.A.	Geneva, Switzerland	FC	100,00%	100,00%
Caroil S.A.S	Paris, France	FC	100,00%	100,00%
Maurel & Prom Exploration Production Tanzania Ltd	Dar Es Salaam, Tanzania	FC	100,00%	100,00%
Maurel & Prom Gabon S.A.	Port-Gentil, Gabon	FC	100,00%	100,00%
Maurel & Prom Mnazi Bay Holdings	Paris, France	FC	100,00%	100,00%
Maurel & Prom Namibia S.A.S.	Paris, France	FC	100,00%	100,00%
Maurel & Prom Amérique Latine	Paris, France		100,00%	100,00%
Maurel & Prom West Africa S.A.	Brussels, Belgium	FC	100,00%	100,00%
Maurel & Prom Italia Srl	Ragusa, Sicily	FC	100,00%	100,00%
Cyprus Mnazi Bay Limited	Nicosia, Cyprus	FC	60,08%	60,08%
Maurel & Prom Colombia BV	Rotterdam,	FC	100,00%	100,00%
Seplat	Lagos, Nigeria	EM	20,46%	20,46%
Deep Well Oil & Gas, Inc	Edmonton, Alberta, Canada	EM	19,57%	19,57%
MP Energy West Canada Corp.	Calgary, Canada	FC	Deconsolidated	100,00%
MP Anjou 3 S.A.S.	Paris, France	FC	100,00%	100,00%
Saint-Aubin Energie Québec Inc	Montreal, Canada	FC	Deconsolidated	100,00%
Maurel & Prom Angola S.A.S.	Paris, France	FC	100,00%	100,00%
Maurel & Prom Exploration Production	Paris, France	FC	100,00%	100,00%
Maurel & Prom Venezuela S.L.	Madrid, Spain	FC	80,00%	80,00%
M&P Servicios Intregrados UW S.A.	Caracas, Venezuela	FC	80,00%	80,00%
Petroregional Del Lago (PRDL)	Caracas, Venezuela	EM	40,00%	40,00%
Caroil Assistance Technique International S.A.	Geneva, Switzerland	FC	100,00%	100,00%
Maurel & Prom Trading S.A.	Paris, France	FC	100,00%	100,00%
Maurel & Prom Services S.A.S.	Paris, France	FC	100,00%	100,00%
Caroil Drilling Solution S.A.	Port-Gentil, Gabon	FC	100,00%	100,00%
MPC Drilling S.A.S	Paris, France	FC	100,00%	N/A

(a) FC: Full consolidation/EM: Equity method.

Note 2.4 Equity associates

Companies accounted for by the equity method contributed $22 million to the Group's results.

(in US$ thousands)	Seplat	Deep Well Oil	Petroregional del Lago	Total
Equity associates as at 31/12/2021	**195,196**	**44**	**80,625**	**275,864**
Income	21,424	0	0	21,424
Change in OCI	981		0	981
Dividends	-12,040			-12,040
EQUITY ASSOCIATES AS AT 31/12/2022	**205,560**	**44**	**80,625**	**286,229**

The data below is presented as reported in the financial statements of the joint ventures and associates (those wholly owned and not proportionately owned) as at 31 December 2022, after translation into US dollars, adjustments to fair value and for accounting method consistency where applicable.

(in US$ thousands)	SEPLAT
Location	**Nigeria**
	Associate
Activity	**Production**
% Interest	*20.46 %*
Total non-current assets	2,654,415
Other current assets	454,562
Cash and cash equivalents	428,280
TOTAL ASSETS	**3,537,257**
Total non-current liabilities	-1,179,436
Total current liabilities	-597,938
TOTAL LIABILITIES (EXCL. EQUITY)	**-1,777,374**
Reconciliation with balance sheet values	0
TOTAL SHAREHOLDERS' EQUITY OR NET ASSETS	**1,759,883**
Share held	**360,084**
IFRS 3 fair value adjustment [(a)]	-161,973
Value of diluted shares [(b)]	7,448
BALANCE SHEET VALUE AT 31/12/2022	**205,560**
Sales	951,795
Operating Income	285,933
Impairment	
Financial income	-78,177
Income from JV and deconsolidation	-3,380
Corporate income tax	-99,670
NET INCOME FROM EQUITY ASSOCIATES	**104,706**
Share held	**21,424**
Restatements for standardisation [(c)]	981
P&L VALUE AT 31/12/2022	**22,404**

(a) Fair value adjustment for Seplat under IFRS 3 (consolidated at the stock market value) recorded in 2015 in connection with the merger with MPI.
(b) Seplat issued 25 million bonus shares which resulted in a 0.9% dilution of M&P's equity stake less the IFRS 3 fair value adjustment from 2015. Equity was thus reduced by $6.5 million. At the same time, the diluted shares were valued at the market price of $7.4 million. On a net basis, the dilution gain on the equity share, recorded in "Other income from operations", was $1 million.
(c) For Seplat, this is recognition through profit or loss of share-based payments.

Les informations comparatives 2021 sont rappelées ici :

(in US$ thousands)	**SEPLAT**
Location	**Nigeria**
	Associate
Activity	**Production**
% Interest	*20,46%*
Total non-current assets	3,215,899
Other current assets	336,316
Cash and cash equivalents	340,519
TOTAL ASSETS	**3,892,734**
Total non-current liabilities	1,704,343
Total current liabilities	480,905
TOTAL LIABILITIES (EXCL. EQUITY)	**2,185,248**
Reconciliation with balance sheet values	0
TOTAL SHAREHOLDERS' EQUITY OR NET ASSETS	**1,707,486**
Share held	**349,364**
IFRS 3 fair value adjustment (a)	-163,304
Value of diluted shares (b)	9,136
BALANCE SHEET VALUE AT 31/12/2021	**195,196**
Sales	733,188
Operating Income	207,037
Impairment	59,138
Interest expense	-91,370
Income from JV and deconsolidation	2,540
Corporate income tax	-60,169
NET INCOME FROM EQUITY ASSOCIATES	**117,176**
Share held	**23,975**
Restatements for standardisation [c]	-347
P&L VALUE AT 31/12/2021	**23,628**

(a) Fair value adjustment for Seplat under IFRS 3 (consolidated at the stock market value) recorded in 2015 in connection with the merger with MPI.

(b) Seplat issued 25 million bonus shares which resulted in a 0.9% dilution of M&P's equity stake less the IFRS 3 fair value adjustment from 2015. Equity was thus reduced by $6.5 million. At the same time, the diluted shares were valued at the market price of $9.1 million. On a net basis, the dilution gain on the equity share, recorded in "Other income from operations", was $3 million.

(c) For Seplat, this is recognition through profit or loss of share-based payments.

Note 3 OPERATIONS

Note 3.1 Segment reporting

In accordance with IFRS 8, the segment information reported must be based on the very same principles as those used in the internal reporting. It must reproduce the internal segment information defined to manage and measure the Group's performance.

Maurel & Prom's activities are split into three segments: exploration, production and drilling. Information by region is only relevant at the asset level and is presented in the notes on fixed assets. The other activities mainly concern the holding companies' functional and financial services, and trading. Operating Income and assets are broken down for each segment based on the entities' contributing accounts, which include consolidation adjustments.

(in US$ thousands)	Production	Exploration	Drilling	Other	12/31/2022	Recurring	Exploration and other non-recurring items
Sales	664,559	249	11,672		676,480	676,480	
Operating Income and expenses	(214,412)	(5,084)	(13,701)	(74)	(233,271)	(233,271)	
EBITDA	**450,146**	**(4,835)**	**(2,029)**	**(74)**	**443,209**	**443,209**	
Depreciation and amortisation, impairment loss & provisions for assets in production and drilling	(81,521)	(1,209)	(1,637)	(1,000)	(85,367)	(85,367)	
CURRENT OPERATING INCOME	**368,626**	**(6,044)**	**(3,667)**	**(1,074)**	**357,841**	**357,841**	
Expenses and impairment of exploration assets net	20	(1,267)	2,752	298	1,803	—	1,803
Other non-recurring expenses	(2,417)		(2,752)	(857)	(6,026)		(6,026)
Gain (loss) on asset disposals	(764)	(541)			(1,305)		(1,305)
OPERATING INCOME	**365,465**	**(7,852)**	**(3,667)**	**(1,632)**	**352,314**	**357,841**	**(5,527)**
share of current income of equity associates	22,404				22,404	22,404	
SHARE OF INCOME OF EQUITY	**22,404**				**22,404**	**22,404**	
Financial result	(1,641)	9,255	(45)	(30,933)	(23,364)	(23,364)	
Income tax	(143,992)		(272)	(1,201)	(145,465)	(145,465)	
NET INCOME	**242,236**	**1,403**	**(3,984)**	**(33,766)**	**205,889**	**211,416**	**(5,527)**
Intangible investments	**(32)**	**10,469**	**18**	**235**	**10,690**		
INTANGIBLE ASSETS (NET)	**177,551**	**10,434**	**27**	**1,579**	**189,591**		
Investments in property, plant and	**76,903**	**42**	**14,877**	**76**	**91,898**		
PROPERTY, PLANT AND EQUIPMENT (NET)	**797,583**	**31**	**20,712**	**193**	**818,520**		

Due to international sanctions against state oil company PDVSA, operations conducted locally by the Group's Venezuelan subsidiary, M&P Servicios Integrados U.W., are strictly limited to maintenance related to the safety of staff, assets, and environmental protection. Against this backdrop, and despite an asset that remains in production and has kept its potential, PRDL's results are not recognised as a share of income from equity associates.

The 2021 comparative information is provided below:

(in US$ thousands)	**Production**	**Exploration**	**Drilling**	**Other**	**12/31/2021**	**Recurring**	**Exploration and other non-recurring items**
Sales	496,888	828	1,949		499,666	499,666	
Operating Income and expenses	(206,519)	(8,735)	(13)	(4,299)	(219,565)	(219,565)	
EBITDA	**290,369**	**(7,906)**	**1,937**	**(4,299)**	**280,100**	**280,100**	
Depreciation and amortisation, impairment loss & provisions for assets in production and	(94,506)	384	(9,691)	(3,052)	(106,866)	(106,866)	
CURRENT OPERATING INCOME	**195,862**	**(7,522)**	**(7,755)**	**(7,351)**	**173,234**	**173,234**	
Expenses and impairment of exploration assets	1,147	(85)	(187)	(538)	337	—	337
Other non-recurring expenses	64	—	(781)	(385)	(1,101)		(1,101)
Gain (loss) on asset disposals	(14,201)		(288)		(14,490)		(14,490)
OPERATING INCOME	**182,872**	**(7,607)**	**(9,011)**	**(8,274)**	**157,980**	**173,234**	**(15,254)**
share of current income of equity	23,628	(692)			22,936	22,936	
SHARE OF INCOME OF EQUITY	**23,628**	**(692)**			**22,936**	**22,936**	
Financial result	(3,025)	(1,227)	(271)	(11,763)	(16,286)	(16,286)	
Income tax	(42,006)		(65)	(1,603)	(43,675)	(43,675)	
NET INCOME	**161,470**	**(9,527)**	**(9,347)**	**(21,641)**	**120,956**	**136,210**	**(15,254)**
Intangible investments	96,671	4,251	—	909	101,831		
INTANGIBLE ASSETS (NET)	**190,985**	**7,531**	**13**	**1,686**	**200,215**		
Investments in property, plant and	62,202	94	142	87	62,525		
PROPERTY, PLANT AND EQUIPMENT (NET)	**805,389**	**6**	**9,421**	**300**	**815,116**		

Note 3.2 Operating Income

Note 3.2.1 Sales

Oil-related sales, corresponding to the sale of production on deposits operated by the Company were determined based on oil sold, i.e. oil lifted. The Group recognises time variances between liftings and the theoretical entitlement in the cost of sales by posting over-or underlift positions, valued at the year-end market price, to current assets (underlift position receivable) or current liabilities (overlift position liability). Market price is determined according to the PCO Rabi light index for Gabon and the Palanca Blend index for Angola, which act as benchmarks when these lifting positions are being physically settled.

Gas sales are recognised at the point of connection to customers' facilities.

Drilling services sales are recognised using the percentage of completion principle based on the drilling, the progress being measured in terms of depth reached and time spent on the task..

	12 moth 2022	12 moth 2021	Change 21/22
M&P working interest production			
Gabon (oil) *(bopd)*	14,646	15,540	**(6)%**
Angola (oil) *(bopd)*	3,732 [(a)]	3,416	**9 %**
Tanzania (gas) *(mmcfd)*	43,2	39,2	**10 %**
TOTAL *(BOEPD)*	**25,584**	**25,490**	**— %**
Average sale price			
Oil *($/bbl)*	97,8	72,5	**35 %**
Gas *($/BTU)*	350.00	335	**5 %**
Sales			
Gabon *($m)*	527	369	**43 %**
Angola *($m)*	104	67	**55 %**
Tanzania *($m)*	68	52	**32 %**
VALUED PRODUCTION *($M)*	**700**	**489**	**43 %**
Drilling activities *($m)*	12	2	
Restatement for lifting imbalances *($m)*	(35)	10	
CONSOLIDATED SALES *($M)*	**676**	**500**	**35 %**

(a) M&P Trading buys and trades the Group's production in Angola and Gabon. Third-party production can also be traded by M&P Trading. In such instances, it is presented in the Group's consolidated sales.

The Group's valued production (income from production activities, excluding lifting imbalances and inventory revaluation) was $700 million for 2022, up 43% from the previous year. The restatement of lifting imbalances, net of inventory revaluation, had a negative impact of $35 million for the fiscal year, mainly due to a net underlift position of [718,000] thousand barrels at the end of 2022. After incorporating income from drilling activities ($12 million), consolidated sales for 2022 are therefore $676 million, an increase of 35% compared to 2021.

For their part, sales in Tanzania were up 32% with production of 47.0 mmcfd in the first quarter.

The average sale price of oil in fiscal 2022 rose 35% to $97.8/bbl versus $72.5/bbl in 2021.

Maurel & Prom trades oil volumes produced by M&P Gabon and M&P Angola through its subsidiary M&P Trading. 5.3 million barrels were traded during the year.

After taking into account drilling activities and lifting imbalances, the Group's consolidated sales for fiscal 2022 stood at $676 million, up 35% from 2021.

Note 3.2.2 Operating Income

The Group uses a number of indicators to assess the performance of its activities:

Earnings before interest, taxes, depreciation and amortisation (EBITDA) represents sales net of the following items:

- other Operating Income;
- purchases of consumables and services;
- taxes (including mining royalties and other taxes associated with operations);
- personnel expenses.

The last three items were grouped together by function in other operating expenses.

Current operating income corresponds to EBITDA after amortisation and depreciation of tangible and intangible assets, including depletion.

Items between Current operating income and EBIT correspond to income and expenses considered unusual, non-recurring and material, including:

- material capital gains and losses resulting from asset sales;
- impairment of operating assets;
- depreciations related to discontinued exploration assets;
- lexpenses incurred in the exploration phase (up to the identification of a prospect), given that the volatility of such expenditures is unpredictable, depending on the results of exploration activities;
- costs relating to business combinations and restructuring.

Other operating expenses break down as follows:

(in thousands of dollars)	**31/12/2022**	**31/12/2021**
Purchases and external services	(99,708)	(105,358)
Taxes, contributions & royalties	(85,251)	(77,226)
Personnel expenses	(61,214)	(62,179)
Others operating expenses	**(246,173)**	**(244,762)**

Current operating income stood at $358 million and continued to benefit from the solid performance of crude oil prices.

The non-current result mainly includes $3 million related to Angola and $1 million of impairment of exploration assets in Colombia.

Note 3.3 Fixed assets

Maurel & Prom conducts part of its Exploration and Production activities under Production Sharing Agreements (PSAs). This type of agreement, signed with the host country, sets rules for cooperation (in association with potential partners) and for production sharing with the government or the state-owned company that represents it, and defines the taxation terms.

Under these agreements, the Company agrees to finance its percentage of interest in exploration and production operations, and in exchange receives a share of production known as “cost oil”. The sale of this production share normally allows the Company to recover its investments, as well as the operating costs incurred. The production balance (known as “profit oil”) is then split between the Company and the state in variable proportions and the Company pays its share of tax on the revenue from its activities.

Under such Production Sharing Agreements, the Company recognises its share of assets, sales and net income in light of its percentage held on the permit in question.

The following methods are used to account for the costs of oil-related activities:

OIl search and exploration rights

– Mining permits: expenditures for the acquisition and allocation of mining permits are recorded as intangible assets and, during the exploration phase, amortised on a straight-line basis over the estimated duration of the permit or during the development phase, in line with the amortisation rate for the oil production facilities. If the permit is withdrawn or the exploration fails, the remaining amortisation is recorded once.

– Acquired mining rights: acquisitions of mining rights are recorded as intangible assets and, if they have led to the discovery of oil reserves, depreciated in accordance with the unit-of-production method based on proven and probable reserves. The depreciation rate equals the ratio between the field’s hydrocarbon production over the fiscal year and the proven and probable hydrocarbon reserves at the beginning of the same fiscal year, re-estimated on the basis of an independent appraisal.

Exploration costs

The Group applies IFRS 6 for the recognition of exploration costs.

Hydrocarbon production fees and assets are accounted for in accordance with the "successful efforts" method.

Charges incurred prior to the issuance of the exploration permit are recognised as expenses.

Studies and works concerning the exploration, including geology and geophysics costs, are recorded under expenses until a prospect is identified.

Expenses incurred to identify a prospect such as exploratory drilling are capitalised and are depreciated as soon as the production starts.

Drilling expenditure that does not result in a commercial discovery is posted under expenses for the total amount incurred once it is decided to permanently abandon work in the zone concerned or in the connected zone.

The Group refers to ASC 932 "Extractive activities", usually applied in the oil sector for the purpose of defining the accounting treatment of situations or transactions not specifically covered by IAS. In application of this principle, when it appears that an exploration well under way at the reporting date has not yet revealed proven reserves and that this is known only between the reporting date and the date on which the financial statements are approved, expenses incurred on that well up to the reporting date are recognised as exploration expenses over the period in question.

When the technical feasibility and commercial viability of the oil production project can be proven (analysis based on the outcome of appraisal wells or seismic study work, etc.) and following the issuance of an Exclusive Development and Production Authorisation (AEDE), these costs then become development costs, a portion of which is transferred to property, plant and equipment, depending on their nature.

Once an impairment indicator appears (permit expiry date, absence of further budgeted exploration expenses, etc.), an impairment test is carried out to ensure that the book value of the expenses incurred does not exceed the recoverable amount.

In addition, when the technical feasibility and commercial viability of the oil production project can be demonstrated, exploration assets are systematically subject to an impairment test.

Impairment tests are carried out at the permit level, in accordance with the common practice within the industry.

Oil production assets

Oil production fixed assets include assets recognised during the exploration phase and transferred to property, plant and equipment following discoveries, and assets relating to field development (production drilling, surface facilities, oil routing systems etc.).

Depletion

Fixed assets are depreciated according to the unit-of-production method.

For general facilities, i.e. those which concern the entire field (pipelines, surface units, etc.), the depreciation rate equals the ratio of the field's hydrocarbon production during the fiscal year to the proven reserves at the beginning of the same fiscal year. If applicable, they are weighted by the ratio (proven)/(proven + probable) reserves for that field, in order to take into account their relative role in the production of all proven and probable reserves of the field in question.

For specific facilities, i.e. those dedicated to specific areas of a field, the depreciation rate used equals the ratio of the field's hydrocarbon production during the fiscal year to the proven developed reserves at the beginning of the same fiscal year. When the permit expires, accelerated depreciation can be applied.

The reserves taken into account are the reserves determined from analyses carried out by independent bodies.

Site remediation costs

Provisions for site remediation are recognised when the Group has an obligation to dismantle and remediate a site.

The discounted site remediation cost is capitalised and added to the value of the underlying asset and amortised at the same rate.

Financing of oil-related costs for third parties (carry)

The financing of third-party oil costs is an activity that consists of the substituting, as part of an oil joint operation, for another member of the joint operation to finance its share of the cost of works.

When the contract terms give it similar characteristics to those of other oil assets, the financing of oil costs on behalf of third parties is treated as an oil asset.

Consequently, and in accordance with paragraph 47 (d) of ASC 932 usually applied in the oil sector, the accounting rules are those applicable to expenses of the same nature as the Group's own share (fixed assets, depreciation, impairment, operating costs as expenses):

– accounting for exploration costs financed as intangible assets (carried partners' share entered as the Maurel & Prom share);

– if prospecting does not result in a producing asset: recognition of all costs as expenses;

– in the case of producing assets: the transfer of costs booked as intangible assets to property, plant and equipment (technical facilities);

– the share of hydrocarbons accruing to the carried partners and used to repay that cost of carry is treated as sales for the partner that carries it;

– reserves corresponding to the carried costs are added to the reserves of the partner that carries the costs;

– depreciation of technical facilities (including the share of carried partners) according to the unit-of-production method by including in the numerator the production for the period allocated to recovery of the carried costs and in the denominator the share of reserves used to recover all of the carried costs.

Other intangible assets

Other intangible assets are recognised at their acquisition cost and posted on the balance sheet at that value, after deducting accrued amortisation, depreciation and any impairment.

Amortisation is calculated on a straight-line basis and the amortisation period is based on the estimated useful life of the different categories of intangible assets depreciated over a period ranging from one to three years.

Asset imparment

When events indicate a risk of impairment on the intangible and tangible assets, and with regard to goodwill and intangible assets not amortised at least once a year, an impairment test is carried out in order to determine whether their net book value is lower than their recoverable amount, with the recoverable amount defined as the higher between the fair value (less exit costs) and the value in use. The value in use is determined by discounting future cash flows expected from the use and disposal of the assets.

For oil assets in production, cash flows are determined based on the hydrocarbon reserves identified, the related production profile and the discounted sale prices after taking into account the applicable tax terms as defined in the Production Sharing Agreements.

A permit or set of permits for the same geographic region is generally referred to as a cash-generating unit (CGU). A CGU is a set of assets whose ongoing utilisation generates cash flows that are largely independent of the cash flows from the other asset groups. In certain cases, a permit may contain exploration and production assets.

With regard to the Group's other activities, impairment tests are performed on the basis of the Company's business plans, including a terminal value.

The discount rate used takes into account the risk associated with the activity and its geographical location.

If the recoverable amount is lower than the net book value, an impairment is recognised for the difference between these two amounts.

This impairment may be reversed according to the net book value that the asset would have held on the same date, had it not been impaired. However, impairment losses recorded on goodwill are irreversible.

Note 3.3.1 Intangible assets

Intangible investments for the period consist mainly of exploration expenditures on the COR-15 permit in Colombia.

The recoverable amount of all assets in the Group's exploration portfolio were analysed in accordance with IFRS 6 and IAS 36..

(in US$ thousands)	31/12/2021	Currency translation adjustment	Investments	Transfer	Operating expenses	Amortisation	31/12/2022
Assets attached to permits in production	190,985	—	(32)	9		(13,410)	177,551
Assets attached to permits in exploration	7,531	—	10,469	(6,000)	(1,755)	188	10,434
Drilling	13		18	—		(4)	27
Other	1,686		235	—		(342)	1,579
INTANGIBLE ASSETS (NET)	**200,215**	**—**	**10,690**	**(5,991)**	**(1,755)**	**(13,568)**	**189,591**

In Colombia on the COR-15 exploration permit, M&P drilled the Zorro-1 well. The results did not indicate the presence of hydrocarbons. The cost of this well is approximately $8m (of which Frontera is paying $6m as a result of the agreement with M&P when they exited the permit). Given the partial financing of the first exploration well by Frontera, the impact of the impairment is limited to $1m.

The balance at year end consists mainly of exploration costs in Colombia related to the second mandatory well and exploration expenses recorded on the Namibian permit.

The changes in intangible assets for the previous year are stated below:

(in US$ thousands)	31/12/2020	Currency translation adjustment	Investments	Transfer	Operating expenses	Amortisation	31/12/2021
Assets attached to permits in production	112,142	—	96,671	(8,994)		(8,833)	190,985
Assets attached to permits in exploration	4,741	—	4,251	89	(483)	(1,067)	7,531
Drilling	13		—	—		—	13
Other	76		909	812		(111)	1,686
INTANGIBLE ASSETS (NET)	**116,972**	**—**	**101,831**	**(8,093)**	**(483)**	**(10,011)**	**200,215**

Note 3.3.2 Property, plant and equipment

(in US$ thousands)	31/12/2021	Currency translation adjustment	Investments	Transfer	Exit	Amortisation	Depreciation	31/12/2022
Assets attached to permits in production	805,389	(18)	76,903	(14,351)	(765)	(66,189)	(3,386)	797,583
Assets attached to permits in exploration	6	—	42	—		(17)		31
Drilling	9,421		14,877	—		(3,585)		20,712
Other	300		76	—		(184)		193
PROPERTY, PLANT AND EQUIPMENT (NET)	**815,116**	**(17)**	**91,898**	**(14,351)**	**(765)**	**(69,975)**	**(3,386)**	**818,520**

Capital expenditure in the period mainly relates to development investments on the Ezanga permit and the acquisition of a new drilling rig, which will be operated by the Group's drilling subsidiary. This acquisition, which amounts to $15 million, is intended to give the Group the means to continue and intensify its activity in Gabon.

Pursuant to IAS 36, impairment tests were performed in order to determine the recoverable value of the assets. The Group did not record any impairment charges or reversals of its assets.

With regard to production activities, the value in use was determined on the basis of future cash flows.

Calculation assumptions are primarily based on:

(i) a Brent price of $65/bbl for oil sales deflated at the same rate as opex for Gabon by 2050,

(ii) a production profile determined according to reports on reserves by independent appraisers,

(iii) a discount rate individualised by country

(iv) the cost assumptions were determined on the basis of management projections of the Group’s assets, in line with the Group's commitments in terms of development, control of operating costs and environmental policy.

The sensitivity of the impairment test on the Group's main operated license (Ezanga) is presented below:

In Millions $		*Brent/bbl*	
Production	*-10$/bbl*	*Base*	*+10$/bbl*
Production -5%	(75)	(43)	(14)
Forecast Production	(33)	0	29
Production +5%	8	40	71
WACC	*-10$/bbl*	*Base*	*+10$/bbl*
Discount rate -1pt	(71)	(38)	(9)
Discount rate 14 %	(33)	0	29
Discount rate +1pt	10	43	72

The changes in property, plant and equipment for the previous year are stated below:

(in US$ thousands)	31/12/2020	Currency translation adjustment	Investments	Transfer	Exit	Amortisation	31/12/2021
Assets attached to permits in production	826,904	(27)	62,202	9,383	(14,200)	(78,873)	805,389
Assets attached to permits in exploration	—	—	94	11		(99)	6
Drilling	13,188		142	(127)	(288)	(3,493)	9,421
Other	2,728		87	(1,201)		(1,313)	300
PROPERTY, PLANT AND EQUIPMENT (NET)	**842,819**	**(27)**	**62,525**	**8,065**	**(14,488)**	**(83,778)**	**815,116**

Note 3.4 Inventories

Inventories are valued using the weighted average cost method at acquisition or production cost. Production cost includes consumables and direct and indirect production costs. Hydrocarbon inventories are valued at production cost, including field and transportation costs and the depreciation of assets used in production. A provision is created when the net realisable value is lower than the cost of inventories.

(in US$ thousands)	31/12/2021	Currency translation	Change	Transfer	Impairment/ Reversals	31/12/2022
Ezanga (Gabon)	5,959		(2,653)	—		3,306
Chimicals products Ezanga (Gabon)	1,303		2,838	—		4,141
BRM (Tanzania)	1,568	(91)	—			1,477
Colombia	112		459			571
Drilling	3,572		460	—		4,031
INVENTORIES (NET)	**12,515**	**(91)**	**1,103**			**13,526**

Oil inventories on Ezanga correspond to oil quantities in the pipeline and are valued at production cost.

Drilling inventories correspond to maintenance parts and are valued at supply cost.

Note 3.5 Overlift/underlift position

The Group recognises time variances between liftings and the theoretical entitlement in the cost of sales by posting over-or underlift positions, valued at the year-end market price, to current assets (underlift position receivable) or current liabilities (overlift position liability).

(in US$ thousands)	31/12/2021	Currency translation	Change	Transfer	Impairment/ Reversals	31/12/2022
Underlift position receivable	42,736	(2)	17,932	—		60,666
Overlift position liability	—		(5,030)	—		(5,030)
NET OVERLIFT/ UNDERLIFT	**42,736**	**(2)**	**12,902**			**55,636**

The underlift claims originate solely from Gabon.

Note 3.6 Trade receivables

Trade receivables are initially recognised at fair value and then at amortised cost..

At the end of year, impairment losses on trade receivables are recognised to the extent of expected losses over the life of the receivables in accordance with IFRS 9. The Group's exposure to credit risk is influenced by customers' individual characteristics.

(in US$ thousands)	31/12/2021	Currency translation	Change	Transfer	Impairment/ Reversals	31/12/2022
Ezanga (Gabon)	2,597		11,167	—		13,763
Trading	13,576		(8,918)	—		4,658
Mnazi Bay (Tanzania)	12,772		3,987	—	—	16,759
Drilling	302		3,305	—	382	3,989
Other	208	(12)	6,433		(5,778)	851
TRADE RECEIVABLES AND RELATED ACCOUNTS	**29,455**	**(12)**	**15,974**	**—**	**(5,396)**	**40,021**

Trade receivables on Ezanga for hydrocarbon sales essentially reflect the receivables from Sogara, which purchases a percentage of the production from the Ezanga permit fields.

Trade receivables on Mnazi Bay for natural gas sales are mostly from the national company TPDC and Tanesco.

The recoverability of all of these receivables is not called into question. There is no significant impaired receivable.

Note 3.7 Other assets

Other current assets include assets related to the regular operating cycle, some of which can be produced more than 12 months after the reporting date. At year end, impairment losses on trade receivables are losses expected over the life of the receivables, in accordance with IFRS 9..

(in US$ thousands)	31/12/2021	Currency translation	Change	Transfer	Impairment/ Reversals	31/12/2022
Supplier advances	1,330	15	4,222	120		5,687
Partners' carry receivables	1,673	(2)	(6,836)	5,981	—	815
Prepaid and deferred expenses	1,436	(2)	857	(168)		2,122
Tax and social security receivables	92,900	(204)	(65,875)	(4)	(5,877)	20,940
OTHER ASSETS (NET)	**97,339**	**(194)**	**(67,633)**	**5,929**	**(5,877)**	**29,564**
Gross	117,694	(194)	(67,633)	5,929	—	55,796
Impairment	(20,355)	—	—		(5,877)	(26,232)
NON-CURRENT	**—**		**—**	**—**		**—**
CURRENT	**97,339**	**(194)**	**(67,633)**	**5,929**	**(5,877)**	**29,564**

"Tax and social security receivables" primarily comprise VAT receivables from the Gabonese State. Following the agreement signed with the latter in 2021 setting up a mechanism for the recovery in kind of this debt, it is cleared by charging it against oil costs without any tax loss.

Operating receivables correspond to the Group's financing of the share of costs accruing to its partners under partnership agreements. These are recovered by reallocating a portion of the hydrocarbon sales accruing to carried partners to the Group. The pace of recovery of these carry receivables is based on the activity's regular operating cycle and may consequently exceed 12 months.

Note 3.8 Trade payables

(in US$ thousands)	31/12/2021	Currency translation	Change	Transfer	Impairment/ Reversals	31/12/2022
Ezanga (Gabon)	42,681		10,206			52,887
Mnazi Bay (Tanzania)	94	—	1,116			1,210
Drilling	799	(14)	1,473	(35)		2,224
Other	7,775	(102)	4,847			12,521
TRADE PAYABLES AND RELATED	**51,350**	**(116)**	**17,643**	**(35)**		**68,842**

Note 3.9 Other current liabilities

These other current liabilities are included in financial liabilities recognised initially at fair value and then at amortised cost.

(in US$ thousands)	31/12/2021	Currency translation	Change	Transfer & scope	Impairment/ Reversals	31/12/2022
Social security	15,937	(47)	(353)			15,537
Tax liabilities	31,959	(2)	7,985	35		39,977
Partners' carry payables	22,497		(22,497)			—
TPDC advances	27,180		—			27,180
Angola operator	21,290		5,446			26,737
Miscellaneous	14,117	(6,935)	(806)	(3,978)		2,398
OTHER CURRENT LIABILITIES	**132,979**	**(6,984)**	**(10,224)**	**(3,943)**		**111,829**

The operator debts correspond to cash calls to be issued by the operator Sonangol in Angola.

The TPDC advance corresponds to a deposit received in 2015 as a sales guarantee. It will be reimbursed once TPDC sets up another type of financial guarantee.

Note 3.10 Provisions

In accordance with IAS 37 "Provisions, contingent liabilities and contingent assets", provisions are recognised when the Group has an obligation at fiscal year-end to a third party deriving from a past event, the settlement of which should result in an outflow of resources that constitute economic benefits.

The site remediation obligation is recognised at the discounted value of the estimated cost for the contractual obligation for dismantling; the impact of the passage of time is measured by applying a risk-free interest rate to the amount of the provision. The effect of the accretion is posted under "Other financial income and expenses".

Severance payments on retirement correspond to defined benefit plans. They are provisioned as follows:

- the actuarial method used is known as the projected unit credit method, which states that for each year of service, an additional unit of benefit must be allocated. These calculations incorporate assumptions about mortality, staff turnover and projections of future salaries; and
- the differences between actual and forecast commitments (based on projections or new assumptions) and between the projected and actual return on funds invested are called actuarial gains and losses. They are recognised under other comprehensive income, without the possibility of being subsequently recycled through net income. The cost of past services is recognised under net income, whether they are acquired or not.

(in US$ thousands)	31/12/2021	Currency translation	Increase	Reversal	Transfer	31/12/2022
Site remediation	90,678	(248)	3,755	(1,068)	(14,342)	78,775
Pension commitments	4,799	—	317	(391)	—	4,725
Other	37,239	—	255	(18,706)	—	18,788
PROVISIONS	**132,716**	**(248)**	**4,327**	**(20,164)**	**(14,342)**	**102,288**
NON-CURRENT	**95,477**	**(248)**	**4,072**	**(1,459)**	**(14,342)**	**83,499**
CURRENT	**37,239**	**—**	**255**	**(18,706)**	**—**	**18,788**

Site remediation provisions for production sites are established based on an appraisal report and updated using US Bloomberg Corporate AA rates to remain aligned with the term of the commitment.

The discounting of the provision in Gabon resulted in a decrease of -14m$ against its decommissioning asset.

The other provisions cover various risks including tax (excluding corporation tax) and employee-related risks in the Group's various host countries.

Note 4 FINANCING

Note 4.1 Financial income

(in US$ thousands)	31/12/2022	31/12/2021
Interest on overdrafts	(1,029)	(916)
IFRS 16 financial expense	(415)	(21)
Interest on shareholder loans	(2,424)	(1,682)
Interest on other borrowings	(15,102)	(11,624)
GROSS FINANCE COSTS	**(18,970)**	**(14,243)**
Income from cash	261	499
Net income from derivative instruments	(1,040)	(2,505)
NET FINANCE COSTS	**(19,749)**	**(16,249)**
Net foreign exchange adjustment	(2,076)	3,806
Other	(1,539)	(3,843)
OTHER NET FINANCIAL INCOME AND EXPENSES	**(3,615)**	**(37)**
FINANCIAL INCOME	**(23,364)**	**(16,286)**

Gross borrowing costs are calculated based on the effective interest rate of the loan (i.e. the actuarial rate which takes into account issuance fees). The issue costs of the old loan valued at $4 million at 31 December 2021 have been fully recognised in the income statement following the Group's refinancing which became effective on 5 July 2022.

Net foreign exchange variances are mainly due to the revaluation at the closing rate of the Group's foreign currency positions that are not in the Group's functional currency (USD):

- the EUR/USD conversion at 31/12/2021 was 1.133 versus 1.067 at the balance sheet date;
- positions in transactional currencies that are not in the USD functional currency used by all consolidated entities are largely Gabonese receivables (denominated in XAF).

Other financial income and expenses mainly comprise the accretion of the provision for site remediation..

Note 4.2 Other financial assets

Other financial assets are initially recognised at fair value and then at amortised cost.

At year end, impairment losses on trade receivables are losses expected over the life of the receivables, in accordance with IFRS 9.

(in US$ thousands)	31/12/2021	Currency translation	Change	Transfer	Impairment/ Reversals	31/12/2022
Equity associates	149		2,548	(4,057)	1,588	228
RES escrow funds	4,425	(28)	1,229	19	347	5,992
Wenworth escrow fund	—	(1,570)	77,575	—		76,005
Sucre Energy Ltd carry receivables	11,000		—			11,000
Miscellaneous receivables	1,999		(1,496)			502
OTHER FINANCIAL ASSETS (NET)	**17,573**	**(1,598)**	**79,855**	**(4,037)**	**1,934**	**93,727**
NON-CURRENT	**4,425**	**(28)**	**1,229**	**78**	**347**	**6,051**
CURRENT	**13,148**	**(1,570)**	**78,626**	**(4,116)**	**1,588**	**87,676**

The Wentworth escrow account is part of the agreement with Wentworth Resources plc on the terms of a recommended acquisition of all of its issued and to be issued share capital by Établissements Maurel & Prom S.A.

Note 4.3 Cash and cash equivalents

Bank deposits correspond to current accounts and short-term investments of excess cash.

(in US$ thousands)	31/12/2022	31/12/2021
CASH AND CASH EQUIVALENTS	**137,825**	**195,675**
Bank loans (a)	—	—
NET CASH AND CASH EQUIVALENTS	**137,825**	**195,675**

(a) Bank loans are reported under debt as shown below.

Note 4.4 Borrowings and financial debt

(in US$ thousands)	31/12/2021	Encaissement	Repayment	Transfer	Interest expense	Interest withdrawal	31/12/2022
Term loan & RCF	271,054	255,000	(275,000)	(114,000)	(47)	—	137,007
Shareholder loan	73,000	—	(6,250)	4,504		—	71,254
Lease financing debt	833	7,826	(1,105)	(505)		—	7,048
NON-CURRENT	**344,887**	**262,826**	**(282,355)**	**(110,001)**	**(47)**	**—**	**215,309**
Term loan & RCF	175,000	—	(175,000)	114,000		—	114,000
Shareholder loans	15,625	—	—	(4,504)		—	11,121
Lease financing debt	537	801	—	505	871	(871)	1,843
Current bank loans	—	—	—	—	571	(571)	—
Accrued	608	—	—	—	17,573	(17,234)	947
- Shareholder loan	*392*	—	—	—	*2,424*	*(2,816)*	—
-Term loan & RCF	*216*	—	—	—	*15,149*	*(14,418)*	*947*
CURRENT	**191,770**	**801**	**(175,000)**	**110,001**	**19,015**	**(18,676)**	**127,911**
BORROWINGS	**536,657**	**263,626**	**(457,355)**	**—**	**18,967**	**(18,676)**	**343,220**

Note 4.4.1 Borrowings

Borrowings are initially recognised at their fair value and then at amortised cost. Issuance costs are recognised as a deduction against the initial fair value of the loan. Financial expenses are then calculated on the basis of the loan's effective interest rate (i.e. the actuarial rate taking issuance costs into account.

$255 million term loan

On 5 July 2022, M&P drew down the full amount of the $255 million new bank loan ($67 million being the RCF tranche) and repaid the $363 million outstanding on the former term loan, reducing gross debt by $108 million.

The terms of this new loan are as follows:

Initial amount	188 M$	67 M$
Maturity	July 2027	July 2027
First repayment	April 2024	
Repayment	18 quarterly instalments	Maturity
Interest rate	SOFR + Spread +2,00 %	SOFR + Spread +2,25 % (0,675% on portion unused)

Shareholder loan

In December 2017, as part of its refinancing, the Group set up a shareholder loan with PIEP for an amount of $200 million, initially drawn down in the amount of $100 million, of which $18 million has already been repaid.

Following the amendment signed on 12 May 2022, the Group benefited from new terms and the rescheduling of its shareholder loan.

The terms of this facility are as follows:

Initial amount $182 million of which drawn :	82 M$
Additional amount	$100 million that can be drawn down at will
Maturity	July 2028
First repayment	April 2023
Repayment	22 quarterly instalments
Interest rate	SOFR + Spread +2,10 %

Under the terms of the bank and shareholder loan agreements dated 12/05/2022 the Group has reduced its gross debt by $108m and benefits from a debt rescheduling:

- the $255 million term loan with a syndicate of lenders (the “term loan”)
- and the $182 million loan ($82 million of it drawn and $100 million undrawn) from M&P’s controlling shareholder PT Pertamina International Eksplorasi Dan Produksi (“PIEP”) (the “shareholder loan”)

In accordance with IFRS 9, as the amendments to the agreements did not result in significant changes to the terms of the loan, the Group recognised the costs relating to the implementation of these amendments in the overall cost by adjusting the effective interest rate.

At the end of June 2022, the Group took out interest-rate derivatives to limit the cost of debt in the event of a rise in interest rates.

The nominal amount covered is $50 million, maturing in July 2023, on the SOFR cap.

The Group continues to qualify interest rate derivatives for hedge accounting.

(in US$ thousands)	31/12/2021	Income	OCI	31/12/2022
Current derivative financial assets	—	—	176	176
Current derivative financial liabilities	(797)	—	797	—
DERIVATIVE FINANCIAL INSTRUMENTS, NET	**(797)**	**—**	**973**	**176**

Note 5. FINANCIAL RISK & FAIR VALUE

Note 5.1 Risks of fluctuations in hydrocarbon prices

Historically, oil and gas prices have always been highly volatile and can be impacted by a wide variety of factors, such as the demand for hydrocarbons directly related to the general economy, production capacities and levels, government energy policies and speculative practices. The oil and gas industry's economy, and especially its profitability, are very sensitive to fluctuations in the price of hydrocarbons expressed in US dollars.

The Group's cash flows and future results are therefore strongly influenced by changes in the price of hydrocarbons expressed in US dollars.

Over 2022, the average price of Brent rose by 35% to $97.8/bbl versus $72.5/bbl in 2021.

A decrease of 10% in the price of oil from the average price in 2022 would have impacted sales and EBITDA by -$60 million..

Note 5.2 Foreign exchange risk

Given that its activity is to a large extent international, the Group is theoretically exposed to various types of foreign exchange risk:

- changes in foreign exchange rates affect the transactions recognised as operating income (sales flow, cost of sales, etc.);
- the revaluation at the closing rate of debts and receivables in foreign currencies generates a financial exchange risk;
- there is also a foreign exchange risk linked to the conversion into US dollars of the accounts of Group entities whose functional currency is the euro. The resulting exchange gain/loss is recorded in other comprehensive income.

In practice, this exposure is currently low, since sales, most operating expenses, most investments and the Group's borrowings are denominated in US dollars.

The Group's reporting and operating currencies are both US dollars.

The impact on consolidated income and on shareholders' equity as at 31 December 2022 of a 10% rise or fall in the EUR/USD exchange rate is shown below:

(in US$ thousands)	Impact on pre-tax income		Impact on exchange gain/loss (equity)	
	10% rise in €/US$ exchange	10% decline in €/US$ exchange	10% rise in €/US$ exchange	10% decline in €/US$
EUR equivalent	(3,279)	3,279	(9,943)	9,943
Other currencies				
TOTAL	**(3,279)**	**3,279**	**(9,943)**	**9,943**

The average annual EUR/USD exchange rate was up sharply to $1.05 for €1 in 2022 versus $1.18 for €1 in 2021. The EUR/USD exchange rate as at 31 December 2022 was 1.07 versus 1.13 at 31 December 2021.

The Group holds liquid assets primarily in US dollars to finance its projected investment expenses in that currency. There were no ongoing foreign exchange transactions as at 31 December 2022.

The Group's net consolidated foreign exchange position as at 31 December 2022 (i.e. positions on the currencies in which transactions were conducted) was $(31) million and can be analysed as follows:

(in US$ thousands)	Assets and liabilities	Commitments in foreign currency	Net position before hedging	Hedging instruments	Net position after hedging
Trade receivables and payables	13,763		13,763		13,763
Other creditors and sundry liabilities	(45,238)		(45,238)		(45,238)
EQUIVALENT EUR EXPOSURE	**(31,475)**	**—**	**(31,475)**	**—**	**(31,475)**

Note 5.3 Liquidity risk

Due to the nature of its industrial and commercial activity, the Group is exposed to liquidity shortage risks or risks that its financing strategy proves to be inadequate. These risks are exacerbated by oil price levels, which could affect the Group's ability to obtain refinancing if they were to remain low over the long term. A report on the sources of financing available as at 31 December 2022 appears in Note 4.4 "Borrowings and financial debt".

The Group's liquidity is detailed in the consolidated statements of cash flow drawn up weekly and sent to executive management.

Monthly, quarterly and year-end cash flow forecasts are prepared at the same time.

Earnings are compared to forecasts using those statements, which, in addition to liquidity, make it possible to assess the foreign exchange position.

As at 31 December 2022, the Group had cash and cash equivalents amounting to $138 million. To the Company's knowledge, there are no major limitations or restrictions on the raising of cash from the Group's subsidiaries, except for the countries referred to in Note 5.6 "Country risk".

The table below shows the breakdown of financial liabilities by contractual maturity:

(in US$ thousands)	2023	2024	2025	2026	2027	> 5 years	Total contractual flow	Total balance sheet
Shareholder loan	11,121	14,828	14,828	14,828	14,828	11,944	82,375	82,375
Accrued interests	5,234	4,240	3,218	2,209	1,200	226	16,327	—
Term Loan (188M$)	47,000	37,600	37,600	37,600	28,200		188,000	184,007
Revolving Credit Facility (67M$)	67,000						67,000	67,000
Accrued interests	13,513	9,703	6,760	3,823	1,042		34,841	947
Current bank loans								
Lease financing debt	1,843	1,947	894	945	998	2,264	8,891	8,891
TOTAL	**145,710**	**68,318**	**63,300**	**59,404**	**46,267**	**14,434**	**397,433**	**343,220**

In 2022 the Company was in compliance with all ratios set out in the term loan. The Group has conducted an in-depth review of its liquidity risk and future maturity dates and considers in consequence that it is able to meet its contractual maturities.

For information, as at 31 December 2021, the non-discounted contractual flows (principal and interest) on the outstanding financial liabilities, by maturity date, were as follows:

(in US$ thousands)	2022	2023	2024	2025	2026	> 5 years	Total contractual flow	Total balance sheet
Shareholder loan	15,625	28,000	45,000				88,625	88,625
Accrued interests	1,863	1,129	496				3,488	392
Term loan ($600m)	175,000	275,000		—			450,000	446,054
Accrued interests	9,664	4,777	—	—			14,441	216
Current bank loans								
Lease financing debt	537	537	296				1,369	1,369
TOTAL	**202,689**	**309,443**	**45,792**	**—**	**—**	**—**	**557,924**	**536,657**

Note 5.4 Interest rate risk

Like any company that uses external lines of credit and invests its excess cash, the Group is exposed to an interest rate risk.

The Group's consolidated gross debt as at 31 December 2022 amounted to $343 million. It mainly consisted of two floating-rate loans.

In 2022 the Group took out financial instruments to limit its exposure to interest rate risk, as per Note 4.4.1.

As at 31 December 2022, the interest rate risk can be assessed as follows:

(in US$ thousands)	31/12/2022	31/12/2021
Term Loan included RCF (255 M$)	251,954	446,271
Shareholder loan	82,375	89,017
Lease financing debt	8,891	1,369
Current bank loans and other	—	—
FLOATING RATE	**343,220**	**536,657**
BORROWINGS	**343,220**	**536,657**

A 100-basis point rise in interest rates would result in an additional interest expense of $1 million per year on the income statement.

A significant portion of cash is held in floating rate demand deposits.

The amendments to IFRS 7 Phase 2 and IFRS 9 in relation to the reform of interest rate benchmarks allow the effects of the interest rate reform to be disregarded as the Group has moved to the new benchmark rate, the SOFR, following its refinancing.

As at 31 December 2022, the Group's gross debt stood at $343 million, pegged to the SOFR.

Note 5.5 Counterparty risk

The Group is exposed to a credit risk due to loans and receivables that it grants to third parties as part of its operating activities, short-term deposits that it holds at banks, and, if applicable, derivative instrument assets that it holds.

(in US$ thousands)	31/12/2022		31/12/2021	
	Balance sheet total	Maximum exposure	Balance sheet total	Maximum exposure
Non-current financial assets	6,051	6,051	4,425	4,425
Other non-current assets	—	—	—	—
Trade receivables and related accounts	40,021	40,021	29,455	29,455
Current financial assets	87,676	87,676	13,148	13,148
Other current assets	29,564	29,564	97,339	97,339
Cash and cash equivalents	137,825	137,825	195,675	195,675
TOTAL	**301,137**	**301,137**	**340,042**	**340,042**

Maximum exposure corresponds to the balance sheet outstanding net of provisions. The Group believes that it does not incur any significant counterparty risk, as its production is mainly sold to leading trading companies. Guarantees are in place to cover outstanding amounts on gas sales in Tanzania. Other financial or non-financial current assets do not present any significant credit risk.

Note 5.6 Country risks

A significant proportion of the Group's production and reserves is located in countries outside the OECD area, some of which may be affected by political, social and economic instability. In recent years, some of these countries have experienced one or more of the following situations: economic and political instability, conflicts, social unrest, terrorist group actions, and the imposition of international economic sanctions. The occurrence and extent of incidents related to economic, social and political instability are unpredictable, but it is possible that such incidents may have a material adverse impact on the Group's production, reserves and activities in the future.

In addition, the Group conducts Exploration and Production activities in countries whose government and regulatory framework may be unexpectedly modified and where the application of tax rules and contractual rights is unpredictable. In addition, the Group's Exploration and Production activities in these countries are often conducted in collaboration with national entities, where the state exercises significant control. Interventions by governments in these countries, which may be strengthened, may affect a variety of areas, such as:

- the granting of, or refusal to grant, exploration and production mining rights;
- the imposition of specific drilling requirements;
- control over prices and/or production quotas as well as export quotas;
- higher taxes and royalties, including those related to retroactive claims, regulatory changes and tax adjustments;
- renegotiation of contracts;
- late payments;
- currency restrictions or currency devaluation.

If a host State intervenes in any of the above areas, the Group could be exposed to significant costs or see its production or the value of its assets decline, which could have a material adverse effect on the Group's financial position,

At the reporting date, no material restrictions that would limit the Group's ability to access or use its assets and settle its liabilities were recorded with regard to its activities in geographic regions that have been experiencing political or regulatory instability, or with regard to financing agreements of Group entities/projects (subsidiaries, joint ventures or associates). Country risk was taken into consideration in the impairment tests of fixed assets by applying a risk factor per country to the discount rate.

With regard to activities in Venezuela, the Group is taking the necessary steps to avoid falling within the scope of the US sanctions against Venezuela and, by extension, PDVSA. Consequently, the Group is not raising cash from this asset.

Note 5.7 Fair value

In accordance with IFRS 7, disclosures about financial instruments are detailed below.

Fair value positions according to the hierarchy set out in IFRS 13 are established based on the same assumptions as those presented for the consolidated financial statements as at 31 December 2021.

The application of IFRS 9 led to a review of the reporting of financial asset and liability categories, and these are now reported as follows (no major changes versus the reporting under IAS 39):

(in US$ thousands)			31/12/2022		31/12/2021	
	Categories	Level	Balance sheet total	Fair value	Balance sheet total	Fair value
Non-current financial assets	Amortised cost	Level 2	6,051	6,051	4,425	4,425
Trade receivables and related accounts	Amortised cost	Level 2	40,021	40,021	29,455	29,455
Other current financial assets	Amortised cost	Level 2	87,676	87,676	13,148	13,148
Derivative financial instruments	Fair value	Level 1	176	176	—	—
Cash and cash equivalents			137,825	137,825	195,675	195,675
TOTAL ASSETS			**271,749**	**271,749**	**242,703**	**242,703**
Borrowings and financial debt	Amortised cost	Level 2	343,220	343,220	536,657	536,657
Trade payables	Amortised cost	Level 2	68,842	68,842	51,350	51,350
Derivative financial instruments	Fair value	Level 1	—	—	797	797
Other creditors and sundry liabilities	Amortised cost	Level 2	111,829	111,829	132,979	132,979
TOTAL LIABILITIES			**523,890**	**523,890**	**721,783**	**721,783**

The net book value of financial assets and liabilities at the amortised cost is considered to correspond to a reasonable approximation of their fair value given their nature.

The net book value of the Group's cash corresponds to its fair value given that it is considered to be liquid.

The fair value of derivative financial instruments is obtained based on the market value of the instrument on the closing date.

Note 6 OTHER INFORMATION

Note 6.1 Income tax

The tax expense on the income statement includes the current tax expense or income and the deferred tax expense or income.

Deferred taxes are recorded based on the temporary differences between the book values of assets and liabilities and their tax bases. Deferred taxes are not discounted. Deferred tax assets and liabilities are measured based on the tax rates adopted or to be adopted on the closing date.

Deferred tax assets, resulting primarily from losses carried forward or temporary differences, are not taken into account unless their recovery is considered likely. To ascertain the Group's ability to recover these assets, factors taken into account include the following:

- the existence of sufficient temporary differences taxable by the same tax authority for the same taxable entity, which will create taxable amounts on which unused tax losses and tax credits may be charged before they expire; and

forecasts of future taxable income allowing prior tax losses to be offset.

The corporate income tax expense payable mainly corresponds to the recognition of notional corporate income tax and the discharge of tax receivables through the production sharing mechanism on the Ezanga permit, and to the income tax expense in Tanzania.

Deferred tax income primarily results from the depreciation of the temporary difference between recoverable costs from a tax perspective and the recognition of fixed assets in the consolidated financial statements for the Ezanga and Mnazi Bay permits.

Note 6.1.1 Reconciliation between the balance sheet total, tax liability and tax paid

(in US$ thousands)	Deferred tax	Current tax	Total
ASSETS AT 31/12/2021	**—**	**130**	**130**
LIABILITIES AT 31/12/2021	**(136,185)**	**(6,908)**	**(143,093)**
NET VALUE AT 31/12/2021	**(136,185)**	**(6,778)**	**(142,962)**
Tax expense	(27,620)	(117,845)	(145,465)
Settlement of tax debts		56,177	56,177
Payments		56,320	56,320
Currency translation adjustments	—	—	—
ASSETS AT 31/12/2022	**—**	**61**	**61**
LIABILITIES AT 31/12/2022	**(163,805)**	**(12,186)**	**(175,991)**
NET VALUE AT 31/12/2022	**(163,805)**	**(12,125)**	**(175,930)**

Note 6.1.2 Detail of tax expense for the year

(in US$ thousands)	31/12/2022	31/12/2021
Tax expense payable for the fiscal year	61,668	53,457
Tax risks	56,177	25,902
Deferred tax income or expense	27,620	(35,683)
TOTAL TAX EXPENSE	**145,465**	**43,675**

Note 6.1.3 Breakdown of deferred taxes

(in US$ thousands)	31/12/2022	31/12/2021
Valuation difference of property, plant and equipment	—	—
DEFERRED TAX ASSETS	**—**	**—**
Valuation difference of property, plant and equipment	(163,805)	(136,185)
DEFERRED TAX LIABILITIES	**(163,805)**	**(136,185)**
NET DEFERRED TAX	**(163,805)**	**(136,185)**

Note 6.1.4 Reconciliation between the tax expense and income before tax

(in US$ thousands)	31/12/2022	31/12/2021
Income before tax from continuing operatons	351,354	164,630
- Net income from equity associates	*22,404*	*22,936*
INCOME BEFORE TAX EXCLUDING EQUITY ASSOCIATES	**328,950**	**141,694**
Distortion taxable base	(261,179)	(152,371)
TAXABLE INCOME	**67,771**	**(10,677)**
(A) THEORETICAL TAX INCOME	**(16,943)**	**3,559**
(B) TAX RECOGNISED IN INCOME	**(145,465)**	**(43,675)**
DIFFERENCE (B-A)	**(128,522)**	**(47,233)**
- Baseline difference	*(62,443)*	*5,296*
-Settlementoftaxdebts	*(56,177)*	*(25,902)*
- Period shift	—	—
- Non-activated deficits and other	*(9,901)*	*(26,628)*

Note 6.2 Earnings per share

Two earnings per share are presented: the basic net earnings per share and the diluted earnings per share. In accordance with IAS 33, diluted earnings per share is equal to the net income attributable to holders of ordinary shares arising from the parent company divided by the weighted average number of ordinary shares outstanding during the period, after adjusting the numerator and denominator for the impact of any potentially dilutive ordinary shares. Potential ordinary shares are treated as dilutive if, and only if, their conversion to ordinary shares has the effect of reducing earnings per share from the ordinary activities undertaken. Treasury shares are not taken into account in the calculation.

	31/12/2022	31/12/2021
NET INCOME (GROUP SHARE) FOR THE PERIOD *(IN US$ THOUSANDS)*	**204,817**	**119,732**
Share capital	201,262	201,262
Treasury shares	2,507	3,645
AVERAGE NUMBER OF SHARES OUTSTANDING	**197,983**	**196,702**
NUMBER OF DILUTED SHARES	**198,779**	**197,646**
EARNINGS PER SHARE *(US$)*		
Basic	1.03	0.61
Diluted	1.03	0.61

Note 6.3 Shareholders’ equity

Treasury shares are recognised as a reduction of shareholders’ equity evaluated at acquisition cost..

Subsequent changes in fair value are not taken into account. Similarly, proceeds from the disposal of treasury shares do not affect net income for the fiscal year.

Bonus shares allocated by Maurel & Prom to its employees are recognised under personnel expenses once granted and are spread over the vesting period; the method by which they are spread depends on the respective vesting conditions of each plan. The fair value of bonus shares is determined in line with the share price on the allocation date (minus discounted future dividends).

As at 31 December 2022, there were 201,261,570 company shares, including 2,507,406 treasury shares (i.e. 1.25% of share capital for a gross value of €19 million at the end of 2022). Share capital stood at €154,971,408.90.

	Number of shares	Treasury shares	Liquidity agreement	Treasury stock
At 31/12/2020	**201,261,570**	**4,559,335**	**259,817**	**4,299,518**
- Share distribution		(867,720)		(867,720)
- Liquidity agreement movements		(46,507)	(46,507)	
At 31/12/2021	**201,261,570**	**3,645,108**	**213,310**	**3,431,798**
- Share distribution		(1,003,581)		(1,003,581)
- Liquidity agreement movements		(134,121)	(134,121)	
AT 31/12/2022	**201,261,570**	**2,507,406**	**79,189**	**2,428,217**

The bonus share allocations are as follows: :

Date of allocation decision	Planned vesting date (a)	Number of shares
08/06/2020	08/06/2023	401,500
08/03/2021	08/03/2023	426,533
08/03/2021	08/03/2024	426,533
08/04/2022	08/04/2024	664,200
08/06/2020	08/03/2023	244,698
08/03/2021	08/03/2024	227,388
08/03/2022	03/31/2025	91,575
Total		**2,482,427**

(a) The minimum lock-in period for the shares held by beneficiaries is set at one year from the vesting date. All of these plans are subject to performance conditions..

Note 6.4 Related parties

(in US$ thousands)	Income	Expenses	Amount due from related parties (net)	Amount payable to related parties
1) Equity associates				
2) Other related parties				
PIEP		(2,424)		82,375

Note 6.5 Off-balance-sheet commitments - Contingent assets and liabilities

Note 6.5.1 Work commitments

Oil-related work commitments are valued based on the budgets approved with partners. They are revised on numerous occasions during the fiscal year depending on aspects such as the results of oil work carried out.

The contractual commitments made to States in the context of the permits are limited to 4 mandatory wells: 2 in Gabon, 1 in Colombia and 1 in Namibia. No information has been provided relating to equity associates.

Note 6.5.2 Lease commitments: IFRS 16 impact

The Group decided to apply IFRS 16 as from 1 January 2019, using the simplified retrospective method, and to apply the permitted exemptions as described in the consolidated financial statements as at 31 December 2021. On this basis, only the 2022 renewal of the lease agreement for the Paris head office building has been identified as falling within the scope of IFRS 16. No other contracts were subject to IFRS 16 in 2022.

FIXED ASSET NCA AT 01/01/2022	**—**
DEBT AT 01/01/2022	**—**
IMPACT ON SHAREHOLDERS' EQUITY AT 01/01/2022	**—**
Right-of-use assets	8,626
Lease liabilities	8,626
Amortisation	(868)
Capital repayment	(696)
Interest expense	(415)
Cancellation of lease expense	1,103
FIXED ASSET NCA AT 31/12/2022	**7,758**
DEBT AT 31/12/2022	**7,930**
IMPACT ON SHAREHOLDERS' EQUITY AT 31/12/2022	**(181)**

Impact of P&L presentation 31/12/2022	IAS 17 Previous standard	IFRS 16
Rents	(1,103)	
EBIT	**(1,103)**	**—**
Depreciation and amortisation		(868)
EBITDA	**(1,103)**	**(868)**
Net finance costs		(415)
NET INCOME BEFORE TAX	**(1,103)**	**(1,284)**

Note 6.5.3 $255-million Term Loan

Maurel & Prom West Africa S.A., sole and whole owner of Maurel & Prom Gabon, took out a $255 million term loan on 12 May 2022. This loan is guaranteed by the parent company Établissements Maurel & Prom. The borrower also benefits from the financial support of the Group's main shareholder, PT Pertamina Internasional Eksplorasi dan Produksi (PIEP), should it fail to meet its payment obligations under this loan.

No Group assets have been pledged as collateral. However, restrictions on the use of certain bank accounts of Maurel & Prom Gabon and Maurel & Prom West Africa were specified in the event of default on this loan (except in certain cases).

Furthermore, under the terms of this loan, the Group has undertaken to meet certain financial ratios as at 30 June and 31 December of each year:

- ratio for the Group's consolidated net debt to EBITDAX (earnings before interest, taxes, depreciation, amortisation and impairment net of the impact of foreign exchange gains and losses and exploration costs) not to exceed 4.00 :1.00, calculated over a 12-month period prior to the reference date;
- the Group's debt service cover ratio (DSCR) calculated over the six months preceding the reference date, to be higher than 3.50 :1.00; and
- Group Tangible Net Worth, restated for the Group's oil and gas intangible assets, to exceed $500 million at each reference date.

These ratios were met in fiscal 2022.

The Group is also committed to maintaining a minimum consolidated amount of $75 million cash in their bank accounts, failing which it would be forced to draw on the unused portion of the PIEP shareholder loan described above.

Following the refinancing, Maurel & Prom is no longer limited in the amount of dividends it can distribute.

Note 6.5.4 Agreements with PIEP

In connection with the December 2017 Term Loan, the Group entered into a subordination agreement whereby certain liabilities to PIEP are subordinated to the repayment of the bank Term Loan.

In connection with the December 2017 Term Loan, the Group entered into a Sponsor Support Agreement with PIEP and the credit agent under which PIEP agreed to make available to the Group the necessary funds in the event of a default under the new loan.

Note 6.5.6 Contractual commitments in Gabon

Under the terms of the agreement to acquire the Gabonese asset and subsequent amendments thereto entered into with the Gabonese government, Rockover and Masasa Trust in February 2005, Maurel & Prom is obliged to pay:

– 1.4% of production valued at the official sale price, paid monthly;

– a royalty amounting to $0.65 for every barrel produced from the date that total production in all licensed zones has exceeded 80 mmbbls (during the month of September 2019); and

– 5% on production from the sole Banio field, valued at the official sale price, when total production from this field exceeds 3.865 million barrels;

– 2% of total available production, valued at the official sale price, up to 30 mmbbls and 1.5% above this limit, based on production from operating permits with the Nyanga-Mayombé exploration permit. This commitment is recognised in expenses commensurate with production, knowing that production in the Banio field (the only Nyanga-Mayombé exploration permit to date) is currently suspended.

Note 6.6 Group workforce

As at 31 December 2022, the Group had 707 employees.

Note 6.7 Executive remuneration

Principal Officers include the management team composed of the Chairman, executive management and members of the Board of Directors.

Their remuneration is included in the expenses for the period, irrespective of the amounts paid.

(in US$ thousands)	31/12/2022	31/12/2021
Short-term benefits	1,953	1,925
Share-based payment	474	601
TOTAL	**2,427**	**2,525**

Note 6.8 Auditors' fees

Fees paid to Statutory Auditors (including members of their networks) are analysed below:

(in US$ thousands)				2022				2021
		KPMG		IAC		KPMG		IAC
	Amount	%	Amount	%	Amount	%	Amount	%
Audit								
Statutory audit, certification, review of individual and consolidated financial statements:								
- Issuer	627	60 %	379	69 %	673	72 %	395	84 %
- Fully consolidated	207	20 %	63	11 %	200	21 %	67	14 %
Other work and services directly related to the audit assignment:								
- Issuer	212	20 %	106	19 %	66	7 %	11	2 %
- Fully consolidated	—	— %	—	— %	—	0 %	—	0 %
Other services provided by the networks to fully consolidated subsidiaries								
TOTAL	**1,046**	**100 %**	**548**	**100 %**	**939**	**100 %**	**473**	**100 %**

Note 6.9 Events after the reporting period

In Colombia, the Oveja-1 well, drilled in sequence with the Zorro-1 well, reached its final depth of 884 metres in nine days. Oveja-1 found the Lower Socha reservoir at a depth of 670 metres, with oil shows comparable to those of Zorro-1. The various measurements carried out did not indicate the presence of producible hydrocarbons, and the abandonment of the well was completed in February 2023. These two wells mark the end of M&P's mandatory work within the COR-15 permit.