



KNOT

Offshore Partners LP

Fourth Quarter 2022

March 15, 2023
(NYSE:KNOP)



Forward Looking Statements

This presentation contains certain forward-looking statements (as defined in Section 21E of the Securities Exchange Act of 1934, as amended) that reflect management's current view and involve known and unknown risks and are based upon assumptions and estimates that are inherently subject to significant uncertainties and contingencies, many of which are beyond the control of KNOP Offshore Partners LP ("KNOP"). Actual results may differ materially from those expressed or implied by such forward-looking statements.

All forward-looking statements included in this presentation are made only as of the date of this presentation. KNOP disclaims any obligation and does not intend to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in KNOP's views and expectations with respect thereto or any change in events, conditions or circumstances on which any such statement is based.

There are many factors that may cause actual results to differ from those expressed or implied by these forward-looking statements such as, but not limited to, the following: market trends in the shuttle tanker or general tanker industries, including hire rates, factors affecting supply and demand, and opportunities for the profitable operations of shuttle tankers and conventional tankers; market trends in the production of oil in the North Sea, Brazil and elsewhere; the ability of Knutsen NYK Offshore Tankers AS ("Knutsen NYK") and KNOP to build shuttle tankers and the timing of the delivery and acceptance of any such vessels by their respective charterers; KNOP's ability to purchase vessels from Knutsen NYK in the future; KNOP's ability to enter into long-term charters, which KNOP defines as charters of five years or more, or shorter-term charters or voyage contracts; KNOP's distribution policy, forecasts of KNOP's ability to make distributions on its common units, Class B Units and Series A Preferred Units, the amount of any such distributions and any changes in such distributions; KNOP's ability to integrate and realize the expected benefits from acquisitions; the effects of outbreaks of pandemic or contagious diseases, including the length and severity of the outbreak of COVID-19, including its impact on KNOP's business, cash flows and operations as well as the business and operations of its customers, suppliers and lenders; KNOP's anticipated growth strategies; the effects of a worldwide or regional economic slowdown; turmoil in the global financial markets; fluctuations in currencies, inflation and interest rates; fluctuations in the price of oil; general market conditions, including fluctuations in hire rates and vessel values; changes in KNOP's operating expenses, including drydocking and insurance costs and bunker prices; recoveries under KNOP's insurance policies; the length and cost of drydocking; KNOP's future financial condition or results of operations and future revenues and expenses; the repayment of debt and settling of any interest rate swaps; KNOP's ability to refinance its indebtedness on acceptable terms and on a timely basis and to make additional borrowings and to access debt and equity markets; planned capital expenditures and availability of capital resources to fund capital expenditures; KNOP's ability to maintain long-term relationships with major users of shuttle tonnage; KNOP's ability to leverage Knutsen NYK's relationships and reputation in the shipping industry; KNOP's ability to maximize the use of its vessels, including the re-deployment or disposition of vessels no longer under charter; the financial condition of KNOP's existing or future customers and their ability to fulfill their charter obligations; timely purchases and deliveries of newbuilds; future purchase prices of newbuilds and secondhand vessels; any impairment of the value of KNOP's vessels; KNOP's ability to compete successfully for future chartering and newbuild opportunities; acceptance of a vessel by its charterer; the impact of the Russian war with Ukraine; termination dates and extensions of charters; the expected cost of, and KNOP's ability to, comply with governmental regulations and maritime self-regulatory organization standards, as well as standard regulations imposed by its charterers applicable to KNOP's business; availability of skilled labor, vessel crews and management, including possible disruptions due to the COVID-19 outbreak; KNOP's general and administrative expenses and its fees and expenses payable under the technical management agreements, the management and administration agreements and the administrative services agreement; the anticipated taxation of KNOP and distributions to its unitholders; estimated future capital expenditures; Marshall Islands economic substance requirements; KNOP's ability to retain key employees; customers' increasing emphasis on climate, environmental and safety concerns; potential liability from any pending or future litigation; potential disruption of shipping routes due to accidents, political events, piracy or acts by terrorists; future sales of KNOP's securities in the public market; KNOP's business strategy and other plans and objectives for future operations; and other factors listed from time to time in the reports and other documents that KNOP files with the U.S. Securities and Exchange Commission, including its Annual Report on Form 20-F for the year ended December 31, 2021, and subsequent reports on Form 6-K.

Fourth Quarter 2022 and Subsequent Highlights – 1

- Announced cash distribution of \$0.026 per common unit under 1099 structure, the 39th consecutive distribution overall since the Partnership first listed in 2013.
- Fleet operated with 96.1% utilization for scheduled operations, and 94.9% utilization taking into account the scheduled drydocking of the *Carmen Knutsen*.
- Signed six new charters and extensions since the end of the fourth quarter of 2022.
- Contract developments in the fourth quarter of 2022 and subsequent:
 - On November 29, 2022, Repsol Sinopec, the charterer of the ***Carmen Knutsen***, confirmed its option to extend the existing time charter of the vessel by one further year. The vessel is now fixed until January 2024, with Repsol Sinopec holding options to extend the time charter by two further one-year periods.
 - The ***Tordis Knutsen*** has been operating under a time charter agreement with a subsidiary of TotalEnergies, which commenced on September 10, 2022 for a fixed period of three months, with charterer's options to extend the charter by up to two further three-month periods. TotalEnergies exercised both of these options and therefore the vessel is now fixed until June 2023, at which time she is expected to be delivered to Shell to commence on a three-year charter.
 - The ***Lena Knutsen*** has been operating under a time charter agreement with a subsidiary of TotalEnergies, which commenced on August 21, 2022 for a fixed period of six months, with a charterer's option to extend the charter by one further six-month period. TotalEnergies has exercised that option and the vessel is now fixed until August 2023, at which time she is expected to be delivered to Shell to commence on a three-year charter.
 - The ***Bodil Knutsen*** operated a rolling one-month time charter contract with a subsidiary of the Partnership's sponsor, Knutsen NYK Offshore Tankers AS ("Knutsen NYK") at a reduced charter rate until March 7, 2023, thereafter we have agreed to extend this time charter on a fixed-term basis until on or around December 31, 2023, or such time as the vessel is delivered to Equinor (for its fixed charter of two years, with charterer's options to extend by two further one-year periods).
 - The ***Hilda Knutsen*** continues to operate under a time charter contract with Knutsen NYK at a reduced charter rate, and which now expires in January 2024 unless terminated by either party on giving not less than 30 days' notice.
 - The ***Torill Knutsen*** was redelivered to the Partnership from its previous charterer on December 17, 2022, and the vessel subsequently performed a number of spot voyages, including in the conventional tanker market. Since March 1, 2023, the vessel has operated under a time charter to Knutsen NYK on a fixed-term basis that expires on or around December 31, 2023 at a reduced charter rate.

Fourth Quarter 2022 and Subsequent Highlights – 2

- The ***Ingrid Knutsen*** was redelivered to the Partnership from its previous charterer on January 2, 2023, and the vessel subsequently performed a number of spot voyages, including in the conventional tanker market. On February 17, 2023, the Partnership entered into a new fixed ten-month time charter contract with Altera, which commenced on March 2, 2023, and which will expire as the vessel then commences on its fixed three-year charter with Eni in January 2024 (with Eni having options to extend the charter by up to three further years).
- The ***Windsor Knutsen*** was delivered to Shell on January 11, 2023, commencing on a fixed one-year charter, with Shell also having an option to extend the charter by one further year.
- The current bareboat charters of the ***Fortaleza Knutsen*** and ***Recife Knutsen*** with Transpetro are due to expire in March 2023 and August 2023 respectively. The Partnership has agreed commercial terms for a new multi-year time charter contract for each of these two vessels with the existing charterer to commence directly upon expiration of the existing bareboat charters. The signing of the new time charter contracts remains subject to the charterer's management approval.
- The increased market activity in Brazil, where 14 of our 18 vessels operate, continued in the fourth quarter and to-date, and we expect this will persist based on current market parameters and conditions.
- The North Sea time charter market, where currently 4 of our 18 vessels operate, remains subdued, taking longer to return to the predicted higher levels of oil production and shuttle tanker demand, however we have secured a level of income for all of these four vessels in 2023, with the ***Bodil Knutsen*** and the ***Ingrid Knutsen*** now secured until at least the fourth quarter of 2025 and 2026 respectively.
- At December 31, 2022, the Partnership had \$47.6 million in available liquidity and the fleet had an average age of 8.7 years, with each vessel having an estimated useful life of 23 years.

Income Statement

| <i>Unaudited, USD thousands</i> | 4Q 2022 | 3Q 2022 | 2Q 2022 | 1Q 2022 | 4Q 2021 | FY 2022 | FY 2021 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|
| Time charter and bareboat revenues | 66,084 | 67,738 | 63,788 | 65,187 | 70,637 | 262,797 | 269,306 |
| Voyage revenues | 4,689 | — | — | — | — | 4,689 | — |
| Loss of hire insurance recoveries | 758 | — | — | — | 1,154 | 758 | 11,450 |
| Other income | 83 | 78 | 171 | 9 | 342 | 341 | 373 |
| Total revenues | 71,614 | 67,816 | 63,959 | 65,196 | 72,133 | 268,585 | 281,129 |
| Vessel operating expenses | (19,820) | (23,127) | (23,024) | (20,061) | (18,501) | (86,032) | (72,114) |
| Voyage expenses and commission | (2,814) | — | — | — | — | (2,814) | — |
| Depreciation | (27,785) | (27,638) | (26,059) | (25,937) | (25,974) | (107,419) | (99,559) |
| Impairment ⁽¹⁾ | — | — | — | — | — | — | (29,421) |
| General and administrative expenses | (1,606) | (1,366) | (1,428) | (1,698) | (1,633) | (6,098) | (6,461) |
| Total operating expenses | (52,025) | (52,131) | (50,511) | (47,696) | (46,108) | (202,363) | (207,555) |
| Operating income | 19,589 | 15,685 | 13,448 | 17,500 | 26,025 | 66,222 | 73,574 |
| Interest income | 472 | 289 | 59 | 2 | — | 822 | 2 |
| Interest expense | (15,358) | (12,220) | (8,301) | (6,725) | (6,646) | (42,604) | (28,065) |
| Realized and unrealized gain / (loss) on derivative instruments | 1,663 | 12,374 | 5,116 | 16,357 | 4,146 | 35,510 | 9,960 |
| Other financial items | (22) | 24 | (268) | (142) | (277) | (408) | (1,107) |
| Income before income taxes | 6,344 | 16,152 | 10,054 | 26,992 | 23,248 | 59,542 | 54,364 |
| Income tax benefit / (expense) | (317) | (180) | (166) | (212) | (115) | (875) | (488) |
| Net income | 6,027 | 15,972 | 9,888 | 26,780 | 23,133 | 58,667 | 53,876 |

(1) The carrying value of the *Windsor Knutsen* was written down to its estimated fair value as of June 30, 2021, principally as the carrying value of the vessel in the Partnership's accounts included both the cost of the vessel and the cost of conversion of the vessel to a shuttle tanker from a conventional tanker. There are no other similar converted vessels in the Partnership's fleet.

Balance Sheet

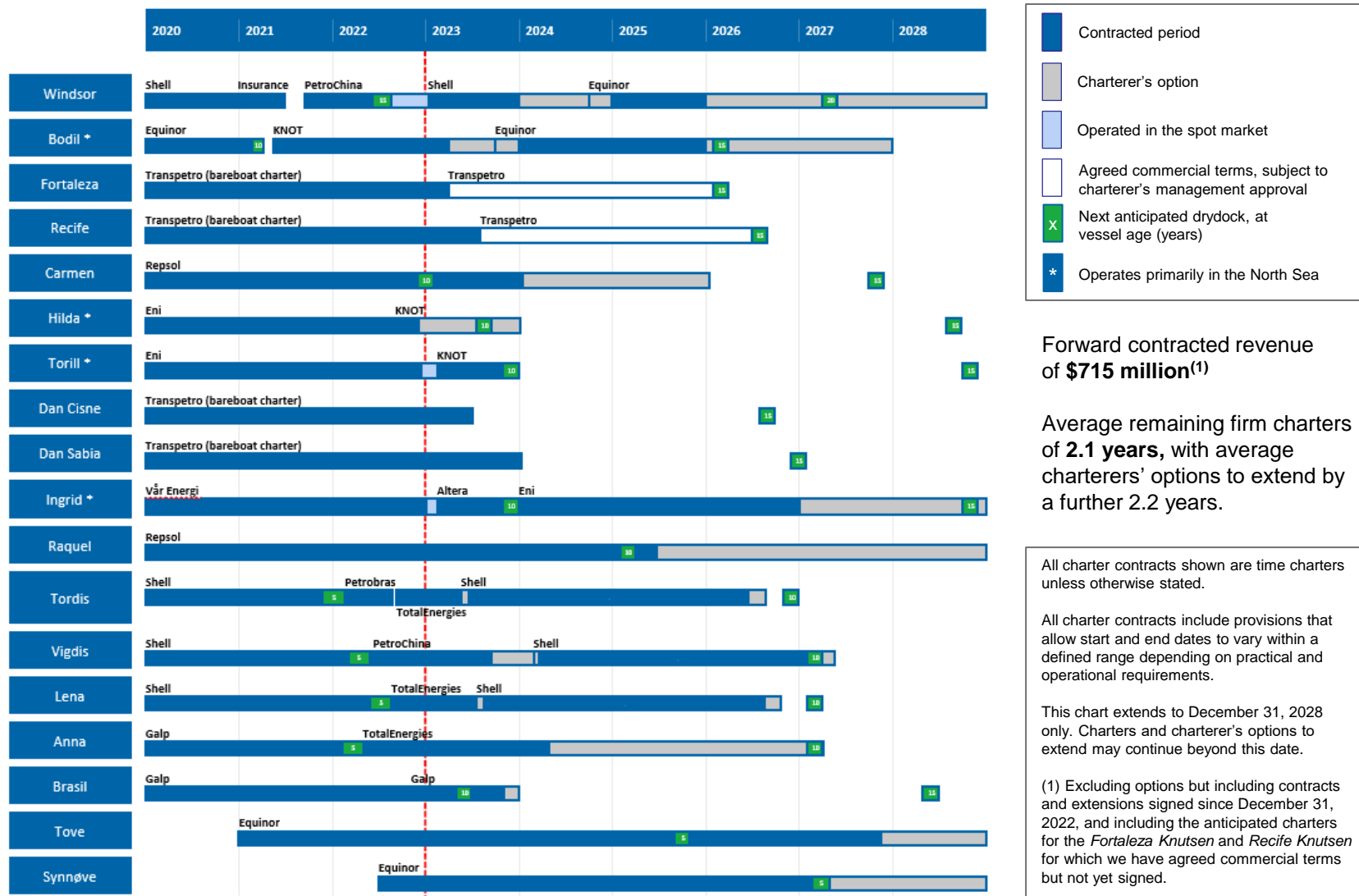
| <i>Unaudited, USD thousands</i> | At Dec 31, 2022 | At Dec 31, 2021 | | At Dec 31, 2022 | At Dec 31, 2021 |
|----------------------------------|--------------------|--------------------|-------------------------------------|--------------------|--------------------|
| Current assets: | | | Current liabilities: | | |
| Cash and cash equivalents | 47,579 | 62,293 | Current portion of long-term debt | 369,787 | 88,578 |
| Inventories | 5,759 | 3,306 | Derivative liabilities | — | 6,754 |
| Amounts due from related parties | 1,998 | 2,668 | Contract liabilities | 651 | 1,518 |
| Derivative assets | 15,070 | — | Current lease liabilities | 715 | 648 |
| Other current assets | 15,528 | 5,626 | Other current liabilities | 18,839 | 18,459 |
| Total current assets | 85,934 | 73,893 | Total current liabilities | 389,992 | 115,957 |
| Long-term assets: | | | Long-term liabilities: | | |
| Net vessels and equipment | 1,631,380 | 1,598,106 | Long-term debt | 686,601 | 878,548 |
| Right-of-use assets | 2,261 | 2,742 | Lease liabilities | 1,546 | 2,093 |
| Intangible assets, net | — | 75 | Derivative liabilities | — | 4,260 |
| Derivative assets | 14,378 | 1,015 | Contract liabilities | — | 651 |
| Accrued income | — | 1,450 | Deferred tax liabilities | 424 | 228 |
| | | | Deferred revenues | 3,178 | 2,529 |
| Total long-term assets | 1,648,019 | 1,603,388 | Total long-term liabilities | 691,749 | 888,309 |
| | | | Convertible Preferred Units | 84,308 | 84,308 |
| | | | Total partners' equity | 567,904 | 588,707 |
| Total assets | 1,733,953 | 1,677,281 | Total equity and liabilities | 1,733,953 | 1,677,281 |

Adjusted EBITDA

| <i>Unaudited, USD thousands</i> | 4Q 2022 | 3Q 2022 | 2Q 2022 | 1Q 2022 | 4Q 2021 | FY 2022 | FY 2021 |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|
| Net income | 6,027 | 15,972 | 9,888 | 26,780 | 23,133 | 58,667 | 53,876 |
| Interest income | (472) | (289) | (59) | (2) | — | (822) | (2) |
| Interest expense | 15,358 | 12,220 | 8,301 | 6,725 | 6,646 | 42,604 | 28,065 |
| Depreciation | 27,785 | 27,638 | 26,059 | 25,937 | 25,974 | 107,419 | 99,559 |
| Impairment ⁽¹⁾ | — | — | — | — | — | — | 29,421 |
| Income tax (benefits) expense | 317 | 180 | 166 | 212 | 115 | 875 | 488 |
| EBITDA | 49,015 | 55,721 | 44,355 | 59,652 | 55,868 | 208,743 | 211,407 |
| Other financial items ⁽²⁾ | (1,641) | (12,398) | (4,848) | (16,215) | (3,869) | (35,102) | (8,853) |
| Adjusted EBITDA ⁽³⁾ | 47,374 | 43,323 | 39,507 | 43,437 | 51,999 | 173,641 | 202,554 |

1. The carrying value of the *Windsor Knutsen* was written down to its estimated fair value as of June 30, 2021, principally as the carrying value of the vessel in the Partnership's accounts included both the cost of the vessel and the cost of conversion of the vessel to a shuttle tanker from a conventional tanker. There are no other similar converted vessels in the Partnership's fleet.
2. Other financial items consist of other finance expense, realized and unrealized gain (loss) on derivative instruments and net gain (loss) on foreign currency transactions.
3. Adjusted EBITDA is a non-GAAP financial measure used by management and external users of our financial statements. Please see the Appendix for a definition of Adjusted EBITDA.

Forward Contracted Revenue Backed by Leading Energy Companies



Forward contracted revenue of **\$715 million⁽¹⁾**

Average remaining firm charters of **2.1 years**, with average charterers' options to extend by a further 2.2 years.

All charter contracts shown are time charters unless otherwise stated.

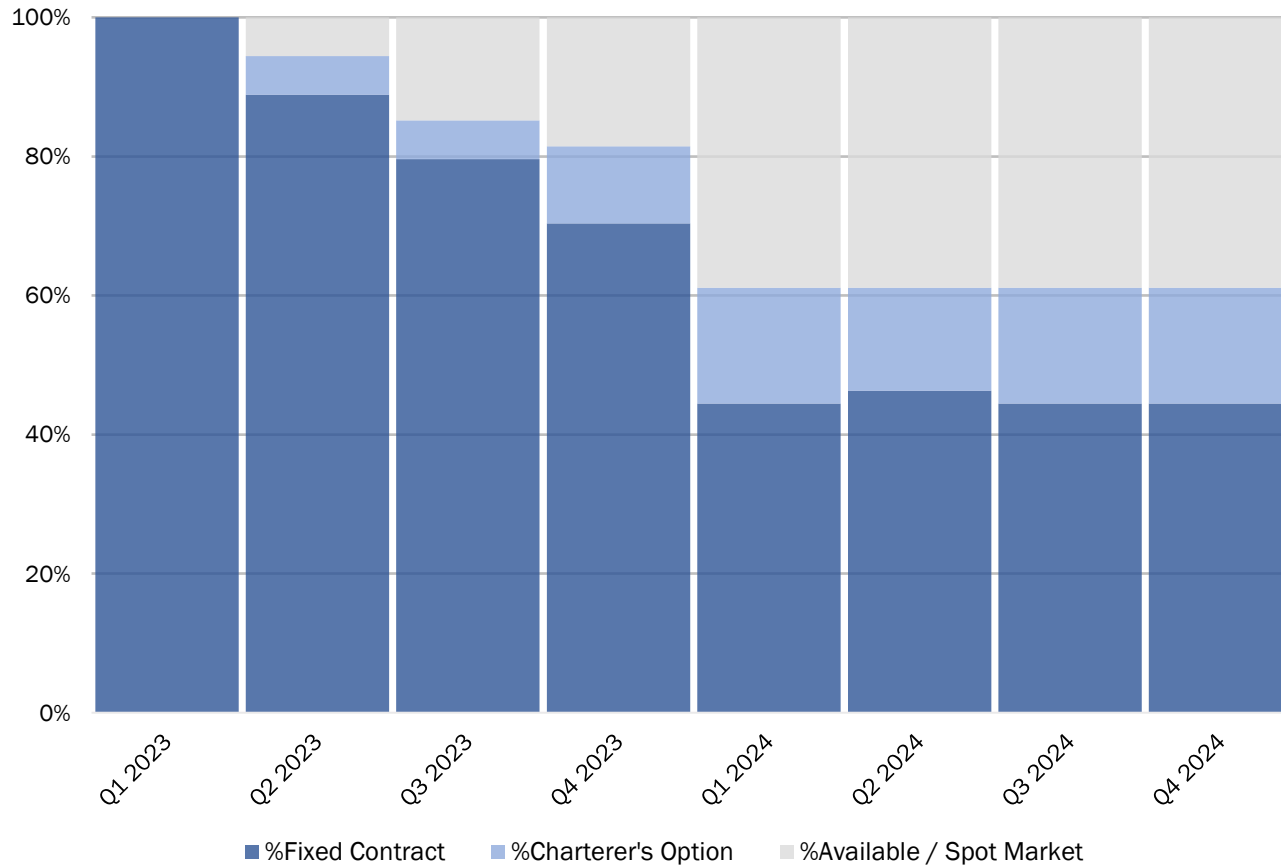
All charter contracts include provisions that allow start and end dates to vary within a defined range depending on practical and operational requirements.

This chart extends to December 31, 2028 only. Charters and charterer's options to extend may continue beyond this date.

(1) Excluding options but including contracts and extensions signed since December 31, 2022, and including the anticipated charters for the *Fortaleza Knutsen* and *Recife Knutsen* for which we have agreed commercial terms but not yet signed.

Forward Contract Coverage

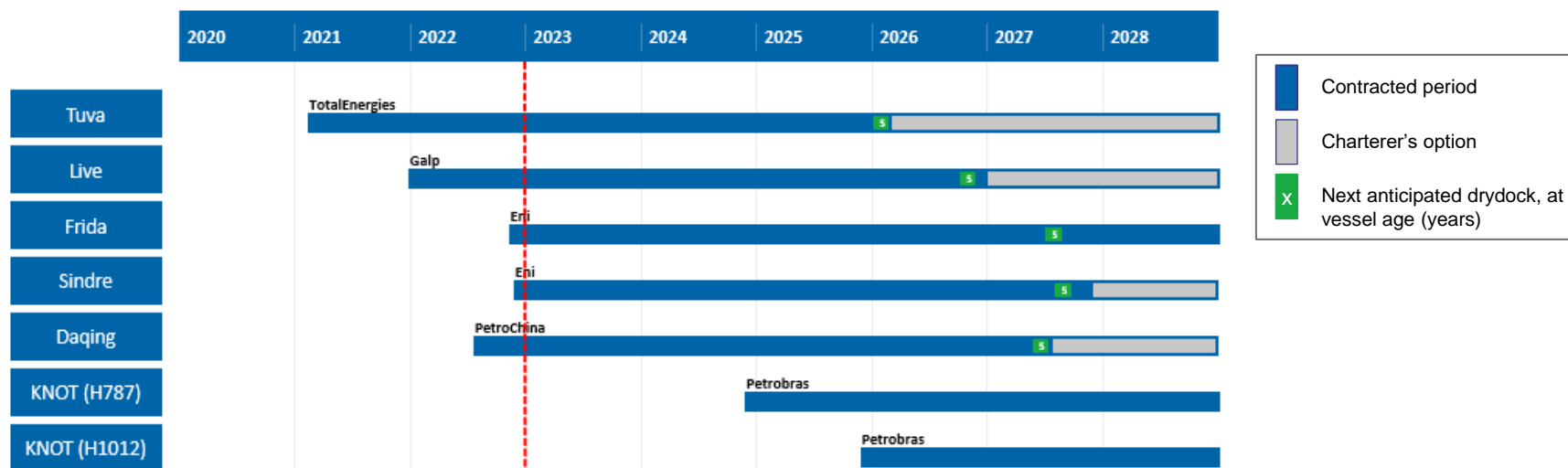
Working to fill uncontracted vessel days*



* Excludes the anticipated charters for the *Fortaleza Knutsen* and *Recife Knutsen* for which we have agreed commercial terms but not yet signed.

Dropdown Inventory at Sponsor – Potential Acquisitions

Average firm contracted charter length of **7.4 years** (from charter commencement), with charterers' options to extend by a further **5.9 years** on average.



Notes:

These timelines show the actual or expected charter contract periods and not the dates that the vessels were / will be delivered to Knutsen NYK from the yard.

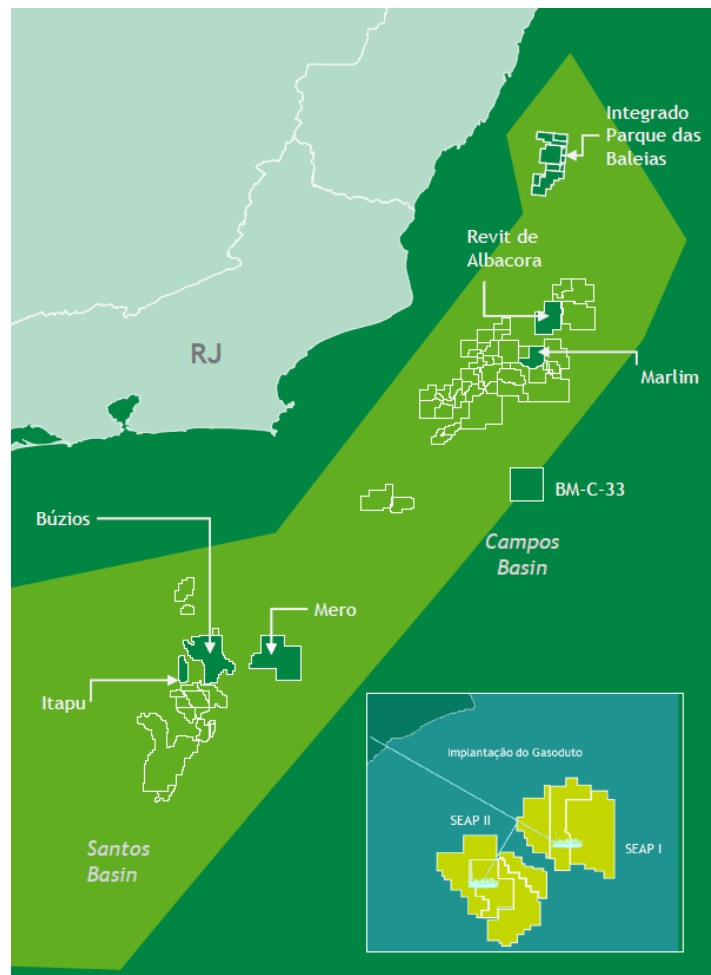
All charter contracts shown are time charters unless otherwise stated.

All charter contracts include provisions that allow start and end dates to vary within a defined range depending on practical and operational requirements.

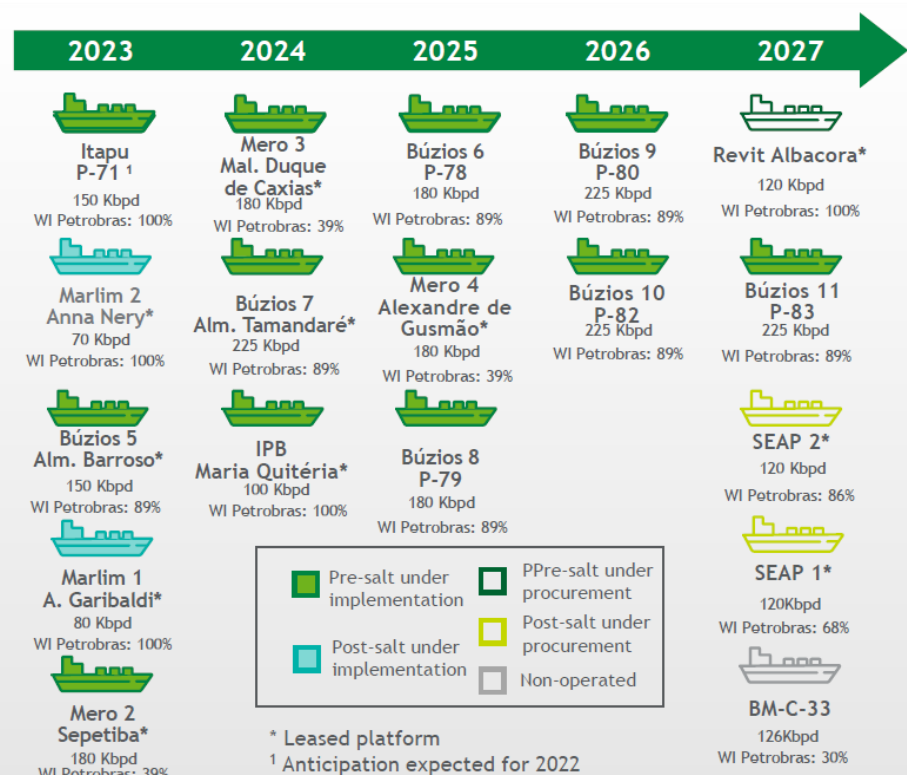
This charter diagram extends to December 31, 2028 only, and the charters or the charterer's options to extend the charters, in all cases, extend beyond this date.

The acquisition by KNOP of any dropdown vessels in the future is subject to approval of the independent Conflicts Committee as well as the board of directors of each of KNOP and Knutsen NYK. There can be no assurance that any potential acquisitions will actually occur.

FPSO Ordering and Deliveries Continuing At Pace in Brazil



Implementation of 18 FPSOs, about 50% of the world's FPSOs



Source: Petrobras Strategic Plan 2023-2027, published November 30, 2022, page 64.
<https://www.investidorpetrobras.com.br/en/presentations-reports-and-events/presentations/>

Shuttle Tanker Orderbook Remains Muted In Face of Growing Demand

| Built | Owner | Vessel name | Contract type | Trading Area | In Service |
|-------|--------|-----------------|---------------|--------------|------------|
| 2021 | ALTERA | ALTERA WAVE | COA | North Sea | Y |
| | AET | EAGLE PILAR | TC | Brazil | Y |
| | ALTERA | ALTERA WIND | COA | North Sea | Y |
| | KNOT | TUVA KNUITSEN | TC | Brazil | Y |
| | KNOT | LIVE KNUITSEN | TC | Brazil | Y |
| 2022 | AET | EAGLE CAMPOS | TC | Brazil | Y |
| | ALTERA | ALTERA THULE | TC | Canada | Y |
| | AET | EAGLE CANOAS | TC | Brazil | Y |
| | AET | EAGLE COLOMBO | TC | Brazil | Y |
| | AET | EAGLE COLAINA | TC | Brazil | Y |
| | AET | EAGLE CAMBE | TC | Brazil | Y |
| | AET | EAGLE CRATO | TC | Brazil | Y |
| | KNOT | FRIDA KNUITSEN | TC | Barents | Y |
| | KNOT | DAQING KNUITSEN | TC | Brazil | Y |
| | TSAKOS | PORTO | TC | Brazil | Y |
| | KNOT | SINDRE KNUITSEN | TC | Barents | Y |
| 2023 | SNS | SNS#1 | TC | Brazil | N |
| | SNS | SNS#2 | TC | Brazil | N |
| 2024 | KNOT | KNOT1 | TC | Brazil | N |
| 2025 | KNOT | KNOT2 | TC | Brazil | N |
| | TSAKOS | TSAKOS1 | TC | Brazil | N |
| | TSAKOS | TSAKOS2 | TC | Brazil | N |

- As a result of limited ordering activity, as well as the main shipyards being effectively full with containership and LNG carrier orders through 2025, we expect only 6 shuttle tankers to enter the market before the end of 2025, all of which are understood to be assigned to long-term charters, representing about 8% of the total global fleet.
- Set against anticipated production start-ups from ordered or delivered FPSOs, this limited shuttle tanker supply growth should tighten the mid-term charter market.
- Newbuild shuttle tanker prices remain elevated, up around 30%+ since the second half of 2021 as a result of tight shipyard capacity and higher input prices for steel and labor, all of which helps the competitiveness of the existing fleet.

Summary and Near-term Priorities



Fourth quarter 2022 summary:

- Fleet operated with 96.1% utilization for scheduled operations, and 94.9% utilization taking into account the scheduled drydocking of the *Carmen Knutsen*.
- Announced cash distribution of \$0.026 per common unit under 1099 structure, the 39th consecutive distribution overall since the Partnership first listed in 2013.
- Commenced discussions with lenders for refinancings.
- Subsequently signed six new charters and extensions since the end of the fourth quarter of 2022 and agreed commercial terms for multi-year charters for two further vessels.

Near-term priorities:

- Continue to focus on safety as our number one priority.
- Work to close upcoming refinancings on timely basis.
- Maintain high scheduled operational utilization in line with our historic track record.
- Plan for 2023 scheduled drydocks.
- Work to secure additional charter coverage, with emphasis on the North Sea.

[About Us](#)[Shuttle Tankers](#)[ESG](#)[Investors](#)[Contact Us](#)

KNOT Offshore Partners LP Earnings Release — Interim Results for the Period Ended December 31, 2022

[MORE NEWS](#)

NYSE: KNOP

\$6.19

+0.09 (1.48%)

20 minutes minimum delay.
Mar. 14, 2023 4:00 PM

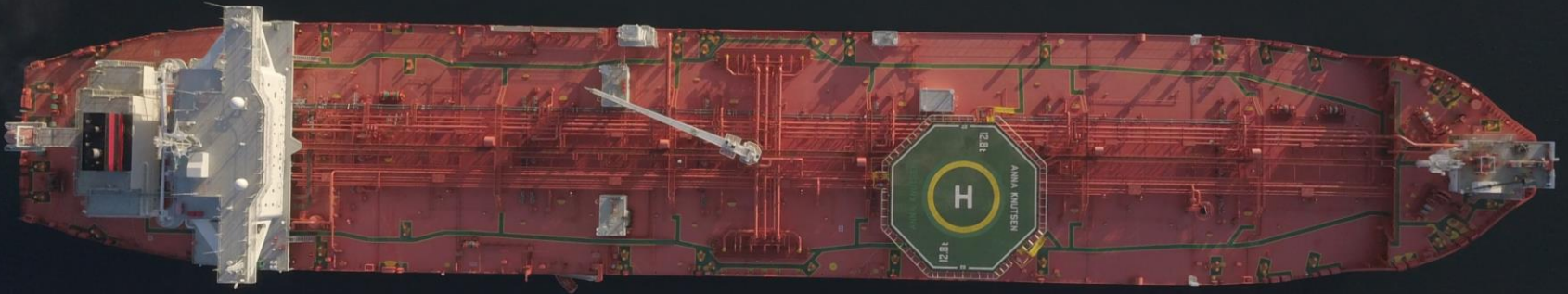
About KNOP

We are a limited partnership formed in February 2013 to operate and acquire vessels, with a focus on the shuttle tanker segment.

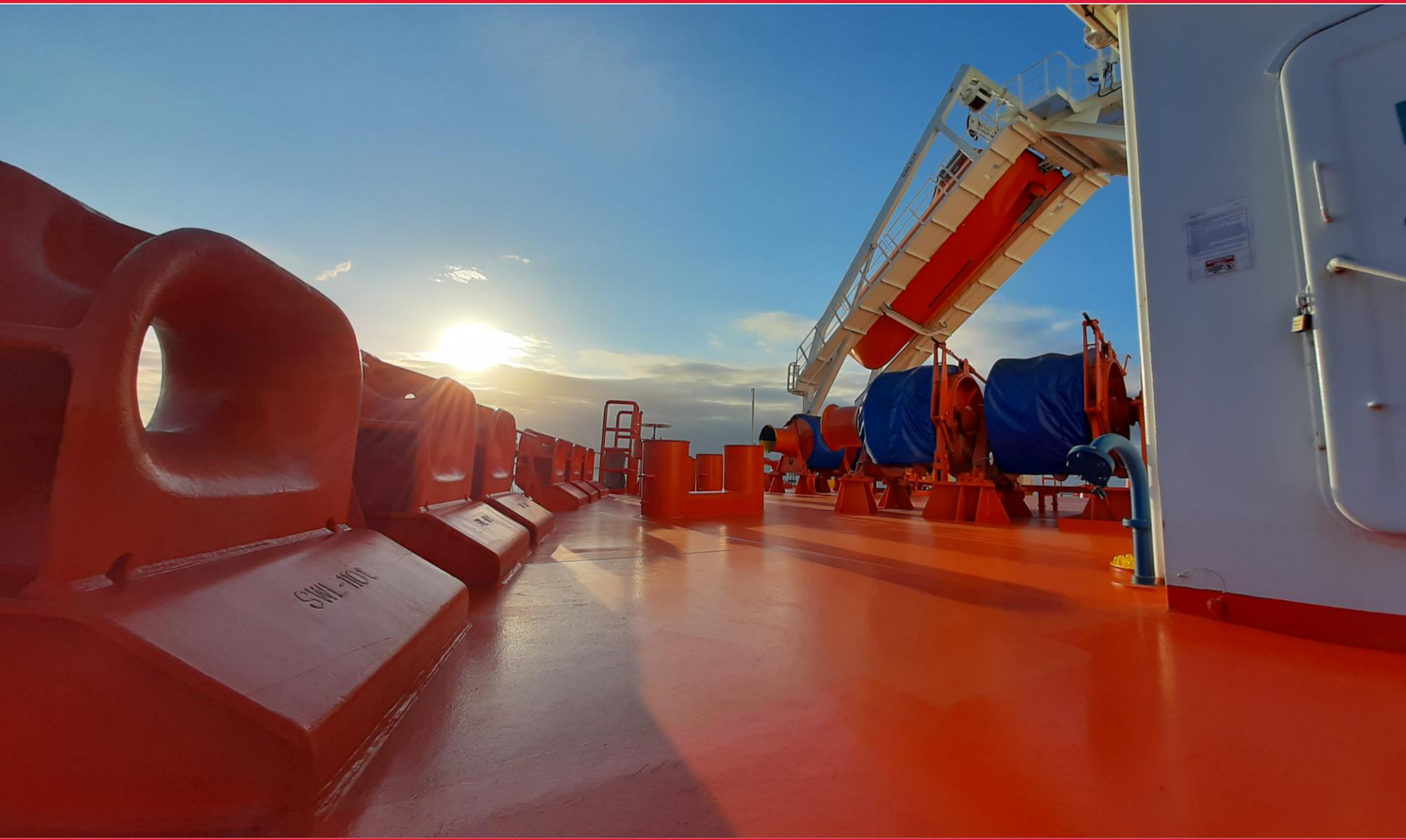
The shuttle tanker is often described as a “floating pipeline,” and usually operates under a period charter which is a non-volume based contract. Our tankers typically shuttle oil from offshore installations to onshore facilities in much the same way a pipeline would transport oil along the ocean floor. Each vessel is operating in a niche space and, typically being built to the charterers’ requirements, are often used on specific oilfields over the long term. The vessels initially attract charters with National Oil Companies and



Questions



Appendices



Appendix A – KNOP Attributes – Our Investment Case



- KNOP is **classified as a corporation** for U.S. federal income tax purposes. A U.S. holder of KNOP common units will receive a **Form 1099** to report distributions received (not a Form K-1).
- We are a **market leader** in the operation of shuttle tankers and our Sponsor has more than **30 years experience** and investment in this business.
- Specialist vessels are **critical infrastructure with limited replacement risk** required to deliver oil production from projects with significant upfront investments, long lifespans and often low marginal production costs.
- Vessels have **operational flexibility** as they typically are capable of servicing many different fields.
- Due to the specialist nature of the assets, capital cost and need for an operating track record there are **high barriers to entry**.
- Multiple financially **strong contractual counterparties**.
- Target **fixed rate contracts** that are typically 1 to 7 years and that do not depend on short-term oil prices, where the customer bears vessel utilisation risk and all operational costs including fuel, with a fall-back into conventional spot tanker market if offshore loading business is subdued.
- Management strategy remains to operate the business on a prudent basis and **focus on long-term stability** as far as possible, aiming to provide a sustainable distribution, strong balance sheet and visible income.
- A **diversified revenue stream** where no individual vessel accounts (or is currently expected to account) for more than 10% of EBITDA.
- Debt paydown of c. \$90m p.a., an extensive banking portfolio with **access to attractive bank finance** and several key lender relationships.

Appendix B – Petrobras Main New Production Systems, Already Contracted

The following table presents the main information about the new oil and gas production systems, already contracted.

Table 10 – Main projects

| Unit | Start-up | FPSO capacity (bbl/day) | CAPEX Petrobras Actual US\$ bn | CAPEX Petrobras Total US\$ bn ¹ | Petrobras Stake | Status |
|---|----------|-------------------------|--------------------------------|--|---------------------|--|
| Búzios 5 FPSO Alm. Barroso (Chartered unit) | 2023 | 150,000 | 0.95 | 2.0 | 88.99% ² | Project in phase of execution. Production system arrived at the Buzios field. 10 wells drilled and 7 completed. |
| Marlim 1 FPSO Anita Garibaldi (Chartered unit) | 2023 | 80,000 | 0.17 | 1.8 | 100% | Project in phase of execution with production system in Brazil in final construction stage. ⁴ |
| Marlim 2 FPSO Anna Nery (Chartered unit) | 2023 | 70,000 | 0.32 | 1.4 | 100% | Project in phase of execution. Production system arrived at the Marlim field. 4 wells drilled and 3 completed. ⁴ |
| Mero 2 FPSO Sepetiba (Chartered unit) | 2023 | 180,000 | 0.28 | 0.8 | 38.6% ³ | Project in phase of execution with production system under construction. 12 wells drilled and 6 completed |
| Mero 3 FPSO Marechal Duque de Caxias (Chartered unit) | 2024 | 180,000 | 0.09 | 0.8 | 38.6% ³ | Project in phase of execution with production system under construction. 6 wells drilled and 1 completed |
| Integrado Parque das Baleias (IPB) FPSO Maria Quitéria (Chartered unit) | 2024 | 100,000 | 0.36 | 1.7 | 100% | Project in phase of execution with production system under construction. 3 wells drilled and 1 completed ⁴ |
| Búzios 7 FPSO Almirante Tamandaré (Chartered unit) | 2024 | 225,000 | 0.16 | 2.0 | 88.99% ² | Project in phase of execution with production system under construction. 3 wells drilled and 1 completed |
| Búzios 6 P-78 (Owned unit) | 2025 | 180,000 | 0.48 | 4.2 | 88.99% ² | Project in phase of execution with production system under construction. 1 well drilled. |
| Búzios 8 P-79 (Owned unit) | 2025 | 180,000 | 0.40 | 4.3 | 88.99% ² | Project in phase of execution with production system under construction. 4 wells drilled and 1 completed |
| Mero 4 FPSO Alexandre de Gusmão (Chartered unit) | 2025 | 180,000 | 0.05 | 0.8 | 38.6% ³ | Project in phase of execution with production system under construction. 6 wells drilled and 2 completed |
| Búzios 9 P-80 (Owned unit) | 2026 | 225,000 | 0.10 | 5.0 | 88.99% ² | Project in phase of execution. Production system construction contract signed on August 2022. 2 wells drilled and completed |
| Búzios 10 P-82 (Owned unit) | 2026 | 225,000 | 0.03 | 5.5 | 88.99% ² | Project in phase of execution. Production system construction contract signed on October 2022. 1 well drilled |
| Búzios 11 P-83 (Owned unit) | 2027 | 225,000 | 0.04 | 4.8 | 88.99% ² | Project in phase of execution. Production system construction contract signed on September 2022. 2 wells drilled |

Source:

Petrobras Financial Performance report, 4Q2022, published March 1, 2023, page 15.

<https://api.mziq.com/mzfilemanager/v2/d/25fd098-34f5-4608-b7fa-17d60b2de47d/c2bf100e-e750-3401-63b2-50c8d593f5c0?origin=1>

Appendix C – Non-GAAP Financial Measures

Adjusted EBITDA

Adjusted EBITDA refers to earnings before interest, depreciation, taxes, goodwill impairment charge and other financial items. Adjusted EBITDA is a non-GAAP financial measure used by investors to measure our performance. Adjusted EBITDA is used as a supplemental financial measure by management and external users of financial statements, such as investors, to assess our financial and operating performance.

The Partnership believes that Adjusted EBITDA assists its management and investors by increasing the comparability of its performance from period to period and against the performance of other companies in its industry that provide Adjusted EBITDA information. This increased comparability is achieved by excluding the potentially disparate effects between periods or companies of interest, other financial items, taxes goodwill impairment charges and depreciation and amortization, which items are affected by various and possibly changing financing methods, capital structure and historical cost basis and which items may significantly affect net income between periods. The Partnership believes that including Adjusted EBITDA as a financial measure benefits investors in (a) selecting between investing in the Partnership and other investment alternatives and (b) monitoring the Partnership's ongoing financial and operational strength in assessing whether to continue to hold common units. Adjusted EBITDA is a non-GAAP financial measure and should not be considered as an alternative to net income or any other indicator of Partnership performance calculated in accordance with GAAP.