



OFFSHORE

ENERGY. COMMITTED.

ANNUAL REPORT 2020

GEOGRAPHICAL INFORMATION

The classification by country is determined by the final destination of the product for both revenues and non-current assets.

The revenue by country is analyzed as follows:

2020 geographical information (revenue by country and segment)

	Directional			IFRS		
	Lease and Operate	Turnkey	Reported segments	Lease and Operate	Turnkey	Reported segments
Brazil	834	258	1,092	1,254	759	2,014
Guyana	209	141	350	135	701	836
Canada	224	2	227	224	2	227
Angola	195	7	202	0	10	10
Norway	-	114	114	-	114	114
Equatorial Guinea	97	8	105	88	8	96
Malaysia	81	9	91	1	11	12
China	-	33	33	-	33	33
The United States of America	33	2	35	33	2	35
Gabon	-	21	21	-	21	21
Korea	-	19	19	-	19	19
Nigeria	-	14	14	-	14	14
Other	25	42	67	25	42	67
Total revenue	1,699	669	2,368	1,761	1,735	3,496

2019 geographical information (revenue by country and segment)

	Directional			IFRS		
	Lease and Operate	Turnkey	Reported segments	Lease and Operate	Turnkey	Reported segments
Brazil	759	42	801	1,050	117	1,167
Guyana	8	293	300	5	1,417	1,422
Norway	-	246	246	-	246	246
Angola	178	8	186	0	13	13
Canada	135	1	136	135	1	136
The United States of America	41	71	112	41	71	112
Malaysia	85	18	103	0	22	22
China	-	95	95	-	95	95
Equatorial Guinea	88	1	89	74	0	75
Virgin Islands	-	13	13	-	13	13
Nigeria	-	23	23	-	23	23
Other	22	46	67	22	46	67
Total revenue	1,315	856	2,171	1,327	2,064	3,391

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The non-current assets by country are analyzed as follows:

Geographical information (non-current assets by country)

	31 December 2020		31 December 2019	
	IFRS	DIR	IFRS	DIR
Brazil	5,709	3,933	6,050	3,656
Guyana	791	1,817	873	1,432
Angola	257	269	242	323
Equatorial Guinea	87	138	106	160
Switzerland	66	79	49	50
Monaco	57	57	66	67
Malaysia	57	43	93	61
The United States of America	50	51	87	65
Canada	28	28	182	182
Other	141	114	142	170
Total	7,243	6,528	7,891	6,166

RELIANCE ON MAJOR CUSTOMERS

Under Directional, two customers each represent more than 10% of the consolidated revenue. Total revenue from these two major customers amounts to US\$1,469 million (US\$1,023 million and US\$446 million, respectively). In 2019, the revenue related to the three major customers was US\$1,339 million (US\$703 million, US\$385 million and US\$250 million, respectively). In 2020 and 2019, the revenue of these major customers was predominantly related to the Lease and Operate segment.

Under IFRS, three customers each represent more than 10% of the consolidated revenue. Total revenue from these major customers amounts to US\$2,879 million (US\$1,661 million, US\$867 million and US\$352 million respectively). In 2019 two customers accounted for more than 10% of the consolidated revenue (US\$2,393 million), respectively for US\$1,450 million and US\$943 million.

4.3.3 REVENUE

The Company's revenue mainly originates from construction contracts and lease and operate contracts. Revenue originating from construction contracts is presented in the Turnkey segment while revenue from lease and operate contracts is presented in the Lease and Operate segment. Around 65% of the Company's 2020 lease and operate revenue is made of charter rates related to lease contracts while the remaining amount originates from operating contracts. The Company recognizes most of its revenue (i.e. around 90%) over time.

The Company's policy regarding revenue recognition is described in further detail in note 4.2.7 B. Critical Accounting Policies – (d) Revenue. Due to COVID-19 pandemic, the Company incurred additional costs in order to satisfy its performance obligation on some of its construction contracts mainly due to limited delay in the project delivery following lockdown periods, international travel restrictions and remote working. Those additional costs contribute to the progress of transfer of control of the construction asset to the customer over the construction period and have therefore been considered as part of the revenue recognition over time. The related amount recognized as revenue in 2020 is less than 1% of total 2020 revenue. For the disaggregation of total revenue by country and by segment, please refer to Geographical Information under note 4.3.2 Operating Segments and Directional Reporting and 4.3.1 Financial Highlights.

The Company's construction contracts can last for multiple years depending on the type of product, scope and complexity of the project while the Company's Lease and Operate contracts are generally multiple-year contracts. As a result, the Company has (partially) outstanding performance obligations to its clients (unsatisfied performance obligations) at December 31, 2020. These unsatisfied performance obligations relate to:

- Ongoing construction contracts, including the construction of vessels under finance lease that still need to be completed;
- Ongoing multiple-year operating contracts. Note that for this specific disclosure on unsatisfied performance obligations, the lease component of the Lease and Operate contracts is excluded (this component being described in further detail in notes 4.3.13 Property, Plant and Equipment and 4.3.15 Finance Lease Receivables). As noted, some contracts include (performance) bonuses when earned or penalties incurred under the Company's Lease and Operate contracts. The