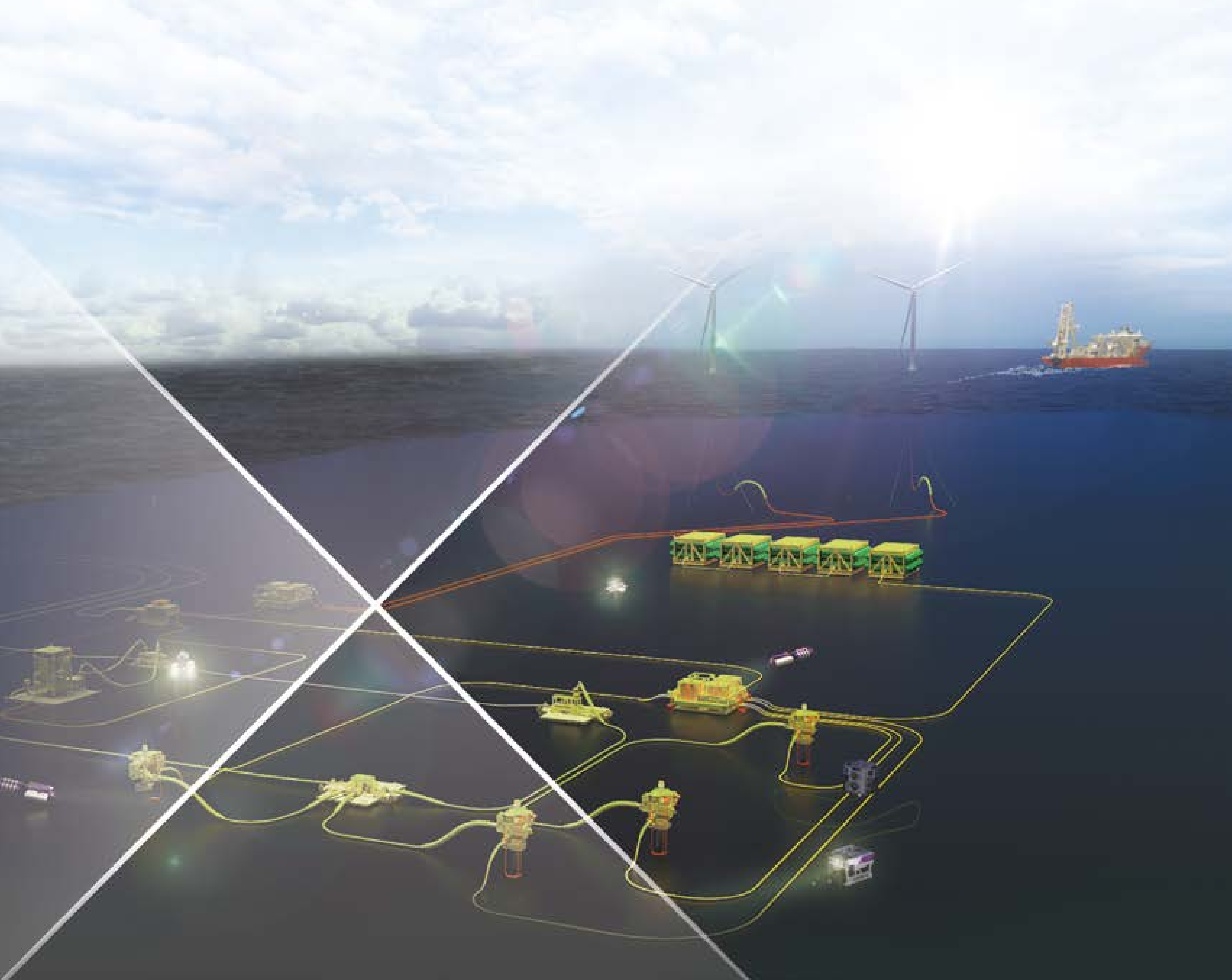
U.K. Annual Report and Accounts

for the year ended December 31, 2020

Driving change in energy

This U.K. Annual Report and Accounts of TechnipFMC plc ("**TechnipFMC**," the "**Company**," "**we**," or "**our**") comprises the Strategic Report, Directors' Report, Directors' Remuneration Report, Remuneration Policy, and the TechnipFMC plc consolidated IFRS financial statements contained herein ("**U.K. Annual Report**").

This U.K. Annual Report is available for inspection at ***www.technipfmc.com*** and will be included in the materials for the 2021 annual general meeting of shareholders to be held on May 20, 2021 (the "**2021 Annual Meeting**").



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Letter from Our Chairman and CEO

April 9, 2021

Dear Shareholders,

2020 was a year like no other. We faced unprecedented global challenges due to the COVID-19 pandemic and the sharp drop in demand for oil and natural gas. Throughout this period, the physical and mental health and well-being of our people and those of the communities in which we work remained our top priority. Still, there were many notable accomplishments in 2020 as a result of the tireless efforts and unwavering commitment of our global teams. Through collaboration, we found solutions that allowed us to move projects forward safely, earning recognition from clients and others in the industry. And thanks to the determination, innovation and resilience of our women and men, we protected our backlog and remained focused on project execution, enabling us to deliver strong performance and achieve our financial guidance across all segments.

We also took a series of strategic actions to bolster profitability and improve liquidity and cash flow. We reduced cash outlays in the year through a revision to our dividend policy and a reduction in capital expenditures, focusing on the most value-enhancing opportunities. We achieved more than $350 million in annualized run-rate cost savings. And we revised executive compensation, effective May 1, 2020, to reflect a 30% reduction to the Chairman and CEO salary and the Board of Directors' retainer, and a 20% reduction to the salaries of the Executive Leadership team.

Throughout 2020, we continued our work to separate TechnipFMC into two industry leading, pure-play companies, with the transaction completed through the partial Spin-off of Technip Energies on February 16, 2021. TechnipFMC now exists as a fully integrated technology and services provider to the traditional and new energy industries. Our clients continue to demonstrate their confidence in our unique value proposition and in the two weeks following the Spin-off, we announced three integrated Engineering, Procurement, Construction and Installation ("**iEPCI™**") projects, a market where we expect to see continued growth.

Our achievements in 2020

In **Subsea**, we achieved full-year inbound orders of $4 billion in a very difficult market environment, driven by a higher mix of service and small project activity. We had further success with our iEPCI™ model, including the award of BP's Platina project offshore Angola. There were Subsea 2.0™ milestones, with the first trees installed on the Shell BC-10 and Woodside Pyxis projects. And as part of our digital transformation, we introduced Subsea Studio™, a digital front-end design offering that will be extended to incorporate the execution and field management phases of a project.

Inbound orders for **Technip Energies** exceeded $5 billion for the year, driven by EPC contract awards for Sempra LNG and IEnova's Energía Costa Azul LNG Facility in Mexico, Assiut National Oil Processing Company's new hydrocracking complex in Egypt, and Shell's Moerdijk Plant in the Netherlands to modernize ethylene furnaces and reduce total site emissions. In October, Technip Energies further extended its leading position in hydrogen, announcing a strategic partnership and investment with McPhy to accelerate the development of large scale and competitive green hydrogen solutions.

In Surface Technologies, the more resilient international markets accounted for over 60% of total segment revenue, with increased activity in technology-driven businesses. International orders in the year included contract awards for high-pressure gas equipment and in-country services in Kuwait, and orders for high-specification equipment in the United Arab Emirates. In North America, we continued to leverage our subsea expertise by bringing digital innovation into the surface arena. Here we are enhancing the customer experience by providing improved economics, better performance and reduced emissions through the commercialization of proprietary technologies.

Sustainability

TechnipFMC was created with the vision to drive real and sustainable change in the energy industry. We realized a number of successes this year that were a direct result of the three-year sustainability roadmap we created at the launch of our Company. We are progressing our strategic vision for the future with accelerated actions to advance Environmental, Social and Governance ("**ESG**") initiatives. During the year, we introduced our bold 50 by 30 commitment to deliver a 50% reduction in Scope 1 and 2 equivalent emissions by 2030. We also established an extensive set of new ESG commitments to be realized through 2023.

In **Subsea**, we are redefining our operating model to reduce waste, emissions, and downtime through digital solutions such as Subsea Studio™, digital twin technology, all-electric subsea infrastructure, and advancements in automation with our Gemini® ROV technology. We also launched New Energy Ventures, focusing on renewable energy solutions and investments. Most notably, our Deep Purple™ initiative leverages our core capabilities – iEPCI™, proprietary technologies and partner alliances – to integrate offshore renewable energy sources such as novel wind and wave energy with offshore green hydrogen storage to deliver new, cleaner energy to consumers.

In **Surface Technologies**, we are committed to helping our customers reduce their carbon footprint with innovative solutions such as iComplete™ and iProduction™. Our iComplete™ ecosystem fully integrates wellsite operations, generating significant efficiencies through autonomous maintenance and remote data access. And iProduction™ transforms the production phase of an unconventional development by reducing emissions by more than 50%.

Beyond our environmental responsibilities, we are fully committed to supporting the communities in which we operate, whether that be through charitable donations, iVolunteer efforts or educational programs focused on science, technology, engineering, and mathematics. In 2020, we further strengthened our commitment to creating an inclusive culture with the CEO Pledge and our Inclusion & Diversity roadmap, which put greater focus on equality of opportunity. And we will continue to ensure that our actions are aligned with shareholders through executive compensation programs that are focused on driving behavior that creates sustainable shareholder value.

Looking forward

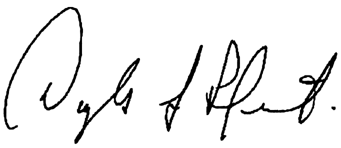
While economic activity continues to be impacted by the COVID-19 pandemic, the short-term outlook for crude oil has improved as the OPEC+ countries better manage the oversupplied market. Long-term demand for energy is still forecast to rise, and we believe this outlook will ultimately provide our customers with the confidence to increase investments in new sources of oil and natural gas production.

Our outlook in Subsea reflects renewed operator confidence given the improved economic outlook, lower market volatility and higher oil price. After experiencing solid momentum in front end engineering and design ("**FEED**") activity in the second half of 2020, we expect FEED activity this year to return to the more robust levels seen in 2019 – further supporting our view of a sustainable deepwater recovery. This year, we anticipate Brazil will be the most active region of the world for new project orders, with additional market growth potential in the North Sea, Asia-Pacific, and Africa. We remain very confident that inbound orders for 2021 will exceed the level achieved in 2020.

In Surface Technologies, we expect growth in international activity to drive the segment's full-year revenue higher in 2021. In North America, we expect strong customer adoption of new technologies to drive growth in our completions-related revenue, outperforming the overall market growth. We expect international markets to remain resilient and represent approximately 65% of our full year revenue, benefiting from our exposure to the Middle East and Asia-Pacific.

No one could have predicted the events of 2020. COVID-19 has affected every facet of day-to-day life, and we have responded by reinforcing our efforts around employee well-being, with a particular focus on mental health. We learned invaluable lessons throughout the year, most notably that success can be achieved despite significant global challenges. As a company, our Foundational Beliefs are our guiding light and drive our fundamental view that how we do business is as important as why we do business.

As we embark on our independent journey as a leading technology provider to both the traditional and new energy industries, we are well positioned to benefit from the improved market outlook. The energy industry is evolving as the world looks to more sustainable and lower carbon solutions. We will support our clients through this change, using our transferable skills and unique technologies to help support the world's demand for energy.



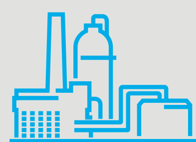
Douglas J. Pferdehirt
Chairman and Chief Executive Officer

2020

$350m
cost savings

Inbound orders:

Subsea
$4bn



Technip Energies
$5bn

Surface Technologies
$1.1bn

50 by 30

Deliver 50% reduction in emissions by 2030

Leading technologies

- Subsea Studio™
- Gemini©
- Deep Purple™
- iProduction™
- iEPCI™
- iComplete™

2020 At-a-Glance

Response to a Difficult Operating Environment and COVID-19

Beginning in the first quarter of 2020, we faced global challenges due to the COVID-19 pandemic and the unprecedented drop in demand for oil and gas. Supply chain disruptions, logistics constraints, and productivity declines all impacted our operations across the globe. Throughout our responses to these challenges, our top priority remained the physical and mental well-being of the women and men of TechnipFMC and the communities in which we work. The Company established a global Incident Management Team sponsored by our executive officers and including representatives from HSE, Security, People & Culture, Legal, Communications, Finance, Medical, and major projects teams to assist in regularly updating our Board on COVID-19 impacts. Working together, we found solutions that allowed us to move projects forward safely while also earning recognition from our customers for the way in which we conducted business in such an unpredictable operating environment.

Beyond operations, we took strategic actions focused on cash and liquidity preservation to bolster profitability and cash flow. We reduced capital outlays in the year through revisions to our dividend policy and high-grading of our capital expenditures on value-enhancing opportunities. We achieved more than $350 million in annualized run-rate cost savings. Finally, we revised executive compensation, effective May 1, 2020, to reflect a 30% reduction to the Chairman and CEO’s salary and the Board of Directors’ retainer and a 20% reduction to our other executive officers’ salaries.

Strategic Transaction

Completed the separation of TechnipFMC into two industry-leading, pure-play companies through the Spin-off of Technip Energies on February 16, 2021 (the “Spin-off”)

TechnipFMC	Technip Energies
▸ Primarily comprising Subsea and Surface Technologies segments	▸ Primarily comprising the Technip Energies segment
▸ Listings: NYSE, Euronext Paris	▸ Listing: Euronext Paris with Level 1 American depositary receipts (“**ADRs**”)
▸ HQ: Houston, Texas and Paris, France	▸ HQ: Paris, France
▸ Domicile: United Kingdom	▸ Domicile: Netherlands
▸ Employees: ~20,000	▸ Employees: ~15,000

ESG

Appointed Margareth Øvrum and Sophie Zurquiyah to the Board

- Reduced the size of the Board from 15 to 10 directors upon the completion of the Spin-off
- Formed our ESG Committee to reflect expanded oversight duties and commitment to ESG matters and reporting
- Achieved all of our 2018-2020 ESG objectives, and announced our 2021-2023 ESG commitments and scorecard, including a "50 by 30" objective to reduce CO_2 emissions by 50% by 2030
- Enhanced commitment to Inclusion and Diversity across the organization
- For 2021, included an ESG metric in our annual cash incentive plan, to directly link our compensation program to our ESG commitments and objectives

Compensation

The COVID-19 impact on the Company triggered a need to adjust our compensation program, as we strived to achieve appropriate results in an exceptional year, and to reinforce the link between pay and performance alignment with the long-term interests of our shareholders.

- **Reduced Chairman and CEO's salary by 30% and other executives' salaries by 20% for the remainder of 2020, effective May 1, 2020**
- **Reduced directors' annual cash retainers by 30% for the remainder of 2020, effective May 1, 2020**
- **Adjusted 2020 annual incentive metrics for Q2-Q4 2020 to address strategic priorities due to the COVID-19 pandemic and business downturn and capped payout for business performance indicators at target (100%)**
- **Continued to include sustainability measures in the individual performance portion of our annual cash incentive plan to reinforce the Company's commitment to our Foundational Beliefs while responding to the challenging business environment**

2020 Segment Financials[1]

Subsea

Results

- Inbound orders of $4 billion, supported by higher mix of service and small project activity
- Additional integrated awards all from repeat iEPCI™ customers
- Backlog of $6.9 billion

Technip Energies

Results

- Second consecutive year of revenue growth, driven by LNG and downstream projects
- Approximately 60% of total order backlog linked to energy transition, including LNG
- Backlog of $14.1 billion

Surface Technologies

Results

- International revenue more than 60% of total segment, with increased revenue in technology-driven businesses
- Significant decline in North America market activity partially mitigated by aggressive cost reduction
- Backlog of $0.4 billion

	Twelve months ended (In millions)		
2020 Company Financials[1]	December 31, 2020	December 31, 2019	Change
Revenue	$13,057.4	$13,426.2	(3)%
Profit (Loss) before income taxes	-$3,061.1	-$2,175.8	41%
Inbound orders	$10,065.5	$22,693.0	(56)%
Backlog	$21,388.2	$24,251.1	(12)%

(1) Reported financial results for the twelve months ended December 31, 2020 and inbound and backlog as of December 31, 2020 are as reported in this U.K. Annual Report.

The record inbound orders and solid execution of 2019 gave us strong momentum into the new year, but 2020 abruptly shifted to a year of unprecedented global challenges due to the COVID-19 pandemic and the sharp drop in demand for oil and natural gas.

Revenue decreased by $368.8 million in 2020 compared to 2019, primarily driven by decreased project activity in Subsea and sharply lower demand in North America for Surface Technologies. The decrease was partially offset by the increased activity in Technip Energies, including the continued ramp-up of Arctic LNG 2.

Operating results in the year were largely impacted by significant impairment and other non-recurring charges totaling $3,436.9 million, most of which were included in Subsea and Surface Technologies. Results were also impacted by a reduced contribution from Yamal LNG and lower margin realization on early stage projects in Technip Energies versus the prior year. Results included the benefits of our accelerated cost reduction actions initiated in the first quarter of 2020.

The significant decline in commodity prices, due in part to the lower demand resulting from COVID-19, contributed to the decrease in the inbound orders during 2020. The decline in backlog was more modest, with our significant backlog providing solid revenue visibility in future periods.

Company Overview

TechnipFMC plc, a public limited company incorporated and organized under the laws of England and Wales, with registered number 09909709, and with registered office at One St. Paul's Churchyard, London EC4M 8AP, United Kingdom ("**TechnipFMC**", the "**Company**," "**we**," or "**our**") is a global leader in the energy industry; delivering projects, products, technologies, and services. With our proprietary technologies and production systems, integrated expertise, and comprehensive solutions, we are transforming our customers' project economics. We have operational headquarters in Paris, France, and Houston, Texas, United States, and in 2020 we operated across three business segments: Subsea, Technip Energies, and Surface Technologies. We are uniquely positioned to deliver greater efficiency across project lifecycles from concept to project delivery and beyond. Through innovative technologies and improved efficiencies, our offering unlocks new possibilities for our customers in developing their energy resources and in their positioning to meet the energy transition challenge. On February 16, 2021, the Company completed the Spin-off. Subsequent to the Spin-off, the Company will operate under two reporting segments: Subsea and Surface Technologies, for further details see section "The Spin-off" below.

Enhancing our performance and competitiveness is a key component of this strategy, which is achieved through technology and innovation differentiation, seamless execution, and reliance on simplification to drive costs down. We are targeting profitable and sustainable growth by seizing market growth opportunities and expanding our range of services. We are managing our assets efficiently to ensure we are well-prepared to drive and benefit from the opportunities in many of the segments we serve.

In 2020, each of our more than 35,000 employees is driven by a steady commitment to clients and a culture of project execution, purposeful innovation, challenging industry conventions, and rethinking how the best results are achieved. This leads to fresh thinking, streamlined decisions, and smarter results, enabling us to achieve our vision of enhancing the performance of the world's energy industry.

History

In March 2015, FMC Technologies, Inc., a U.S. Delaware corporation ("**FMC Technologies**"), and Technip S.A., a French société anonyme ("**Technip**"), signed an agreement to form an exclusive alliance and to launch Forsys Subsea, a 50/50 joint venture, that would unite the subsea skills and capabilities of two industry leaders. This alliance, which became operational on June 1, 2015, was established to identify new and innovative approaches to the design, delivery, and maintenance of subsea fields.

Forsys Subsea brought the industry's most talented subsea professionals together early in operators' project concept phase with the technical capabilities to design and integrate products, systems, and installation to significantly reduce the cost of subsea field development and enhance overall project economics.

Based on the success of the Forsys Subsea joint venture and its innovative approach to integrated solutions, Technip and FMC Technologies announced in May 2016 that the companies would combine through a merger of equals to create a global subsea leader, TechnipFMC, that would drive change by redefining the production of oil and gas. The business combination was completed on January 16, 2017 (the "**Merger**"), and on January 17, 2017, TechnipFMC began operating as a unified, combined company trading on the New York Stock Exchange ("**NYSE**") and on the Euronext Paris Stock Exchange ("**Euronext Paris**") under the symbol "FTI."

In 2017, our first year as a merged company, TechnipFMC secured several project awards as many operators moved forward with final investment decisions for major onshore projects and subsea developments. Several of the subsea awards incorporated the use of our integrated approach to project delivery, validating our unique business model aimed at lowering project costs and accelerating the delivery of initial hydrocarbon production. This was made possible by bringing together the complimentary subsea work scopes of the merged companies.

In 2018, TechnipFMC delivered the industry's first three full-cycle, integrated projects and realized considerable growth in Subsea order inbound, driven in part by its unique integrated offering, iEPCI™ ("**iEPCI**"). For all of 2019, the value of integrated subsea awards to TechnipFMC more than doubled versus the prior year, representing more than 50% of all Subsea project order inbound. The increase was driven by a wider adoption of the integrated business model, particularly by those clients where we have unique alliances. With the industry's most comprehensive and only truly integrated subsea market offering, we have continued to expand the deepwater opportunity set for our clients.

TechnipFMC's expertise does not end with the production of hydrocarbons. Because of its best in class Engineering and Construction ("**E&C**") project design and execution capabilities, enabled by a portfolio of proprietary technologies, TechnipFMC continues to secure and deliver projects that further enable our clients to monetize resources – from liquefaction of gas, both onshore and on floating vessels, through refining and product facilities and with green chemistry and renewables.

The Spin-off

On August 26, 2019, we announced our intention to separate into two diversified pure-play market leaders – TechnipFMC, focused on subsea and surface hydrocarbon production, and Technip Energies, focused on downstream engineering, procurement, and construction ("**EPC**") project execution. Due to the COVID-19 pandemic, a significant decline in commodity prices, and the heightened volatility in global equity markets, on March 15, 2020, we announced the postponement of the completion of the transaction until the markets sufficiently recover. On January 7, 2021, we announced the resumption of activity toward completion of the transaction based on increased clarity in the market outlook and our demonstrated ability to successfully execute projects.

On February 16, 2021, we completed the separation of the Technip Energies business segment. The transaction was structured as a spin-off (the "**Spin-off**"), which occurred by way of a pro rata dividend (the "Distribution") to our shareholders of 50.1 percent of the outstanding shares in Technip Energies N.V. Each of our shareholders received one ordinary share of Technip Energies N.V. for every five ordinary shares of TechnipFMC held at 5:00 p.m., New York City time on the record date, February 17, 2021. Technip Energies N.V. is now an independent public company and its shares trade under the ticker symbol "TE" on the Euronext Paris stock exchange.

In connection with the Spin-off, on January 7, 2021, BPI, which has been one of our substantial shareholders since 2009, entered into a Share Purchase Agreement pursuant to which BPI agreed to purchase a portion of our retained stake in Technip Energies N.V. (the "**BPI Investment**") for $200.0 million (the "Purchase Price"). On February 25, 2021, BPI paid $200.0 million in connection with the Share Purchase Agreement. The Purchase Price was subject to adjustments, and BPI's ownership stake was determined based upon a thirty-day volume-weighted average price of Technip Energies N.V.'s shares (with BPI's ownership collared between an 11.82 percentage floor and a 17.25 percentage cap), less a 6% discount. The BPI Investment was subject to customary conditions and regulatory approval. On March 31, 2021, pursuant to the Share Purchase Agreement, BPI exercised its right and purchased from TechnipFMC 7.5 million shares in Technip Energies N.V. for $100.0 million. On April 8, 2021, we refunded $100.0 million to BPI as a result of their revised level of investment. We intend to significantly reduce our shareholding in Technip Energies N.V. over the 18 months following the Spin-off. See Note 33 to our consolidated financial statements included in this U.K. Annual Report.

Beginning in the first quarter of 2021, Technip Energies' historical financial results for periods prior to the Distribution will be reflected in our consolidated financial statements as discontinued operations.

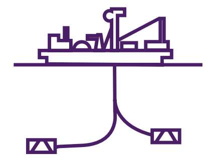
The Spin-off enables both companies to benefit from distinct and compelling market opportunities across the energy value chain; dedicated focus of management, resources, and capital; and unique value propositions with differentiated investment appeal.

- TechnipFMC is a fully-integrated technology and services provider, driving energy development across deepwater, conventional, and unconventional resources. TechnipFMC continues to successfully demonstrate leadership in integrated subsea project delivery and is focused on replicating this success through the development of integrated production models for the surface market. TechnipFMC is also poised to benefit from service opportunities resulting from the world's largest installed base of subsea production equipment, umbilicals, risers, and flowlines, and in the supply of surface integrated systems in the drilling, frac, production and measurement markets.

- Technip Energies is a leading engineering and construction player, with a robust project delivery model, strong technical capabilities, and proven track record as demonstrated by the successful execution of some of the world's most iconic EPC projects. Technip Energies will continue to leverage its industry-leading process technology portfolio, particularly in the areas of ethylene and hydrogen, while pursuing further opportunities to enhance and differentiate this portfolio, and to accelerate the journey to a low-carbon future.

Business Segments

On February 16, 2021, we completed the Spin-off. Subsequent to the Spin-off, we will operate under two reporting segments: Subsea and Surface Technologies.



Subsea

We are focused on transforming subsea by safely delivering innovative solutions that improve economics, enhance performance and reduce emissions. As a fully-integrated technology and services provider, we continue to drive responsible energy development.

Our Subsea segment provides integrated design, engineering, procurement, manufacturing, fabrication, installation, and life of field services for subsea systems, subsea field infrastructure, and subsea pipe systems used in oil and gas production and transportation.

We are an industry leader in front-end engineering and design ("**FEED**"), subsea production systems ("**SPS**"), subsea flexible pipe, and subsea umbilicals, risers, and flowlines ("**SURF**") and subsea robotics. We also have the capability to install these products and related subsea infrastructure with our fleet of highly specialized vessels. By integrating the SPS and SURF work scopes, we are able to drive greater value to our clients through more efficient field layout and execution of the installation campaign. This capability, in conjunction with our strong commercial focus, has enabled the successful market introduction of an integrated subsea business model, iEPCI ("**iEPCI**"), which spans a project's early phase design through the life of field.

Our integrated business model is unlocking incremental opportunities and materially expanding the deepwater opportunity set. Since the first iEPCI project was awarded in 2016, market adoption of the business model has accelerated each year.

Through integrated FEED studies, or iFEED™ ("**iFEED**"), we are uniquely positioned to influence project concept and design. Using innovative solutions for field architecture, including standardized equipment, new technologies, and simplified installation, we can significantly reduce subsea development costs and accelerate time to first production.

Our first-mover advantage and ability to convert iFEED studies into iEPCI contracts, often as a direct award, creates a unique set of opportunities for us that are not available to our peers. This allows us to deliver a fully integrated – and technologically differentiated – subsea system, and to better manage the complete work scope through a single contracting mechanism and a single interface, yielding meaningful improvements in project economics and time to first oil.

We continue to support our clients following project delivery by offering aftermarket and life of field services. Our wide range of capabilities and solutions, including integrated life of field, or iLOF™ ("**iLOF**"), allows us to help clients increase oil and gas recovery and equipment uptime while reducing overall cost. Our iLOF offering is designed to unlock the full potential of subsea infrastructures during operations by transforming the way subsea services are delivered and proactively addressing the challenges operators face over the life of subsea fields. We provide production optimization, asset life extension insight, proactive de-bottlenecking, and condition-based maintenance.

Our Subsea business depends on our ability to maintain a cost-effective and efficient production system, achieve planned equipment production targets, successfully develop new products, and meet or exceed stringent performance and reliability standards.

Subsea segment products and services

Subsea Production Systems

Our systems are used in the offshore production of crude oil and natural gas. Subsea systems are placed on the seafloor and are used to control the flow of crude oil and natural gas from the reservoir to a host processing facility, such as a floating production facility, a fixed platform, or an onshore facility.

Our subsea production systems and products include subsea trees, chokes and flow modules, manifold pipeline systems, controls and automation systems, well access systems, multiphase and wet-gas meters, and additional technologies. The design and manufacture of our subsea systems requires a high degree of technical expertise and innovation. Some of our systems are designed to withstand exposure to the extreme hydrostatic pressure of deepwater environments, as well as internal pressures of up to 20,000 pounds per square inch ("**psi**") and temperatures of up to 400º F. The development of our integrated subsea production systems includes initial engineering design studies and field development planning and considers all relevant aspects and project requirements, including optimization of drilling programs and subsea architecture.

Subsea Processing Systems

Our subsea processing systems, which include subsea boosting, subsea gas compression, and subsea separation, are designed to accelerate production, increase recovery, extend field life, and/or lower operators' production costs for greenfield, subsea tie-back and brownfield applications. To provide these products, systems, and services, we utilize our engineering, project management, procurement, manufacturing, and assembly and test capabilities.

Rigid Pipe

We design and fabricate rigid pipes for production and service applications at our spoolbases. Rigid pipes are installed from our fleet of differentiated rigid pipelay vessels. Our pipelines optimize flow assurance through innovative insulation coatings, electric trace heating, plastic liners, and pipe-in-pipe systems.

Flexible Pipe and Umbilicals

We design and manufacture flexible pipes as well as steel tube, thermoplastic hose, power, communication, and hybrid (a combination of steel tube, thermoplastic hose, and electrical cables) umbilicals. TechnipFMC vessels will typically perform the installation of the flexible pipes and umbilicals, but we also sell these products directly to oil companies or to other vessel operators.

Vessels

We have a fleet of 18 vessels that are used for the installation and servicing of our products. We have sole ownership of ten vessels, ownership of six vessels as part of joint ventures, and two vessels operated under long-term charters.

Subsea Services

We provide a portfolio of well and asset services that improve economics and enhance performance over the life of our clients' subsea development cycle. Well services include all service offerings: (i) provision of exploration and production wellhead systems and services; (ii) remotely operated vehicle ("**ROV**") drill support services; (iii) well completion installation services; (iv) well access and intervention services, both rig-based and vessel-based (riserless light well intervention or "**RLWI**"); and (v) well plug and abandonment. Asset Services include all service offerings, such as (i) maintenance services for test, modification, refurbishment, and upgrade of subsea equipment and tooling; (ii) integrity services based on product and field data to optimize the performance of the subsea asset, including proactive inspection, maintenance, and repair ("IMR") of subsea infrastructure; and (iii) production metering services to enhance well and field production, including real time virtual metering services and flow assurance services.

Key drivers of subsea services market activity are the services linked to subsea wells in greenfield development and brownfield subsea tiebacks, or infill developments.

Additionally, with our extensive experience in subsea equipment, our leading installed base of subsea production equipment, our broad range of services, and our historical technical design and manufacturing leadership, we are in a unique position to offer integrated solutions across the "life of field" ("**LOF**") services. These combine asset light solutions (e.g. RLWI), digital services (e.g. data driven monitoring, surveillance, and production management suite of applications), and leading edge automated and robotic systems (e.g. Schilling ROVs) to enhance the economics of producing fields through maximization of asset uptime, higher production volumes, and lower operating expense.

Robotics, Controls and Automation

We design and manufacture ROVs and manipulator arms that are used in subsea drilling, construction, IMR, and life of field services. Our product offering includes hydraulic work-class ROVs, tether-management systems, launch and recovery systems, remote manipulator arms, and modular control systems. We also provide support and services such as product training, pilot simulator training, spare parts, and technical assistance.

We also provide electro-hydraulic and electric production and intervention control systems, allowing accurate control and monitoring of subsea installations to ensure the highest production availability that can ensure safe and environmentally friendly field operations. These include the sensors, multiphase flow meters, digital infrastructure, integrity monitoring, control functionality, and automation features needed for subsea systems. Robotics capabilities are now being used in the control of manifold valves during production, which demonstrates a convergence of our technologies in order to provide better systems for our customers.

Subsea Studio™ Digital Platform

Subsea Studio™ is our portfolio of digital solutions to increase performance, transform experience, and enable innovation. Subsea Studio™ FD is our front-end field development tool, transforming conventional concept, FEED and tender phases into ultra-fast digital field development. Subsea Studio™ Ex is our project execution digital application that increases the efficiency and speed of project execution with a data-centric approach. Subsea Studio™ LOF uses our digitally enabled operations and advanced data driven services to enhance performance and production targets.

*Research, Engineering, Manufacturing and Supply Chain ("**REMS**")*

REMS is an organization formed in September 2019 to support accelerated technology innovation, and product delivery improvements. We accomplish this by reducing the cycle-time of engineering and manufacturing our products, including working with our suppliers to reduce their costs, and optimizing our processes and how we manage workflow. Through REMS, we are focused on challenging existing technologies and implementing world-class manufacturing practices, including LEAN and process automation, to improve reliability while reducing total product cost and lead time to delivery. Our REMS organization primarily supports our Subsea segment but is also integrated across our Surface Technologies segment.

Product Management

In 2019, we established a Product Management function to expand our capabilities to assess, define, and deliver the technologies and products of the future. This function enables REMS, and the Subsea and Surface Technologies businesses to drive the understanding of customer requirements, competitive landscape, and investment prioritization.

Capital Intensity

Many of the systems and products we supply for subsea applications are highly engineered to meet the unique demands of our customers' field properties and are typically ordered one to two years before installation. We often receive advance payments and progress billings from our customers to fund initial development and working capital requirements.

Dependence on Key Customers

Generally, our customers in the Subsea segment are major integrated oil companies, national oil companies, and independent exploration and production companies.

We actively pursue alliances with companies that are engaged in the subsea development of oil and natural gas to promote our integrated systems for subsea production. These alliances are typically related to the procurement of subsea production equipment, although some alliances are related to EPCI services. Development of subsea fields, particularly in deepwater environments, involves substantial capital investments. Operators have also sought the security of alliances with us to ensure timely and cost-effective delivery of subsea and other energy-related systems that provide integrated solutions to meet their needs.

Our alliances establish important ongoing relationships with our customers. While these alliances do not contractually commit our customers to purchase our systems and services, they have historically led to, and we expect that they would continue to result in, such purchases.

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

No single Subsea customer accounted for 10% or more of our 2020 consolidated revenue.

Competition

We are the only fully integrated company that can provide the complete suite of subsea production equipment, umbilicals, and flowlines with the complete portfolio of installation and LOF services enabling us to develop a subsea field as a single company. We compete with companies that supply some of the components as well as installation companies. Our competitors include Aker Solutions ASA, Baker Hughes Company ("**Baker Hughes**"), Dril-Quip, Inc., McDermott International, Inc. ("**McDermott**"), National Oilwell Varco, Oceaneering International, Inc., Saipem S.p.A. ("**Saipem**"), Schlumberger, Ltd. ("**Schlumberger**"), and Subsea 7 S.A.

Seasonality

In the North Sea, winter weather generally subdues drilling activity, reducing vessel utilization and demand for subsea services as certain activities cannot be performed. As a result, the level of offshore activity in our Subsea segment is negatively impacted in the first quarter of each year.

Market Environment

The volatile, and generally low, crude oil price environment of the last several years led many of our customers to reduce their capital spending plans and defer new deepwater projects. Order activity in 2020 was particularly impacted by the sharp decline in commodity prices in April, driven in part by the reduced economic activity, and the general uncertainty related to the COVID-19 pandemic. The reduction and deferral of new projects resulted in delayed subsea projects inbound for the industry.

While economic activity continues to be impacted by the pandemic, the short-term outlook for crude oil has improved as the OPEC+ countries better manage the oversupplied market. Long-term demand for energy is still forecast to rise, and we believe this outlook will ultimately provide our customers with the confidence to increase investments in new sources of oil and natural gas production.

The trajectory and pace of further recovery and expansion in the subsea market is subject to the capital our clients dedicate to developing offshore oil and gas fields amongst their entire portfolio of projects and drivers of capital expansion or discipline. The risk of project sanctioning delays is still present in the current environment; however, innovative approaches to subsea projects, like our iEPCI solution, have improved project economics, and many offshore discoveries can be developed economically at today's crude oil prices. In the long-term, deepwater development is expected to remain a significant part of many of our customers' portfolios.

As the subsea industry continues to evolve, we have taken actions to further streamline our organization, achieve standardization, and reduce cycle times. The rationalization of our global footprint will also further leverage the benefits of our integrated offering. We aim to continuously align our operations with activity levels, while preserving our core capacity in order to deliver current projects in backlog and future order activity.

Strategy

With our proprietary technologies and production systems, and integration expertise, we are transforming subsea by safely delivering innovative solutions that improve economics, enhance performance, and reduce emissions. We have used these capabilities to develop a new subsea commercial model that is transforming the way we interact with our customers and create value with them.

Our strategy includes the following priorities:

- Engagement in the conceptual design and integrated front-end engineering of subsea development projects to create value through technology and integration of scopes by simplifying field architecture and accelerating both delivery schedules and time to first production.
- Innovative research and development ("**R&D**"), often in collaboration with clients and partners, to develop leading products and technologies that deliver greater efficiency to the client, lower development costs, unlock stranded and/or marginal fields, and enable frontier developments.
- Focus on selecting the right projects to ensure a strong and healthy backlog.
- Superior project execution capabilities allowing us to mobilize the right teams, assets, and facilities to capture and profitably execute complex subsea projects and services.
- Capitalize on combined competencies coming from alliances and partnerships with both clients and suppliers.
- Leverage supplier relationships to optimize supply chain market dynamics and implement greater simplification and standardization in products and processes.

TechnipFMC is a clear leader in the subsea industry. Our success has been built on our technological strength, innovation, focus on digitalization, and strong partnerships with major oil companies to expand market opportunities.

Recent and Future Developments

We continue to focus on performance improvement and optimization strategies that will improve our profitability. Our investments decisions fully support our business with technologies that will differentiate our portfolio.

Subsea Studio™ is transforming the conventional concept, FEED and tendering phases of subsea projects. Working with our clients, we are now able to develop ultra-fast, digital field architectures that bring together decades of engineering knowledge with artificial intelligence and machine learning to optimize product configurations, accelerate execution, and maximize value.

Subsea Studio™ has an open architecture that allows integration with other engineering and manufacturing systems, eliminating the need for multiple hand-offs, and resulting in as much as a 50% reduction in the time required for front-end engineering. We are extending the platform beyond subsea system design to incorporate the execution and field management phases of a project. Once fully implemented, we will have a complete digital thread from concept design, all the way through to the life of the field.

To further our commitment to meaningfully contribute to the energy transition, we formed New Energy Ventures to define a detailed business plan and identify and develop business opportunities and investment cases. We seek to make energy more sustainable through electrification of offshore fields through renewable sources. Offshore floating wind, wave energy, and green hydrogen will be main contributors to our subsea energy transition vision. Our core competencies in systems engineering, safety control and systems, high pressure gas pipelines and risers, connection systems, and subsea tank systems are easily transferable from oil and gas to alternative energy solutions.

We have set a target to reduce up to 50% of CO_2 emissions from offshore upstream life of field. Subsea is a field development solution that is uniquely positioned to minimize carbon footprint and drive simplification in field design, product design and offshore operations to enable a platform-less future.

Subsea all-electric field developments enable longer step-out and tiebacks as well as unmanned platforms and operations. Subsea processing and power solutions move technology from topside to seabed. Automation and robotics such as the Gemini ROV represent a step change towards autonomous operations.

Our subsea products and infrastructure help our clients' businesses be less carbon intensive across activities by reducing CO_2 emissions.

We expect our iEPCI capabilities to provide a competitive advantage as we deliver comprehensive and differentiated solutions. In addition, we anticipate the following longer-term trends in the subsea market:

- Increased market adoption of integrated subsea projects, leading to further penetration of our integrated business model and higher levels of iEPCI order activity for our Company.
- Growing service opportunities, driven by (i) higher levels of project activity, (ii) increased asset integrity and production management activities focused on improving uptime and production volume and lowering emissions, and (iii) increased maintenance and intervention activity resulting from an expanding and aging installed equipment base.
- Smaller projects (less than $75 million) and direct awards will continue to contribute meaningfully to our order mix. In 2020, these awards collectively represented more than half of our total subsea inbound orders, with the remainder being publicly announced projects and subsea service activities. Subsea tiebacks are often part of this mix, and these shorter cycle brownfield expansions provide operators with faster paybacks and higher returns.
- There is a growing trend towards independent operators and new entrants undertaking subsea developments; we are a natural partner for this customer group because of our ability to offer fully integrated solutions.
- Natural gas developments are growing in prominence. We believe that more than 20% of offshore capital expenditures could be directed at natural gas developments by early next decade. We also anticipate that 45% of gas production will come from offshore, with significant growth in the Middle East (shallow water) followed by Australia (deep water) in the next five years.

We continue to work closely with our customers and believe that, in the context of lower oil prices, with our unique business model we can further reduce their project break-even levels by offering cost-effective approaches to their project developments and accelerating time to first oil and gas.

Product Development

Technology development progressed on our Subsea 2.0™ ("**Subsea 2.0**") product platform, the next generation of subsea equipment, using designs that are significantly simpler, leaner, and smarter than current designs. These products incorporate a modular product architecture and component level standardization to enable a flexible configure-to-order approach, reducing hardware delivery time for clients. The products are expected to deliver breakthroughs in the way subsea products are manufactured, assembled, installed, and maintained over the life of the field. Incorporating our Subsea 2.0 platform can greatly simplify the subsea infrastructure, while reducing greenhouse gas emissions. When combined with iEPCI, it also simplifies vessel installation campaigns by providing an even greater environmental and economic benefit and unlocks first oil and gas faster. In 2020, we installed Subsea 2.0 trees on two projects, with production under way offshore in Brazil. Additionally, we were awarded our latest iEPCI project with Shell in Malaysia. It incorporates our Subsea 2.0 technology as well as a diverse set of other projects in some of the most active basins in the world.

Our Joint Industry Program for electrification of the field progressed well this year. This system solution will drive reduced emissions, enable more digitally enabled intelligent field operations, improve economics for long step-out and subsea tie-back to short field developments, and contribute to a more sustainable way to develop oil and gas resources.

In a partnership with Halliburton, we introduced Odassea™, the first distributed acoustic sensing solution for subsea wells. This technology platform enables operators to execute intervention-less seismic imaging and reservoir diagnostics to reduce total cost of ownership while improving reservoir knowledge. This project expands our unique integrated subsea solution and leverages the competencies and know-how to drive a higher level of sustainability. In the field, we are delivering solutions with the technology to multiple subsea projects at all stages from conceptual design to execution and installation.

This year, we have also advanced on our journey towards more autonomous operations with the launch of the Gemini™® ("**Gemini**") ROV system, featuring advanced automation and precision robotics to increase offshore productivity. Gemini is the next generation of advanced 250 horse power work class ROV system providing unprecedented subsea productivity. The integration of ROV, manipulators and tooling enables a transition to highly automated subsea robotics, which reduces task time from hours to minutes, ensuring predictable results every time. Featuring a significant advancement in manipulator design, the Gemini manipulators provide integrated hydraulics, electric power, communications, and force compliance. Additionally, the ROV has access to more than 30 subsea exchangeable tools and a comprehensive fluid intervention system to support the most demanding deepwater drilling and completion operations. With a depth rating of up to 4,000 meters, Gemini can remain subsea for one month, enabling 24/7 operations without recovery for tooling reconfiguration. Its combination of system availability, capability and productivity reduces operational costs and delivers unequaled performance.

In addition to investments to develop lower-cost production solutions, we also invest in the development of technology to expand our service portfolio. As an example, we have simultaneously launched a suite of new ROV services for drill rigs alongside Gemini to drive even greater efficiency.

Acquisitions and Investments

We did not make any material acquisitions or corporate investments in 2020. We have focused on business transformation to mitigate the adverse effects of the rapidly changing market environment and to ensure the long-term viability of our subsea business.

Going forward, we will need fewer assets to deliver more comprehensive solutions:

- We are optimizing our operations across geographies, and if economic returns don't make sense, we will look to exit.
- We continue to right-size our assets to better align with and leverage the benefits of our differentiated offering and the advantages of new technologies – such as Subsea 2.0 – and integrated project delivery.
- We continue to partner with others, providing us access to unique assets in a more capital efficient manner.

As the subsea industry continues to evolve, we are accelerating actions to further streamline our organization, achieve standardization, and reduce cycle times. We aim to continuously align our operations with activity levels, while preserving our core capacity in order to deliver current projects in backlog and future order activity.

Technip Energies

Technip Energies offers a full range of design, project management, and construction services to our customers spanning the entire downstream value chain, including technical consulting, concept selection, and final acceptance test. With the drive of the energy transition, we are increasingly deploying low-carbon solutions. We have been successful in meeting our clients' needs given our proven skills in managing large engineering, procurement, and construction projects.

Technip Energies' onshore business combines the study, engineering, procurement, construction, and project management of the entire range of facilities related to the production, treatment, and transportation of gas, oil and renewables, the transformation of petrochemicals such as ethylene, polymers, and fertilizers, as well as other major activities including refining and hydrogen.

Technip Energies conducts large-scale, complex, and challenging projects that involve extreme climatic conditions and non-conventional resources and are subject to increasing environmental and regulatory performance standards. Technip Energies relies on technological know-how for process design and engineering, either through the integration of technologies from leading alliance partners or through its own technologies. Technip Energies seeks to integrate and develop advanced technologies and reinforce its strong project execution capabilities in each of its onshore activities.

Technip Energies' offshore business combines the study, engineering, procurement, construction, and project management within the entire range of fixed and floating offshore facilities, many of which were the first of their kind, including the development of floating liquefied natural gas ("**FLNG**") facilities.

Principal Products and Services

Onshore Engineering & Construction

Technip Energies designs and builds different types of facilities for the development of onshore gas, oil, and renewables, processing facilities, and product export systems. In addition, Technip Energies renovates existing facilities by modernizing production equipment and control systems, in accordance with applicable environmental standards.

Natural Gas Treatment and Liquefaction

Technip Energies offers a complete range of services across the gas value chain to support its clients' capital projects from concept to delivery. Technip Energies' capabilities include the design and construction of facilities for liquefied natural gas ("**LNG**"), gas-to-liquids ("**GTL**"), natural gas liquids ("**NGL**") recovery, and gas treatment.

In the field of LNG, Technip Energies pioneered base-load LNG plant construction through the first-ever facility in Arzew, Algeria. Working with its partners, Technip Energies has constructed facilities that can deliver more than 105 million metric tonnes per annum ("**Mtpa**"), which is a significant portion of the global liquefaction capacity in operation today. Technip Energies brings knowledge and conceptual design capabilities that are unique among engineering and construction companies involved in LNG. Technip Energies has engineered and delivered a broad range of LNG plants, including mid-scale and very large-scale plants, both onshore and offshore, and plants in remote locations. Technip Energies has experience in the complete range of services for LNG, receiving terminals from conceptual design studies to EPC. Reference projects include LNG trains in Qatar (the sixth largest ever constructed), Yemen, and a series of mid-scale LNG plants in China. Together with its joint venture partners, Technip Energies delivered the first phase of the Yamal LNG plant ("**Yamal**") in the Russian Arctic with all three trains put in production before the end of 2018. During 2019, the Arctic LNG 2 project for Novatek was sanctioned following award of the EPC contract to Technip Energies, together with its joint venture partners. Technip Energies combines its capabilities with its technology and know-how to develop new solutions that supports the energy transition in reducing LNG plant emissions and improving their energy efficiency.

Technip Energies is also well-positioned in the GTL market and is one of the few contractors with experience in large GTL facilities. Technip Energies has unique experience in delivering plants using Sasol's "Slurry Phase Distillate" technology, and it has provided front-end engineering design for the Fischer-Tropsch section of more than 60% of commercial liquids conversion capacity worldwide. Technip Energies' clients also benefit from its development of environmental protection measures, including low nitrogen oxide and sulfur oxide emissions, waste-water treatment, and waste management.

Technip Energies specializes in the design and construction of large-scale gas treatment complexes as well as existing facility upgrades. Gas treatment includes the removal of carbon dioxide and sulfur components from natural gas using chemical or physical solvents, sulfur recovery, and gas sweetening processes based on the use of an amine solvent. Technip Energies ranks among the top contractors in the field in relation to sulfur recovery units installed in refineries or natural gas processing plants. Given its long-term experience in the field of sour gas processing, Technip Energies can provide support to clients for the overall evaluation of the gas sweetening/sulfur recovery chain and the selection of optimum technologies.

Refining

Technip Energies is a leader in the design and construction of refineries. Technip Energies manages many aspects of these projects, including the preparation of concept and feasibility studies, and the design, construction, and start-up of complex refineries or single refinery units. Technip Energies has been involved in the design and construction of more than 30 new refineries or major refinery expansions and are one of the few contractors in the world to have built seven new refineries since 2000. Technip Energies has extensive experience with technologies related to refining and have completed more than 840 individual process units within major expansion or refurbishment projects, implemented in more than 75 countries. As a result of its cooperation with the most highly renowned technology licensors and catalyst suppliers, and its strong technological expertise and refinery consulting services, Technip Energies is able to provide an independent selection of appropriate technologies to meet specific project and client targets. These technologies result in direct benefits to the client, such as energy efficiency, emission control and environmental protection, including hydrogen and carbon dioxide management, sulfur recovery units, water treatment, and zero flaring. With a strong record of accomplishment in refinery optimization and performance improvement projects, Technip Energies has experience and competence in relevant technological fields in the refining sector. Transition to a low-carbon economy is a strategic trend driving the refining industry today for which Technip Energies offers significant experience, technological skills, solid project development, and delivery references.

Biofuels

Biofuels are a renewable alternative to fossil fuels and an advanced solution to meet stringent, medium-term climate targets. In this domain, Technip Energies is one of the global leaders and delivers a wide range of biofuel plants utilizing various technologies. Technip Energies has end-to-end project management expertise, delivering projects from feasibility studies to full EPC project execution. Opportunities lie in expansions or revamps of existing refineries, as well as stand-alone projects. As an example, Technip Energies is a partner of choice for Neste's NEXBTL projects, being involved in its facilities in Singapore and Rotterdam.

Hydrogen

Hydrogen is widely used in the production of cleaner transport fuels and is also the most widely used industrial gas in the refining, chemical, and petrochemical industries. With more than 55 years' experience and expertise in the production of hydrogen, Technip Energies offers a single point of responsibility for the design and construction of hydrogen and synthesis gas production units, with tailored solutions ranging from Process Design Packages to full lump-sum turnkey projects. Technip Energies also offers services for maintenance and performance optimization of running units as well as a wide choice of proprietary technologies, including steam reforming technology used worldwide. Technip Energies has solutions in place for carbon capture readiness in future hydrogen plants, targeting more than a two-thirds' reduction in carbon dioxide release from hydrogen plants. Driven by its track record in grey and blue hydrogen projects, Technip Energies is also focused on positioning carbon-free, green, hydrogen in the current and future energy landscape, on the basis of its extensive expertise in hydrogen technology. In October 2020, Technip Energies entered into a strategic alliance with McPhy, a leading manufacturer and supplier of carbon-free hydrogen production and distribution equipment, to develop large-scale and competitive carbon-free hydrogen solutions from production to liquefaction, storage, and distribution.

Ethylene

Technip Energies holds proprietary technologies and is a leader in the design, construction, and commissioning of ethylene production plants. Technip Energies designs steam crackers, from concept stage through construction and commissioning, for both new plants (including mega-crackers) and plant expansions. Technip Energies has a portfolio of the latest generation of commercially proven technologies and is uniquely positioned to be both a licensor and an EPC contractor. Technip Energies' technological developments have improved the energy efficiency in ethylene plants by improving thermal efficiency of the furnaces and reducing the compression power required per ton, thereby reducing carbon dioxide emissions per ton of ethylene by 30% over the last 20 years.

Petrochemicals

Technip Energies is one of the world leaders in the process design, licensing, and realization of petrochemical units, including basic chemicals, intermediate, and derivative plants. Technip Energies provides a range of services that includes process technology licensing and development and full EPC complexes. Technip Energies is accelerating the energy transition by improving monomer and energy efficiencies of its plants and by integrating feedstock shifts to improve production costs and carbon footprints. Technip Energies licenses a portfolio of chemical technologies through long-standing alliances and relationships with leading manufacturing companies and technology providers. Technip Energies has research centers to develop and test technologies for polymer and petrochemical applications, where fully automated pilot plants gather design data to scale-up processes for commercialization.

Fertilizers

Technip Energies' expertise covers the entire value chain from mining and beneficiation to fertilizers, including ammonia, urea, and phosphoric acid plants. Working in more than 40 countries, Technip Energies has engineered and delivered more than 350 large fertilizer complexes and integrated units. Technip Energies services offerings range from global strategic planning, technical consulting, and feasibility studies to complete turnkey facilities and further assistance to production and de-bottlenecking. Through its commitment to continuous end-to-end innovation for higher performance and efficiencies, Technip Energies helps its clients develop optimized and sustainable process schemes for their projects and meet the highest environmental standards.

Sustainable Chemistry

Technip Energies is a key player in sustainable chemistry and offers a variety of technologies, processes and services in the areas of biofuels, biochemicals, and circular economy applications. With leading engineering and project management capabilities originating from expertise in chemicals, petrochemicals, refining, and fermentation, it provides high value for clients – from process development in the very early stage of the project, to the implementation of large and complex sustainable chemicals plants.

Decarbonization

Technip Energies provides solutions that span from energy efficiency to full carbon removal, adapting to a variety of client challenges and requirements. Technip Energies makes clients' businesses less carbon intensive across activities, decarbonizes fossil-based energies and manages the resulting CO_2 in a sustainable manner. Technip Energies' current portfolio of sustainable technologies includes process designs that improve energy efficiency and reduce emissions and provides answers today for its customers.

Carbon-free energy solutions

To offer carbon-free solutions requires overcoming many technical and commercial challenges, as well as integrating multiple technologies for the management of electrical power from wind or solar intermittency. In this field, Technip Energies is expanding its portfolio of technologies and processes to carbon-free energy chains such as green hydrogen produced from renewable energy.

Fixed Platforms

Technip Energies offers a broad range of fixed platform solutions in shallow water, including: (i) large conventional platforms with pile steel jackets whose topsides are installed offshore either by heavy lift vessel or floatover; (ii) small, conventional platforms installed by small crane vessel; (iii) steel gravity-based structure platforms, generally with floatover topsides; and (iv) small to large self-installing platforms. Technip Energies offers a range of design, construction, and industrial applications that are key to the global transition to a less carbon intensive economy.

Floating Production Units

Technip Energies offers a broad range of floating platform solutions for moderate to ultra-deepwater applications, including:

- *Spar Platforms*: Capable of operating in a wide range of water depths, the Spar is a low motion floater that can support full drilling with dry trees or with tender assist and flexible or steel catenary risers. The Spar topside is installed offshore either by heavy lift vessel or floatover. Technip Energies has constructed 17 Spar facilities which are currently operating in the world.
- *Semi-Submersible Platforms*: These platforms are well-suited for oil field developments where subsea wells drilled by a mobile offshore drilling unit are appropriate. Semi-Submersibles can operate in a wide range of water depths and may have full drilling and large topside capabilities. Technip Energies has its own unique design of low-motion Semi-Submersible platforms that can accommodate dry trees.
- *Tension-Leg Platforms ("**TLP**")*: An appropriate platform for deepwater drilling and production in water depths up to approximately 1,500 meters, the TLP can be configured with full drilling or with tender assist and is generally a dry tree unit. The TLP and our topside can be integrated on to the substructure in a cost-effective manner at quayside.

Floating Production, Storage and Offloading ("FPSO")

Working with its construction partners, Technip Energies has delivered some of the largest FPSOs in the world. FPSOs enable offshore production and storage of oil which is then transported by a tanker where pipeline export is uneconomic or technically challenged (e.g., ultra-deepwater). FPSOs utilize onshore processes adapted to a floating marine environment. They can support large topsides and hence large production capacities. Leveraging its industry-leading capabilities in gas monetization, particularly FLNG, Technip Energies is currently well-positioned to leverage the global offshore gas cycle with gas FPSOs.

Floating Liquefied Natural Gas

FLNG is an innovative alternative to traditional onshore LNG plants and is suitable for remote and stranded gas fields that were previously deemed uneconomical. FLNG is a commercially attractive and carbon conscious approach to the monetization of offshore stranded gas fields or associated gas from oil production. It avoids the cost of building and operating long-distance pipelines and extensive onshore infrastructure. Technip Energies pioneered the FLNG industry and is the contractor best able to integrate all of the core activities required to deliver an FLNG project: LNG process, offshore facilities, loading systems, and subsea infrastructure. Technip Energies delivered the industry's first and largest FLNG facilities and is currently executing ENI's Coral South FLNG, which will be installed offshore Mozambique in East Africa.

Mining and Metals

Technip Energies offers its clients an integrated approach and expertise across the mineral value chain from mining to processing. The Sintoukola potash project in the Congo is a prime example of this integrated approach. Technip Energies covers the entire project lifecycle, from conceptual studies to engineering, procurement, construction, and project management services or EPC Lump-Sum Turn-Key services with references including successful completed projects and ongoing projects dedicated to the treatment of nickel, uranium, phosphate, potash, alumina, and iron ore. Technip Energies brings together the know-how and determination to transform its clients' project economics.

Life Sciences

Technip Energies is a leading provider in the design and construction of pharmaceuticals and bio-technologies facilities, bringing together know-how, process engineering expertise, construction management, commissioning, and qualification. Technip Energies offers fully integrated technical and regulatory solutions from design to validation. Technip Energies provides its clients a robust experience with more than 350 pharmaceuticals and bio-technologies facilities delivered in the past 25 years.

Nuclear

Technip Energies has recognized expertise and dedicated capabilities at several stages of the nuclear industry chain, from mining to chemistry, underground waste storage and reprocessing. Technip Energies provides engineering services from basic to detailed design, project management, control assistance, and construction services for the nuclear market.

Loading Systems

Technip Energies is globally recognized for setting technical and performance standards in fluid transfer, delivering liquid and gas loading systems to the most challenging applications, both onshore and offshore. Technip Energies leads the market with 10,000 loading arms supplied, including more than 500 arms for LNG. Technip Energies has developed unique offshore LNG transfer systems for all FLNG facilities operating to-date. Technip Energies offers equipment design and fabrication projects, as well as services over the life of its systems.

Cybernetix robotics and surveillance

Technip Energies offers innovative robotics and surveillance systems for harsh environments and operational constraints. Technip Energies works with an array of clients in the energy industry. This includes nuclear, where Technip Energies involvement dates back more than 20 years. Technip Energies' solutions help energy clients increase uptime, reduce costs, and improve safety and speed of decision-making through augmented monitoring and advanced robotics solutions for inspection and dexterous interventions.

Capital Intensity

Technip Energies executes turnkey contracts on a lump-sum or reimbursable basis through engineering, procurement, construction, and project management services on both brownfield and greenfield developments and projects. Technip Energies can execute EPC contracts through sole responsibility, joint ventures, or consortiums with other companies. Technip Energies often receives advance payments and progress billings from its customers to fund initial development and working capital requirements. However, its working capital balances can vary significantly through the project lifecycle depending on the payment terms and timing on contracts.

Dependence on Key Customers

Generally, Technip Energies' customers are major integrated oil companies or national oil companies. Technip Energies has developed long-term relationships with its main clients around its portfolio of technologies, expertise in project management, and strong execution, while addressing national content development requirements. Technip Energies' customers have sought the security of partnerships with Technip Energies to ensure timely and cost-effective delivery of their projects. One customer, Arctic LNG, represented more than 10% of our 2020 consolidated revenue.

Competition

In the onshore market, Technip Energies faces a large number of competitors, including U.S. companies (Bechtel Corporation, Fluor Corporation, KBR, Inc. ("**KBR**"), and McDermott), Asian and Australian companies (Chiyoda Corporation, JGC Corporation, Hyundai Engineering & Construction Co., Ltd., Samsung Engineering Co., Ltd, SK Engineering & Construction Co., Ltd, and Worley Limited), European companies (Wood Group plc, Maire Tecnimont Group, Petrofac, Ltd., Saipem, and Tecnicas Reunidas, S.A.). In addition, Technip Energies competes against smaller, specialized, and locally based engineering and construction companies in certain countries or for specific units such as petrochemicals.

Competition in the offshore market is relatively fragmented and includes various players with different core capabilities, including offshore construction contractors, shipyards, leasing contractors, and local yards in Asia Pacific, the Middle East, and Africa. Competitors include China Offshore Oil Engineering Co., Ltd., Daewoo Shipbuilding & Marine Engineering Co., Ltd., Hyundai Heavy Industries Co., Ltd., JGC Corporation, KBR, McDermott, MODEC Inc., Saipem, and Samsung Heavy Industries Co., Ltd.

Seasonality

Technip Energies' onshore business is generally not impacted by seasonality. Technip Energies' offshore business could be impacted by seasonality in the North Sea and other harsh environment regions during the offshore installation campaign at the end of a project.

Market Environment

In the first quarter of 2020, the COVID-19 pandemic provoked an unprecedented drop in demand for oil and gas, while supply was maintained at a high level for some time by some large oil and gas producing countries, resulting in sharp price reductions. Technip Energies' clients reacted rapidly, cutting their investments and delaying project sanctions.

Given the long cycle nature of Technip Energies business and the resilience and maturity of the projects in backlog, Technip Energies has been able to mitigate a significant portion of COVID-19 operational impacts. For its large capital projects, deferrals of new projects were recorded while on-going projects were maintained. With the introduction of its energy transition framework, Technip Energies is well positioned to accompany clients in their shift towards low-carbon societies and pursue commercial opportunities, including in digitalization.

The onshore market activity continues to provide a tangible set of opportunities in LNG due to the critical role that natural gas plays as a transition fuel. By focusing on selectivity, cost competitiveness and an agility to capture new opportunities, Technip Energies continues to pursue refining, petrochemical, fertilizer, and renewables project opportunities. Based on a solid track-record, technologies and its energy transition framework, Technip Energies is well positioned for growth in sustainable chemistry and other low-carbon or carbon-free energy solutions.

Offshore market activity is expected to benefit in the near-term as macro conditions continue to support the international growth cycle, resulting in increased activity in offshore and deepwater exploration and development. In the long term, new upstream investment will also be required as gas becomes a bigger portion of the global energy mix. Technip Energies is well positioned to capture these opportunities due to its offering in all offshore markets and leadership position in FLNG or gas FPSO.

Strategy

Technip Energies strategy is based on the following:

- Selectivity of clients, projects, and geographies, which serves to maintain early engagement, leading to influence over technological choices, design considerations, and project specifications that make projects economically viable.
- Technology-driven differentiation with strong project management, which eliminates or significantly reduces technical and project risks, leading to both schedule and cost certainty without compromising safety.
- Excellence in project execution, because of our global, multi-center project delivery model complemented by deep partnerships and alliances to ensure the best possible execution for complex projects.

Technip Energies continues to invest in innovation and technology. Technip Energies is at the forefront of digital solutions due in part to its investment in three dimensional models, often referred to as digital twin, and interfaces.

Technip Energies continues to serve its clients in traditional markets, developing more energy-efficient solutions while making their facilities less-carbon intensive. Technip Energies' framework about Energy Transition is organized around four pillars, and will help us accelerate the journey to a low-carbon society:

- LNG – to deliver the necessary infrastructure as a global leader as we transition to a low-carbon society.
- Sustainable Chemistry – to design and implement processes for products from renewable sources and to provide circular solutions for the generation of safe and sustainable substances that are in demand by industry and society.
- Decarbonization – to make Technip Energies' clients' businesses less carbon intensive across our activities, decarbonize fossil-based energies and manage the resulting CO_2 in a sustainable manner.
- Carbon-Free Solutions – to expand Technip Energies' portfolio of technologies and processes that provide non-carbon-based energy alternatives.

Recent and Future Developments

Technip Energies' active early engagement with its clients through front-end engineering studies serves to optimize project economics while also significantly mitigating risks during project execution. Technip Energies direct engagement led to the signing of a major EPC contract in July for the construction of a new hydrocracking complex for the Assiut refinery in Egypt. Technip Energies continues to selectively track refining, petrochemical, fertilizer, and sustainable chemistry project opportunities – notably in the Middle East, Africa, Asia and North America – as these sectors typically prove to be more resilient through a downturn.

In response to an increase in demand for gas, new offshore investment will be required in the long term. Recent discoveries of offshore fields with reserves in regions such as Australia and East Africa are expected to benefit future activity; however, the timing of increased investment in these regions could be deferred. Offshore continued as a leader in gas projects with the ongoing Karish FPSO project for Energean, Tortue FPSO project for BP, and Coral FLNG project for Eni.

Product Development

Technip Energies is positioned as a premier provider of project execution and technology solutions, which enables its customers to unlock resources at advantaged capital and operating economics. Technip Energies invests in these main onshore R&D areas: (i) the development of process technology and equipment for economy of scale; (ii) continuous improvement of its proprietary process technologies and other solutions to reduce operating and investment cost; and (iii) diversification of its proprietary technology offering, especially in the energy transition domain.

Technip Energies' offshore R&D efforts are focused on improving the economics of its clients' diverse fixed and floating platform projects. Additionally, to further reduce operating and investment costs, Technip Energies continues to progress the development of robotic solutions for offshore platforms and work towards a standard and adaptable design for Normally Unmanned Installations. Technip Energies is also evaluating the various opportunities that will emerge as the industry and societal demands shift as part of the energy transition. Technip Energies continues to assess and implement the best digital technologies to support the business.

Acquisitions and Investments

Technip Energies has made an investment in McPhy, a leading manufacturer and supplier of carbon-free hydrogen production and distribution equipment. Technip Energies also signed a memorandum of understanding with McPhy, pursuant to which the two companies will jointly work on technology development and project implementation. In addition to its leadership position in hydrogen, this collaboration will help Technip Energies develop large-scale and competitive Green hydrogen solutions.

Surface Technologies

The Surface Technologies segment designs, manufactures, and services products and systems used by companies involved in land and shallow water exploration and production of crude oil and natural gas. Our Surface Technologies product families include (i) drilling, (ii) stimulation, (iii) production, (iv) measurement, and (v) services. We manufacture most of our products internally in facilities located worldwide.

Principal Products and Services

Drilling

We provide a full range of drilling and completion systems for both standard and custom engineered applications. The customer base of our drilling and completion offerings is oil and gas exploration and production companies.

Surface Wellheads and Production Trees

Our products are used to control and regulate the flow of crude oil and natural gas from the well. The wellhead is a system of spools and sealing devices from which the entire downhole well string hangs and provides the structural support for surface production trees. Production trees are comprised of valves, actuators and chokes which can be combined in both vertical and horizontal configurations, depending on customer-specific requirements.

Surface wellheads and production trees are “per-well” systems which are designed for onshore shale, onshore conventional, and offshore shallow water platform applications, and are typically sold directly to exploration and production operators during the drilling and completion phases of the well lifecycle. Our surface wellhead and production tree systems are used worldwide, and we are one of the few companies that provide global coverage and a full range of system configurations, including (i) conventional wellheads, (ii) Unihead® drill-thru wellheads designed for faster installation and drill-time optimization, and (iii) high-pressure, high-temperature (“**HPHT**”) systems for extreme production applications.

We also provide services associated to our surface wellhead and production tree portfolio, including service personnel and rental tooling for wellhead and production tree installation and life of field repair, refurbishment, and general maintenance. Our wellhead and production tree business relies on our ability to successfully provide the necessary field operations coverage, responsiveness, and reliability to prevent downtime and non-productive time during the drilling and completion phases.

Completion and stimulation

Our iComplete™ offering is the first integrated pressure containment kit for the onshore conventional stimulation market. Its CyberFrac™ digital platform reduces manpower in the red zone and enables efficiencies that significantly reduce GHG emissions, lower downtime, and eliminate the integration burden for operators.

We are one of the few oilfield service providers that can offer an integrated solution covering the fracturing through flowback phases. iComplete™ provides our exploration and production customers with an integrated rental and service offering, including fracturing tree and manifold systems, as well as pressure control flowlines, flowback and well testing equipment, and field services.

Fracturing Tree and Manifold Systems

During the completion of a shale well, the well undergoes hydraulic fracturing. During this phase, durable and wear-resistant wellsite equipment is temporarily deployed. Our equipment is designed to sustain the high pressure and highly erosive fracturing fluid which is pumped through the well into the formation.

Our equipment (fracturing tree systems, fracturing valve greasing systems, hydraulic control units, fracturing manifold systems, and rigid and flexible flowlines) is temporarily laid out between the wellhead and the fracturing pump truck during hydraulic fracturing. These products are typically supplied to exploration and production operators who rent this equipment directly from us during the hydraulic fracturing activities. Associated with our fracturing equipment rental is fracturing rig-up / rig-down field service personnel, as well as oversight and operation of the equipment during the multiple fracturing stages for a shale well.

TechnipFMC's manifold solutions help increase operational efficiency for a pad site with multiple wells. Our SuperFrac™ Manifold provides time savings and pumping efficiencies when stimulating multiple wells on a single pad. The manifolds are installed and connected to multiple trees off the critical path, which allows our customers to fracture more stages per day in a compact footprint and efficiently move operations from one well to another, saving time and money. We also offer conventional and articulating arm manifold trailers, which are used as the connection point between fracturing pump trucks and the fracturing flowline and manifold system.

Our Ground Level Fracturing System is an essential tool for unconventional operators who use simultaneous operations to efficiently run completions in multi-well pads. The innovative system design uses various lengths of trunkline to align the SuperFrac™ Manifold and fracturing tree at ground level, which minimizes the number of flowline connections for safer operation. We are a significant supplier of flowline pipework (rigid and flexible) that is used to move the fracturing product from the pump truck, via the manifold and into the fracturing trees.

Pressure Pumping

We design and manufacture equipment used in well completion and stimulation activities by major oilfield service and drilling companies, as well as by oil and gas exploration and production operators directly.

Flexibles

We have been a leading supplier of flexible lines since the 1970s and have successfully introduced a portfolio of flexible solutions for the onshore stimulation market. Our PumpFlex™ and WellFlex™ products can be incorporated into most shale operations and are an integral part of our iComplete™ system.

Flowline.

We are a leading supplier of flowline products and services to the oilfield industry. From the original Chiksan® and Weco® products to our revolutionary equipment designs and integrated services, our family of flowline products and services provides our customers with reliable and durable pressure pumping equipment. Our facilities stock flowline products in the specific sizes, pressures, and materials common to each region. Our commitment is to help our customers worldwide attain maximum value from their pressure pumping assets by guaranteeing that the right products arrive at the job site in top working condition. Our total solutions approach includes the InteServ tracking and management system, mobile inspection and repair, strategically located service centers, and genuine Chiksan® and Weco® spare parts.

Well Service Pumps

We offer a diverse line of well service pumps for use in high-pressure pumping operations such as hydraulic fracturing and stimulation, including triplex and quintuplex pumps, each with its own industry-leading features, including: (i) heavy-duty power ends, paired with main journal roller bearings and heavy-duty rod journal bearings, (ii) heavy-duty crankshafts, (iii) fluid cylinders, with accessible packing and valves, and (iv) made-to-order pumps. Our pumps can withstand some of the harshest operating conditions, with pressure ranges up to 20,000 psi and flow rates up to 1,500 gallons per minute.

Production

Our upstream production offering includes well control, safety and integrity systems, multiphase meter modules, in-line separation and processing systems, and standard pumps. These offerings are differentiated by our comprehensive portfolio of in-house compact, modular, and digital technologies, and are designed to enhance field project economics and reduce operating expenditures with an integrated system that spans from wellhead to pipeline.

Our iProduction™ system is the first automated integrated production platform for onshore unconventional. Our digital interface enables operators to manage their production operations remotely, leveraging Insitex data-monitoring technology. Our separation portfolio and measurement technologies, combined with our expertise in modularization, enable our customers to achieve first production faster with fully optimized and environmentally conscious, compact systems.

Flowback and Well Testing Services

After a shale well is hydraulically fractured, the well moves to the flowback phase in which much of the fracturing fluid pumped into the well flows back out through the wellhead and fracturing tree system. This phase lasts until the wellbore flow is adequate for flow through the production facilities downstream of the wellsite. Our flowback and well testing offering includes chokes, de-sanders, and advanced well testing equipment and related services which are provided to exploration and production operators during the flowback phase. Our Automated Well Testing Package (AWT™) is now widely used in North America enabling operators to remove personnel from processes and its digital package anticipates service. These offerings enable a substantial reduction in downtime and enhanced safety.

Well Control and Integrity Systems

We supply control components and safety systems designed to safely and efficiently run a wellpad, modules on an offshore platform, or a production facility. Our systems are based on standard, field-proven building blocks and designed for minimal maintenance during life of field operations.

Surface Multiphase Meter

Our multiphase meters ("**MPMs**") are a collection of technologically advanced innovations that provide a differentiated approach to multiphase measurement. The patented technology in our MPMs offers many unique features that provide a step change in allocation measurement and allows for continuous surveillance of wells across a full range of operating conditions. Our MPMs provide real-time data to a central facility, or our cloud portal, for production reporting and remote notification and system troubleshooting.

Separation and Processing Systems

TechnipFMC provides industry-leading technology for the separation of oil, gas, sand, and water. These solutions are used in onshore production facilities and on offshore platforms worldwide. Our family of separation products delivers client success by increasing efficiency and throughput and reducing the footprint of processing facilities. Our separation systems offering includes internal components for oil and gas multiphase separation, in-line deliquidisers, and solids removal, as well as fully assembled separation modules and packages designed and fabricated for oil and gas separation, fracturing flowback treatment, solids removal, and primary produced water treatment.

Standard Pumps and Skid Systems

We provide complete skid solutions, from design consultation through startup and commissioning. We offer a diverse line of reciprocating pumps, customized according to the application with pressure ranges available up to 10,000 psi and flow rates up to 1,500 gallons per minute.

Automation and Digital Systems

We provide hardware and software solutions to automate and provide simple human interfaces for a number of our critical products. These digital offerings help enable the removal of personnel from critical zones, either offshore or onshore. In addition, the digital signatures from our products can then be interpreted and used via condition performance monitoring to eliminate unplanned downtime.

Measurement

We design, manufacture, and service measurement products for the oil and gas industry. Our flow computers and control systems manage and monitor liquid and gas measurement for applications such as custody transfer, fiscal measurement, and batch loading and deliveries. Our FPSO metering systems provide the precision and reliability required for measuring large flow rates of marine loading operations. Our gas and liquid measurement systems are utilized in multiple energy-related applications, including crude oil and natural gas production and transportation, refined product transportation, petroleum refining, and petroleum marketing and distribution. We combine advanced measurement technology with state-of-the-art electronics and supervisory control systems to provide the measurement of both liquids and gases. This ensures processes operate efficiently while reducing operating costs and minimizing the risks associated with custody transfer.

Services

We offer our customers a comprehensive suite of service packages to ensure optimal performance and reliability of our equipment. These service packages include all phases of the asset's life cycle: from the early planning stages through testing and installation, commissioning, and operations, replacement and upgrade, maintenance, storage, preservation, intervention, integrity, decommissioning, and abandonment.

Capital Intensity

Surface Technologies manufactures most of its products, resulting in a reliance on manufacturing locations throughout the world, including fully owned manufacturing hubs in Stephenville, Texas, U.S., and Singapore, and a wide global network of third-party suppliers. We also maintain a large quantity of rental equipment related to our drilling and completion and pressure control offerings.

Dependence on Key Customers

Generally, Surface Technologies' customers are major integrated oil companies, national oil companies, independent exploration and production companies and oil and gas service companies. No single Surface Technologies customer accounted for 10% or more of our 2020 consolidated revenue.

Competition

Surface Technologies is a market leader for many of our products and services. Some of the factors that distinguish us from other companies in the same sector include our technological innovation, reliability, product quality, and ability to integrate across a broad portfolio scope. Surface Technologies competes with other companies that supply surface production equipment and pressure control products. Some of our major competitors include Baker Hughes, Cactus, Inc., Forum Energy Technologies, Inc., Gardner Denver, Inc., Schlumberger, Haliburton, and The Weir Group plc.

Market Environment

It has been a challenging year for the surface market, driven in part by the COVID-19 pandemic and the decline in hydrocarbon demand. Drilling and completion activity during 2020 decreased by approximately 40% compared to 2019 levels.

North American activity remained lower during the year, however, the number of U.S. fracturing crews has started to recover from the trough reached in May, and the weekly U.S. rig count has stabilized. Activity outside of North America remains resilient. We also continue to benefit from our exposure to the Middle East and Asia Pacific, both of which are being supported by strength in gas-related activity. The business mix outside of North America is expected to account for as much as 65% of total segment revenue in 2021.

Strategy

We exist to transform the surface market in order to provide customers with breakthrough reductions in cost and carbon intensity in the drilling, completion, upstream production, and midstream and downstream transportation sectors. We distinguish our offering by three key strengths: technology, integration, and automation.

Technology

We are committed to differentiated core products that enable integrated solutions to leverage the benefits of smarter designs.

Integration

Integrated ecosystems that reduce costs and increase uptime through pre-engineered, modular solutions which drive improvements in greenhouse gas emissions.

Automation

Intelligent products that are remotely managed using actionable data, reducing manpower in the field, maximizing uptime, and enabling enhanced production.

Product Development

In 2020, we capitalized on the launch of our revolutionary integrated ecosystems, iProduction™ and iComplete™, with the successful installation of our first iProduction™ system with Shell in their Permian basin iShale™ production site, and the implementation of our iComplete™ integrated system in the U.S. utilizing our digital interface technology, CyberFrac™.

iProduction™ is a modern production approach that includes well pad processing, gathering lines, and central processing facilities under a single digital interface. iProduction™ uses proprietary process technology, allowing customers to eliminate tanks, decrease GHG emissions and reduce footprint while maintaining reliability. By integrating and modularizing pre-engineered standard products, we reduced our clients' costs by up to 33%, reduce time to first oil by up to 30% and, using our digital twin technology, each site is monitored and controlled remotely – delivering new levels of insightful data to ensure uptime.

iComplete™ uses standardized equipment that can be set up for any unconventional well in the world. The integrated system removes 80% of connections and reduces the need for manual intervention during operations thanks to our CyberFrac™ digital interface, which provides actionable data remotely. Our customers get to oil faster and reduce operating costs by 30%. This revolutionary approach is making our customers' frac pads faster, safer, and smarter.

Acquisitions and Investments

In June 2018, we broke ground on a new 52,000 square meter facility in Dhahran, Saudi Arabia, with work continuing throughout 2019. Despite the COVID-19 pandemic, work has progressed through 2020 and we are on track to open the facility by mid-2021. The facility, which will be comprised of two stories and a 13, 000 square meter manufacturing space, is part of our continued investment in the Middle East to reinforce our leading position in delivering local solutions that extend asset life and improve project returns. The new facility positions us to respond to the expected increase in activity in the area while strengthening our capabilities, providing a solid platform for us to grow in what is a strategic market for our surface business. The new facility will offer a broader range of capabilities and greater value-add in-country, supporting our full portfolio with high technology equipment in the drilling, completion, production, and pressure control sectors.

Capitalizing on Energy Transition

TechnipFMC continues to innovate and introduce new technologies across our portfolio of products and services. Leveraging our vast experience and competencies from decades of working in the transformation of the energy sector, we enable our clients to achieve their energy transition targets.

In Subsea, we fundamentally changed the way we design, manage, and execute projects, starting with digital tools such as our Subsea Studio™. Our Subsea 2.0™ platform can greatly simplify subsea infrastructure, while reducing greenhouse gas emissions by nearly 50%. Combined with iEPCI™, our unique integrated model, it simplifies vessel installation campaigns, providing an even greater environmental and economic benefit. Our vision includes an "all-electric" system powered by renewable energy, with the potential to eliminate emissions.

Technip Energies continues to break boundaries and accelerate the journey to a low-carbon society. With decades of experience in the energy industry, Technip Energies is using its engineering, process and technology competencies as well as R&D facilities to find decarbonized solutions for a better environment. Technip Energies has structured its energy transition framework around four pillars: LNG, sustainable chemistry, decarbonization and carbon-free energy solutions. Technip Energies is a leader in gas treatment and liquefaction and has significant expertise and prospects in sustainable chemistry, such as its partnership with Neste for renewable diesel projects. It has expanded its footprint in the circular economy, including collaboration with Carbios to demonstrate its recycling technology. Technip Energies' Genesis advisory services have a particular focus on energy transition. Technip Energies is a leader in hydrogen, with proven technology to deliver blue hydrogen and, through its investment in McPhy, it is well positioned for the emerging Green hydrogen market.

Surface Technologies' high-efficiency solutions enable our clients to reach hydrocarbons faster with fully optimized and environmentally compact systems. Our integrated service lines, such as iProduction™ and iComplete™, provide additional opportunities and benefits to our customers. For instance, a project utilizing our iProduction™ integrated production system allows the client to capture more than 50% of the greenhouse gases that are typically released into the atmosphere during the production phase of an unconventional development.

Other business information relevant to our business segments

Sources and Availability of Raw Materials

Our business segments purchase carbon steel, stainless steel, aluminum, and steel castings and forgings from the global marketplace. We typically do not use single source suppliers for the majority of our raw material purchases; however, certain geographic areas of our businesses, or a project or group of projects, may heavily depend on certain suppliers for raw materials or supply of semi-finished goods. We believe the available supplies of raw materials are adequate to meet our needs.

Research and Development

We are engaged in R&D activities directed toward the improvement of existing products and services, the design of specialized products to meet customer needs, and the development of new products, processes, and services. A large part of our product development spending has focused on the improved design and standardization of our Subsea and Technip Energies products to meet our customer needs.

Patents, Trademarks, and Other Intellectual Property

We own a number of patents, trademarks, and licenses that are cumulatively important to our businesses. As part of our ongoing R&D focus, we seek patents when appropriate for new products, product improvements, and related service innovations. We have approximately 7,300 issued patents and pending patent applications worldwide. Further, we license intellectual property rights to or from third parties. We also own numerous trademarks and trade names and have approximately 660 registrations and pending applications worldwide.

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

7,300 patents issued and pending applications

35,000 employees

Employees

As of December 31, 2020, we had more than 35,000 employees.

Segment and Geographic Financial Information

The majority of our consolidated revenue and segment operating profits are generated in markets outside of the United States. Each segment's revenue is dependent upon worldwide oil and gas exploration, production and petrochemical activity.

Financial information about our segments and geographic areas is incorporated herein by reference from Note [3] to our consolidated financial statements of this U.K. Annual Report.

Order Backlog

Information regarding order backlog is incorporated herein by reference from the section entitled "*Business Review*" of the Strategic Report contained in this U.K. Annual Report.

Website Access to Reports and Proxy Statement

Our U.K. Annual Reports and Half-Year Reports are available free of charge through our website at ***www.technipfmc.com***, under "*Investors*" as soon as reasonably practicable. Unless expressly noted, the information on our website or any other website is not incorporated by reference in this U.K. Annual Report and should not be considered part of this U.K. Annual Report or any other filing we make.

Business Review

Introduction

In this U.K. Annual Report, the Company is reporting in its consolidated financial statements the results of its operations for the year ended December 31, 2020, which consist of the combined results of operations of Technip S.A. and FMC Technologies, Inc.

Due to the Merger, FMC Technologies' results of operations have been included in the consolidated financial statements for periods subsequent to the consummation of the Merger on January 16, 2017. Under the acquisition method of accounting, Technip was identified as the accounting acquirer and acquired a 100% interest in FMC Technologies.

Historically, Technip prepared its financial statements in accordance with IFRS, as adopted by the European Union ("**IFRS**"), and FMC Technologies prepared its financial statements in accordance with U.S. GAAP. Following completion of the Merger, the Company is preparing its consolidated financial statements in accordance with both (i) U.S. GAAP in accordance with U.S. securities law and reporting requirements, and (ii) international accounting standards in conformity with the requirements of the U.K. Companies Act 2006 (the "**Companies Act**") and international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union. The U.S. GAAP financial statements for the year ended December 31, 2020 were contained in the Annual Report on Form 10-K filed with the
SEC on March 5, 2021 and the IFRS consolidated financial statements are contained in this U.K. Annual Report.

The basis of presentation, critical accounting estimates and significant accounting policies are set out in Note 1 to the consolidated financial statements contained in this U.K. Annual Report.

Key Performance Indicators

We are a global leader in energy projects, technologies, systems and services. We have manufacturing operations worldwide, strategically located to facilitate efficient delivery of these products, technologies, systems and services to our customers. We report our results of operations in the following segments: Subsea, Technip Energies and Surface Technologies. Management's determination of our reporting segments was made on the basis of our strategic priorities and corresponds to the manner in which our Chief Executive Officer reviews and evaluates operating performance to make decisions about resource allocations to each segment.

We focus on economic- and industry-specific drivers and key risk factors affecting our business segments as we formulate our strategic plans and make decisions related to allocating capital and human resources. The results of our segments are primarily driven by changes in capital spending by oil and gas companies, which largely depend upon current and anticipated future crude oil and natural gas demand, production volumes, and consequently, commodity prices. We use crude oil and natural gas prices as an indicator of demand. Additionally, we use both onshore and offshore rig count as an indicator of demand, which consequently influences the level of worldwide production activity and spending decisions. We also focus on key risk factors when determining our overall strategy and making decisions for capital allocation. These factors include risks associated with the global economic outlook, product obsolescence and the competitive environment. We address these risks in our business strategies, which incorporate continuing development of leading-edge technologies and cultivating strong customer relationships.

Our Subsea segment is affected by changes in commodity prices and trends in deepwater oil and natural gas production. Our Technip Energies segment is impacted by change in commodity prices, population growth and demand for natural gas, although the onshore market is typically more resilient to these changes impacting the segment. Our Subsea and Technip Energies segments both benefit from the current market fundamentals supporting the demand for new liquefied natural gas facilities. Technip Energies also benefits from the construction of petrochemical and fertilizer plants.

Our Surface Technologies segment is primarily affected by changes in commodity prices and trends in land-based and shallow water oil and natural gas production. We have developed close working relationships with our customers. Our results reflect our ability to build long-term alliances with oil and natural gas companies and to provide solutions for their needs in a timely and cost-effective manner. We believe that by closely working with our customers, we enhance our competitive advantage, improve our operating results and strengthen our market positions.

As we evaluate our operating results, we consider business segment performance indicators like segment revenue, operating profit and capital employed, in addition to the level of inbound orders and order backlog. A significant proportion of our revenue is recognized under the percentage of completion method of accounting. Cash receipts from such arrangements typically occur at milestones achieved under stated contract terms. Consequently, the timing of revenue recognition is not always correlated with the timing of customer payments. We aim to structure our contracts to receive advance payments that we typically use to fund engineering efforts and inventory purchases. Working capital (excluding cash) and net cash are therefore key performance indicators of cash flows. These key performance indicators are detailed in the paragraph entitled “Consolidated Results of Operations” below.

In each of our segments, we serve customers from around the world. During 2020, approximately 84% of our total sales were recognized outside of the United States. We evaluate international markets and pursue opportunities that fit our technological capabilities and strategies.

Consolidated Results of Operations

Management's report of the consolidated results of operations is provided on the basis of comparing actual results of operations for the year ended December 31, 2020 to actual results of operations for the year ended December 31, 2019.

	Year Ended December 31,		Change	
(In millions, except percentages)	2020	2019	$	%
Revenue	$ 13,057.4	$ 13,426.2	$ (368.8)	(2.7)%
Costs and expenses				
Cost of sales	11,192.1	10,915.8	276.3	2.5 %
Selling, general and administrative expense	1,067.6	1,230.0	(162.4)	(13.2)%
Research and development expense	119.8	162.9	(43.1)	(26.5)%
Impairment, restructuring and other expenses	3,436.9	2,436.6	1,000.3	41.1%
Separation costs	39.5	72.1	(32.6)	n/a
Merger transaction and integration costs	–	31.2	(31.2)	(100.0)%
Total costs and expenses	**15,855.9**	**14,848.6**	**1,007.3**	**6.8%**
Other expense, net	(0.8)	(267.2)	266.4	99.7%
Income from equity affiliates	69.4	12.3	57.1	464.2%
Net interest expense	(330.2)	(498.5)	168.3	33.8%
Loss before income taxes	(3,060.1)	(2,175.8)	(884.3)	(40.6)%
Provision for income taxes	148.6	275.1	(126.5)	(46.0)%
Net loss	**(3,208.7)**	**(2,450.9)**	**(757.8)**	**(30.9)%**
Net profit attributable to non-controlling interests	(49.7)	(3.1)	(46.6)	(1,503.2)%
Net loss attributable to TechnipFMC plc	**$ (3,258.4)**	**$ (2,454.0)**	**$ (804.4)**	**(32.8)%**

Revenue

Revenue decreased by $368.8 million in 2020 compared to 2019. Subsea revenue decreased year-over-year primarily due to decreased project activity in the Gulf of Mexico and the North Sea. Increased revenue in Technip Energies was primarily driven by the continued ramp-up of Arctic LNG 2, increased activity on downstream projects and in the Process Technology business, which more than offset the decline in revenue from Yamal LNG. Technip Energies revenue was also favorably impacted by the result of a $113.2 million litigation settlement. Surface Technologies revenue decreased, primarily as a result of the significant decline in operator activity in North America, with partial positive impact from order intake timing in international markets. In addition, our consolidated revenues were negatively impacted by operational challenges associated with the COVID-19 related disruptions.

Gross profit

Gross profit (revenue less cost of sales) as a percentage of sales decreased to 14.3% in 2020 compared to 18.7% in 2019. Subsea gross profit decreased due to a more competitively priced backlog and the negative operational impacts related to COVID-19. Gross profit declined in Technip Energies due in large part to a reduced contribution from Yamal LNG as the project reached physical completion last year and is progressing through the warranty phase. Surface Technologies' gross profit was negatively impacted by the year-over-year decline in North American drilling and completions activity, which was partially offset by the lower costs from our accelerated cost reduction initiative implemented during 2020.

Selling, general and administrative expense

Selling, general and administrative expense decreased by $162.4 million year-over-year, primarily as a result of decreased corporate expenses. During the beginning of 2020, in response to the deteriorated market environment, driven in part by the COVID-19 pandemic, we implemented a series of cost reduction initiatives that resulted in significant savings and extended to all business segments and support functions.

Impairment, restructuring and other expense

Due to the substantial decline in global demand for oil caused by the COVID-19 pandemic in 2020, we incurred $3,436.9 million of restructuring, impairment and other expenses in 2020. These charges primarily included $2,997.7 million of goodwill impairment, $172.3 million of property, plant and equipment, $33.5 million of right-of-use assets, $101.8 million of COVID-19 related expenses and $125.7 million for restructuring and severance expenses. COVID-19 related expenses represent unplanned, one-off, incremental and non-recoverable costs incurred solely as a result of the COVID-19 pandemic situation, which would not have been incurred otherwise. COVID-19 related expenses primarily included (a) employee payroll and travel, operational disruptions associated with quarantining, personnel travel restrictions to job sites, and shutdown of manufacturing plants and sites; (b) supply chain and related expediting costs of accelerated shipments for previously ordered and undelivered products; (c) costs associated with implementing additional information technology to support remote working environments; and (d) facilities-related expenses to ensure safe working environments. COVID-19 related expenses exclude costs associated with project and/or operational inefficiencies, time delays in performance delivery, indirect costs increases and potentially reimbursable or recoverable expenses. During 2019, we incurred $2,436.6 million of restructuring, impairment and other expenses, which included $2,018.7 million and $411.3 million of goodwill and property, plant and equipment impairments, respectively. See Note 10, Note 11 and Note 22 to our consolidated financial statements included in this U.K. Annual Report.

Separation costs

During the year ended December 31, 2020, we incurred $39.5 million of separation costs associated with the preparation of the separation transaction. During the first quarter of 2020, we incurred $27.1 million of separation costs associated with the separation transaction, which was postponed due to the COVID-19 pandemic, the significant decline in commodity prices, and the heightened volatility in global equity markets. During the fourth quarter of 2020, we incurred $12.4 million of separation costs associated with the January 2021 announcement of the resumption of activities toward the separation of Technip Energies. During the year ended December 31, 2019, we incurred $72.1 million of separation costs associated with the separation transaction. See Note 33 to our consolidated financial statements included in this U.K. Annual Report.

Merger transaction and integration costs

Prior to the initial announcement of the planned separation transaction in August 2019, we incurred merger transaction and integration costs of $31.2 million during the first half of 2019 relating to the continuation of the integration activities following the Merger. No such costs were incurred subsequently in 2019 or in 2020.

Other income (expense), net

Other income (expense), net, primarily reflects foreign currency gains and losses, including gains and losses associated with the remeasurement of net cash positions, gains and losses on sales of property, plant and equipment and other non-operating gains and losses. During 2020, we recognized $0.8 million of other expense, which primarily included $53.3 million of net foreign exchange losses and $23.1 million of gains on sales of property, plant and equipment and other assets. During 2019, we recognized $267.2 million of other expenses, which primarily included $167.3 million of net foreign exchange losses and $91.3 million of legal provision, net of settlements. The change in foreign exchange losses is primarily due to a reduction in foreign exchange losses from unhedged currencies, more favorable hedging costs, and the effects of a weakened U.S. dollar on naturally hedged projects.

Net interest expense

Net interest expense decreased $168.3 million in 2020 compared to 2019, primarily due to the change in the fair value of the redeemable financial liability. We revalued the Yamal mandatorily redeemable financial liability to reflect current expectations about the obligation and recognized a charge of $202.0 million, as compared to $423.5 million recognized in 2019. See Note 27 for further information regarding the fair value measurement assumptions of the Yamal mandatorily redeemable financial liability and related changes in its fair value. Net interest expense, excluding the fair value measurement of the mandatorily redeemable financial liability, and including interest income increased by $52.8 million during 2020.

Provision for income taxes

Our income tax provisions for 2020 and 2019 reflected effective tax rates of (4.9)% and (12.6)%, respectively. The year-over-year change in the effective tax rate was primarily due to the impact of nondeductible goodwill impairments, increase in adjustment on prior year taxes, offset in part by the amount of tax expense associated with movements in valuation allowances. Our effective tax rate can fluctuate depending on our country mix of earnings, since our foreign earnings are generally subject to higher tax rates than in the United Kingdom.

Operating Results of Business Segments

Segment operating profit is defined as total segment revenue less segment operating expenses. Certain items have been excluded in computing segment operating profit and are included in corporate items. See Note 3 to our consolidated financial statements included in this U.K. Annual Report for further information.

We report our results of operations in U.S. dollars; however, our earnings are generated in various currencies worldwide. In order to provide worldwide consolidated results, the earnings of subsidiaries functioning in their local currencies are translated into U.S. dollars based upon the average exchange rate during the period. While the U.S. dollar results reported reflect the actual economics of the period reported upon, the variances from prior periods include the impact of translating earnings at different rates.

Subsea

(In millions, except %)	Year Ended December 31,		Favorable/(Unfavorable)	
	2020	2019	$	%
Revenue	$ 5,471.4	$ 5,419.9	$ 51.5	1.0%
Operating loss	$ (2,890.5)	$ (1,412.1)	$ (1,478.4)	(104.7)%
Operating loss as a percentage of revenue	(52.8)%	(26.1)%		(26.7)pts

Subsea revenue increased $51.5 million, or 1.0% year-over-year. Despite COVID-19 pandemic challenges and related disruptions, we continued to demonstrate strong execution of our backlog.

Subsea operating loss is primarily due to significant impairment and other non-recurring charges. The operating loss included $3,031.7 million of goodwill, property, plant and equipment and right-of-use impairments, restructuring and other charges and COVID-19 related expenses compared to $1,693.8 million in 2019. Non-recurring charges incurred related to COVID-19 disruptions during 2020 were $50.1 million. See Note 10, Note 11 and Note 22 to our consolidated financial statements included in this U.K. Annual Report for additional information related to these asset impairments.

Technip Energies

(In millions, except %)	Year Ended December 31, 2020		Year Ended December 31, 2019		Favorable/(Unfavorable) $		Favorable/(Unfavorable) %
Revenue	$	6,520.0	$	6,458.9	$	61.1	0.9%
Operating profit	$	673.1	$	966.0	$	(292.9)	(30.3)%
Operating profit as a percentage of revenue		10.3 %		15.0 %			(4.7) pts.

Technip Energies revenue increased $61.1 million, or 0.9% year-over-year. Revenue benefited from the continued ramp-up of Arctic LNG 2 and higher activity on downstream projects in Africa, North America and India, which more than offset the decline in revenue from Yamal LNG. COVID-19 related operational efficiencies and business disruption also impeded revenue growth during 2020. Revenue during the period benefited from a $113.2 million litigation settlement.

Operating profit decreased year-over-year, primarily due to a reduced contribution from Yamal LNG and lower margin realization on early stage projects, including Arctic LNG 2. Project execution remained strong across the portfolio. Non-recurring charges incurred related to COVID-19 disruptions during the period were $44.0 million. Subsequent to the Spin-off, we operate under two reporting segments: Subsea and Surface Technologies, for further details see Note 33 to our consolidated financial statements included in this U.K. Annual Report.

Surface Technologies

(In millions, except %)	Year Ended December 31, 2020		Year Ended December 31, 2019		Favorable/(Unfavorable) $		Favorable/(Unfavorable) %
Revenue	$	1,066.0	$	1,547.4	$	(481.4)	(31.1)%
Operating loss	$	(284.5)	$	(661.4)	$	376.9	57.0%
Operating loss as a percentage of revenue		(26.7)%		(42.7)%			16.0 pts.

Surface Technologies revenue decreased $481.4 million, or (31.1)% year-over-year, primarily driven by the significant reduction in operator activity in North America. Revenue outside of North America displayed resilience, with a more modest decline due to reduced activity levels. Nearly 64% of total segment revenue was generated outside of North America in the period.

Surface Technologies operating loss was primarily due to impairment and other non-recurring charges. The operating loss included $301.6 million of goodwill, property, plant and equipment and right-of-use impairments, restructuring and other charges and COVID-19 related expenses compared to $708.4 million incurred in 2019. Operating loss was also negatively impacted by the reduced demand in North America driven by the significant decline in rig count and completions-related activity, which was partially offset by lower costs from our accelerated cost reduction actions initiated in the first quarter of 2020. Non-recurring charges incurred related to COVID-19 disruptions during the period were $7.7 million. See Note 10, Note 11 and Note 22 to our consolidated financial statements included in this U.K. Annual Report for additional information related to these impairments.

Corporate Items

	Year Ended December 31,		Favorable/(Unfavorable)	
(In millions, except %)	2020	2019	$	%
Corporate expense	$ (125.2)	$ (227.3)	$ 102.1	44.9%

Corporate expenses decreased by $102.1 million during 2020. The reduction in corporate expenses is primarily due to $38.6 million decrease due to lower activity and the impact of cost reductions implemented in 2020.

Inbound Orders and Order Backlog

Inbound orders – Inbound orders represent the estimated sales value of confirmed customer orders received during the reporting period. The significant decline in commodity prices, due in part to the lower demand resulting from COVID-19 contributed to the decrease in the inbound orders during 2020.

	Inbound Orders Year Ended December 31,	
(In millions)	2020	2019
Subsea	$ 4,003.0	$ 7,992.6
Technip Energies	5,001.3	13,080.5
Surface Technologies	1,061.2	1,619.9
Total inbound orders	$ 10,065.5	$ 22,693.0

Order backlog – Order backlog is calculated as the estimated sales value of unfilled, confirmed customer orders at the reporting date. Backlog reflects the current expectations for the timing of project execution. The scheduling of some future work included in our order backlog has been impacted by COVID-19 related disruptions and remains subject to future adjustment. See “Transaction Price Allocated to the Remaining Unsatisfied Performance Obligations” in Note 5 to our consolidated financial statements contained in this U.K. Annual Report for more information on order backlog.

	Order Backlog December 31,	
(In millions)	2020	2019
Subsea	$ 6,876.0	$ 8,472.8
Technip Energies	14,098.7	15,365.8
Surface Technologies	413.5	412.5
Total order backlog	$ 21,388.2	$ 24,251.1

Subsea – Order backlog for Subsea as of December 31, 2020, decreased by $1.6 billion from December 31, 2019. Subsea backlog of $6.9 billion as of December 31, 2020, was composed of various subsea projects, including Total Mozambique LNG; Eni Coral and Merakes; Petrobras Mero I and Mero II; Energean Karish; ExxonMobil Payara; Reliance MJ-1; Equinor Johan Sverdrup Phase 2; Husky West White Rose; BP Platina; Chevron Gorgon Stage 2; and Woodside Pyxis and Lambert Deep.

Technip Energies – Technip Energies order backlog as of December 31, 2020, decreased by $1.3 billion compared to December 31, 2019. Technip Energies backlog of $14.1 billion as of December 31, 2020 was composed of various projects, including Arctic LNG 2, Yamal LNG; Midor refinery expansion; BP Tortue FPSO; Long Son Petrochemicals; ExxonMobil Beaumont refinery expansion; HURL fertilizer plants; Petronas Kasawari; Energean Karish; Neste bio-diesel expansion; and Motor Oil Hellas New Naphtha Complex. Subsequent to the Spin-off, we will operate under two reporting segments: Subsea and Surface Technologies. See Note 33 to our consolidated financial statements included in this U.K. Annual Report for additional information on the Spin-off transaction.

Surface Technologies – Order backlog for Surface Technologies as of December 31, 2020, remained flat. Given the short-cycle nature of the business, most orders are quickly converted into sales revenue; longer contracts are typically converted within twelve months.

Non-consolidated backlog – Non-consolidated backlog reflects the proportional share of backlog related to joint ventures that is not consolidated due to our minority ownership position.

(In millions)	Non-consolidated order backlog December 31, 2020	2019
Subsea	$ 640.2	$ 799.2
Technip Energies	1,890.3	2,976.0
Total order backlog	$ 2,530.5	$ 3,775.2

Liquidity and Capital Resources

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

Net (Debt) Cash – Net (Debt) Cash is a non-IFRS financial measure reflecting cash and cash equivalents, net of debt. Management uses this non-IFRS financial measure to evaluate our capital structure and financial leverage. We believe net debt, or net cash, is a meaningful financial measure that may assist investors in understanding our financial condition and recognizing underlying trends in our capital structure. Net (debt) cash should not be considered an alternative to, or more meaningful than, cash and cash equivalents as determined in accordance with IFRS or as an indicator of our operating performance or liquidity.

The following table provides an IFRS reconciliation of our cash and cash equivalents to net (debt) cash, utilizing details of classifications from our consolidated statements of financial position:

(In millions)	December 31, 2020	December 31, 2019
Cash and cash equivalents	$ 4,807.7	$ 5,190.1
Short-term debt and current portion of long-term debt	(2,161.6)	(2,462.2)
Long-term debt, less current portion	(1,792.5)	(2,013.2)
Lease liabilities	(1,154.9)	(956.8)
Net (debt) cash	$ (301.3)	$ (242.1)

Cash Flows

Cash flows for each of the years in the two-year period ended December 31, 2020 and 2019, were as follows:

(In millions)	Year Ended December 31, 2020	2019
Cash provided by operating activities	$ 934.4	$ 1,182.1
Cash required by investing activities	(180.6)	(419.8)
Cash required by financing activities	(1,359.7)	(1,120.2)
Effect of exchange rate changes on cash and cash equivalents	223.5	5.8
(Decrease) in cash and cash equivalents	$ (382.4)	$ (352.1)
Working capital	$ 61.3	$ (64.3)
Free cash flow	$ 642.6	$ 727.7

Operating cash flows – During 2020, we generated $934.4 million in cash flows from operating activities as compared to $1,182.1 million generated in 2019, resulting in a $247.7 million decrease compared to 2019. The decrease in operating cash flows is primarily driven by the decrease in cash generated by our operations during the year due to the overall decline in activity.

Investing cash flows – Investing activities used $180.6 million and $419.8 million of cash in 2020 and 2019, respectively. The decrease in cash used by investing activities was due primarily to decreased capital expenditures, decreased payments to acquire debt securities and increased proceeds from sale of assets and debt securities during 2020. In 2019, we purchased a deepwater dive support vessel, Deep Discoverer for $116.8 million, that was subsequently funded through a sale-leaseback transaction.

Financing cash flows – Financing activities used $1,359.7 million and $1,120.2 million in 2020 and 2019, respectively. The increase of $239.5 million in cash required for financing activities was due primarily to the increased debt pay down activity during 2020 of $856.4 million, partially offset by $338.6 million reduction in settlements of mandatorily redeemable financial liability and our efforts and commitment to preserve cash, which included reduction in cash dividends of $173.6 million and reduction in share repurchases of $92.7 million.

Working capital represents total changes in operating current assets and liabilities.

Free cash flow is defined as operating cash flows less capital expenditures. The following table reconciles cash provided by operating activities, which is directly comparable financial measure determined in accordance with IFRS, to free cash flow (non-IFRS measure).

(In millions)	Year Ended December 31, 2020	2019
Cash provided by operating activities	$ 934.4	$ 1,182.1
Capital expenditures	(291.8)	(454.4)
Free cash flow	$ 642.6	$ 727.7

Debt and Liquidity

Significant Funding and Liquidity Activities – During 2020, we completed the following transactions in order to enhance our total liquidity position:

- Repaid $233.9 million of 5.00% 2010 private placement notes;
- Repaid the remaining outstanding balance of $190.0 million of the term loan assumed in connection with the acquisition of the remaining 50% interest in TOP CV.
- Issued €200 million aggregate principal amount of 4.500% Private Placement Notes due June 30, 2025. Within three months of the effective date of the Spin-off of Technip Energies, if there is a downgrade by a nationally recognized rating agency of the corporate rating of TechnipFMC from an investment grade to a non-investment grade rating or a withdrawal of any such rating, the interest rate applicable to the Private Placement Notes will be increased to 5.75%;
- Entered into a new, six-month €500 million senior unsecured revolving credit facility agreement, which may be extended for two additional three-month periods (the "**Euro Facility**"); and
- Entered into the Bank of England's COVID Corporate Financing Facility program (the "**CCFF Program**"), which allows us to issue up to £600 million of unsecured commercial paper notes.

Total borrowings as of December 31, 2020 and 2019 were as follows:

(In millions)	December 31, 2020	December 31, 2019
Commercial paper	$ 1,525.2	$ 1,967.0
Synthetic bonds due 2021	551.1	491.7
3.45% Senior Notes due 2022	500.0	500.0
5.00% Notes due 2020	–	224.4
3.40% Notes due 2022	184.0	168.4
3.15% Notes due 2023	159.0	145.4
3.15% Notes due 2023	153.3	140.2
4.50% Notes due 2025	241.1	–
4.00% Notes due 2027	91.9	84.2
4.00% Notes due 2032	119.0	108.6
3.75% Notes due 2033	119.5	109.2
Bank borrowings and other	310.0	536.3
Lease liabilities	1,154.9	956.8
Total borrowings	$ 5,109.0	$ 5,432.2

Credit Facilities – The following is a summary of our credit facilities as of December 31, 2020:

(In millions) Description		Amount		Debt Outstanding		Commercial Paper Outstanding (a)		Letters of Credit		Unused Capacity	Maturity
Revolving credit facility	$	2,500.0	$	—	$	708.0	$	—	$	1,792.0	January 2023
CCFF Program	£	600.0	£	—	£	600.0	£	—	£	—	March 2021
Euro Facility	€	500.0	€	—	€	—	€	—	€	500.0	February 2021
Bilateral credit facility	€	100.0	€	—	€	—	€	—	€	100.0	May 2021

(a) Under our commercial paper program, we have the ability to access up to $1.5 billion and €1.0 billion of financing through our commercial paper dealers. Our available capacity under our revolving credit facility is reduced by any outstanding commercial paper.

Committed credit available under our revolving credit facilities provides the ability to issue our commercial paper obligations on a long-term basis. We had $708.0 million of commercial paper issued under our facilities as of December 31, 2020. In addition, we had $817.9 million of Notes outstanding under the CCFF Program.

On June 12, 2020, we entered into Amendment No. 1 to the Facility Agreement and into an Amendment and Restatement Agreement to our Euro Facility. The amendments, which are effective through the respective expirations of the Facility Agreement and Euro Facility, permit us to include the gross book value of $3.2 billion of goodwill (fully impaired in the quarter ended March 31, 2020) in the calculation of consolidated net worth, which is used in the calculation of our quarterly compliance with the total capitalization ratio under the Facility Agreement and Euro Facility.

The amended and restated Facility Agreement and Euro Facility contain usual and customary covenants, representations and warranties, and events of default for credit facilities of this type, including financial covenants requiring that our total capitalization ratio not exceed 60% at the end of any financial quarter. The Facility Agreement and Euro Facility also contain covenants restricting our ability and our subsidiaries' ability to incur additional liens and indebtedness, enter into asset sales, or make certain investments.

At December 31, 2020, we were in compliance with all restrictive covenants under our credit facilities.

See Note 19 and Note 27 to the consolidated financial statements contained in this U.K. Annual Report, for further information related to our credit facility and our mandatorily redeemable liability, respectively.

Credit Ratings - Our credit ratings with Standard and Poor's (S&P) are BB+ for our long-term secured debt and B for our commercial paper program. Our credit ratings with Moody's are Ba1 for our long-term secured debt.

Credit Risk Analysis

For the purposes of mitigating the effect of the changes in exchange rates, we hold derivative financial instruments. Valuations of derivative assets and liabilities reflect the fair value of the instruments, including the values associated with counterparty risk. These values must also take into account our credit standing, thus including the valuation of the derivative instrument and the value of the net credit differential between the counterparties to the derivative contract. Adjustments to our derivative assets and liabilities related to credit risk were not material for any period presented.

The income approach was used as the valuation technique to measure the fair value of foreign currency derivative instruments on a recurring basis. This approach calculates the present value of the future cash flow by measuring the change from the derivative contract rate and the published market indicative currency rate, multiplied by the contract notional values. Credit risk is then incorporated by reducing the derivative's fair value in asset positions by the result of multiplying the present value of the portfolio by the counterparty's published credit spread. Portfolios in a liability position are adjusted by the same calculation; however, a spread representing our credit spread is used. Our credit spread, and the credit spread of other counterparties not publicly available, are approximated using the spread of similar companies in the same industry, of similar size, and with the same credit rating. Additional information about credit risk is incorporated herein by reference to Note 30 to the consolidated financial statements contained in this U.K. Annual Report.

At this time, we have no credit-risk-related contingent features in our agreements with the financial institutions that would require us to post collateral for derivative positions in a liability position.

Financial Position Outlook

Overview

We are committed to a strong balance sheet and ample liquidity that will enable us to avoid distress in cyclical troughs and access capital markets throughout the cycle. We believe our liquidity has and continues to exceed the level required to achieve this goal.

Our objective in financing our business is to maintain sufficient liquidity, adequate financial resources and financial flexibility in order to fund the requirements of our business. Our capital expenditures can be adjusted and managed to match market demand and activity levels. Based on current market conditions and our future expectations, our capital expenditures for 2021 are estimated to be approximately $250.0 million. Projected capital expenditures do not include any contingent capital that may be needed to respond to a contract award.

Spin-off

In connection with the Spin-off, we executed a series of refinancing transactions, in order to provide a capital structure with sufficient cash resources to support future operating and investment plans. As of December 31, 2020, the Spin-off was dependent upon on new capital structure negotiations and related new financing. See Note 33 to our consolidated financial statements included in this U.K. Annual Report for additional information on the Spin-off transaction.

Debt Issuance

On February 16, 2021, we entered into Revolving Credit Facility that provides for aggregate revolving capacity of up to $1.0 billion. Availability of borrowings under the Revolving Credit Facility is reduced by any outstanding letters of credit issued against the facility. At February 25, 2021, there were no outstanding letters of credit and availability of borrowings under the Revolving Credit Facility was $800 million.

On January 29, 2021, we issued $1.0 billion of 6.5% senior notes due 2026 (the “2021 Notes”). The interest on the 2021 Notes is paid semi-annually on February 1 and August 1 of each year, beginning on August 1, 2021. The 2021 Notes are senior unsecured obligations and are guaranteed on a senior unsecured basis by substantially all of our wholly-owned U.S. subsidiaries and non-U.S. subsidiaries in Brazil, the Netherlands, Norway, Singapore and the United Kingdom.

Repayment of Debt

The proceeds from the debt issuance described above along with the available cash on hand were used to fund:

- The repayment of all $522.8 million of the outstanding Synthetic Convertible Bonds that matured in January 2021.
- The repayment of all $500.0 million aggregate principal amount of outstanding 3.45% Senior Notes due 2022.
- The termination of the $2.5 billion senior unsecured revolving credit facility we entered into on January 17, 2017; the termination of the €500.0 million Euro Facility and the CCFF Program we entered into on May 19, 2020. In connection with the termination of these credit facilities, we repaid most of the outstanding commercial paper borrowings, which were $1,525.9 million as of December 31, 2020.

We will continue to be strategically focused on cash and liquidity preservation. Subsequent to the completion of the Spin-off, we own 49.9% of the outstanding shares of Technip Energies. On March 31, 2021, pursuant to the Share Purchase Agreement, BPI exercised its right and purchased from TechnipFMC 7.5 million shares in Technip Energies N.V.

for $100.0 million. The ownership percentage was further reduced by the sale of shares to BPI, for further details see Note 33 to the consolidated financial statements contained in this U.K. Annual Report. We intend to conduct an orderly sale of our stake in Technip Energies over time and will use the proceeds from future sales to further reduce our net leverage.

Market Risk

We are subject to financial market risks, including fluctuations in foreign currency exchange rates and interest rates. In order to manage and mitigate our exposure to these risks, we may use derivative financial instruments in accordance with established policies and procedures. We do not use derivative financial instruments where the objective is to generate profits solely from trading activities. At December 31, 2020 and 2019, substantially all of our derivative holdings consisted of foreign currency forward contracts and foreign currency instruments embedded in purchase and sale contracts.

These forward-looking disclosures only address potential impacts from market risks as they affect our financial instruments and do not include other potential effects that could impact our business as a result of changes in foreign currency exchange rates, interest rates, commodity prices or equity prices.

Foreign Currency Exchange Rate Risk

We conduct operations around the world in a number of different currencies. Many of our significant foreign subsidiaries have designated the local currency as their functional currency. Our earnings are therefore subject to change due to fluctuations in foreign currency exchange rates when the earnings in foreign currencies are translated into U.S. dollars. We do not hedge this translation impact on earnings. A 10% increase or decrease in the average exchange rates of all foreign currencies as of December 31, 2020, would have changed our revenue and income before income taxes attributable to TechnipFMC by approximately $813.0 million and $38.0 million, respectively.

When transactions are denominated in currencies other than our subsidiaries' respective functional currencies, we manage these exposures through the use of derivative instruments. We primarily use foreign currency forward contracts to hedge the foreign currency fluctuation associated with firmly committed and forecasted foreign currency denominated payments and receipts. The derivative instruments associated with these anticipated transactions are usually designated and qualify as cash flow hedges, and as such the gains and losses associated with these instruments are recorded in other comprehensive income until such time that the underlying transactions are recognized. Unless these cash flow contracts are deemed to be ineffective or are not designated as cash flow hedges at inception, changes in the derivative fair value will not have an immediate impact on our results of operations since the gains and losses associated with these instruments are recorded in other comprehensive income. When the anticipated transactions occur, these changes in value of derivative instrument positions will be offset against changes in the value of the underlying transaction. When an anticipated transaction in a currency other than the functional currency of an entity is recognized as an asset or liability on the balance sheet, we also hedge the foreign currency fluctuation of these assets and liabilities with derivative instruments after netting our exposures worldwide. These derivative instruments do not qualify as cash flow hedges.

Occasionally, we enter into contracts or other arrangements containing terms and conditions that qualify as embedded derivative instruments and are subject to fluctuations in foreign exchange rates. In those situations, we enter into derivative foreign exchange contracts that hedge the price or cost fluctuations due to movements in the foreign exchange rates. These derivative instruments are not designated as cash flow hedges.

For our foreign currency forward contracts hedging anticipated transactions that are accounted for as cash flow hedges, a 10% increase in the value of the U.S. dollar would have resulted in an additional loss of $68.4 million in the net fair value of cash flow hedges reflected in our consolidated balance sheet as of December 31, 2020.

Interest Rate Risk

As of December 31, 2020, we had commercial paper of approximately $1.5 billion with a weighted average interest rate of 0.26%. Using sensitivity analysis to measure the impact of a 10% adverse movement in the interest rate, or three basis points, would result in an increase to interest expense of $0.5 million.

We assess effectiveness of forward foreign currency contracts designated as cash flow hedges based on changes in fair value attributable to changes in spot rates. We exclude the impact attributable to changes in the difference between the spot rate and the forward rate for the assessment of hedge effectiveness and recognize the change in fair value of this component immediately in earnings. Considering that the difference between the spot rate and the forward rate is proportional to the differences in the interest rates of the countries of the currencies being traded, we have exposure in the unrealized valuation of our forward foreign currency contracts to relative changes in interest rates between countries in our results of operations.

Corporate Responsibility and Sustainability – Non-financial Information Statement

TechnipFMC is a leading technology provider to the traditional and new energy industries, delivering fully integrated projects, products, and services. Our vision to enhance the performance of the world's energy industry is supported by a relentless drive of every individual at TechnipFMC.

Our decisions regarding corporate responsibility, governance, and sustainability are founded on the principles that guide our Company. Our core values provide the framework for all of our decision making and are based on our Foundational Beliefs.

In 2020, to better reflect our focus on corporate responsibility and sustainability at the Board level, the Nominating and Corporate Governance Committee's charter was substantially expanded to include oversight of the Company's policies, programs, and strategies related to environmental stewardship, responsible investment, corporate citizenship, human rights, human capital management, ESG risk management, and other ESG matters, as well as other social and public matters of significance to the Company. This committee, now renamed our ESG Committee, also reviews and monitors the development and implementation of ESG targets, standards, metrics or methodologies, and reviews the Company's public disclosures with respect to ESG matters.

Core Values and Foundational Beliefs

Our core values are the drivers that guide how we act in a distinctly TechnipFMC way so we can deliver on our purpose and achieve our vision. We bring our values to life through our behaviors—specific, observable, and measurable actions.

Our core values

Realizing possibilities	Achieving together	Building trust

The heart of everything we do

Realizing possibilities	Achieving together	Building trust
We strive for ever better	We work as one team	We listen to improve
We take initiative	We share knowledge	We partner constructively
We learn from success and failure	We embrace diversity of thought	We seek to outperform

Our Foundational Beliefs are the cornerstone of our values that describe how we fundamentally do business and what we never compromise on, no matter the circumstances.

Safety

We will not compromise on health, safety, and security.

Respect

We treat everyone honestly, fairly, and courteously.

Integrity

We hold ourselves to the highest moral and ethical principles.

Sustainability

We act responsibly, always considering our impact on the planet, people, and communities in which we operate.

Quality

We deliver the highest quality in everything we do.

Code of Business Conduct

Our Code of Business Conduct is built on our Foundational Beliefs and gives our directors, officers, and employees a common language and playbook for decisions and actions that help us live our core values. We are committed to establishing and maintaining an effective compliance program that is intended to increase the likelihood of preventing, detecting, and correcting violations of Company policy and the law. Moreover, we have a hotline in place for employees, officers, directors, and external parties to anonymously report violations of our Code of Business Conduct or complaints regarding accounting and auditing practices. Reports of possible violations of financial or accounting policies are reported to our Audit Committee.

We will disclose amendments to, or waivers of, our Code of Business Conduct that are required to be disclosed under the U.S. Securities and Exchange Commission ("**SEC**") and NYSE rules or any other applicable laws, rules, and regulations. Any waiver of our Code of Business Conduct for our officers and directors must be approved by the Board or a relevant Board committee. We have not made any such waivers, and do not anticipate making any such waiver.

Corporate Responsibility and Sustainability 2018-2020

We believe corporate responsibility and sustainability is a key element of our Company's long-term success and is, therefore, one of our Foundational Beliefs. To ensure that the Company is collectively focused on making meaningful and tangible changes, we focused our sustainability efforts under three pillars for the years 2018-2020.

Corporate Responsibility and Sustainability Pillars

Supporting communities	Advancing gender diversity	Respecting the environment
Main objectives		
We make a long-term positive impact in the communities where we live and work through active engagement in health, education, and local employment	**We create an environment that encourages everyone to reach their full potential**	**We develop solutions and operations to minimize carbon intensity and the impact on the planet**
▸ Go beyond our commercial obligations to create in-country value through initiatives in health, education, and local employment ▸ Enable employees to volunteer and support initiatives ▸ Support and develop Science, Technology, Engineering, and Math (STEM) initiatives	▸ Ensure gender pay equity everywhere we operate ▸ Improve gender balance in the organization, across all functions and levels ▸ Promote women fairly and equally through the career development process	▸ Reduce the carbon footprint of our facilities, products, and solutions ▸ Provide the carbon footprint of all our deliverables to clients through conceptual studies ▸ Set up an internal carbon price for the entire Company, projects, and operations to impact investment decisions

Over the last three years, we have set key performance targets for each of these pillars and measure our performance against these targets. In addition to these annual objectives, the Company demonstrates its commitment in other ways as it relates to energy efficiency, renewable resources, water management, material and waste management, and air emissions, all of which are described further below.

For instance, in 2020, TechnipFMC reaffirmed its support of the Ten Principles of the United Nations ("**UN**") Global Compact in the areas of Human Rights, Labor, Environment, and Anti-Corruption. The UN Global Compact requires an annual Communication on Progress, which is submitted and made publicly available on the UN Global Compact website.

The UN Global Compact is also a call for action to achieve its 17 Sustainable Development Goals ("**SDGs**"). These societal goals are at the heart of the UN's 2030 Agenda for Sustainable Development and are aimed at ending poverty, protecting the planet, and ensuring that all people enjoy peace and prosperity by 2030.

After evaluation, we have selected certain UN SDGs for which we believe we can achieve the greatest positive impact, given their relevance to our business and sustainability strategy. The application of these SDGs throughout this section are identified by the SDG icon labels.

Additionally, our Code of Business Conduct requires that we, among other things:

- Design sustainable development initiatives with a focus on long-term added value;
- Engage with local communities impacted by our activities in close coordination with our clients and contribute to social and economic self-sustainability;
- Anticipate and minimize potential disruptions to the community;
- Mitigate any negative impacts to local communities from our activities;
- Contribute to local employment growth by fostering training and transfer of skills and technology; and
- Respect local cultures and be aware of local practices and traditions, legislation, and cultural factors that may impact behaviors and decisions.

Our Code of Business Conduct also covers many sustainability issues, from fair employment practices and equal opportunity to Health, Safety, and Environment ("**HSE**"), human rights, and community involvement. We also have a Quality, Health, Safety, Environment, and Security ("**QHSES**") program aimed at preventing accidents and incidents, ensuring personal and corporate accountability, and simplifying practices and processes across our Company. Backed by our Foundational Beliefs, our QHSES teams create a culture of engagement to develop the leadership behaviors that deliver enhanced performance and business results. Regarding human rights, the Company is specifically advancing compliance in recruitment, working conditions, and supply chain practices. Since 2018, we have been a proud member of Building Responsibly, an industry-led initiative enabling construction and engineering companies to collaborate around their shared values, advance their compliance programs, and agree on common approaches regarding worker welfare and human rights.

In addition, we have three specific networking groups involving subject matter experts from all of our business units: the Sustainability Network, the Inclusion & Diversity Network, and the Environmental Working Group ("**EWG**"). These groups implement our sustainability strategy, share knowledge and best practices, develop global and local initiatives and report on results.

Supporting Communities

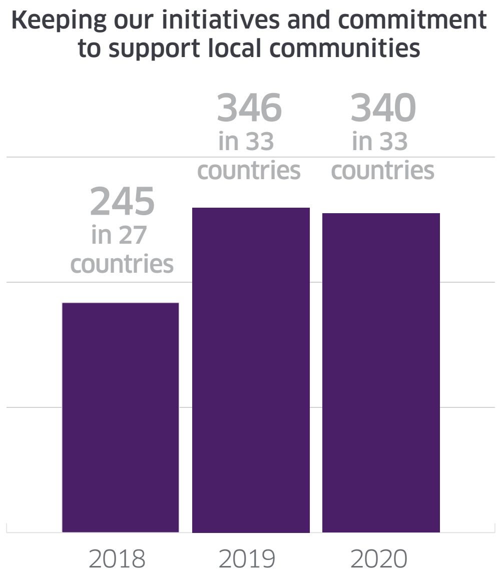
Supporting Communities is our first sustainability pillar. Our Code of Business Conduct encourages employees to engage with local communities where we live and work, to contribute to their social and economic self-sustainability, and to ensure that TechnipFMC is a responsible corporate citizen in our communities. It is the foundation of that responsibility that forges our commitment to local communities.

Supporting Communities – Objectives

TechnipFMC supports and encourages its employees to volunteer and support their community development programs in line with our Code of Business Conduct and our Supporting Communities pillar. Objectives of the pillar included the following:

- **Go beyond our commercial obligations to create in-country value** through initiatives in health, education, and local employment
- **Support and develop initiatives related to Science, Technology, Engineering, and Mathematics (STEM)**
- **Enable employees to volunteer and support initiatives**

Go beyond our commercial obligations to create in-country value



In 2020, 340 volunteer initiatives were organized in 33 countries where TechnipFMC operates, compared to 346 initiatives in 33 countries in 2019. Employees spent approximately 27,700 volunteer hours in 2020, versus 26,500 in 2019, creating in-country value through actions in health, education, STEM, local employment, environment, gender diversity, and other relevant and impactful local issues. Despite the impact of the COVID-19 pandemic and lockdown in many countries where we operate, our teams were creative and resilient, even designing remote volunteering initiatives, and committed to our continuous support of local communities.

In the resource-strained environment around COVID-19, our teams donated personal protection equipment, facemasks, sanitizers, cleaning products, food, medical supplies, and other products to local hospitals, local communities around our facilities, and other charitable organizations. In the United Kingdom, Brazil, and Norway, we also used internal resources to develop and print face shields that were donated to hospitals and medical facilities. In total, we organized more than 100 initiatives in 19 countries and donated more than 100,000 facemasks from our employees and through partnerships with our clients and suppliers.

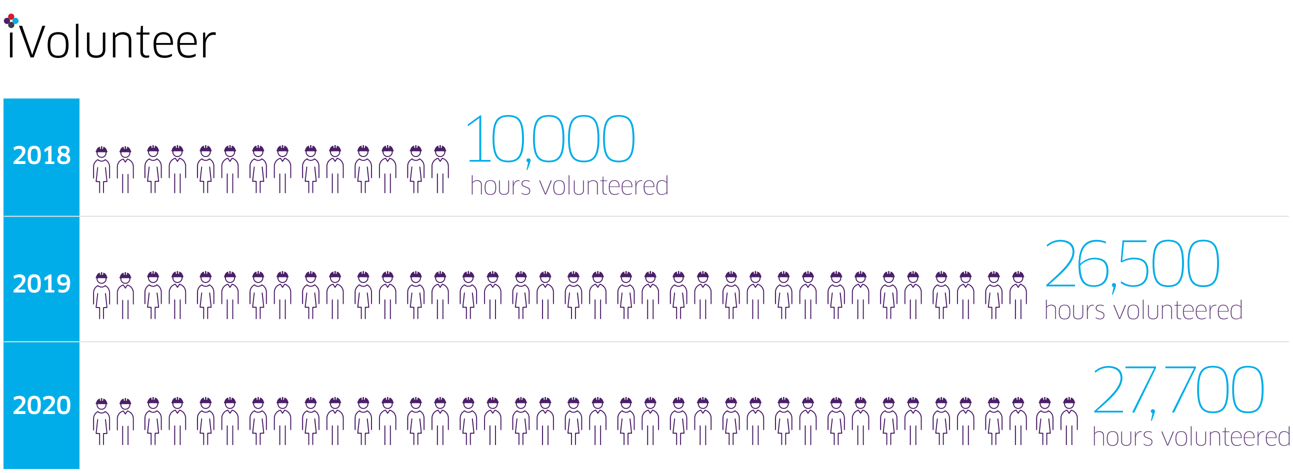
Support and develop STEM initiatives

73
STEM initiatives organized (vs 58 in 2019) in 15 countries

90%
of entities organized STEM initiatives in 2020

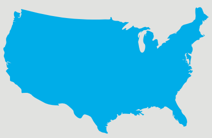
In 2020, we continued to focus on holding at least one STEM initiative in each Company entity with more than 300 employees. Initiatives developed in 2019 and 2020 can be grouped into three main areas: working with schools and/or organizations to promote STEM for children, promoting STEM careers for students and young professionals, and promoting STEM for employees' children. Although 2020 brought unique challenges to our traditional STEM format, our employees' innovative ideas allowed us to offer STEM initiatives that met necessary health protocols and further advanced the Company's emphasis on STEM topics. For 2020, 73 STEM initiatives were organized in 15 countries.

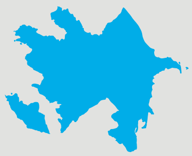
Enable employees to volunteer and support initiatives



In 2020, we continued our global volunteering program, iVolunteer, which we launched in 2019. iVolunteer enables employees to support initiatives in the communities where they live and work to promote positive, tangible, and collective impact on these communities. Globally, in 2020, our employees participated in local initiatives and spent approximately 27,700 hours volunteering, demonstrating their commitment to our communities despite the COVID-19 pandemic.

Below are some examples of our community outreach in 2020:

United States 	In February 2020, TechnipFMC hosted the third annual STEM Day in Houston, Texas. The initiative is part of our active engagement in the education of our community. The event presented 270 students an exciting, hands-on experience related to STEM projects, including experiments and stations related to our industry. We also participate regularly in numerous charitable events, including Women's Initiative Day of Caring, Target Hunger Day of Caring, and the Veterans' Program. Other initiatives included being part of the Houston Heart Walk, an annual fundraising event dedicated to spreading awareness about cardiovascular health. Approximately 850 employees participated in a Virtual Heart Walk in 2020.
United Kingdom 	Our team in Newcastle promoted volunteering month, putting together a suite of eleven virtual volunteering activities. For every Newcastle-based employee who took part, a donation was made to NHS Charities Together. Our teams from Dunfermline, Westhill, and vessels also organized several virtual volunteering initiatives.
France 	Our team in France supports the non-profit organization, Elles Bougent (Girls on the Move). Elles Bougent promotes gender diversity in STEM, as well as making technical and industrial careers accessible for young female students. Our team in Sens also organized 19 volunteering initiatives to support its community and organized a STEM Day, meeting approximately 700 students in two high schools close to our site.
Brazil 	In Brazil, we sponsor social and environmental programs for underprivileged children and young students from neighboring communities to help them develop and have equal opportunities, like the "Música Encantada" project where we have sponsored music classes for 250 children in the local community. Also, in 2020, our volunteers organized a beach cleaning activity in Macaé and Vitória, where 360 kg of waste was collected, and a Christmas campaign to donate food and toys to underprivileged communities.
Colombia 	In Colombia, we implemented a new virtual volunteering initiative to enable our employees to use their knowledge to create courses for colleagues and their families.
Italy 	TechnipFMC in Italy, in collaboration with Technical School Enrico Fermi based in Rome, is involved in the Alternanza Scuola-Lavoro (Education-Work Rotation) project. This collaboration enriches school programs with energy sector experience focused on oil and gas, enabling students to better understand the added value offered by working in our industry and at TechnipFMC.

Azerbaijan 	TechnipFMC is promoting opportunities for students who aspire to work in the energy sector and who have a particular interest in our industry or related sectors through the Baku Master Program organized in collaboration with Heydar Aliyev Foundation. More than 53 students attending Baku Higher Oil School and Azerbaijan State Oil and Industrial University have enrolled and benefitted from the Baku Master Program, which is structured in seven industry modules and managed by our experts.
India 	In India, our impact-driven sustainable initiative, Seed of Hope, has benefited more than 90,000 people over the years. It has enabled STEM education for girls, provided development workshops for youths, sponsored school fees for underprivileged children, supported communities after natural disasters, and promoted livelihood opportunities, clean energy, and a circular economy.
Malaysia 	In Malaysia, our Go Success Program is a year-long holistic program that encompasses all branches of knowledge in education, including power motivation, technical education, soft skills, entrepreneurship, and public speaking. The program targets students but also teachers and parents as part of the students' overall development. In Johor, our employees built a "recycled park" at a school near our site as part of our iVolunteer program.
Australia 	In Australia, we have been developing a Reconciliation Action Plan and indigenous engagement activities. Since 2018, we have joined more than 1,000 government, corporate, and not-for-profit organizations in committing to build higher trust, lower prejudice, and increased pride in Aboriginal and Torres Strait Islander people and culture.
Ghana 	TechnipFMC in Ghana handed over a 150-bed capacity Female Hostel to the Ellembelle District and the Charlotte Dolphyne Training Institute, located in the Western region of Ghana, fulfilling a need to provide adequate and safe accommodations for female students and improve their attendance in classes.

TechnipFMC Relief and Development Fund ("TRDF")

The TRDF is a Company endowment fund created in 2011 to support social and charitable initiatives. Its main goals are to reinforce our corporate social responsibility and our local presence in the countries where we operate and to support not-for-profit social or general interest projects.

Every year, we select certain social projects, proposed and carried out by an association or a non-governmental organization, in a country where TechnipFMC has a long-term presence. In 2020, the TRDF helped:

- Asedeme in Senegal to purchase a new school bus to transport children with mental disabilities to specialized daycare centers.
- Asmae-Sister Emmanuelle to deliver aid related to COVID-19 in Egypt and the Philippines. We also supported a program on inclusive education for children and young adults with disabilities in Egypt.
- Essor in Mozambique to improve the employability of the most vulnerable youth from Pemba, Cabo Delgado Province.
- Inter Aide in Mozambique to improve maternal and child health in the rural populations of Monapo and Memba districts, Napula province.
- Samu Social International in Angola to provide medical and psychological assistance to homeless youth in Luanda.

Advancing Gender Diversity

Advancing Gender Diversity is our second sustainability pillar, and we believe it is not only a matter of responsibility, but also a business imperative for our success. We do not tolerate unlawful discrimination related to employment, and our Code of Business Conduct requires that employment decisions related to recruitment, selection, evaluation, compensation, and development, among others, are not influenced by race, color, religion, gender, age, ethnic origin, nationality, sexual orientation, marital status, or disability. We also ensure that our suppliers, customers, and business partners are aware of our goal of creating a diverse and tolerant workforce.

Our global framework and key performance indicators for 2018 through 2020 and beyond aim to promote and accelerate the development of women in all functions of our global organization.

Advancing Gender Diversity – Objectives

Our Advancing Gender Diversity objectives included the following:

- **Ensure gender pay equity** everywhere we operate and review all jobs to ensure gender pay equity and monitor them through a full review every three years
- **Improve gender balance in the organization, across all functions and levels**
- **Promote women fairly and equally** through the career development process

Ensure gender pay equity

100% of jobs reviewed to ensure pay equity; salary adjustments completed in 2019

In 2018, we reviewed 100% of our Company job functions to ensure pay equity. We identified areas for improvement and completed all necessary salary adjustments in 2019 to ensure fair compensation for all of our employees.

For 2020 and beyond, we will continuously monitor our compensation programs with respect to pay equity. During our annual salary review process, we review average salary adjustments by gender, taking into account performance ranking and salary market competitiveness, in order to identify and address any discrepancies by gender. We perform similar analyses for the annual individual performance payout under the annual cash incentive plan, as well as long-term equity grants. For long-term equity grants, we aim for the gender distribution to reflect the gender distribution in the Company.

As part of our commitment to inclusion and diversity, employee well-being, and work-life balance, we announced a Global Parental Leave Policy in 2020 that became effective in 2021. Our core values and Foundational Beliefs support an atmosphere where employees can thrive professionally without sacrificing essential family obligations and well-being. For parents, we recognize and support the need to care for and bond with a newborn or newly adopted child. Through our Global Parental Leave Policy, our aim is that our employees experience an inclusive working environment and feel welcome and comfortable working at TechnipFMC as a parent.

Guidelines in the Global Parental Leave Policy include minimum levels of caregiver leave for birth/adoption, compensation, benefits and career development during caregiver leave, job protection during leave, working schedule and workplace adaptation, support of breastfeeding mothers, and time off for infant care. The policy is designed with gender equity and same-sex parents in mind and is defined using the terms “primary caregiver” and “secondary caregiver” in lieu of more traditional definitions. We recognize that every family is different and believe that our policies should apply consistently, whoever the primary caregiver is in a given family.

The policy provides global principles aimed at helping the countries design their own local parental leave policies, compliant with local legislation. The policy sets a minimum standard across the Company, and where local guidelines require additional benefits, the local guidelines are implemented.

Improve gender balance

The launch of **"Diversity & Inclusion – it Matters!"** learning module

40% of all graduates hired globally were women

In 2019, to foster a diverse and inclusive culture, we launched our "Diversity & Inclusion – it Matters!" e-learning module with an aim to raise awareness of our differences and help our employees improve as people and professionals. This e-learning module was added to New Hire Orientation in 2020 to promote our commitment to advancing gender diversity and an inclusive culture where all employees can reach their full potential. We also continued to improve gender balance in 2020 with a focus on increasing the representation of women hired as new graduates. 40% of all graduates hired globally in 2020 were women, surpassing our goal of 30%.

CEO ACTION FOR DIVERSITY & INCLUSION

Diversity in STEM:
7 employee resource groups with ~1,800 members

23% women employees in 2020

TechnipFMC has developed a culture that is based on the values of trust, mutual respect, and dialogue. In accordance with local legislation, regular meetings with trade union-appointed and/or works council representatives are organized for information and/or consultation. The European Works Council ("**EWC**") meets at least twice a year and all of our European entities had joined the EWC by the end of 2019 with the EWC agreement signed by participants' representatives by the end of 2019. In the first quarter of 2020, the EWC elected its new member and held two meetings in 2020, the first in May and the second in December.

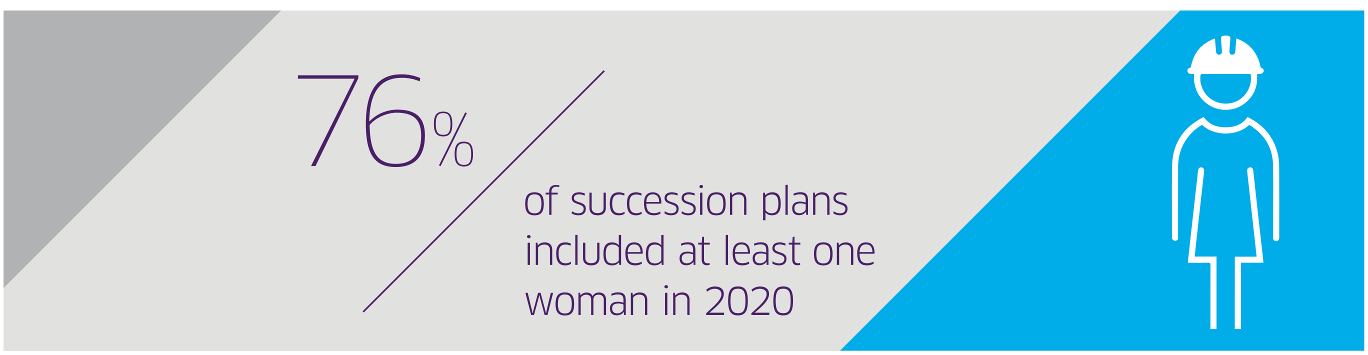
The Company also fosters Employee Resource Groups ("**ERGs**"), which are voluntary, employee-led focus groups dedicated to a diverse and inclusive work environment. We currently have seven active ERGs with approximately 1,800 members in the United States, the United Kingdom, and Australia, covering IDEA – Inclusion, Development, and Equality for All; Parents Network; Supporting TechnipFMC to Reach Its Vision of Equity; Black Organization for Leadership & Development; Young Professionals Group; Military Veterans & Friends Network; and Organization of Networking Employees. ERGs discuss and promote topics related to inclusion and diversity, develop and organize events internally and externally, support local initiatives, and propose actions to improve accessibility and inclusivity for all at the workplace. TechnipFMC provides executive support to our ERGs to help strengthen employee relations and improve the well-being of our people.

In 2020, our Chairman and CEO made the pledge to CEO Action for Diversity and Inclusion™, committing to create a trusting environment where all ideas are welcome and employees feel comfortable and empowered to draw on their unique experiences and backgrounds. CEO Action for Diversity & Inclusion™ is the largest CEO-driven business commitment to advance diversity and inclusion in the workplace.

As of December 31, 2020, TechnipFMC had the following number of non-executive directors and employees:

	Male		Female		Total		% Female	
	2019	2020	2019	2020	2019	2020	2019	2020
Directors (non-executive directors)	10	10	3	4	13	14	23%	28%
Executive officers (including Douglas J. Pferdehirt)	7	5	4	3	11	8	36%	38%
Senior managers	84	92	24	19	108	111	22%	19%
Employees on payroll (overall)	28,760	26,948	8,407	8,135	37,167	35,083	23%	23%

Promote women fairly and equally



Continuous discussions around improving representation of women in the organization helps us promote women fairly and equally throughout their career development process within our Company. In 2020, our People and Culture team reviewed all senior management succession plans to ensure that female candidates were considered and included. As a result, 76% of our succession plans in 2020 included at least one woman, which exceeded our 2020 objective to increase representation of women in succession plans by 5%.

The representation of women executives in 2020 increased by 2% compared to 2019. The representation of women in senior managers dropped from 22% to 19% in 2020 compared to 2019, respectively. We are committed to improving this dimension and took necessary steps in strengthening our succession plans and graduate intake in 2020. We have also developed an inclusive leadership curriculum, which, along with our executives' commitment and systemic changes to policy and talent standards, should help improve female representation in senior manager roles in the medium to long term.

Respecting the Environment

Respecting the Environment is the third of our three sustainability pillars. We believe our environmental responsibility requires us to operate in a manner that minimizes the impact of our operations on the environment, develop sustainable solutions to reduce carbon emissions within our overall environmental footprint, and avoid any environmental incidents in our operations and activities.

Environmental Governance

Sustainability is one our Foundational Beliefs. Respecting the Environment is one of the three pillars of our sustainability strategy, described above.

As defined in our global QHSES policy, QHSES is managed as an integral part of our business, based on a genuine care and concern for people and the environment. We do not compromise on quality, safety, health, security, or environmental sustainability to achieve our financial, project, service, and manufacturing objectives. Our overall objectives regarding environmental responsibility are (i) to operate in a manner that minimizes the impact of our operations on the environment and develop sustainable solutions to reduce carbon emissions and our overall environmental footprint, and (ii) to avoid causing any environmental incidents.

We continue to commit resources and expertise to eliminate hazards, reduce risks, and prevent injury, ill health, and environmental pollution related to our activities through design, process improvement, and technologies.

A key element of our environmental management is our Global Environmental Management Standard, applicable to all our locations and projects globally. The standard and linked guidelines are an integral part of our global HSE management system. The standard and guidelines describe the minimum requirements and set the baseline for identifying potential environmental risk and opportunities, managing the environmental impact of our activities and projects during our business development, and improving our environmental performance. As part of our risk management process, environmental risks are regularly identified, monitored, and mitigated at every business level. The Company operates in a manner that minimizes the environmental impact of, and risks associated with, our activities, through effective environmental management standards that are implemented in an extended lifecycle context and perspective, fully in line with the latest ISO 14001 requirements and in compliance with all applicable marine environmental regulations. We seek to prevent and reduce our impact on the environment in accordance with legal requirements, ISO 14001 requirements, and international and internal standards. Environmental performance, including environmental incidents, rates, and risks, are consolidated monthly and reported to senior management.

Responsibility and Organization

The Company is committed to operating in compliance with all applicable environmental regulations, laws, and international codes and standards in the countries in which we operate. As such, environmental management is the responsibility of everyone at TechnipFMC, starting with our Board of Directors and ESG Committee. Our ESG Committee advises and recommends to the Board appropriate ESG practices and initiatives and oversees the Company's progress in implementing its ESG practices and programs. The effective implementation of environmental policy depends upon management's commitment, the accountability of every entity, an ongoing dialog with key stakeholders, and a chain of responsibility that extends to the workforce of the Company.

All entities and projects within the Company are managed by dedicated QHSES managers and directors, with a team of QHSES engineers and supervisors responsible for the application of the environmental rules in their respective areas to ensure that our environmental requirements are well implemented. Our Code of Business Conduct requires managers to inform employees, contractors, and suppliers of applicable environmental rules, procedures, and expected behaviors, and that people reporting to them receive the required environmental training.

A specific EWG reports to the Corporate QHSES team and coordinates a network of environmental specialists from all regions and business units. The EWG sets environmental programs, supports the enhancement of environmental performance, and develops global environmental initiatives involving all our regions and projects.

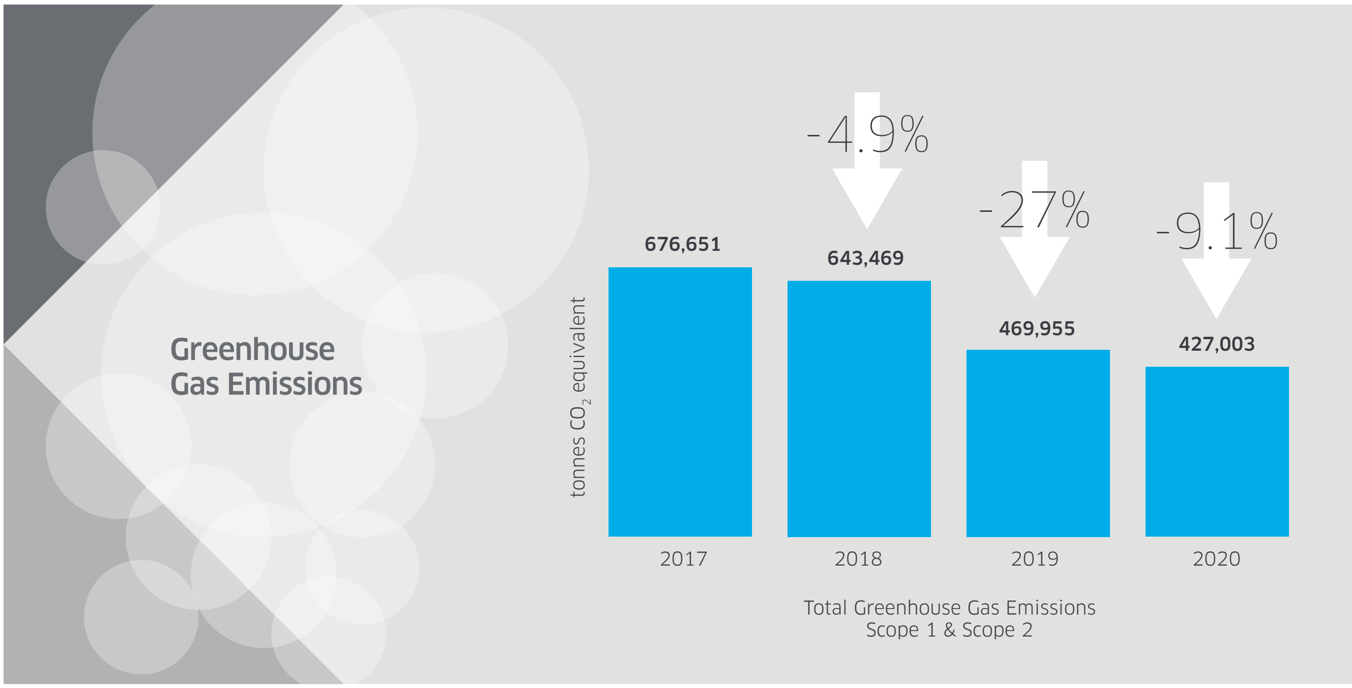
Respecting the Environment – Objectives

Our Respecting the Environment objectives included the following:

- **Reduce the carbon footprint** of our facilities, products, and solutions and reduce our greenhouse gas emissions
- **Provide the carbon footprint of all our deliverables to clients**
- **Establish an internal carbon price** for the entire Company, including projects and operations, to inform and impact investment decisions

Reduce our carbon footprint

We have focused on reducing our greenhouse gas ("**GHG**") emissions, with an objective of reducing our Scope 1 and Scope 2 emissions by 5% each year since 2017. In addition, we have set clear ambitions to enhance our technological and service skills to serve our clients and to encourage them to make carbon-conscious choices and to drive our capital expenditure and operating expenditure decisions with a structured internal carbon price mechanism.



TechnipFMC is committed to reducing carbon emissions and its overall environmental footprint by developing new, innovative, and sustainable solutions in the oil and gas market. In 2018, the Company adopted a Global Greenhouse Gas Management standard to enhance the Company's capabilities in GHG reduction in the Company's business with focus on Scope 3 GHG emissions.

By December 31, 2020, approximately 80 carbon footprint studies had been completed, covering a review of Scope 1, Scope 2, and Scope 3 emissions in our supply chains in key countries.

Since 2018, total GHG emissions have decreased in line with Company objectives. In 2020, the total GHG Scope 1 and Scope 2 emissions were 427,003 tonnes of CO_2 equivalent versus 469,955 tonnes of CO_2 equivalent reported in 2019, representing a 9% annual reduction and a 37% overall reduction compared to our baseline year of 2017. The reduction in GHG is mainly linked to trends in our business activities and to our Energy Transition program.

In addition to our efforts in reducing our carbon emissions within our operations, TechnipFMC is also working to ensure our next generation of products are less carbon intensive. For example, our Subsea 2.0™ design included a lifecycle GHG analysis that demonstrated how our innovations for the production of trees may allow up to a 46% reduction in our carbon footprint as compared to the previous design.

40+

Carbon Footprint Training Program sessions for engineers and managers completed in 2020

Finally, the Carbon Footprint Training Program launched by the Company's QHSES department for all business levels and projects in 2019 continued in 2020. By December 31, 2020, more than 40 training sessions for engineers and managers had been delivered in locations where we have a material presence. This program is focused on extending knowledge transfer, from the lifecycle perspective, and carbon footprint concepts to empower engineers in the implementation of a complete GHG analysis for all business lines and to increase managers' competencies on the reduction of our carbon footprint across the organization.

GHG Emissions

The table below describes the annual quantity of GHG emissions resulting from activities the Company is responsible for and has operational control over (including the combustion of fuel and the operation of any facility), measured in tonnes of CO_2 equivalent:

	2018		2019		2020	
Total GHG Emissions (in metric tonnes CO_2 equivalent)	**Direct emissions Scope 1**	**Indirect emissions Scope 2**	**Direct emissions Scope 1**	**Indirect emissions Scope 2**	**Direct emissions Scope 1**	**Indirect emissions Scope 2**
Our Assets	**254,535**	**60,401**	**283,545**	**39,932**	**278,628**	**35,583**
Industrial sites	*10,968*	*40,778*	*9,701*	*21,375*	*10,641*	*15,712*
Fleet	*242,117*	*21*	*272,292*	*0*	*266,471*	*-*
Offices	*1,450*	*19,602*	*1,551*	*18,558*	*1,516*	*19,871*
Our Projects	**319,523**	**9,010**	**132,572**	**13,906**	**68,188**	**44,604**
including Construction sites and Yards/Bases:						
Onshore/Offshore	*284,055*	*3,898*	*51,780*	*9,128*	*24,491*	*42,110*
Subsea	*29,658*	*2,840*	*76,023*	*2,873*	*37,477*	*1,736*
Other	*5,810*	*2,272*	*4,769*	*1,905*	*6,220*	*759*
GHG Emissions by Scope	**574,058**	**69,411**	**416,117**	**53,838**	**346,816**	**80,187**
Total GHG Emissions	**643,469**		**469,955**		**427,003**	

2% of the Company's annual GHG emissions resulting from activities the Company is responsible for and has operational control over (including the combustion of fuel and the operation of any facility) for the year ended December 31, 2020 related to energy consumed in the United Kingdom and offshore area.

To ease yearly comparison and trend analysis, industrial sites, offices, and fleet are presented under Our Assets, as they are TechnipFMC's permanent sites fully owned and operationally managed. Construction sites and Yards/Bases are aggregated under Our Projects and presented separately as they are usually temporary sites that are not owned by TechnipFMC but operationally managed during the construction phase. They are subject to variations from year to year, depending on the number and type of ongoing projects and the type of construction activities (e.g., early site work, civil work, construction, pre-commissioning, commissioning, or start-up).

Within Our Projects, Scope 1, direct emissions, and Scope 2, indirect emissions, decreased by 23% compared to 2019 due to reduced onshore and offshore construction and yard activities dedicated to major engineering, procurement, and construction ("**EPC**") activities.

For Company assets, our Energy Transition program in place in different countries contributed to saving 4,661 tonnes of CO_2 equivalent by using renewable energy in offices and manufacturing areas.

The annual quantity of emissions from the purchase of electricity, heat, steam, or cooling by the Company for its own use is described in the table below:

Total GHG emissions from the purchase of electricity, heat, steam, or cooling by the Company for its own use (in metric tons CO_2 equivalent):	2018	2019	2020
Electricity	69,304	53,725	80,059
Heat	87	0	0
Steam	0	0	0
Cooling	20	113	128
Total Emissions	**69,411**	**53,838**	**80,187**

5% of the Company's annual GHG emissions of electricity, heat, steam, or cooling by the Company for its own use for the year ended December 31, 2020 related to energy consumed in the United Kingdom and offshore area.

GHG Emissions Intensity

The Company's GHG emissions intensity factor is calculated by dividing total Scope 1 and Scope 2 emissions by the environmental hours worked (corresponding to sites that contributed to environmental data reporting). Hours worked has been acknowledged as being most representative of the Company's overall activity and is frequently used in HSE standards in the industry.

(in kg eq. CO_2/hours worked)	2018	2019	2020
Total GHG Emissions Intensity	4.07	2.99	2.40

Energy Consumption

The aggregate of (i) the annual energy consumed from activities for which the Company is responsible (including the combustion of fuel and the operation of any facility) and (ii) the annual quantity of energy consumed resulting from the purchase of electricity, heat, steam, or cooling by the Company for its own use for the year ended December 31, 2020 was 1,624 GwH, of which 2% related to energy consumed in the United Kingdom and offshore area.

Methodology

Environmental data is collected through our QHSES reporting system, Synergi, which is a global, integrated software solution. Each of the Company's reporting entities is required to consolidate and record its environmental data in Synergi every month. This data reflects the environmental performance of entities involved in the offices, construction sites, yards and spoolbases, manufacturing, and fleet operations when we own or manage the site in question and when we are responsible for managing the work.

Environmental data is aggregated for the analysis in Asset and Projects categories: industrial sites, fleet, and offices are consolidated as Our Assets since these three categories represent TechnipFMC's permanent sites (owned or leased) under full operational control, while the EPC Construction sites and Yards/Bases are not all owned sites but are all under the operational control and responsibility of the Company for short- to medium-term periods (less than five years).

The reporting period is the financial year ending December 31, 2020. Figures for environmental indicators have been extracted from the Company reporting tool.

To calculate Scope 1 and Scope 2 GHG emissions, sites' registered electricity consumption and fuel consumption are converted using emission factors from the IPCC Guidelines for National Greenhouse Gas Inventories, 2006 and from CAIT v8.0, 2011. Emission factors differ depending on fuel type, method of generating electricity, and country. The reporting tool calculates the resulting CO_2 emissions.

9

carbon footprint
studies completed
using our technology

Provide the carbon footprint to our clients

Our second Respecting the Environment objective aims to provide the carbon footprint of all our deliverables to clients through conceptual studies to help introduce our clients to new, low-carbon options in the early stages of projects and highlight the carbon footprint differences between each concept as early as possible. In 2019, carbon footprint calculation modules were developed and were implemented in our Technip Energies and Subsea conceptual studies.

In 2020, we launched proprietary Carbon Assessment Tools to enable the business to better understand how much carbon a facility or operation might produce. Our consultants offer proprietary Carbon Assessment Tools that provide a comparative carbon footprint of various design alternatives to support concept selection. In 2020, nine carbon footprint studies were performed in conceptual phase providing carbon-conscious solutions to our clients.

Internal carbon price

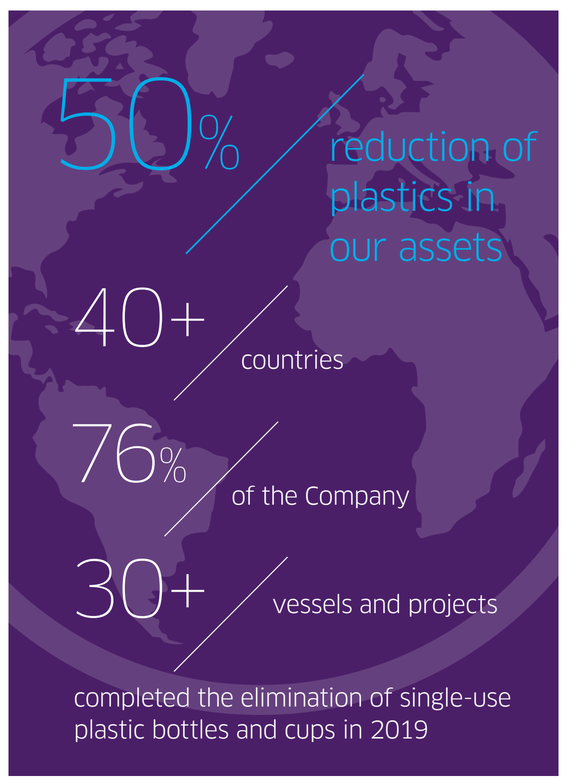
In 2019, TechnipFMC began developing a mechanism to establish an internal carbon price for the Company, focused on our assets, which should be implemented as part of the future Company's investment decisions for capital expenditures. We followed the highest international standards on this topic, and, in 2019, we formed a business-integrated Internal Carbon Price Workgroup with the participation of our QHSES, EWG, Strategy, Finance, and Sustainability experts. The purpose of the workgroup was to assess the potential impact of an internal carbon price on TechnipFMC's capital expenditures. A case study was performed and several internal carbon price methodologies were applied. The case study emphasized the improvement of the Company's cumulative cash flow, internal rate of return, and the reduction of the payback period, and valorized the most sustainable solutions in terms of carbon emission reduction.

As a result, in 2020, we further progressed with the development of a process to assess which capital investments take into account our internal carbon price, and we have also established a financial model for obtaining capital investment metrics. We defined an Internal Carbon Price and added related elements into our investment decision policy.

2020 Other Environmental Initiatives

Single-Use Plastics Elimination

TechnipFMC has also joined global initiatives for the protection of the oceans from plastics pollution. Plastics are recognized as valuable resources, and the Company is committed to reducing its use of single-use plastics in day-to-day working activities. A Single-Use Plastics Elimination ("**SUPE**") project was launched in 2018 in 52 locations, comprising 28% of Company locations, and in the fleet with the aim of eliminating single-use plastics or substituting them with more sustainable and reusable items.

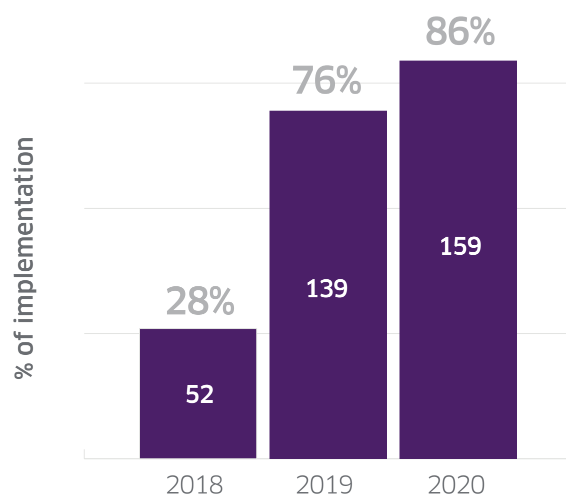


In 2018, the SUPE project saved approximately 167,000 plastic bottles and 2.3 million plastic cups.

In 2019, the SUPE project was extended to more than 40 countries. Approximately 139 locations, comprising 76% of the Company, and more than 30 vessels and projects completed the elimination of single-use plastic bottles and cups in 2019.

In 2020, we reduced plastics in our assets from 1,500 tonnes to 700 tonnes, with more than 86% of the Company participating in the SUPE project, encompassing approximately 159 locations.

Single-Use Plastics Elimination Project



Environmental Certifications

Despite operating in a complex industry, we are committed to successfully managing our environmental impacts. We measure our environmental performance and seek to operate through effective environmental management standards that are implemented in an extended lifecycle context and perspective.

The Company maintains a policy of seeking to implement environmental certification ISO 14001 where practicable. To meet this commitment, TechnipFMC has implemented an environmental management framework. By December 31, 2020, 74 entities were ISO 14001 certified, including all head offices and managed projects, industrial sites, and the Company fleet. For each of these entities, the environmental management system was verified and certified by an independent third party.

Climate Change

We created TechnipFMC with the vision to drive real change in the energy industry. Our corporate strategy has always been focused on the successful delivery of this vision, while our Foundational Beliefs represent our fundamental view that how we do business is as important as why we do business. Together, our strategy and our beliefs drive our ESG practices to reshape the industry for a sustainable future.

Our Environmental focus is built upon reducing the carbon footprint of both TechnipFMC and our clients, as well as a focus on waste management. In our business activities and projects, we give priority to renewable energies and sustainable materials and we promote water reuse and encourage recycling.

Energy Efficiency

TechnipFMC has an absolute commitment towards improving energy efficiency in assets and projects, and in consuming less energy. As we help our customers transition to cleaner energy, we deliver renewable energy infrastructure and sustainable energy solutions, while helping decarbonize the oil and gas production of our clients over time.

We offer many carbon-advantaged solutions. Our commercial models and technologies such as iProduction™, iEPCI™, Subsea 2.0™, robotics and Subsea Studio™ offer significant environmental and economic benefits. We already have a leading position in hydrogen and carbon capture, as well as technologies and solutions that support our growth in sustainable chemistry, including biofuels and circular economy. We will further leverage our leading capabilities in LNG, as natural gas will continue to play a critical role in energy transition.

Longer term, we see opportunities in lower carbon and carbon-free energy, notably in the emerging market for green hydrogen, as well as an all-electric subsea system that can be powered by renewable sources.

Renewable Resources

We use renewable resources for our own energy consumption. Since 2011, we have generated electricity using a wind turbine to power our manufacturing operations in Dunfermline, Scotland. Our facilities in Brazil are utilizing electricity generated from the country's vast hydro-based resources, with our Macae facility running on 100% renewable power and our Rio facility at almost 90%.

As more resources become available, we will look to utilize hybrid battery and biofuel solutions as transportation fuel, with the potential for significant conversion of our offshore fleet.

Water Management

At TechnipFMC, we prioritize water conservation and circular water management. We have stringent internal requirements for wastewater management and we promote internal wastewater treatment and reuse in our projects and assets.

Material and Waste Management

Reducing waste and promoting recycling is a key part of our management system and operating strategy. We strive for circularity in our business and operations by reducing material use at source, minimizing the volume of waste, and increasing recycling and reuse. We apply a lifecycle assessment to our products and projects to determine how we can maximize use while reducing waste: we have launched a number of initiatives to prioritize the use of recycled materials for project activities, and promote their reuse before being allocated for end-of-life treatment.

Air Emissions

As part of our environmental management approach, we monitor other air emissions, in addition to GHG, on a monthly basis, including:

- Sulphur oxides (SOx);
- Nitrogen oxides (NOx); and
- Volatile organic compounds (VOCs).

We monitor air emissions from our projects and assets in line with our commitment to manage and minimize the impact of our operations on local air quality.

Environmental Events

We strive to operate responsibly and protect the environment everywhere we operate, and particularly when operating near sensitive areas. We have a consistent procedure for recording, reporting, and investigating environmental incidents, using our QHSES incident management and analysis tool.

In case of an unexpected environmental event, containment and mitigation measures are immediately initiated. Incidents are immediately recorded and assigned an “actual” and “potential” impact rating. We formally investigate any potential or actual event then implement corrective actions to prevent reoccurrence. Events deemed as having high-level consequences are notified to the management team through a “first alert” process and all high-potential consequence incidents are subject to in-depth investigation.

In order to manage our environmental incidents effectively, we also monitor our total environmental incident rate (by reference to 200,000 worked hours) and our relevant incidents rate (by reference to 200,000 worked hours). The total Relevant Environmental Incidents Rate (“**REIR**”) captures all environmental incidents within our responsibility. Although the number of incidents is low, this indicator enables us to understand the effectiveness of our incident management. The REIR also assists us in monitoring our actual risk in terms of environmental incident management. It covers all incidents of a certain environmental impact, triggering management attention, including incidents which:

- involve a discharge/release above regulatory or client limits;
- impact work;
- reach warning levels provided by regulatory agencies;
- require external support for containment or clean-up; and
- may cause public concern.

Corporate Responsibility and Sustainability 2021-2023

Environmental, Social, and Governance

The industry as a whole is focused on ESG issues. For TechnipFMC, our approach to ESG will be measured and will have one clear goal: To drive real and sustainable change that favorably impacts our Company, our industry, and our communities.

These are some of the actions we are undertaking:

- In June 2020, the Company expanded its commitment to diversity across our organization. As a result, we adopted an Inclusion and Diversity objective, which includes not only gender but also underrepresented minorities, including those differentiated by religion, sexual orientation, and disability. This focus empowers our people to be the difference through inclusion and embracing the value of diversity.
- In November 2020, we made our 50 by 30 commitment. This is our roadmap to reduce CO_2 emissions under Scopes 1 and 2 by 50% by 2030.
- At the same time, we defined our ESG Strategy for 2021-2023 and the way we will track our performance using a three-year scorecard, which will be updated annually. This improved transparency and accountability will help us deliver tangible results in the short term.

2021-2023 ESG Strategy

Environment: We will play our role in reducing carbon footprint from the upstream oil and gas industry.

Environmental

Our carbon footprint	Our clients' carbon footprint	Waste management
Targeting 50% reduction of CO_2 by 2030 (Scope 1 and 2) **Establish Scope 3 reduction targets**	**33% of order intake linked to lower carbon intensity offerings** **Establish target reduction in carbon intensity for our clients' offerings –establish baseline in 2020**	**10% of waste from our assets and projects is recycled and reused** **10% reduction of water consumption**

- 50 by 30 sets out our Scope 1 and 2 CO_2 reduction targets (covering fuel combustion, Company vehicles, fugitive emissions, as well as purchased electricity, heat, and steam). By 2023, we will establish our Scope 3 targets (covering purchased goods and services, business travel, employee commuting, waste disposal, use of sold products, transportation and distribution, investments, and leased assets and franchises).
- We will help reduce our clients' carbon footprint. We want 33% of our orders to be linked to lower carbon intensity offerings and will establish carbon reduction targets for our clients, baselined to 2020.
- We will waste less. We will cut water consumption by 10% and reduce waste from our assets and projects by 10%, with a focus on recycling and reuse.

Social: We will drive sustainable change in the communities where we live and work.

Social

Awareness and culture	Fair representation	Community
▸ 100% of all senior managers trained in inclusive leadership learning ▸ Inclusion & Diversity lens applied to employee benefits and policies	▸ 45% of graduates hired are women ▸ 20% improvement in under-represented populations in senior management	▸ Increase the number of global STEM initiatives by 20% ▸ Increase the number of employees engaged globally in volunteering by 20%

- All senior managers will go through inclusive leadership learning, and we will apply an inclusion and diversity lens to our employee benefits and policies.
- We will underline the importance of fair representation. We will increase the number of people from underrepresented populations in senior management by 20%, while women will make up 45% of graduates hired.

Governance: How we do business is as important as why we do business.

Governance

Leadership in HSE	Responsible business behavior	Responsible business behavior
▸ Continued implementation of SIF prevention projects, with goal of reaching 400 projects ▸ Industry advocate for IOGP Lifesaving Rules	▸ Implement third-party risk management program, with focus on human rights due diligence and audits, on 100% of high-risk suppliers ▸ Yearly ethics and compliance training for all managerial levels	▸ Define remuneration of leadership and senior managers to include linkage to net carbon footprint ▸ Governance model established and reviewed with Board ESG committee

We never compromise on safety and we are committed to raising the bar on workers' welfare.

- We will implement 400 SIF (Serious Injuries and Fatalities) Prevention projects. We will also be an industry advocate for the International Association of Oil & Gas Producers Lifesaving Rules.
- Our decisions have ethical dimensions. Managers will continue to receive yearly ethics and compliance training, and we will audit high-risk suppliers for their human rights practices.
- Our leaders and senior managers' compensation will be linked to our net carbon footprint, and our governance model will be reviewed by the Board's ESG Committee.

Beyond the scorecard

Beyond the defined ESG scorecard, we will continue to make a difference in the communities where we live and work and to support their efforts through initiatives such as iVolunteer.

Employee and Social Matters

People and culture are at the heart of our development strategy. People are our wealth and strength. We are committed to our employees, and our employee guidelines are specified in our Code of Business Conduct, which applies to all employees, regardless of their roles, and no matter where they work.

We believe that all of our employees are entitled to fair treatment, courtesy, and respect, wherever they work: in the office, on vessels, on industrial and construction sites, or in client offices. We do not tolerate any form of abuse or harassment, and we will not tolerate any action, conduct, or behavior that is humiliating, intimidating, or hostile.

Furthermore, our hiring and employee development decisions are fair and objective. Employment decisions are based only on relevant qualifications, performance, demonstrated skills, experience, and other job-related factors, with our goal of creating a diverse, tolerant, and inclusive workforce.

Workforce Overview

Our workforce consists of the following:

	December 31, 2018	December 31, 2019	December 31, 2020
Permanent employees	33,528	34,454	31,395
Temporary employees (fixed-term)	3,616	2,713	3,691
Employees on payroll	**37,144**	**37,167**	**35,086**
Contracted workforce	3,458	5,310	2,880
Total Workforce	**40,602**	**42,477**	**37,966**

Developing and Keeping Talent

We simplified the design and process of identifying key talents in the organization in 2020 and the new process helped us achieve significant and quality progress in a remote working world. We also strengthened the depth of our succession planning for leadership roles in the organization.

Following the 2019 enhancement of our processes and practices, in 2020 we continued our journey of offering best-in-class development opportunities to our people:

- We introduced a new process called ‘Talking Talents’ in 2020 to identify and flag talents to develop in the key areas of Leadership, Technology and Project Management. This population represented 6% of our global population and will be the primary focus for development initiatives.

- Our new and improved performance appraisal process kicked off for all TechnipFMC employees in October 2020 and we concluded with 98% completion. A stronger focus was put on employees' behaviors, as part of our core values framework, and a simplified workflow for employees and managers for an efficient performance appraisal process.
- We continued to support our talent acquisition efforts by reinforcing the TechnipFMC employer brand in 2020, reflecting what our people say about TechnipFMC: we work on breakthrough projects, in a global playground and, as a result, our people live inspiring experiences. This is the key message we want potential future employees to associate with TechnipFMC. Initiatives, such as #technipfmcproud, launched in 2020 comprised of a series of webinars, inviting employees to share their own inspiring TechnipFMC experiences. This, along with other initiatives and onboarding of brand ambassadors, helped us put our employer brand into operation in 2020.

Enabling our people to grow and develop is a significant priority and during 2020 we launched and improved upon a number of learning and knowledge management initiatives to enhance the capabilities of our employees. While our ambition is to create a learning environment and tools and resources for everyone to succeed – some of our content is indeed focused on the three development pathways of Leadership, Technology, and Project Management mentioned earlier.

- In October 2020, we launched the global Technical Expertise program, onboarding more than 650 technical experts in the company and laying the foundation for identifying and nurturing more technical experts who help us in creating differentiated technologies.
- Engagement in the iLearn learning platform gained significant traction in 2020 as we embraced a digital transformation of learning. This hub is a learning experience platform with a modern and easy-to-use interface. In 2020, there were more than 6,860 pieces of creative and innovative learning content available, with ongoing releases of new and meaningful courses, to support skills development for our employees and enhance their performance in their job. 50% of our training hours and 95% of our course completions were done in a digital or virtual environment which resulted in 5.85 training hours per employee. The top five areas of learning in 2020 were HSES, Engineering, Manufacturing, Quality and Surface.
- 2020 also saw significant progress in the knowledge management space with our knowledge repository "The Well" having over 646,000 visits with 16,674 employees having utilized it. Our second knowledge-sharing platform, The Bridge, which aligns with The Well, enables chartered global knowledge-sharing networks. It was soft launched in May 2020, and now has 17 enterprise-wide business and technical communities with the expectation that there will be more than 50 by the end of 2021.

> "We work on breakthrough projects, in a global playground and, as a result, our people live inspiring experiences"

Employee attrition in 2020 was 2.5% compared to 6.2% in 2019 attributable to a major extent to our continued focus on learning and talent development.

Promoting Cultural and Ethnic Diversity

We focus on our broad cultural and ethnic diversity, which we constantly promote and develop throughout the Company and our subsidiaries, through the internationalization of our teams, multicultural programs, and international mobility.

Providing Employment to People with Disabilities

Three of our Foundational Beliefs – integrity, respect, and sustainability – are tangibly embedded in fair employment practices and equal opportunity. The Company's policy is that our employment decisions related to recruitment, selection, evaluation, compensation, and development, among others, are not influenced by unlawful or unfair discrimination on the basis of race, religion, gender, age, ethnic origin, nationality, sexual orientation, gender or gender reassignment, marital status, or disability.

It is our policy to encourage and give full and fair consideration to applications for employment from disabled people, and to assist with their training and development in light of their aptitudes and abilities. If an existing employee becomes disabled, it is the Company's policy wherever practicable to provide continuing employment under our usual terms and conditions, and to provide training, career development, and promotion opportunities to disabled employees employed by the Company to the fullest extent possible.

Strengthening Social Dialogue

The Company has developed a culture that is based on the values of trust, mutual respect, and dialogue. In accordance with local legislation, regular meetings with trade union-appointed and/or works council representatives are organized for information and/or consultation. The Company's European Works Council ("**EWC**") meets at least twice a year and all of our European entities had joined the EWC by the end of 2019 with the EWC agreement signed by participants' representatives by the end of 2019. In the first quarter of 2020, the EWC elected its new member and held two meetings in 2020, first in May and the second in December.

Employee Well-being

In light of the global challenges faced in 2020 due to COVID-19, we ran a global employee well-being survey in May to understand how our employees were coping with social distancing and other related domestic challenges during the pandemic. We received a strong response, with 19,954 (55%) employees responding globally which helped us to develop policies to assist in the challenges our people are facing in these unprecedented times. 74% of responding employees answered favorably to the question on their overall well-being. The survey also gave us insights on other topics that helped in improving overall communication and employee engagement.

Internal Communication

We have a robust internal communications strategy and supports communication channels that ensure that all employees are communicated to within a timely and relevant way. The effectiveness of internal communication is continually monitored and adjusted based on a focus group feedback program that reaches multiple levels across the Company. Employees are regularly consulted and provided with information on changes and events that may affect them through channels such as regular meetings, employee representatives, and the Company's intranet site. These consultations and meetings ensure that employees are kept informed of the financial and economic factors affecting the Company's performance and matters of concern to them as employees.

Labor Relations and Collective Agreements

We seek to maintain constructive relationships with works councils and trade unions, and to comply with relevant local laws and collective agreements in relation to collective or individual labor relations. The Company also operates through local subsidiaries in many countries, a number of which, including France, Germany, Norway, and Italy, have legal requirements for works councils, which include employee representatives.

We send regular information to all employees to share information about business success, change to the organizational structure, and any major impact to the business or the company. The same approach of sharing information and maintaining a regular dialogue with employees exists at a local level through the action of the local communications teams and the managers. In countries where staff representatives or works councils are in place, the Company seeks to maintain an effective and regular dialogue. To get the direct feedback of employees, employees surveys are performed in some countries or business, such as Norway, the Surface Americas Business Unit, and the Asia Pacific region. Every quarter, all employees receive a direct communication from the Chairman and CEO about the financial results of the Company and main business information. While travelling to a Company center, the Executive Leadership Team members take this as an opportunity to engage with employees, either through town halls or informal meetings.

Our Compliance Program

How TechnipFMC conducts its business across the world is as important as why TechnipFMC does business. We act in accordance with our core values and our Foundational Beliefs in all that we do. We aspire to develop business relationships with like-minded partners who are guided by a similar set of principles of business conduct. Integrity is one of the most critical cornerstones of the way we conduct business, and we hold ourselves to the highest moral and ethical principles, which drive our compliance program.

Our Code of Business Conduct is built on our Foundational Beliefs of safety, integrity, quality, respect, and sustainability, and gives us a common language and playbook for decisions and actions that help us live our core values. Available in 13 languages, our Code of Business Conduct helps us recognize and address the ethical dimensions to our everyday decisions. In addition to our Code of Business Conduct, we maintain a world-class compliance program that is designed on a risk-based approach and focuses on the following priorities:

- Human rights: The protection of human rights is an essential business principle we promote for our employees in the workplace and across our supply chain.
- Trade controls and foreign boycotts: We implement policies and procedures pertaining to international trade laws and regulations imposed by applicable authorities.
- Data privacy: We implement appropriate security and access measures to protect personal data stored in information systems.
- Anti-bribery and corruption: Our standards and processes provide a clear and comprehensive framework for our business in all of the countries in which we operate, in compliance with all applicable laws.

Our compliance program is supported by a global team of professionals embedded across our organization, who are responsible for the provision of advice, counsel and training, as well as auditing of our program and its controls. This is designed to mitigate and monitor compliance risk in support of our operations. Our program is led by a Chief Compliance Officer, who reports dually to our Executive Vice President and Chief Legal Officer, and to the Chair of the Board of Directors' Environmental, Social, and Governance Committee. Our Chief Compliance Officer regularly reports compliance matters to management and formally reports to the Committee quarterly. These reports include continuous enhancements to our compliance program and allegations regarding potential non-compliance with our Code of Business Conduct.

We believe it is up to all of us to uphold the principles in our Code of Business Conduct. We encourage employees and others to raise questions and concerns to ensure that we are leading by example. Suspected breaches of our Code of Business Conduct can be reported through various means, including through an independent third party via the dedicated reporting hotline. TechnipFMC has a zero-tolerance policy on retaliation against employees for reporting suspected violations of our policies or Code of Business Conduct.

Code of Business Conduct

Our Code of Business Conduct is built on our Foundational Beliefs and gives our directors, officers, and employees a common language and playbook for decisions and actions that help us live our core values. We are committed to establishing and maintaining an effective compliance program that is intended to increase the likelihood of preventing, detecting, and correcting violations of Company policy and the law. Moreover, we have a hotline in place for employees, officers, directors, and external parties to anonymously report violations of our Code of Business Conduct or complaints regarding accounting and auditing practices. Reports of possible violations of financial or accounting policies are reported to our Audit Committee.

We will disclose amendments to, or waivers of, our Code of Business Conduct that are required to be disclosed under the U.S. Securities and Exchange Commission ("**SEC**") and NYSE rules or any other applicable laws, rules, and regulations. Any waiver of our Code of Business Conduct for our officers and directors must be approved by the Board or a relevant Board committee. We have made no such waivers, and do not anticipate making any such waivers.

Human Rights

Respect is one of our Foundational Beliefs. It guides how we fundamentally do business and what we never compromise on, no matter the circumstances. We believe that everyone is entitled to honest, fair, and courteous treatment. We do not tolerate any form of modern slavery and we express a strong commitment for respecting human rights and are against the use of child, forced, indentured, or involuntary labor, regardless of where we conduct business.

Our Code of Business Conduct reflects our commitment to acting ethically and lawfully and recognizing human rights on a global basis. It is our policy that our Code of Business Conduct be shared and discussed with our clients, suppliers, and business partners to better explain our rules of conduct and reinforce our culture of accountability. We aim to develop business relationships with like-minded subcontractors, suppliers, and business partners who are guided by a similar set of principles of business conduct and aspire to only do business with counterparties who respect human rights and uphold labor laws.

TechnipFMC has published its statement on slavery and human trafficking for the financial year ending December 31, 2019 in accordance with section 54 of the U.K. Modern Slavery Act 2015. This document is available on our website at ***www.technipfmc.com*** under the heading "*About us > Ethics and Compliance > Slavery and Human Trafficking Statement*".

Our employees are encouraged and expected to report violations or suspected violations of our Code of Business Conduct. Various channels are available, including the option to report concerns to their managers, to anyone in the corporate compliance or legal department, the employee's human resources representative, or an independent third party via a dedicated reporting helpline and website.

We treat all reports of suspected violations of our Code of Business Conduct confidentially and will share the information only with those who have the responsibility and authority to investigate and properly resolve the issue. In addition, we have a zero-tolerance policy on retaliation against employees for reporting suspected violations of our policies or Code of Business Conduct or for cooperating with an investigation. We encourage employees and others to raise questions and concerns to ensure that we are leading by example.

The Company endeavors to ensure compliance with human rights within the scope of our operations and in accordance with the following international human rights regulations and principles:

- The United Nations Guiding Principles on Business and Human Rights
- The 1948 Universal Declaration of Human Rights
- The International Labour Organization's Fundamental Conventions regarding the freedom of association, the eradication of discrimination and forced labor and the abolition of child labor

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

The Company also adopted a Human Rights Standard setting forth recognized human rights principles to ensure our operations are executed in compliance with the same and to ensure everyone with whom we work is treated with respect and dignity. Our Standard codifies the Worker Welfare Principles developed by *Building Responsibly*. The Company remains a proud member of this group of leading engineering and construction companies that are working together to promote the rights and welfare of workers across the industry, representing more than 573,000 employees and operating in about 100 countries. We continue working on our human rights strategy to embed respect for human rights in our operations and business relationships and promote the protection of human rights for our employees in the workplace and across our supply chain as a foundational business practice. We have created an internal Human Rights Working Group, bringing together our support functions and operations to foster and ensure a better working environment for our employees and our suppliers. The group conducted an internal human rights risk assessment to assess our processes against international standards, Building Responsibly principles, and our clients' human rights expectations. The assessment also looked at the standardization of our processes across the Company and at our human rights expectations towards our suppliers. For example, we have developed Suppliers and Subcontractors Integrity expectations including commitment to human rights principles and have started deploying these expectations with our partners, requiring adherence to the same in the execution of their operations. Also, we continue to assess how our company-wide due diligence processes and monitoring processes could be reinforced in this area.

Anti-Corruption and Anti-Bribery Compliance Controls

The Company is committed to conducting business across the world ethically, lawfully, and in accordance with our core values and our Foundational Beliefs. Therefore, all employees, as well as our business partners and supply chain, are expected to conduct their activities in an ethical and lawful manner on a day-to-day basis.

All acts of fraud and corruption (including bribes, kickbacks, and self-dealing) are strictly forbidden. We compete fairly on the strength of our technology, service, and execution excellence. We do not tolerate corruption in any form and do not make or accept improper payments to obtain or retain business with those in government or the private sector, or as a reward for awarding subcontractor or supplier contracts. We are committed to complying with all international and national legislation against illegal payments, including prohibitions on facilitation payments (to expedite routine and administrative government action) except in extraordinary circumstances where the safety or security of an employee is in immediate danger.

To ensure that our partners share our commitment to ethical business practices, and to ensure that our partners' other relationships (including family relationships) do not create the appearance of a potential conflict of interest, we conduct detailed due diligence of all potential business partners before entering into a relationship. Our Code of Business Conduct highlights our commitment to integrity, and in conjunction with our standards and procedures, we have implemented a variety of anti-bribery and corruption-related operational standards that translate our general principles into concrete operating procedures.

We have also developed an Anti-Bribery and Corruption Standard, which applies to all our directors, officers, employees, and contracted personnel, aimed at providing a clear and comprehensive operational framework for the conduct of our business in all of the countries in which we operate. The Anti-Bribery and Corruption Standard sets out the Company's principles for strict compliance with applicable anti-bribery and corruption laws.

The Company pays particular attention to indicators that could cast doubt on the honesty and integrity of third parties involved in our business. We have developed a Business Partner Standard, which applies to all our directors, officers, employees, and contracted personnel. It establishes the due diligence requirements and procedures for third-party government intermediaries and joint ventures/consortia partners, and enables us to assess and manage bribery and corruption risks while conducting business globally.

We have a Gifts, Hospitality, and Travel Standard, which applies to all our directors, officers, employees, and contracted personnel, setting forth our rules related to the receipt or provision of gifts, hospitality, or travel, and establishing procedures for the approval, reporting, and accounting of such. The Gifts, Hospitality, and Travel Standard serves to assist employees in ensuring that gifts and hospitality, whether given or received as part of a usual courtesy of business, are not and cannot be considered as bribes.

We also have a Social Donations, Sponsorships, and Charitable Contributions Standard, which applies to all our directors, officers, employees, and contracted personnel, setting forth our rules related to the making of contributions to our communities. As a responsible corporate citizen, TechnipFMC believes in contributing to the communities where we conduct business around the world by supporting worthy causes, donations, and activities. Under appropriate circumstances, social donations, sponsorships, and charitable contributions provide an important way for TechnipFMC to play a constructive role in the societies and communities in which we live, work, and conduct business. This standard, which applies to all our directors, officers, employees, and contracted personnel, sets forth our rules associated with these activities to ensure our contributions are not misused for improper purposes, such as to disguise illegal payments to government officials.

Our Code of Business Conduct and its related standards are applicable to all employees, business partners, and supply chain members, as well as all of our business transactions, and all of our majority-owned or controlled subsidiaries. We will also use our best efforts to induce our joint venture and consortium members to adopt the standards or agree to abide by an equivalent set of standards. In sum, our compliance program is designed to effectively mitigate and monitor risks relevant to our enterprise to ensure we are preserving the interests of our stakeholders in accordance with our core values and Foundational Beliefs.

Supply Chain and Customer Matters

In line with our aspiration to develop business relationships with like-minded clients, sub-contractors, suppliers, and business partners who are guided by a similar set of principles of business conduct, it is our policy that our Code of Business Conduct be shared and discussed with clients, suppliers, and our business partners to better explain our rules of conduct and reinforce our culture of accountability. We will do business only with those suppliers who respect human rights and uphold labor laws. In undertaking sourcing, we focus on sustainability and consider our impact on the planet, people, and communities in which we operate.

Our Code of Business Conduct requires directors, officers, and employees to ensure that:

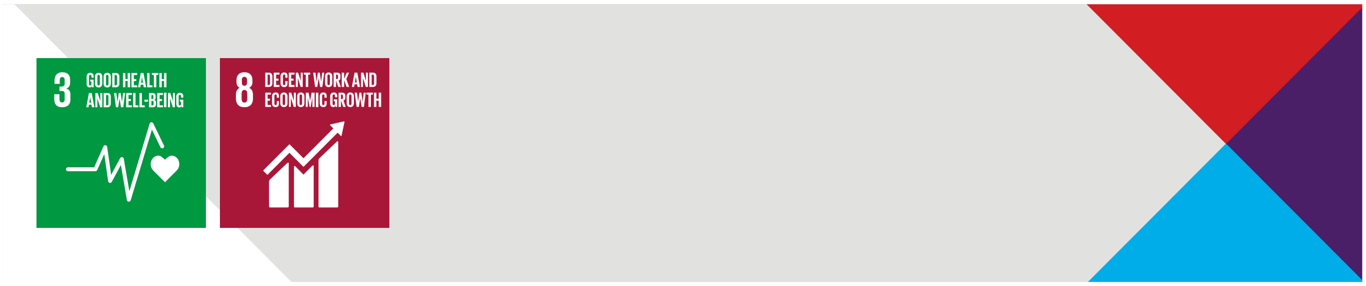
- Our suppliers, customers, and business partners are aware of our commitment to creating a diverse and tolerant workforce.
- Managers make contractors and suppliers aware of applicable Health, Safety, Environment, and Security ("**HSES**") rules, procedures, and expected behaviors, and their role in HSES culture wherever we operate.
- Our business partners and suppliers do not engage in inappropriate labor practices, including child or indentured labor.
- Appropriate due diligence is conducted on all consultants, suppliers, business partners, and agents, and ensures that third parties understand TechnipFMC's policy of zero tolerance for corruption.
- We exercise appropriate due diligence on subcontractors, suppliers, and other vendors to prevent money laundering.
- All payments to subcontractors, suppliers, consultants, and agents are made in accordance with our financial standards, including the requirement that payment be made in the country in which the work was performed.

Our goal is to build and sustain long-lasting relationships with governments, customers, partners, suppliers, and local communities where we have operations. Stakeholder considerations are embedded throughout our discussions and decisions, including in the discussions and decisions of our board of directors during the past financial year. The supply of goods and services is critical to our success as a business. We implement processes and procedures to enable us to manage our supply chain and supplier relationships effectively. As part of these processes and procedures, we work to identify and engage suppliers who can meet the demands of our business at a competitive cost.

Our local procurement teams are essential in this process and facilitate regular dialogue with our suppliers, while navigating local cultural, language, and time zone differences.

We regularly assess the performance of our suppliers to ensure they meet our standards and expectations in the delivery, quality, and response to supply chain matters. We are committed to operating our business with a focus on safety, integrity, quality, respect, and sustainability and we aspire to work with suppliers who are guided by a similar set of principles of business conduct. We actively assess and monitor our suppliers' compliance with rules, regulations, principles, and guidelines relating to modern slavery, sustainability, human rights, anti-bribery, tax evasion, and data protection, amongst others.

Health and Safety



Health and safety is as an integral part of our business, based on a genuine care and concern for the people and environment. Safety is one of our foundational beliefs and is at the heart of everything we do. At TechnipFMC we are all responsible for creating a safe and secure workplace.

We believe that all injuries are preventable. By fostering an incident-free environment, we drive our clients' success without compromising safety, health, security, or environmental sustainability. We act responsibly and openly at every step, assuring our customers and partners of our competence and inspiring their trust.

Protecting people at all times

All our employees, partners and contractors have the responsibility and the authority to stop the work if they consider conditions are unsafe. Pulse, our global HSE culture and engagement program, provides our people with the right skills, tools and behaviors to maintain and strengthen our HSE culture. It empowers our people to foster an incident-free working environment. Our safety rules are aligned with our HSE management system. Our programs aim to de-risk our operations with focus on Dropped Objects, Energy Release and Uncontrolled Moves, which are the most common causes of work-related incidents.

We monitor and report on key safety metrics in line with industry standards. We include in our data both employees and contractors in joint arrangements where we directly manage the performance of these operations.

Tragically, we suffered one fatality in 2020. In January, a worker in our onshore segment in India was fatally injured during hydro testing of a pipe spool. As a result, we have revised our pressure testing standards to strengthen requirements around pressure containment and control measures while working with pressure.

Safety Performance

In 2020, 184,4 million hours were worked at the Company's facilities and project sites worldwide.

Safety Performance	2018	2019	2020
Total Recordable Incident Rate (TRIR)[1]	0.26	0.17	0.11
Lost Time Injury Frequency (LTIF)[1]	0.06	0.04	0.04
Leadership & Management Walkthrough Frequency[1]	16.03	12.76	9.40
Fatal Accident Frequency[1]	0.0012	0.0012	0.0011

(1) The rates are calculated across 200,000 hours worked. Incidents as defined by the U.S. Department of Labor's Occupational Safety and Health Administration standards are considered. The cut-off date is December 31, 2020.

The total number of Recordable Incidents reduced by 25% in 2020 mainly reflecting important actions we have taken to de-risk our operations through prevention mindset and Hierarchy of Control. Serious Incident Reviews are conducted by TechnipFMC leadership teams. As a consequence, multiple hidden precursors for serious incidents were uncovered and mitigated, and the overall number of registered cases in 2020 achieved 57 SIF.

Our leading indicator rate decreased because of travel restrictions due to COVID-19. Remote Leadership Engagement has been successfully deployed and trends are recovering since mid-year. We will continue to stay focused and strive toward zero serious injuries or fatalities for today and the future.

Strong Health & Safety Culture

Our Pulse program is designed to drive the development or our people to adopt safety leadership behaviors. A key principle is to align mindsets to develop a single, global health and safety culture. The program is summarized by the Pulse formula for success: Inspire, Interact, Intervene. Each element of the formula integrates the principles of human performances: lead by example, actively listen to others and promote safety conversations, collaborate with colleagues, welcome and praise all interventions you receive or observe. 47 sessions were delivered in 2020 and we will continue the journey in future with development of targeted e-learning.

Prevention mindset

Risks are managed as an integral part of our business. As part of our risk management process, risks are regularly identified, monitored and mitigated at every business level. We continuously focus on assessing and lowering risks to prevent incidents in all the work we do. We regularly evaluate the Company's safety risk profile within the context of our operations, our contractors, subcontractors, and customer relationships.

We investigate incidents including those near misses with potential to harm people or the environment. We implement lessons learned and we strive for continual improvement of our health and safety management and work practices.

In 2020, we have taken several important actions to reduce our risk profile and to prevent serious injuries.

- We have accelerated our Serious Incident and Fatality Prevention ("**SIFP**") Program by ensuring deployment within all businesses and sites. 249 SIFP have been launched in 2020. SIFP is a proactive, high-impact risk prevention program which aims to shift the organization's mindset from reactive to proactive risk reduction. The objectives are to prevent serious injuries, to proactively de-risk our overall risk profile by putting mitigation strategies in place, and to bring visibility to critical issues requiring the support of leadership.
- The Global Hand and Finger Injury Prevention program was rolled out. The goal is for employees to develop an understanding of the risks of hand and finger injuries and how to identify the right controls to put in place to prevent such injuries. As a result more than 70 Hand & Finger Injury Site Risk Assessments were completed, 58 Hand Tool Substitutions were identified during the five-week campaign, and more than 5,000 employees throughout the company completed the Hand & Finger Injury Prevention Training.
- TechnipFMC adopted the new set of the International Association of Oil & Gas Producers' Life-Saving Rules in 2018, working with the rest of industry to prevent serious incidents in the workplace. E-Learning module was released in 2020. It provides an opportunity for all our employees, partners and subcontractors to improve general awareness and understanding of, as well as compliance with, the Life-Saving Rules. A series of specific e-learnings showcasing each rule in the context of TechnipFMC operations is under development and will be rolled out in 2021.

COVID-19 impact on Health & Safety

As COVID-19 continues to impact the global community, we are continually monitoring and responding to the situation, always ensuring first and foremost the health and safety of our employees, clients and partners. We activated a global COVID-19 Incident Management Team that has authority to determine company policies, coordinate infection prevention measures, direct local Incident Management Teams, and ensure continuity of operations in full compliance with guidance provided by the World Health Organization and governmental and regulatory authorities.

The situation is constantly evolving. As such, we are constantly updating our guidelines and policies to ensure that we always act in the best interests of our employees, and our clients and partners.

This year in particular, the COVID-19 pandemic brought uncertainty and extra stresses in both the personal and professional lives of our employees. As a company, we have adapted the way we work and leveraged digital tools to ensure business continuity. TechnipFMC will continue to emphasize the importance of mental health by promoting new and existing well-being initiatives, with the overall objective of raising awareness of mental health issues and mobilizing efforts in support of it.

Decision making and section 172 of the Companies Act

Our success depends on our ability to engage effectively with our stakeholders. Accordingly, our Board processes are structured to support our directors in discharging their duties under the Companies Act, particularly in relation to the Board's decision-making functions. Our Board considers, both individually and collectively, that they have acted in a way they consider in good faith and would be most likely to promote the success of the company for the benefit of its members as a whole, having regard to matters set out in section 172(1)(a) to (f) of the Companies Act in the decisions taken during the financial year ending December 31, 2020. In particular, we refer to:

- **Likely consequences of any decision in the long term:** We operate a sophisticated, global business in a highly competitive industry that has been negatively impacted by low commodity prices and the global COVID-19 pandemic. Enhancement of our performance and competitiveness is a key component of our strategy, and this is achieved through technology innovation and differentiation, seamless execution, and simplification that drives cost down including the completed Spin-off of Technip Energies. We are targeting profitable and sustainable growth, seizing market growth opportunities, expanding our range of services, and managing our assets efficiently to ensure that we are well-positioned to benefit from the opportunities we see in many of the segments we serve in order to deliver a long-term beneficial impact on the company and our clients (further details are set out in the paragraph entitled "*Shareholder Engagement*" of this Strategic Report).
- **Interests of employees:** In 2020, each of our more than 35,000 employees was critical to delivering the strategy and success of the company. We are committed to our employees, and our employee guidelines are specified in our Code of Business Conduct, which applies to all employees, regardless of their roles, and no matter where they work. Employee matters is one of our primary considerations in the way we do business and we take our responsibility to provide a fair and inclusive work environment seriously. With this in mind, we simplified the design and process of identifying key talents in the organization in 2020 to further achieve significant and quality progress in a virtual world. Further, in light of the global challenges faced in 2020 due to COVID-19, we ran a global employee well-being survey which helped us develop policies to support our employees in these unprecedented times (further details are set out in the paragraph entitled "*Employee and Social Matters*" of this Strategic Report).
- **Fostering business relationships with suppliers, customers, and others:** In line with our aspiration to develop business relationships with like-minded clients, sub-contractors, suppliers, and business partners who are guided by a similar set of principles of business conduct, it is our policy that our Code of Business Conduct be shared and discussed with clients, suppliers, and our business partners to better explain our rules of conduct and reinforce our culture of accountability. Our goal is to build and sustain long-lasting relationships with governments, customers, partners, suppliers, and local communities where we have operations. Even during the lockdown amidst the global COVID-19 pandemic, we partnered with our clients and suppliers to organize more than 100 relief initiatives in 19 countries and donated more than 100,000 facemasks (further details are set out in the paragraphs entitled "*Supporting Communities*" and "*Supply Chain and Customer Matters*" of this Strategic Report).
- **Impact of operations on the community and the environment:** Respecting the Environment is the first of our three Sustainability pillars. We believe our environmental responsibility requires us to operate in a manner that minimizes the impact of our operations on the environment, develop sustainable solutions to reduce carbon emissions within our overall environmental footprint, and avoid any environmental incidents in our operations and activities. We also support and encourage our employees to volunteer and support their community development programs in line with our Code of Business Conduct and our Supporting Communities pillar. Since the formation of TechnipFMC, we have adopted company-wide, consecutive 3-year sustainability road maps, most recently in November 2020 when we unveiled our new commitments in terms of Environmental, Social and Governance for the period 2021-2023 through our Environmental, Social and Governance Scorecard (further details are set out in the paragraphs entitled "*Sustainability*", "*Respecting the Environment*" and "*Supporting Communities*" of this Strategic Report).

- **Maintaining a reputation for high standards of business conduct:** Our Code of Business Conduct is built on our Foundational Beliefs of safety, integrity, quality, respect, and sustainability, and gives us, including our directors and each and every employee, a common language and playbook for decisions and actions that help us live our core values. Available in 13 languages, our Code of Business Conduct helps us recognize and address the ethical dimensions to our everyday decisions (further details are set out in the paragraph entitled "*Our Compliance Program*" of this Strategic Report).
- **The need to act fairly as between shareholders of the company:** To provide the opportunity to better understand shareholder views, our Board and executive team maintain a shareholder engagement program to solicit feedback across a number of shareholder matters. We believe this engagement is important as we seek to develop long-term relationships with our shareholders and ensure that they fully understand our strategy and the ways in which we seek to unlock value across our business portfolio. Our intention is to ensure that our shareholders are kept updated on significant matters and relevant emerging trends. Our 2020 Off-Season Shareholder Outreach Campaign involved our active outreach to 20 shareholders representing approximately 42% of TechnipFMC's ordinary shares in issue with respect to our board leadership and governance, executive compensation, and corporate responsibility and sustainability. Through our shareholder engagement efforts, the Board is able to consider different perspectives, including shareholders' input, within the context of company-wide matters including our pay-for-performance philosophy, business, and strategies. While we are unable to interact in person with our shareholders at our annual general meeting this year due to the global COVID-19 pandemic, we will continue our efforts to engage with our shareholders through meaningful and ongoing dialogue as an important part of our Board's corporate governance commitment (further details are set out in the paragraph entitled "*Shareholder Engagement*" of the Remuneration Report).

Principal Risks and Uncertainties

Principal risks and uncertainties that could impact our ability to achieve our anticipated operating results and growth plan goals are presented below. The following principal risks and uncertainties should be read in conjunction with discussions of our business and the factors affecting our business located elsewhere in this U.K Annual Report and in our other public filings.

Summary Risk Factors

The following is a summary of some of the risks and uncertainties that could materially adversely affect our business, financial condition and results of operations. You should read this summary together with the more detailed description of each risk factor contained below.

Risks Related to Our Business and Industry

- Demand for our products and services depends on oil and gas industry activity and expenditure levels, which are directly affected by trends in the demand for and price of crude oil and natural gas.
- We operate in a highly competitive environment and unanticipated changes relating to competitive factors in our industry, including ongoing industry consolidation, may impact our results of operations.
- Our success depends on our ability to develop, implement, and protect new technologies and services.
- Cumulative loss of several major contracts, customers, or alliances may have an adverse effect on us.
- The COVID-19 pandemic, the United Kingdom's withdrawal from the European Union, disruptions in the political, regulatory, economic, and social conditions of the countries in which we conduct business, could adversely affect our business or results of operations.
- DTC and Euroclear may cease to act as depository and clearing agencies for our shares.
- Our existing and future debt may limit cash flow available to invest in the ongoing needs of our business and could prevent us from fulfilling our obligations under our outstanding debt.
- A downgrade in our debt rating could restrict our ability to access the capital markets.
- Our acquisition and divestiture activities involve substantial risks.

Risks Related to Our Operations

- We may lose money on fixed-price contracts.
- New capital asset construction projects for vessels and manufacturing facilities are subject to risks, including delays and cost overruns.
- Our failure to timely deliver our backlog could affect future sales, profitability, and customer relationships.
- We face risks relating to our reliance on subcontractors, suppliers, and our joint venture partners.
- A failure of our IT infrastructure, including as a result of cyber-attacks, could adversely impact our business and results of operations.
- Pirates endanger our maritime employees and assets.

Risks Related to Legal Proceedings, Tax, and Regulatory Matters

- The industries in which we operate or have operated expose us to potential liabilities, including the installation or use of our products, which may not be covered by insurance or may be in excess of policy limits, or for which expected recoveries may not be realized.
- Our operations require us to comply with numerous laws and regulations, including those related to environmental protection and climate change, health and safety, privacy, data protection and data security, labor and employment, import/export controls, currency exchange, bribery and corruption, and taxation, violations of which could have a material adverse effect on our financial condition, results of operations, or cash flows.
- As an English public limited company, we must meet certain additional financial requirements before we may declare dividends or repurchase shares and certain capital structure decisions may require stockholder approval which may limit our flexibility to manage our capital structure.
- Uninsured claims and litigation against us, including intellectual property litigation, could adversely impact our financial condition, results of operations, or cash flows.
- The IRS may not agree that we should be treated as a foreign corporation for U.S. federal tax purposes and may seek to impose an excise tax on gains recognized by certain individuals;
- U.S. tax laws and/or guidance could also affect our ability to engage in certain acquisition strategies and certain internal restructurings.
- We are subject to the tax laws of numerous jurisdictions; challenges to the interpretation of, or future changes to, such laws could adversely affect us.
- We intend to be treated exclusively as a resident of the United Kingdom for tax purposes, but French or other tax authorities may seek to treat us as a tax resident of another jurisdiction, and we may not qualify for benefits under tax treaties entered into between the United Kingdom and other countries.

Risks Related to the Spin-off and the Related Transactions

- The Spin-off may subject us to future liabilities and may not achieve some or all of the anticipated benefits.
- We are a significant shareholder of Technip Energies and the value of our investment in Technip Energies may fluctuate substantially and may result in a significant impact to our results of operations.

General Risk Factors

- Our businesses are dependent on the continuing services of our key managers and employees.
- Seasonal and weather conditions could adversely affect demand for our services and operations.
- Currency exchange rate fluctuations could adversely affect our financial condition, results of operations, or cash flows.
- We are exposed to risks in connection with our defined benefit pension plan commitments.

Risks Related to Our Business and Industry

Demand for our products and services depends on oil and gas industry activity and expenditure levels, which are directly affected by trends in the demand for and price of crude oil and natural gas.
We are substantially dependent on conditions in the oil and gas industry, including (i) the level of exploration, development and production activity and (ii) capital spending. Any substantial or extended decline in these expenditures may result in the reduced pace of discovery and development of new reserves of oil and gas and the reduced exploration of existing wells, which could adversely affect demand for our products and services and, in certain instances, result in the cancellation, modification, or re-scheduling of existing orders in our backlog. These factors could have an adverse effect on our revenue and profitability. The level of exploration, development, and production activity is directly affected by trends in oil and natural gas prices, which historically have been volatile and are likely to continue to be volatile in the future.

Factors affecting the prices of oil and natural gas include, but are not limited to, the following:

- demand for hydrocarbons, which is affected by worldwide population growth, economic growth rates, and general economic and business conditions, including reductions in travel and commerce relating to the COVID-19 pandemic;
- costs of exploring for, producing, and delivering oil and natural gas;
- political and economic uncertainty, and socio-political unrest;
- governmental laws, policies, regulations and subsidies related to or affecting the production, use, and exportation/importation of oil and natural gas;
- the ability or willingness of the Organization of Petroleum Exporting Countries and the 10 other oil producing countries, including Russia, Mexico and Kazakhstan ("OPEC+") to set and maintain production level for oil;
- oil refining and transportation capacity and shifts in end-customer preferences toward fuel efficiency and the use of natural gas;
- technological advances affecting energy consumption;
- development, exploitation, relative price, and availability of alternative sources of energy and our customers' shift of capital to the development of these sources;
- volatility in, and access to, capital and credit markets, which may affect our customers' activity levels, and spending for our products and services;
- decrease in investors' interest in hydrocarbon producers because of environmental and sustainability initiatives; and
- natural disasters.

The oil and gas industry has historically experienced periodic downturns, which have been characterized by diminished demand for oilfield services and downward pressure on the prices we charge. The oil and natural gas market remains quite volatile, and price recovery and business activity levels are dependent on variables beyond our control, such as geopolitical stability, increasing attention to global climate change resulting in pressure upon shareholders, financial institutions and/or financial markets to modify their relationships with oil and gas companies and to limit investments and/or funding to such companies, increasing likelihood of governmental investigations and private litigation due to increasing attention to global climate change, OPEC+'s actions to regulate its production capacity, changes in demand patterns, and international sanctions and tariffs. Continued volatility or any future reduction in demand for oilfield services could further adversely affect our financial condition, results of operations, or cash flows.

We operate in a highly competitive environment and unanticipated changes relating to competitive factors in our industry, including ongoing industry consolidation, may impact our results of operations.
We compete on the basis of a number of different factors, such as product offerings, project execution, customer service, and price. In order to compete effectively we must develop and implement innovative technologies and processes, and execute our clients' projects effectively. We can give no assurances that we will continue to be able to compete effectively with the products and services or prices offered by our competitors.

Our industry, including our customers and competitors, has experienced unanticipated changes in recent years. Moreover, the industry is undergoing consolidation to create economies of scale and control the value chain, which may affect demand for our products and services because of price concessions for our competitors or decreased customer capital spending. This consolidation activity could impact our ability to maintain market share, maintain or increase pricing for our products and services or negotiate favorable contract terms with our customers and suppliers, which could have a significant negative impact on our financial condition, results of operations or cash flows. We are unable to predict what effect consolidations and other competitive factors in the industry may have on prices, capital spending by our customers, our selling strategies, our competitive position, our ability to retain customers or our ability to negotiate favorable agreements with our customers.

The COVID-19 pandemic has significantly reduced demand for our products and services, and has had, and may continue to have, an adverse impact on our financial condition, results of operations, and cash flows.
The COVID-19 pandemic, including actions taken by governments and businesses, has resulted in a significant reduction in global economic activity, including increased volatility in global oil and natural gas markets. Measures taken to address and limit the spread of the disease-such as stay-at-home orders, social distancing guidelines, and travel restrictions have adversely affected the economies and financial markets of many countries. The resulting disruption to our operations, communications, travel, and supply chain may continue or increase in the future, and could limit the ability of our employees, partners, or vendors to operate efficiently or at all, and has had, and is reasonably likely to continue to have, an adverse impact on our financial condition, operating results, and cash flows.

Significant uncertainty remains as to the potential impact of the COVID-19 pandemic on our operations, and we are closely monitoring the effects of the pandemic on commodity demands and on our customers. These effects may include adverse revenue and net income effects; disruptions to our operations; potential project delays or cancellations; employee impacts from illness, school closures, and other community response measures, which may lead to disruptions and decreased productivity; and temporary closures of our facilities or the facilities of our customers and suppliers. Beginning in the first quarter of 2020, we have experienced operational impacts including supply chain disruptions, productivity declines and logistics constraints. We have also experienced incremental, direct costs as a result of COVID-19.

COVID-19, and the volatile regional and global economic conditions stemming from the pandemic, could also aggravate the other risk factors discussed herein, including but not limited to risks related to the demand for oil and gas, which may not recover immediately. The full extent to which the COVID-19 pandemic will impact our results is unknown and evolving and will depend on various factors and consequences beyond our control, such as the severity, duration, and spread of COVID-19; the success of actions taken by governments and health organizations to combat the disease and treat its effects, including vaccine acceptance, distribution and effectiveness; decisions by our alliance partners and customers regarding their business plans and capital expenditures; and the extent to which, and the timing of, general economic and operating conditions recover.

Our success depends on our ability to develop, implement, and protect new technologies and services and the intellectual property related thereto.
Our success depends on the ongoing development and implementation of new product designs, including the processes used by us to produce and market our products, and on our ability to protect and maintain critical intellectual property assets related to these developments. If we are not able to obtain patents, maintain trade secrets or obtain other protection of our intellectual property rights, if our patents are unenforceable or the claims allowed under our patents are not sufficient to protect our technology, or if we are not able to adequately protect our patents or trade secrets, we may not be able to continue to develop our services, products and related technologies. Additionally, our competitors may be able to independently develop technology that is similar to ours without infringing on our patents or gaining access to our trade secrets. If any of these events occurs, we may be unable to meet evolving industry requirements or do so at prices acceptable to our customers, which could adversely affect our financial condition, results of operations, or cash flows.

Due to the types of contracts we enter into and the markets in which we operate, the cumulative loss of several major contracts, customers, or alliances may have an adverse effect on our results of operations.
We often enter into large, long-term contracts that, collectively, represent a significant portion of our revenue. These agreements, if terminated or breached, may have a larger impact on our operating results or our financial condition than shorter-term contracts due to the value at risk. Moreover, the global market for the production, transportation, and transformation of hydrocarbons and by-products, as well as the other industrial markets in which we operate, is dominated by a small number of companies. As a result, our business relies on a limited number of customers. If we were to lose several key contracts, customers, or alliances over a relatively short period of time, we could experience a significant adverse impact on our financial condition, results of operations, or cash flows.

Disruptions in the political, regulatory, economic, and social conditions of the countries in which we conduct business could adversely affect our business or results of operations.
We operate in various countries across the world. Instability and unforeseen changes in any of the markets in which we conduct business, including economically and politically volatile areas could have an adverse effect on the demand for our services and products, our financial condition, or our results of operations. These factors include, but are not limited to, the following:

- nationalization and expropriation;
- potentially burdensome taxation;
- inflationary and recessionary markets, including capital and equity markets;
- civil unrest, labor issues, political instability, disease outbreaks, terrorist attacks, cyber terrorism, military activity, and wars;
- supply disruptions in key oil producing countries;
- the ability of OPEC+ to set and maintain production levels and pricing;
- trade restrictions, trade protection measures, price controls, or trade disputes;
- sanctions, such as prohibitions or restrictions by the United States against countries that are the targets of economic sanctions, or are designated as state sponsors of terrorism;
- foreign ownership restrictions;
- import or export licensing requirements;
- restrictions on operations, trade practices, trade partners, and investment decisions resulting from domestic and foreign laws, and regulations;

- regime changes;
- changes in, and the administration of, treaties, laws, and regulations including in response to public health issues;
- inability to repatriate income or capital;
- reductions in the availability of qualified personnel;
- foreign currency fluctuations or currency restrictions; and
- fluctuations in the interest rate component of forward foreign currency rates.

DTC and Euroclear may cease to act as depository and clearing agencies for our shares.
Our shares were issued into the facilities of The Depository Trust Company ("DTC") with respect to shares listed on the NYSE and Euroclear with respect to shares listed on Euronext Paris (DTC and Euroclear being referred to as the "Clearance Services"). The Clearance Services are widely used mechanisms that allow for rapid electronic transfers of securities between the participants in their respective systems, which include many large banks and brokerage firms. The Clearance Services have general discretion to cease to act as a depository and clearing agencies for our shares. If either of the Clearance Services determine at any time that our shares are not eligible for continued deposit and clearance within its facilities, then we believe that our shares would not be eligible for continued listing on the NYSE or Euronext Paris, as applicable, and trading in our shares would be disrupted. Any such disruption could have a material adverse effect on the trading price of our shares.

The United Kingdom's withdrawal from the European Union may have a negative effect on global economic conditions, financial markets, and our business.
We are based in the United Kingdom and have operational headquarters in Paris, France; Houston, Texas, United States; and in London, United Kingdom, with worldwide operations, including material business operations in Europe. The United Kingdom withdrew from the European Union on January 31, 2020 ("Brexit"). In connection with Brexit, the United Kingdom and the European Union agreed on the Trade and Cooperation Agreement ("TCA") that governs the future trading relationship between the United Kingdom and the European Union in specified areas. The TCA took effect on January 1, 2021. The United Kingdom is no longer in the European Union customs union and is outside of the European Union single market. The TCA addresses trade, economic arrangements, law enforcement, judicial cooperation and a governance framework including procedures for dispute resolution, among other things. Because the agreement merely sets forth a framework in many respects and will require complex additional bilateral negotiations between the United Kingdom and the European Union as both parties continue to work on the rules for implementation, significant political and economic uncertainty remains about whether the terms of the relationship will differ materially from the terms before withdrawal.

These developments could have a material adverse effect on global economic conditions and the stability of the global financial markets and could significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Asset valuations, currency exchange rates, and credit ratings may be especially subject to increased market volatility. In addition, there is a lack of clarity about the future United Kingdom laws and regulations as the United Kingdom determines which European Union laws to replicate or replace, including financial laws and regulations, tax and free trade agreements, intellectual property rights, supply chain logistics, environmental, health and safety laws and regulations, immigration laws, employment laws, and other rules that would apply to us and our subsidiaries, could increase our costs, restrict our access to capital within the United Kingdom and the European Union, depress economic activity, and further decrease foreign direct investment in the United Kingdom. For example, any divergence in the United Kingdom from European Union law could eliminate the benefit of certain tax-related European Union directives currently applicable to United Kingdom companies such as us, including the Parent-Subsidiary Directive and the Interest and Royalties Directive, which could, subject to any relief under an available tax treaty, raise our tax cost.

Any of these factors could have a material adverse effect on our business, financial condition, or results of operations.

Our existing and future debt may limit cash flow available to invest in the ongoing needs of our business and could prevent us from fulfilling our obligations under our outstanding debt.
We have substantial existing debt. As of December 31, 2020, our total debt was $4.0 billion. In addition, in connection with Spin-off, we obtained commitments from a syndicate of financial institutions for a senior secured revolving credit facility of up to $1.0 billion. We will also have the capacity under our debt agreements to incur substantial additional debt.

Our level of debt could have important consequences. For example, it could:

- make it more difficult for us to make payments on our debt;
- require us to dedicate a substantial portion of our cash flow from operations to the payment of debt service, reducing the availability of our cash flow to fund working capital, capital expenditures, acquisitions, distributions, and other general partnership purposes;
- increase our vulnerability to adverse economic or industry conditions;
- limit our ability to obtain additional financing to react to changes in our business; or
- place us at a competitive disadvantage compared to businesses in our industry that have less debt.

Additionally, any failure to meet required payments on our debt or to comply with any covenants in the instruments governing our debt, could result in an event of default under the terms of those instruments. In the event of such default, the holders of such debt could elect to declare all the amounts outstanding under such instruments to be due and payable. Such default could also trigger a cross default or our other debt.

The London Interbank Offered Rate ("LIBOR"), the Euro Interbank Offered Rate and certain other interest "benchmarks" may be subject to further regulatory guidance and/or reform that could cause interest rates under our current or future debt agreements to perform differently than in the past or cause other unanticipated consequences. The United Kingdom's Financial Conduct Authority, which regulates LIBOR, has announced that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021 and it is unclear if LIBOR will cease to exist or if new methods of calculating LIBOR will evolve. If LIBOR ceases to exist or if the methods of calculating LIBOR change from their current form, interest rates on our current or future debt obligations may be adversely affected.

The terms of the agreements governing our existing indebtedness restrict our current and future operations, particularly our ability to respond to changes or to take certain actions.
The terms of the agreements governing our indebtedness contain a number of restrictive covenants that limit our flexibility in conducting our business and restrict our ability to take specific actions, including (subject to various exceptions) restrictions on incurring indebtedness, paying dividends, making certain loans and investments, selling assets or incurring liens which may limit our ability to compete effectively, or to take advantage of new business opportunities. In addition, the restrictive covenants in the credit agreement, dated February 16, 2021, that governs our $1,000,000,000 three-year senior secured multicurrency revolving credit facility (the "Revolving Credit Facility") require us to maintain specified financial ratios and satisfy other financial condition tests.

A breach of the covenants or restrictions under our existing indebtedness could result in an event of default under the applicable indebtedness. Such default may allow the creditors to accelerate the related debt and may result in the acceleration of any other debt to which a cross-acceleration or cross-default provision applies. An event of default under our Revolving Credit Facility would also permit the lenders to terminate all commitments to extend further credit under that facility. Furthermore, if we were unable to repay the amounts due and payable under our Revolving Credit Facility, lenders thereunder could proceed against the collateral granted to them to secure that indebtedness. In the event our lenders or noteholders accelerate the repayment of our borrowings, we and our subsidiaries may not have sufficient assets to repay that indebtedness.

These restrictions may affect our ability to grow in accordance with our strategy. In addition, our financial results, our substantial indebtedness and our credit ratings could adversely affect the availability and terms of our financing.

Our acquisition and divestiture activities involve substantial risks.
We have made and expect to continue to pursue acquisitions, dispositions, or other investments that may strategically fit our business and/or growth objectives. We cannot provide assurances that we will be able to locate suitable acquisitions, dispositions, or investments, or that we will be able to consummate any such transactions on terms and conditions acceptable to us. Even if we do successfully execute such transactions, they may not result in anticipated benefits, which could have a material adverse effect on our financial results. If we are unable to successfully integrate and develop acquired businesses, we could fail to achieve anticipated synergies and cost savings, including any expected increases in revenues and operating results. We may not be able to successfully cause a buyer of a divested business to assume the liabilities of that business or, even if such liabilities are assumed, we may have difficulties enforcing our rights, contractual or otherwise, against the buyer. We may invest in companies or businesses that fail, causing a loss of all or part of our investment. In addition, if we determine that an other-than-temporary decline in the fair value exists for a company in which we have invested, we may have to write down that investment to its fair value and recognize the related write-down as an investment loss.

In connection with the Spin-off, we agreed to indemnify Technip Energies for certain liabilities and Technip Energies agreed to indemnify us for certain liabilities. If we are required to act on these indemnities to Technip Energies, our financial results could be negatively impacted. Additionally, any indemnity from Technip Energies may not be sufficient to insure us against the full amount of liabilities for which we are responsible and Technip Energies may not be able to satisfy its indemnification obligations in the future.

Risks Related to Our Operations

We may lose money on fixed-price contracts.
As customary for some of our projects, we often agree to provide products and services under fixed-price contracts. We are subject to material risks in connection with such fixed-price contracts. It is not possible to estimate with complete certainty the final cost or margin of a project at the time of bidding or during the early phases of its execution. Actual expenses incurred in executing these fixed-price contracts can vary substantially from those originally anticipated for several reasons including, but not limited to, the following:

- unforeseen additional costs related to the purchase of substantial equipment necessary for contract fulfillment or labor shortages in the markets where the contracts are performed;
- mechanical failure of our production equipment and machinery;
- delays caused by local weather conditions and/or natural disasters (including earthquakes, floods and public health crises such as the COVID-19 pandemic); and
- a failure of suppliers, subcontractors, or joint venture partners to perform their contractual obligations.

The realization of any material risks and unforeseen circumstances could also lead to delays in the execution schedule of a project. We may be held liable to a customer should we fail to meet project milestones or deadlines or to comply with other contractual provisions. Additionally, delays in certain projects could lead to delays in subsequent projects that were scheduled to use equipment and machinery still being utilized on a delayed project.

Pursuant to the terms of fixed-price contracts, we are not always able to increase the price of the contract to reflect factors that were unforeseen at the time our bid was submitted, and this risk may be heightened for projects with longer terms. Depending on the size of a project, variations from estimated contract performance, or variations in multiple contracts, could have a significant impact on our financial condition, results of operations or cash flows.

New capital asset construction projects for vessels and manufacturing facilities are subject to risks, including delays and cost overruns, which could have a material adverse effect on our financial condition, or results of operations.
From time to time, we carry out capital asset construction projects to maintain, upgrade, and develop our asset base, and such projects are subject to risks of delay and cost overruns that are inherent in any large construction project, resulting from numerous factors including, but not limited to, the following:

- shortages of key equipment, materials or skilled labor;
- delays in the delivery of ordered materials and equipment;
- design and engineering issues; and
- shipyard delays and performance issues.

Failure to complete construction in time, or the inability to complete construction in accordance with design specifications, may result in the loss of revenue. Additionally, capital expenditures for construction projects could materially exceed the initially planned investments, or there could be delays in putting such assets into operation.

Our failure to timely deliver our backlog could affect future sales, profitability, and relationships with our customers.
Many of the contracts we enter into with our customers require long manufacturing lead times due to complex technical and logistical requirements. These contracts may contain clauses related to liquidated damages or financial incentives regarding on-time delivery, and a failure by us to deliver in accordance with customer expectations could subject us to liquidated damages or loss of financial incentives, reduce our margins on these contracts, or result in damage to existing customer relationships. The ability to meet customer delivery schedules for this backlog is dependent upon a number of factors, including, but not limited to, access to the raw materials required for production, an adequately trained and capable workforce, subcontractor performance, project engineering expertise and execution, sufficient manufacturing plant capacity, and appropriate planning and scheduling of manufacturing resources. Failure to deliver backlog in accordance with expectations could negatively impact our financial performance.

We face risks relating to our reliance on subcontractors, suppliers, and our joint venture partners.
We generally rely on subcontractors, suppliers, and our joint venture partners for the performance of our contracts. Although we are not dependent upon any single supplier, certain geographic areas of our business or a project or group of projects may depend heavily on certain suppliers for raw materials or semi-finished goods.

Any difficulty in engaging suitable subcontractors or acquiring equipment and materials could compromise our ability to generate a significant margin on a project or to complete such project within the allocated time frame. If subcontractors, suppliers or joint venture partners refuse to adhere to their contractual obligations with us or are unable to do so due to a deterioration of their financial condition, we may be unable to find a suitable replacement at a comparable price, or at all. Moreover, the failure of one of our joint venture partners to perform their obligations in a timely and satisfactory manner could lead to additional obligations and costs being imposed on us as we may be obligated to assume our defaulting partner's obligations or compensate our customers.

Any delay, failure to meet contractual obligations, or other event beyond our control or not foreseeable by us, that is attributable to a subcontractor, supplier or joint venture partner, could lead to delays in the overall progress of the project and/or generate significant extra costs. Even if we are entitled to make a claim for these extra costs against the defaulting supplier, subcontractor or joint venture partner, we may be unable to recover the entirety of these costs and this could materially adversely affect our business, financial condition or results of operations.

A failure of our IT infrastructure, including as a result of cyber-attacks, could adversely impact our business and results of operations.
The efficient operation of our business is dependent on our IT systems. Accordingly, we rely upon the capacity, reliability, and security of our IT hardware and software infrastructure and our ability to expand and update this infrastructure in response to changing needs. We have been subject to cyber-attacks in the past, including phishing, malware, and

ransomware. No such attack has had a material adverse effect on our business, however this may not be the case with future attacks. Our systems may be vulnerable to damages from such attacks, as well as from natural disasters, failures in hardware or software, power fluctuations, unauthorized access to data and systems, loss or destruction of data (including confidential customer information), human error, and other similar disruptions, and we cannot give assurance that any security measures we have implemented or may in the future implement will be sufficient to identify and prevent or mitigate such disruptions. In response to the COVID-19 pandemic, we have transitioned many of our employees to remote working arrangements which presents increased cybersecurity risks. If a cyber-attack, power outage, connectivity issue, or other event occurred that impacted our employees' ability to work remotely, it may be difficult or, in certain cases, impossible, for us to continue our business for a substantial period of time.

We rely on third parties to support the operation of our IT hardware, software infrastructure, and cloud services, and in certain instances, utilize web-based and software-as-a-service applications. The security and privacy measures implemented by such third parties, as well as the measures implemented by any entities we acquire or with whom we do business, may not be sufficient to identify or prevent cyber-attacks, and any such attacks may have a material adverse effect on our business. While our IT vendor agreements typically contain provisions that seek to eliminate or limit our exposure to liability for damages from a cyber attack, we cannot ensure such provisions will withstand legal challenges or cover all or any such damages.

Threats to our IT systems arise from numerous sources, not all of which are within our control, including fraud or malice on the part of third parties, accidental technological failure, electrical or telecommunication outages, failures of computer servers or other damage to our property or assets, outbreaks of hostilities, or terrorist acts. The failure of our IT systems or those of our vendors to perform as anticipated for any reason or any significant breach of security could disrupt our business and result in numerous adverse consequences, including reduced effectiveness and efficiency of operations, inappropriate disclosure of confidential and proprietary information, including personal data, regulatory action and fines included for a breach of data protection laws, reputational harm, regulatory fines or investigations, increased overhead costs, and loss of important information, which could have a material adverse effect on our business and results of operations. In addition, we may be required to incur significant costs to protect against or to mitigate damage caused by these disruptions or security breaches in the future. Our insurance coverage may not cover all of the costs and liabilities we incur as the result of any disruptions or security breaches, and if our business continuity and/or disaster recovery plans do not effectively and timely resolve issues resulting from a cyber-attack, we may suffer material adverse effects on our business.

Pirates endanger our maritime employees and assets.

We face material piracy risks in the Gulf of Guinea, the Somali Basin, and the Gulf of Aden, and, to a lesser extent, in Southeast Asia, Malacca, and the Singapore Straits. Piracy represents a risk for both our projects and our vessels, which operate and transport through sensitive maritime areas. Such risks have the potential to significantly harm our crews and to negatively impact the execution schedule for our projects. If our maritime employees or assets are endangered, additional time may be required to find an alternative solution, which may delay project realization and negatively impact our business, financial condition, or results of operations.

Risks Related to Legal Proceedings, Tax, and Regulatory Matters

The industries in which we operate or have operated expose us to potential liabilities, including the installation or use of our products, which may not be covered by insurance or may be in excess of policy limits, or for which expected recoveries may not be realized.

We are subject to potential liabilities arising from, among other possibilities, equipment malfunctions, equipment misuse, personal injuries, and natural disasters, any of which may result in hazardous situations, including uncontrollable flows of gas or well fluids, fires, and explosions. Our insurance against these risks may not be adequate to cover our liabilities. Further, the insurance may not generally be available in the future or, if available, premiums may not be commercially justifiable. If we incur substantial liability and the damages are not covered by insurance or are in excess of policy limits, or if we were to incur liability at a time when we were not able to obtain liability insurance, such potential liabilities could have a material adverse effect on our business, results of operations, financial condition or cash flows.

Our operations require us to comply with numerous regulations, violations of which could have a material adverse effect on our financial condition, results of operations, or cash flows.

Our operations and manufacturing activities are governed by international, regional, transnational, and national laws and regulations in every place where we operate relating to matters such as environmental protection, health and safety, labor and employment, import/export controls, currency exchange, bribery and corruption, and taxation. These laws and regulations are complex, frequently change, and have tended to become more stringent over time. In the event the scope of these laws and regulations expand in the future, the incremental cost of compliance could adversely impact our financial condition, results of operations, or cash flows.

Our international operations are subject to anti-corruption laws and regulations, such as the U.S. Foreign Corrupt Practices Act ("FCPA"), the U.K. Bribery Act of 2010 (the "Bribery Act"), the anti-corruption provisions of French law n° 2016-1691 dated December 9, 2016 relating to Transparency, Anti-corruption and Modernization of the Business Practice ("Sapin II Law"), the Brazilian law nº 12,846/13, or the Brazilian Anti-Bribery Act (also known as the Brazilian Clean Company Act), and economic and trade sanctions, including those administered by the United Nations, the European Union, the Office of Foreign Assets Control of the U.S. Department of the Treasury ("U.S. Treasury"), and the U.S. Department of State. The FCPA prohibits corruptly providing anything of value to foreign officials for the purposes of obtaining or retaining business or securing any improper business advantage. We may deal with both governments and state-owned business enterprises, the employees of which are considered foreign officials for purposes of the FCPA. The provisions of the Bribery Act extend beyond bribery of foreign public officials and are more onerous than the FCPA in a number of other respects, including jurisdiction, non-exemption of facilitation payments, and penalties. Economic and trade sanctions restrict our transactions or dealings with certain sanctioned countries, territories, and designated persons.

As a result of doing business in countries throughout the world, including through partners and agents, we are exposed to a risk of violating anti-corruption laws and sanctions regulations. Some of the international locations in which we currently operate or may, in the future, operate, have developing legal systems and may have higher levels of corruption than more developed nations. Our continued expansion and worldwide operations, including in developing countries, our development of joint venture relationships worldwide, and the employment of local agents in the countries in which we operate increases the risk of violations of anti-corruption laws and economic and trade sanctions. Violations of anti-corruption laws and economic and trade sanctions are punishable by civil penalties, including fines, denial of export privileges, injunctions, asset seizures, debarment from government contracts (and termination of existing contracts), and revocations or restrictions of licenses, as well as criminal fines and imprisonment. In addition, any major violations could have a significant impact on our reputation and consequently on our ability to win future business.

We have implemented internal controls designed to minimize and detect potential violations of laws and regulations in a timely manner but we can provide no assurance that such policies and procedures will be followed at all times or will effectively detect and prevent violations of the applicable laws by one or more of our employees, consultants, agents, or partners. The occurrence of any such violation could subject us to penalties and material adverse consequences on our business, financial condition, results of operations, or cash flows.

Compliance with environmental and climate change-related laws and regulations may adversely affect our business and results of operations.

Environmental laws and regulations in various countries affect the equipment, systems, and services we design, market, and sell, as well as the facilities where we manufacture our equipment and systems, and any other operations we undertake. We are required to invest financial and managerial resources to comply with environmental laws and regulations, and believe that we will continue to be required to do so in the future. Failure to comply with these laws and regulations may result in the assessment of administrative, civil, and criminal penalties, the imposition of remedial obligations, the issuance of orders enjoining our operations, or other claims and complaints. Additionally, our insurance and compliance costs may increase as a result of changes in environmental laws and regulations or changes in enforcement. These laws and regulations, as well as any new laws and regulations affecting exploration and development of drilling for crude oil and natural gas, are becoming increasingly strict and could adversely affect our business and operating results by increasing our costs, limiting the demand for our products and services, or restricting our operations.

Regulatory requirements related to Environmental, Social and Governance (ESG) (including sustainability) matters have been, and are being, implemented in the European Union in particular in relation to financial market participants. Such regulatory requirements are being implemented on a phased basis. We expect regulatory requirements related to, and investor focus on, ESG (including sustainability) matters to continue to expand in the EU, the United States, and more globally. We establish ESG objectives that align with our foundational beliefs and corporate strategy with an aim toward reducing our carbon footprint, raising awareness and making advancements in inclusion and diversity. If, in relation to ESG (including sustainability) matters, we are not able to meet current and future regulatory requirements, the reporting requirements of regulators, or the current and future expectations of investors, customers or other stakeholders, our business and ability to raise capital may be adversely affected.

Existing or future laws and regulations relating to greenhouse gas emissions and climate change may adversely affect our business.

Climate change continues to attract considerable public and scientific attention. As a result, numerous laws, regulations, and proposals have been made and are likely to continue to be made at the international, national, regional, and state levels of government to monitor and limit emissions of carbon dioxide, methane, and other “greenhouse gases” (“GHGs”). These efforts have included cap-and-trade programs, carbon taxes, GHG reporting and tracking programs and regulations that directly limit GHG emissions from certain sources. Such existing or future laws, regulations, and proposals concerning the release of GHGs or that concern climate change (including laws, regulations, and proposals that seek to mitigate the effects of climate change) may adversely impact demand for the equipment, systems and services we design, market and sell. For example, oil and natural gas exploration and production may decline as a result of such laws, regulations, and proposals, and as a consequence, demand for our equipment, systems and services may also decline. In addition, such laws, regulations, and proposals may also result in more onerous obligations with respect to our operations, including the facilities where we manufacture our equipment and systems. Such decline in demand for our equipment, systems and services and such onerous obligations in respect of our operations may adversely affect our financial condition, results of operations, or cash flows.

As an English public limited company, we must meet certain additional financial requirements before we may declare dividends or repurchase shares and certain capital structure decisions may require stockholder approval which may limit our flexibility to manage our capital structure. We may not be able to pay dividends or repurchase shares of our ordinary shares in accordance with our announced intent, or at all.

Under English law, we will only be able to declare dividends, make distributions, or repurchase shares (other than out of the proceeds of a new issuance of shares for that purpose) out of “distributable profits.” Distributable profits are a company’s accumulated, realized profits, to the extent that they have not been previously utilized by distribution or capitalization, less its accumulated, realized losses, to the extent that they have not been previously written off in a reduction or reorganization of capital duly made. In addition, as a public limited company incorporated in England and Wales, we may only make a distribution if the amount of our net assets is not less than the aggregate of our called-up share capital and non-distributable reserves and to the extent that the distribution does not reduce the amount of those assets to less than that aggregate.

Our articles of association permit us by ordinary resolution of the stockholders to declare dividends, provided that the directors have made a recommendation as to its amount. The dividend shall not exceed the amount recommended by the Board of Directors. The directors may also decide to pay interim dividends if it appears to them that the profits available for distribution justify the payment. When recommending or declaring payment of a dividend, the directors are required under English law to comply with their duties, including considering our future financial requirements.

In addition, the Board of Directors' determinations regarding dividends and share repurchases will depend on a variety of other factors, including our net income, cash flow generated from operations or other sources, liquidity position, and potential alternative uses of cash, such as acquisitions, as well as economic conditions and expected future financial results. Our ability to declare and pay future dividends and make future share repurchases will depend on our future financial performance, which in turn depends on the successful implementation of our strategy and on financial, competitive, regulatory, technical, general economic conditions, demand and selling prices for our products and services, and other factors specific to our industry or specific projects, many of which are beyond our control. Therefore, our ability to generate cash depends on the performance of our operations and could be limited by decreases in our profitability or increases in costs, regulatory changes, capital expenditures, or debt servicing requirements.

Any failure to pay dividends or repurchase shares of our ordinary shares could negatively impact our reputation, harm investor confidence in us, and cause the market price of our ordinary shares to decline.

Uninsured claims and litigation against us, including intellectual property litigation, could adversely impact our financial condition, results of operations, or cash flows.

We could be impacted by the outcome of pending litigation, as well as unexpected litigation or proceedings. We have insurance coverage against operating hazards, including product liability claims and personal injury claims related to our products or operating environments in which our employees operate, to the extent deemed prudent by our management and to the extent insurance is available. However, our insurance policies are subject to exclusions, limitations, and other conditions and may not apply in all cases, for example where willful wrongdoing on our part is alleged. Additionally, the nature and amount of that insurance may not be sufficient to fully indemnify us against liabilities arising out of pending and future claims and litigation. Additionally, in individual circumstances, certain proceedings or cases may also lead to our formal or informal exclusion from tenders or the revocation or loss of business licenses or permits. Our financial condition, results of operations, or cash flows could be adversely affected by unexpected claims not covered by insurance.

In addition, the tools, techniques, methodologies, programs, and components we use to provide our services may infringe upon the intellectual property rights of others. Infringement claims generally result in significant legal and other costs. The resolution of these claims could require us to pay damages, enter into license agreements or develop alternative technologies. The development of these technologies or the payment of royalties under licenses from third parties, if available, would increase our costs. If a license were not available, or we are not able to develop alternative technologies, we might not be able to continue providing a particular service or product, which could adversely affect our financial condition, results of operations, or cash flows.

We are subject to governmental regulation and other legal obligations related to privacy, data protection, and data security. Our actual or perceived failure to comply with such obligations could harm our business.

We are subject to international data protection laws, such as the General Data Protection Regulation, or GDPR, in the European Economic Area, or EEA, and the United Kingdom ("UK") GDPR and Data Protection Act 2018 in the UK. The GDPR and implementing legislation in the EEA and UK impose several stringent requirements for controllers and processors of personal data which have increased our obligations, including, for example, by requiring more robust disclosures to individuals, notifications, in some cases, of data breaches to regulators and data subjects, and a record of processing and other policies and procedures to be maintained to adhere to the accountability principle. In addition, we are subject to the GDPR's rules on transferring personal data outside of the EEA and UK (including to the United States), and recent legal developments in Europe have created complexity and uncertainty regarding such transfers. In addition, the UK's withdrawal from the European Union may mean that in future we are required to find alternative solutions for the compliant transfer of personal data into the UK.

Failure to comply with the requirements of GDPR and the local laws implementing or supplementing the GDPR could result in fines of up to €20,000,000 or up to 4% of the total worldwide annual turnover of the preceding financial year, whichever is higher, as well as other administrative penalties. The UK GDPR mirrors the fines under the GDPR. In addition, a breach of the GDPR or UK GDPR could result in regulatory investigations and enforcement action, reputational damage, and civil claims including representative actions and other class action type litigation.

We are likely to be required to expend significant capital and other resources to ensure ongoing compliance with the GDPR and UK GDPR and other applicable data protection legislation, and we may be required to put in place additional control mechanisms which could be onerous and adversely affect our business, financial condition, results of operations, or cash flows.

The IRS may not agree that we should be treated as a foreign corporation for U.S. federal tax purposes and may seek to impose an excise tax on gains recognized by certain individuals.

Although we are incorporated in the United Kingdom, the U.S. Internal Revenue Service (the "IRS") may assert that we should be treated as a U.S. "domestic" corporation (and, therefore, a U.S. tax resident) for U.S. federal income tax purposes pursuant to Section 7874 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"). For U.S. federal income tax purposes, a corporation (i) is generally considered a "domestic" corporation (or U.S. tax resident) if it is organized in the United States or of any state or political subdivision therein, and (ii) is generally considered a "foreign" corporation (or non-U.S. tax resident) if it is not considered a domestic corporation. Because we are a U.K. incorporated entity, we would be considered a foreign corporation (and, therefore, a non-U.S. tax resident) under these rules. Section 7874 of the Code ("Section 7874") provides an exception under which a foreign incorporated entity may, in certain circumstances, be treated as a domestic corporation for U.S. federal income tax purposes.

We do not believe this exception applies. However, the Section 7874 rules are complex and subject to detailed regulations, the application of which is uncertain in various respects. It is possible that the IRS will not agree with our position. Should the IRS successfully challenge our position, it is also possible that an excise tax under Section 4985 of the Code (the "Section 4985 Excise Tax") may be assessed against certain "disqualified individuals" (including former officers and directors of FMC Technologies, Inc.) on certain stock-based compensation held thereby. We may, if we determine that it is appropriate, provide disqualified individuals with a payment with respect to the Section 4985 Excise Tax, so that, on a net after-tax basis, they would be in the same position as if no such Section 4985 Excise Tax had been applied.

In addition, there can be no assurance that there will not be a change in law or interpretation, including with retroactive effect, that might cause us to be treated as a domestic corporation for U.S. federal income tax purposes.

U.S. tax laws and/or guidance could affect our ability to engage in certain acquisition strategies and certain internal restructurings.

Even if we are treated as a foreign corporation for U.S. federal income tax purposes, Section 7874, U.S. Treasury regulations, and other guidance promulgated thereunder may adversely affect our ability to engage in certain future acquisitions of U.S. businesses or to restructure the non-U.S. members of our group. These limitations, if applicable, may affect the tax efficiencies that otherwise might be achieved in such potential future transactions or restructurings.

In addition, the IRS and the U.S. Treasury have issued final and temporary regulations providing that, even if we are treated as a foreign corporation for U.S. federal income tax purposes, certain intercompany debt instruments issued on or after April 4, 2016 will be treated as equity for U.S. federal income tax purposes, therefore limiting U.S. tax benefits and resulting in possible U.S. withholding taxes. Although recent guidance from the U.S. Treasury removes certain documentation requirements that would otherwise be imposed with respect to covered debt instruments, announces an intention to further modify and possibly withdraw certain classification rules relating to covered debt instruments, and further indicates that these rules generally are the subject of continuing study and may be further materially modified, the current regulations may adversely affect our future effective tax rate and could also impact our ability to engage in future restructurings if such transactions cause an existing intercompany debt instrument to be treated as reissued for U.S. federal income tax purposes.

We are subject to the tax laws of numerous jurisdictions; challenges to the interpretation of, or future changes to, such laws could adversely affect us.

We and our subsidiaries are subject to tax laws and regulations in the United Kingdom, the United States, France, and numerous other jurisdictions in which we and our subsidiaries operate. These laws and regulations are inherently complex, and we are, and will continue to be, obligated to make judgments and interpretations about the application of these laws and regulations to our operations and businesses. The interpretation and application of these laws and regulations could be challenged by the relevant governmental authorities, which could result in administrative or judicial procedures, actions, or sanctions, which could be material.

On December 22, 2017, the Tax Cuts and Jobs Act was signed into law in the United States, which made extensive changes to the U.S. taxation of multinational companies, and is subject to continuing regulatory and possible legislative changes, especially given the new Administration and Congress in the United States. In addition, the U.S. Congress, the U.K. Government, the European Union, the Organization for Economic Co-operation and Development (the "OECD"), and other government agencies in jurisdictions where we and our affiliates do business have had an extended focus on issues related to the taxation of multinational corporations. New tax initiatives, directives, and rules, such as the U.S. Tax Cuts and Jobs Act, the OECD's Base Erosion and Profit Shifting initiative, and the European Union's Anti-Tax Avoidance Directives, may increase our tax burden and require additional compliance-related expenditures. As a result, our financial condition, results of operations, or cash flows may be adversely affected. Further changes, including with retroactive effect, in the tax laws of the United States, the United Kingdom, the European Union, or other countries in which we and our affiliates do business could also adversely affect us.

We may not qualify for benefits under tax treaties entered into between the United Kingdom and other countries.

We operate in a manner such that we believe we are eligible for benefits under tax treaties between the United Kingdom and other countries. However, our ability to qualify for such benefits will depend on whether we are treated as a U.K. tax resident, the requirements contained in each treaty and applicable domestic laws, on the facts and circumstances surrounding our operations and management, and on the relevant interpretation of the tax authorities and courts. For example, because of Brexit, we may lose some or all of the benefits of tax treaties between the United States and the remaining members of the European Union, and face higher tax liabilities, which may be significant. Another example is the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (the "MLI"), which entered into force for participating jurisdictions on July 1, 2018. The MLI recommends that countries adopt a "limitation-on-benefit" ("LOB") rule and/or a "principal purpose test" ("PPT") rule with regards to their tax treaties. The application of the LOB rule or the PPT rule could deny us treaty benefits (such as a reduced rate of withholding tax) that were previously available and as such there remains uncertainty as to whether and, if so, to what extent such treaty benefits will continue to be available. The position is likely to remain uncertain for a number of years.

The failure by us or our subsidiaries to qualify for benefits under tax treaties entered into between the United Kingdom and other countries could result in adverse tax consequences to us (including an increased tax burden and increased filing obligations) and could result in certain tax consequences of owning and disposing of our shares.

We intend to be treated exclusively as a resident of the United Kingdom for tax purposes, but French or other tax authorities may seek to treat us as a tax resident of another jurisdiction.

We are incorporated in the United Kingdom. English law currently provides that we will be regarded as a U.K. resident for tax purposes from incorporation and shall remain so unless (i) we are concurrently a resident in another jurisdiction (applying the tax residence rules of that jurisdiction) that has a double tax treaty with the United Kingdom and (ii) there is a tiebreaker provision in that tax treaty which allocates exclusive residence to that other jurisdiction.

In this regard, we have a permanent establishment in France to satisfy certain French tax requirements imposed by the French Tax Code with respect to the Merger. Although it is intended that we will be treated as having our exclusive place of tax residence in the United Kingdom, the French tax authorities may claim that we are a tax resident of France if we were to fail to maintain our “place of effective management” in the United Kingdom. Any such claim would be settled between the French and U.K. tax authorities pursuant to the mutual assistance procedure provided for by the tax treaty concluded between France and the United Kingdom. There is no assurance that these authorities would reach an agreement that we will remain exclusively a U.K. tax resident; an adverse determination could materially and adversely affect our business, financial condition, results of operations, or cash flows. A failure to maintain exclusive tax residency in the United Kingdom could result in adverse tax consequences to us and our subsidiaries and could result in certain adverse changes in the tax consequences of owning and disposing of our shares.

Risks Related to the Spin-off and the Other Transactions

The Spin-off may subject us to future liabilities.
On February 16, 2021, we completed the Spin-off, resulting in Technip Energies, which holds our former Technip Energies business segment, becoming a stand-alone publicly traded corporation. Pursuant to agreements we entered into with Technip Energies in connection with the Spin-off, we and Technip Energies are each generally responsible for the obligations and liabilities related to our respective businesses. Pursuant to those agreements, we and Technip Energies each agreed to cross-indemnities principally designed to allocate financial responsibility for the obligations and liabilities of our business to us and those of Technip Energies' business to it. However, third parties, including governmental agencies, could seek to hold us responsible for obligations and liabilities that Technip Energies agreed to retain or assume, and there can be no assurance that the indemnification from Technip Energies will be sufficient to protect us against the full amount of such obligations and liabilities, or that Technip Energies will be able to fully satisfy its indemnification obligations. Additionally, if a court were to determine that the Spin-off or related transactions were consummated with the actual intent to hinder, delay or defraud current or future creditors or resulted in Technip Energies receiving less than reasonably equivalent value when it was insolvent, or that it was rendered insolvent, inadequately capitalized or unable to pay its debts as they become due, then it is possible that the court could disregard the allocation of obligations and liabilities agreed to between us and Technip Energies, impose substantial obligations and liabilities on us and void some or all of the transactions related to the Spin-off. Any of the foregoing could adversely affect our results of operations and financial position.

The Spin-off may not achieve some or all of the anticipated benefits.
We may not realize some or all of the anticipated strategic, financial, operational or other benefits from the Spin-off. As independent publicly-traded companies, we and Technip Energies are smaller, less diversified companies with a narrower business focus, and may be more vulnerable to changing market conditions, which could materially adversely affect our and its results of operations, cash flows and financial position.

In addition, other events outside of our control, including, but not limited to, political climate, the severity and duration of the pandemic, and regulatory or legislative changes, could also adversely affect our ability to realize the anticipated benefits from the Spin-off. Any such difficulties could have an adverse effect on our business, financial condition, or results of operations, and cause the combined market value of us and Technip Energies after the Spin-off to fall short of the market value of our shares prior to the Spin-off.

We are a significant shareholder of Technip Energies and the value of our investment in Technip Energies may fluctuate substantially.
Following completion of the Spin-off, we own approximately 49.9% of the outstanding shares of common stock of Technip Energies. The value of our investment in Technip Energies may be adversely affected by negative changes in its results of operations, cash flows and financial position, which may occur as a result of the many risks attendant with operating in the onshore/offshore industry, including the effect of laws and regulations on the operation of Technip Energies' business and the development of its assets, increased competition, loss of contract commitments, delays in the timing of or the failure to complete projects, lack of access to capital and operating risks and hazards. The value of our investment in Technip Energies may fluctuate substantially and may result in a significant impact to our results of operations.

We intend to significantly reduce our shareholding in Technip Energies over the 18 months following the Spin-off, including in connection with the sale of Technip Energies shares to BPI (as defined herein) pursuant to the Investment (as defined herein). However, we can offer no guarantee that we will be able to complete such disposition or, if completed, the extent to which we will reduce our shareholding or the value that we will realize in connection with such disposition. The occurrence of any of these and other risks faced by Technip Energies could adversely affect the value of our investment in Technip Energies.

General Risk Factors

Our businesses are dependent on the continuing services of our key managers and employees.
We depend on key personnel. The loss of any key personnel could adversely impact our business if we are unable to implement key strategies or transactions in their absence. The loss of qualified employees or failure to retain and motivate additional highly-skilled employees required for the operation and expansion of our business could hinder our ability to successfully conduct research activities and develop marketable products and services.

Seasonal and weather conditions could adversely affect demand for our services and operations.
Our business may be materially affected by variation from normal weather patterns, such as cooler or warmer summers and winters. Adverse weather conditions, such as hurricanes in the Gulf of Mexico or extreme winter conditions in Canada, Russia, and the North Sea, may interrupt or curtail our operations, or our customers' operations, cause supply disruptions or loss of productivity, and may result in a loss of revenue or damage to our equipment and facilities, which may or may not be insured. Increasing concentrations of greenhouse gases in the Earth's atmosphere may produce climate changes that increase variation from normal weather patterns, such as increased frequency and severity of storms, floods, droughts, and other climatic events, which could further impact our operations. Significant physical effects of climate change could also have a direct effect on our operations and an indirect effect on our business by interrupting the operations of those with whom we do business. Any of these events or outcomes could have a material adverse effect on our business, financial condition, cash flows, or results of operations.

Currency exchange rate fluctuations could adversely affect our financial condition, results of operations, or cash flows.
We conduct operations around the world in many different currencies. Because a significant portion of our revenue is denominated in currencies other than our reporting currency, the U.S. dollar, changes in exchange rates will produce fluctuations in our revenue, costs, and earnings, and may also affect the book value of our assets and liabilities and related equity. We hedge transaction impacts on margins and earnings where a transaction is not in the functional currency of the business unit, but we do not hedge translation impacts on earnings. Our efforts to minimize our currency exposure through such hedging transactions may not be successful depending on market and business conditions. Moreover, certain currencies in which we conduct operations, specifically currencies in countries such as Angola and Nigeria, do not actively trade in the global foreign exchange markets and may subject us to increased foreign currency exposures. As a result, fluctuations in foreign currency exchange rates may adversely affect our financial condition, results of operations, or cash flows.

We are exposed to risks in connection with our defined benefit pension plan commitments.
We have funded and unfunded defined benefit pension plans, which provide defined benefits based on years of service and salary. We are required to recognize the funded status of defined benefit post-retirement plans as an asset or liability in the consolidated balance sheet and recognize changes in that funded status in comprehensive income in the year in which the changes occur. Further, we are required to measure each plan's assets and its obligations that determine its funded status as of the date of the consolidated balance sheet. Each defined benefit pension plan's assets are invested in different asset classes and their value may fluctuate in accordance with market conditions. Any deterioration in the value of the defined benefit pension plan assets could therefore increase our obligations. Any such increases in our net pension obligations could adversely affect our financial condition due to increased additional outflow of funds to finance the pension obligations.

In addition, applicable law and/or the terms of the relevant defined benefit pension plan may require us to make cash contributions or provide financial support upon the occurrence of certain events. We cannot predict whether, or to what extent, changing market or economic conditions, regulatory changes or other factors will further increase our pension expense or funding obligations. For further information regarding our pension liabilities, see Note 22 for further information.

On behalf of the Board

Douglas J. Pferdehirt
Chairman and CEO

April 9, 2021

Directors' Report

The Board of Directors (the "**Board**") presents its report together with the audited financial statements of the Company and our consolidated subsidiaries for the year ended December 31, 2020.

The Company complies with the U.K. Companies Act 2006 (the **"Companies Act"**) reporting requirements provided by Companies (Miscellaneous Reporting) Regulations 2018 (SI 2018/860). All information required has been incorporated in the Strategic report and this Directors' Report

Directors

The directors of the Company who held office during the year ended December 31, 2020, and at the date of this Directors' Report, were as follows:

Executive Directors

Chairman and CEO

Douglas J. Pferdehirt

Non-Executive Directors

Eleazar de Carvalho Filho	Margareth Øvrum (from October 1, 2020)
Arnaud Caudoux*	Olivier Piou*
Pascal Colombani*	Kay G. Priestly
Marie-Ange Debon*	Joseph Rinaldi*
Claire S. Farley	James M. Ringler
Didier Houssin*	John Yearwood
Peter Mellbye	Sophie Zurquiyah (from April 1, 2021)
John O'Leary	

*Resigned on February 15, 2021, in connection with the Spin-Off

The appointment and replacement of the directors is governed by the Companies Act and the Company's articles of association (the "**Articles of Association**").

The Board is responsible for promoting the long-term success of the Company. The Board is responsible for implementation, understanding, and pursuit of a sound strategy for the success of the Company, relying upon a framework of corporate governance and internal controls that are designed to protect the Company's assets. The day-to-day management of the business is delegated to the executive leadership team apart from matters specifically reserved for the Board's decision. The Board delegates some of its duties and powers to Board committees, each of which has a written charter, available on the Company's website.

The current directors of the Company have been appointed pursuant to the Articles of Association. Subject to the Articles of Association and the Companies Act, a director may be appointed by an ordinary resolution at an annual meeting of shareholders or by a decision of the Board.

Subject to the provisions of the Companies Act, the Articles of Association, the business of the Company is managed by the Board, which may exercise all the powers of the Company whether relating to the management of the business of the Company or not. The Board may delegate authorities to committees, and may delegate the day-to-day management and decision making to the Chief Executive Officer.

Share Capital and Articles of Association of the Company

As at the close of business on March 31, 2021, being the latest practicable date prior to the publication of this Directors' Report, the issued and fully paid share capital of the Company was as follows:

Class of shares	Number of shares	Nominal value
Ordinary	450,668,293	$450,668,293

There are no specific restrictions on the size of a holding, voting rights, or on the transfer of shares. No person has any special rights of control over the Company's share capital and all issued shares are fully paid. The Board is not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or voting rights.

Following the Merger, the reserves arising out of the Merger were capitalized by the allotment and issuance by TechnipFMC of a bonus share, which was paid up using such reserves, such that the amount of reserves so applied, less the nominal value of the bonus share, applied as share premium and accrued to our share premium account. We implemented a court-approved reduction of our capital by way of a cancellation of the bonus share and share premium account which completed on June 29, 2017, to create distributable profits to support the payment of future dividends or future share repurchases. On November 27, 2019, the Company redeemed 50,000 redeemable shares of £1 each and cancelled one deferred ordinary share of £1 in the capital of the Company.

Specific powers relating to the allotment, issuance and the ability of the Company to repurchase ordinary shares are included within the Articles of Association. Under the Articles of Association, the Directors have the authority to allot shares up to a maximum aggregate nominal amount representing 20% of the shares in the capital of the Company in issue on January 16, 2017 with a five-year validity period from January 12, 2017. This is in addition to an authority to allot shares in accordance with the provisions of section 570 of the Companies Act, as if section 561(1) of that Act did not apply, pursuant to a shareholders' resolution dated January 11, 2017 with a five-year validity period from January 12, 2017. These authorities will expire on January 12, 2022. New authorities are being recommended by the Board of Directors for approval by shareholders at our 2021 Annual Meeting.

Shareholders shall not be entitled to vote at any shareholders' meetings or at a separate meeting of the holders of any class of shares, either in person or by representative or proxy, in respect of any share held by them unless all amounts presently payable by them in respect of that share have been paid.

Subject to the Articles of Association and the Companies Act, a shareholder (or any person appearing to be interested in any such shareholder's shares) may be served with a notice under section 793 of the Companies Act. If the Board is satisfied that such shareholder or person has failed to supply to the Company the required information for the prescribed period, or in purported compliance with the section 793 notice, has made a statement that is materially false or inadequate, the Board may direct that the shareholder shall not be entitled to attend or vote in respect of these shares.

The Company operates a TechnipFMC Incentive Award Plan for which certain employees are eligible. Details are set out in Note 18 to the consolidated financial statements contained in this U.K. Annual Report, and in the Proxy Statement available on our website at ***www.technipfmc.com*** under the heading "*Investors > Events and presentations > Shareholders' meeting*".

The process of amending the Articles of Association is subject to the procedure outlined in the Companies Act.

Share Repurchases

A share repurchase program authorization was granted by our then shareholder on January 11, 2017 with a five-year validity period from that date. These authorities will expire on January 12, 2022. New authorities are being recommended by the Board of Directors for approval by shareholders at our 2021 Annual Meeting.

In April 2017, our Board authorized the repurchase of up to $500 million of ordinary shares. The Company implemented the share repurchase program in September 2017, and it was completed on December 18, 2018. In December 2018, our Board authorized an additional share repurchase program to repurchase up to $300 million of ordinary shares through open market purchases, granted under the same shareholder authority. The Company terminated its share repurchase program on July 3, 2019.

In 2019, the Company purchased a total of 4,012,752 of our own ordinary shares with a nominal value of $1.00 each, representing almost 0.9% of the issued share capital on December 31, 2019 for a total amount of $68,740,031.25 and €20,848,802.55 on the NYSE and on Euronext Paris, respectively. All weekly reports on share repurchases can be found at: ***https://investors.technipfmc.com/stock-information/share-repurchase-program***. The Company does not currently hold any treasury shares and all ordinary shares repurchased under the share repurchase program were cancelled and not held as treasury shares. The objective of the share repurchase program was to reduce the Company's issued share capital. Purchases of the Company's ordinary shares under the share repurchase program were carried out on the NYSE and Euronext Paris. The Company did not purchase any of its own ordinary shares during the financial year ending December 31, 2020.

The Company established our Employee Benefit Trust ("**EBT**"), an offshore discretionary employee benefit trust, in 2017, for the purposes of administering the Company's share-based awards granted under shareholder approved incentive plans. As at the close of business on March 31, 2021, being the latest practicable date prior to the publication of this Directors' Report, the EBT held 7,457 ordinary shares of the Company.

Significant Shareholdings

As at the close of business on March 31, 2021, being the latest practicable date prior to the publication of this Directors' Report, the Company's significant shareholders who had notified the Company that they hold 5% or more of the Company's ordinary shares were as follows:

Name and Address of Beneficial Owner	Shares	Percent of Class[1]
The Vanguard Group, Inc. 100 Vanguard Boulevard Malvern, Pennsylvania 19355	30,198,969[2]	6.70%
Bpifrance Participations S.A. and affiliated entities 27–31, avenue du Général Leclerc 94710 Maisons-Alfort Cedex France	26,167,644[3]	5.81%
Pzena Investment Management, LLC 320 Park Avenue, 8th Floor New York, New York 10022	24,671,025[4]	5.47%

(1) The calculation of percentage of ownership of each listed beneficial owner is based on 450,668,293 Ordinary Shares outstanding on March 31, 2021.
(2) Based solely on a Schedule 13G/A filed with the SEC on February 10, 2021, The Vanguard Group, Inc. and its subsidiaries have shared voting power over 1,913,791 Ordinary Shares, sole dispositive power over 26,616,366 Ordinary Shares, and shared dispositive power over 3,582,603 Ordinary Shares.
(3) Based solely on a Schedule 13D/A filed with the SEC on February 19, 2021, Bpifrance Participations S.A., jointly with Caisse des Dépôts et Consignations, EPIC Bpifrance, and Bpifrance S.A., have shared voting and dispositive power over 24,688,691 Ordinary Shares held directly by Bpifrance Participations S.A.. In addition, Caisse des Dépôts et Consignations directly holds, and has sole voting and dispositive power over, 1,144,237 Ordinary Shares and has shared voting and dispositive power over 334,716 Ordinary Shares held directly by CNP Assurances, S.A., its indirect subsidiary.
(4) Based solely on a Schedule 13G filed with the SEC on February 2, 2021, Pzena Investment Management, LLC ("Pzena") has sole voting power over 18,923,986 Ordinary Shares and sole dispositive power over 24,671,025 Ordinary Shares. Pzena, an investment adviser registered under Section 203 of the Investment Advisers Act (or under the laws of any State), is deemed to be the beneficial owner of 24,671,025 Ordinary Shares as a result of acting as investment adviser to various clients. Pzena reports that its clients have the right to receive and the ultimate power to direct the receipt of dividends from, or the proceeds from, the sale of Ordinary Shares, but no interest of any one of such client relates to more than 5% of the total outstanding Ordinary Shares.

Directors' Indemnities

Each of our directors is covered by appropriate directors' and officers' liability insurance, and there are also deeds of indemnity in place between the Company and each director. These were executed in 2017 upon the closing of the Merger and provide for the Company to indemnify the directors in respect of any proceedings brought by third parties against them personally in their capacity as directors of the Company. The Company would also fund ongoing costs in defending a legal action as they are incurred rather than after judgment has been given. In the event of an unsuccessful defense in an action against directors in a criminal or civil action, individual directors would be liable to repay defense costs to the extent funded by the Company.

Company Details and Branches Outside the United Kingdom

The Company is a public limited company incorporated in England and Wales with registered number 09909709, and with our registered office at One St. Paul's Churchyard, London EC4M 8AP.

The Company has one branch outside of the United Kingdom, which is located in Paris, France.

Dividend

During the year ended December 31, 2020, the Board declared one interim quarterly dividend of $0.13 per share.

Employee Engagement and Business Relationship

Further information on our work on strengthening social dialogue and internal communication, as part of our labor relations, along with information on how we promote cultural and ethnic diversity, including the provision of employment to people with disabilities, is described in the section entitled "*Employee and Social Matters*" of the Strategic Report. Advancing gender diversity is a strategic objective for the Company. More information can be found in the section entitled "*Advancing Gender Diversity*" of the Strategic Report as well as in the section entitled "*Corporate Responsibility and Sustainability – Non-financial Information Statement*" of the Strategic Report. More information on how we take into consideration the need to engage with our employees and foster business relationships, can be found in the section entitled "*Decision making and section 172 of the Companies Act*" of the Strategic Report.

Greenhouse Gas Emissions and Energy Consumption

The annual quantity of GHG emissions measured in tonnes of CO_2 equivalent resulting from activities for which the Company is responsible and has operational control over (including the combustion of fuel and the operation of any facility), is described in the section entitled "*Respecting the Environment*" of the Strategic Report.

The annual quantity of emissions from the purchase of electricity, heat, steam, or cooling by the Company for its own use is described is described in the section entitled "*Respecting the Environment*" of the Strategic Report.

The annual energy measured in kWh consumed from activities for which the Company is responsible (including the combustion of fuel and the operation of any facility) and the annual quantity of energy consumed resulting from the purchase of electricity, heat, steam, or cooling by the Company for its own use, is described in the section entitled "*Respecting the Environment*" of the Strategic Report.

Events since December 31, 2020

On February 16, 2021, the Company distributed 50.1% of the issued share capital of Technip Energies to its shareholders, with a further 20% of its issued share capital acquired by Bpifrance, to become an independent public company. As part of the Spin-off, the Group's Onshore/Offshore business was transferred out of the Group to Technip Energies.

No other significant events since December 31, 2020 are reported.

Future Developments

Expected future developments of the Company and our subsidiaries are set out in the Strategic Report.

Change in Control

The Companies Act requires the Company to identify (i) those significant arrangements to which the Company is party that take effect, alter, or terminate upon a change of control of the Company following a takeover bid, (ii) the effects of any such agreements, and (iii) any agreements with the Company and our directors or employees for compensation for loss of office or employment that occurs because of a takeover bid.

Provisions under executive severance agreements entered into by each of the Company's executives, except for our Executive Chairman, may be triggered in the event of a change of control if certain conditions are met.

The impact of a change in control on the remuneration of the directors of the Company is set out in the paragraph entitled "*Potential Payments upon Change in Control*" of the Directors' Remuneration Policy.

Political Donations

The Company has not made any political donations or incurred any political expenditure during the year ended December 31, 2020. In addition, the Company has not made any contributions to a non-E.U. political party during the year ended December 31, 2020.

Financial Risk Management Objectives/Policies and Hedging Arrangements

The Board believes that one of its most important roles is the oversight of the Company's management of risk, which the Board accomplishes through its Enterprise Risk Management program. Management presents to the Board the risk areas that it believes to be the most significant and the plan for the assessment, monitoring and management of those risks. The Board has ultimate responsibility for overall risk management oversight; however, it has designated the Audit Committee with oversight of financial risk. The Audit Committee discusses with management on a regular basis financial reporting, liquidity, contract management, legal and regulatory compliance, information-related risks, including cybersecurity, taxes, and foreign exchange. The Audit Committee reviews the potential financial impacts of these risks, the steps the Company takes to ensure that appropriate processes are in place to identify, manage, and control financial and business risks and that the Company has adequate insurance coverage to mitigate these risks. In cases where a practice or procedure is identified, or an operational incident occurs that could heighten the possibility of a negative impact on our operations or financial results, our management reports to the Board the steps to be taken to ensure that the risk is appropriately managed.

Please refer to Note 30 of the consolidated financial statements contained in this U.K. Annual Report for information on the Company's financial risk management objectives and policies and hedging policies and arrangements.

Research and Development

Please refer to the paragraph entitled "*Research and Development*" of the Strategic Report.

Directors' Responsibility Statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act and international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the group and of the profit or loss of the Company and the group for that period.

In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgments and accounting estimates that are reasonable and prudent.
- State whether applicable international accounting standards in conformity with the requirements of the Companies Act and international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union have been followed for the group financial statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the company financial statements, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and the group will continue in business.

The directors are responsible for ensuring that the Company keeps adequate accounting records that are sufficient to show and explain the Company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the group and enable them to ensure that the financial statements and the U.K. Annual Report comply with the Companies Act. They are also responsible for safeguarding the assets of the Company and the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

The directors consider that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's and the group's position and performance, business model and strategy. Each of the current directors, whose names and functions are listed in the section entitled "Directors" of this Report confirm that, to the best of their knowledge:

- the group financial statements, which have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act and international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union, give a true and fair view of the assets, liabilities, financial position and loss of the group;
- the company financial statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 101, give a true and fair view of the assets, liabilities, financial position and loss of the company; and
- the Directors' Report and Strategic Report includes a fair review of the development and performance of the business and the position of the Company and the group, together with a description of the principal risks and uncertainties that it faces.

Statement as to Disclosure to the Auditor

In the case of each director in office at the date the directors' report is approved:

- So far as they are each aware, there is no relevant audit information of which the Company's and the group's auditor is unaware.
- They have each taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's and the group's auditor is aware of that information.

On behalf of the Board

Douglas J. Pferdehirt
Chairman and CEO

April 9, 2021

Directors' Remuneration Report

Introduction and Compliance Statement

The purpose of this Directors' Remuneration Report is to inform shareholders of the remuneration of the directors of TechnipFMC for the period ended December 31, 2020. This report is divided into three sections:

i. The letter from the Chair of the Compensation Committee

ii. The Annual Report on Remuneration for 2020 including an upfront "At-a-Glance" section to highlight the key aspects of remuneration policy

iii. The Directors' Remuneration Policy

Pursuant to English law, the Directors' Remuneration Report forms part of the statutory annual report of the Company for the year ended December 31, 2020, and has been prepared by the Compensation Committee on behalf of the Board in accordance with the laws, rules, and regulations applicable to the Company.

The Annual Report on Remuneration (elements of which are audited) describes the directors' fixed and variable pay, share awards, benefits, and pension arrangements, as required by Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, as amended. At the 2021 Annual Meeting on May 20, 2021, the Directors' Remuneration Report will be subject to a non-binding advisory shareholder vote and the Remuneration Policy will be subject to a binding shareholder vote.

Letter from the Chairman of the Compensation Committee

Dear Shareholders,

On behalf of the Board, I am pleased to present the Directors' Remuneration Report of the Company, covering the period from January 1, 2020 to December 31, 2020.

In 2020, the global COVID-19 pandemic and sharp decline in oil prices created exceptional circumstances for our industry. During this time, the executive leadership team of TechnipFMC remained focused on the execution of our vision and strategy, and continued to deliver strong operational results. We remained focused on strengthening our market-leading positions and leveraging our financial flexibility to pursue growth opportunities. We are fully committed to further our business transformation through new business models, innovative technologies, and digital solutions across the organization.

Our executive compensation program continued to be focused on alignment with shareholder interests and pay for performance. The Compensation Committee made several changes to the operation of the program in response to the changed market conditions, the key highlights of which are summarized below.

Our Compensation Philosophy and How that Informs Decision Making

We are a global leader in oil and gas projects, technologies, systems, and services and provide our clients with deep expertise across subsea, onshore/offshore, and surface projects. Our vision to enhance the performance of the world's energy industry is supported by the relentless drive of every individual at TechnipFMC. We are united by one single purpose: to bring together the scope, knowledge, and determination to transform our clients' project economics. Our executive compensation is designed to help us achieve our vision by:

- Motivating our executive officers to achieve and exceed our short-term and long-term goals and objectives
- Aligning the interest of our executive officers with the interests of our shareholders by focusing our executive compensation program on drivers of sustainable shareholder value and by ensuring a majority of executive compensation is at-risk
- Providing market competitive levels of compensation to help us retain and attract exceptionally talented individuals who can deliver on our vision

Shareholder Engagement

Our Compensation Committee values shareholder feedback, carefully reflecting on the results of shareholder advisory votes and input received during shareholder engagement. At our 2020 Annual Meeting, 86.4% of votes cast approved our 2019 Remuneration Report with 13.6% voting against the report.

Our Board and executive leadership were pleased with this increase in support of our executive compensation program and will continue a dialogue with our shareholders to receive valuable input within the context of our pay-for-performance philosophy, business, and strategies.

Impact of the COVID-19 Pandemic and Oil Price Decline on our Executive Compensation Program

In the first quarter of 2020, the global COVID-19 pandemic, sharp decline in oil prices, and equity market volatility materially changed the business environment and outlook for TechnipFMC. Our Board and management took decisive action at the outset of the pandemic — first and foremost to protect, support, and ensure the health, safety, and well-being of our people — and to continue to serve our clients at the highest level while focusing on business continuity and executing our strategic priorities.

In March 2020, we announced that while the rationale for the Spin-off of Technip Energies remained unchanged, we would delay the Spin-off until markets sufficiently recovered. We also decided to accelerate our cost reduction and efficiency efforts worldwide to continue to focus on operating profitability through the downturn.

In addition, our Compensation Committee took swift and decisive actions in response to the unprecedented global health and economic crisis, and made changes to our executive compensation program, including the following:

- **Reduced the annual base salary for our Chairman and CEO by 30% for the remainder of 2020, effective May 1, 2020.**
- **Reduced annual cash retainers for the Board of Directors by 30% for the remainder of 2020, effective May 1, 2020.**
- Updated our annual cash incentive plan measures effective April 1, 2020, and applied a cap on payout:
    - Due to the COVID-19 pandemic and business downturn, the Company's strategic priorities shifted to a significantly greater focus on cash flow, liquidity and business sustainability. To better align our executives' compensation with these critical priorities, the financial measures for the 2020 annual cash incentive plan were changed from EBITDA, EBITDA as a Percentage of Revenue, and Working Capital Days to Incremental Cost Savings (37.5% weighting) and Free Cash Flow Conversion (37.5%), for the last three quarters of 2020. The Incremental Cost Savings metric measures our performance against our publicly disclosed Cost Reduction Program. The Free Cash Flow Conversion metric (ratio of Free Cash Flow to Adjusted Net Income) measures the quality of our earnings and is important for liquidity.

    - 25% of our 2020 annual cash incentive plan continued to be based on individual performance indicators that included specific objectives regarding sustainability in our business performance, further reinforcing the Company's commitment to our Foundational Beliefs while we focused on responding to the challenging business environment.
    - Due to the volatility in the oil and gas market, the annual incentive plan targets set at the beginning of 2020 were no longer considered applicable. Accordingly, performance and payout for the Q1 2020 business performance indicators were set at 0%.
    - In addition to updating our Q2-Q4 2020 performance metrics to swiftly respond to changing short-term business priorities, we also capped the payout for the business performance indicators under the 2020 annual cash incentive plan at target (100%), with no upside for above-target performance. Limiting payouts at target (compared to 200% in prior years) in a volatile business environment helps align with shareholder interests.
- No changes were made to the annual equity awards previously granted and not vested.

In addition to the changes to executive compensation above, the cost reduction program completed by the Company in 2020 also included the following changes to global, broad-based employee compensation and benefits programs:

- Significant reduction in global headcount;
- Furlough programs instituted in certain locations and businesses;
- A global salary freeze for all employees, other than salary increases mandated by union agreements or local regulations; and
- Changes to the annual cash incentive plan for eligible employees mirrored the changes for our executives, namely: changing the annual cash incentive plan's business performance indicators for Q2-Q4 2020 to Incremental Cost Savings and Free Cash Flow Conversion, as well as capping payout for business performance indicators at target (100%).

Changes to Our Executive Compensation Program in Response to Shareholder Feedback

Listed below are the key changes made to our executive compensation program in 2020 and 2021, both as part of our annual review process, as well as in response to shareholder feedback:

- Discontinued the use of stock options, based on feedback from shareholders that stock options are not performance-based. A majority of our long-term equity plan continues to be performance-based, consisting of 70% Performance Share Unit awards ("**PSUs**") and 30% Restricted Stock Unit awards ("**RSUs**").
- In 2019, the long-term equity award grant was based on two performance measures, Return on Invested Capital ("**ROIC**") and relative TSR). However, for 2020, the volatility in the oil and gas business environment, as well as our Spin-off, made it challenging to set meaningful ROIC targets, and as a result, a single performance measure, relative TSR, was selected. We believe that this measure is strongly aligned with shareholder interests and is a meaningful measure of our long-term performance.
- Continued to base a portion of our Chairman and CEO's annual cash incentive on certain sustainability measures to further reinforce the Company's commitment to our Foundational Beliefs. For 2021, we have included an ESG metric (25% weighting) in our annual cash incentive plan; to drive accountability and strengthen the link between our compensation program and our ESG commitments and objectives.
- Updated our Compensation Peer Group and Relative TSR peer groups to reflect changes in our business environment.
- Enhanced disclosures in our Remuneration Report, including descriptions of the individual performance component of our annual cash incentive plan, our PSU plan performance, our target-setting process, and our peer group selection rationale.

Remuneration Arrangements in 2020

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

Proposed Remuneration Arrangements in 2021

The current Remuneration Policy was approved by shareholders at the Annual Meeting in 2018 for a period of up to three years. As a result, and in line with U.K. requirements, we are submitting our Remuneration Policy for shareholder approval at the forthcoming Annual Meeting.

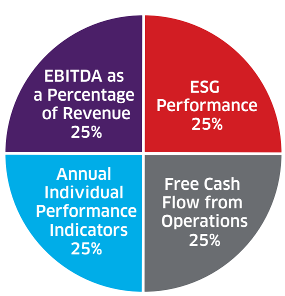
In doing so, the Committee has taken the opportunity to review the continued appropriateness of the current arrangements. Recognizing that the current Policy was intentionally designed with operational flexibility, and aligned with North American market practices, as well as U.K./European market practices; and taking into account the current global and industry challenges, as well as the Spin-off of Technip Energies, the Committee has concluded that the Policy remains appropriate and as result is not proposing any substantive changes.

Looking Ahead - 2021 Changes to Our Executive Compensation Program

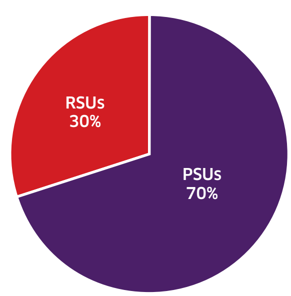
In January 2021, due to increased clarity in market outlook, coupled with a demonstrated ability to successfully execute projects during a unique and challenging year, we announced the resumption of activities towards separation into two industry-leading, independent, publicly traded companies, TechnipFMC and Technip Energies, which was completed on February 16, 2021. Each of the two separated companies, TechnipFMC and Technip Energies will set their respective executive compensation programs, practices, and compensation levels based on their respective business objectives and as approved by the Compensation Committee of the Board of Directors for each company.

The Compensation Committee anticipates certain changes to the TechnipFMC executive compensation program in 2021, based on continued feedback from shareholders, as well as a review of our business and competitive strategy, following the Spin-off.

2021 Annual Incentive Plan Performance Measures



Long-Term Equity Mix



- We anticipate a review of our 2021 Compensation Peer Group and Relative TSR Peer Group, to reflect our post Spin-off business strategy and competitive landscape as a fully integrated technology and services provider.
- Our 2021 annual cash incentive plan will include the following performance measures: EBITDA as a Percentage of Revenue (25%), Free Cash Flow from Operations (25%), ESG Performance (25%), and individual annual performance indicators (25%).
    - In 2020, we provided a comprehensive overview of our ESG efforts to our investors including new initiatives to be realized through 2023 and a commitment to deliver a 50% reduction in Scope 1 and 2 equivalent GHG emissions by 2030. In order to directly link our compensation program to our ESG commitments and objectives, we will include an ESG measure in our 2021 annual cash incentive plan at 25% weighting. Performance for this measure will be based on an ESG scorecard that includes environmental (carbon footprint, waste recycling), social (fair representation, awareness and culture, community initiatives), and governance (HSE leadership, human rights due diligence, ethics and compliance) measures.
    - We will continue to include EBITDA as a Percentage of Revenue and Free Cash Flow from Operations as measures in the annual cash incentive plan, with an objective to increase our operating profitability, leverage cost efficiencies, maintain the financial health and liquidity of the Company, and drive shareholder value creation.
- Our annual long-term equity incentive award will continue to comprise 70% PSUs (payout based on relative TSR performance) and 30% RSUs, as we believe a higher weighting of performance-based equity aligns more closely with shareholder interests.

We look forward to hearing your views on our executive compensation arrangements, and your continued support at the 2021 Annual Meeting.

Yours sincerely,

James M. Ringler
Director and Compensation Committee Chairman

April 9, 2021

Annual Report on Remuneration: At-a-Glance – 2020 Highlights

TechnipFMC 2020 Performance

The record inbound orders and solid execution of 2019 gave us strong momentum into the new year, but 2020 abruptly shifted to a year of unprecedented global challenges due to the COVID-19 pandemic and the sharp drop in demand for oil and natural gas. Throughout this period, the health and well-being of our people and those of the communities in which we work remained our top priority. Still, there were many notable accomplishments in 2020 as a result of the tireless efforts and unwavering commitment of the women and men of TechnipFMC. Through their determination, innovation, and resilience, we also protected our backlog and remained focused on project execution, enabling us to deliver strong performance and achieve our financial guidance across all segments.

Through collaboration, we found solutions that allowed us to move projects forward safely, earning recognition from clients, and others in the industry. Our solutions add value to some of the largest capital investments in the world. With the introduction of our Subsea integrated engineering, procurement, construction, and installation ("**iEPCI**™") business model, we are changing the way projects are conceived and executed by lowering project costs and accelerating the delivery of initial hydrocarbon production.

The integrated business model is unlocking incremental opportunities and materially expanding the deepwater opportunity set. Since the first iEPCI™ project was awarded in 2016, market adoption of the business model has grown, and in 2019, we secured more than 70% of the industry's integrated project awards. We received additional integrated awards in 2020, all of which came from repeat iEPCI™ customers.

Our Subsea front-end engineering teams remained very active, with an acceleration in front-end studies as we progressed through the second half of the year. More than 50% of these studies today are utilizing an integrated approach, leveraging the benefits of our digital Subsea Studio™ offering and positioning us well for future iEPCI™ awards.

Our commitments to a brighter future

50 by 30

Targeting 50% reduction in Scope 1 and 2 emissions by 2030 (versus 2017 baseline)

In November, we provided a comprehensive overview of our ESG efforts, including new initiatives to be realized through 2023 and a bold commitment to deliver a 50% reduction in Scope 1 and 2 equivalent GHG emissions by 2030. As part of our efforts to drive sustainable change, we introduced key elements of our digital transformation, including Subsea Studio™ and iComplete™, both of which will improve project economics, enhance performance, and reduce emissions.

TechnipFMC is well-positioned for the Energy Transition, with significant offshore opportunities in Subsea including novel wind, wave energy, carbon storage, and green hydrogen. Deep Purple™ is one such initiative, where we are leveraging our core capabilities: iEPCI™, proprietary technologies, and partner alliances. Additionally, we see future opportunities driven by our investments in early phase projects and solutions that accelerate the role of our technologies in the Energy Transition as we continue to redefine offshore energy.

Throughout 2020, we continued our work to separate TechnipFMC into two industry-leading, pure-play companies, with the transaction now completed through the Spin-off of Technip Energies on February 16, 2021.

TechnipFMC shareholders received, as a dividend, one ordinary share of Technip Energies N.V. for every five ordinary shares of TechnipFMC held at the close of business on the record date. Technip Energies is now an independent public company. Its ordinary shares are traded under the ticker symbol “TE” on the Euronext Paris Exchange and its Level 1 ADRs trade over-the-counter in the United States.

TechnipFMC is a leading technology provider to the traditional and new energy industries, delivering fully integrated projects, products, and services.

With our proprietary technologies and comprehensive solutions, we are transforming our clients’ project economics, helping them unlock new possibilities to develop energy resources while reducing carbon intensity and supporting their energy transition ambitions.

TechnipFMC will continue to advance the industry with our pioneering integrated ecosystems (such as iEPCI™, iFEED™ and iComplete™), technology leadership, and digital innovation.

Technip Energies is a leading engineering and technology company, with leadership positions in LNG, hydrogen, and ethylene, as well as growing market positions in blue and green hydrogen, sustainable chemistry, and CO_2 management.

The company benefits from its robust project delivery model supported by an extensive technology, products, and services offering.

The new company includes Genesis – a leader in advisory services and front-end engineering.

Creating Two Industry Leaders

Distinct and expanding market opportunities and specific customer bases

Robust backlogs supporting future revenue

Enhanced focus of management, resources and capital

Compelling and distinct investment profiles

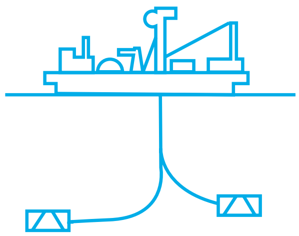
Continuing to reshape the energy industry and create value for all stakeholders

The executive compensation programs for these two companies will continue to emphasize performance and will be tailored to each company’s business and strategy.

Key Strategic Achievements in 2020

We have summarized some of our key 2020 results and achievements below.

Subsea

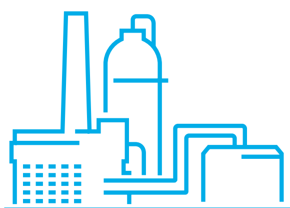


- Inbound orders of $4 billion, supported by higher mix of service and small project activity
- Additional integrated awards all from repeat iEPCI™ customers

$4bn
inbound orders

Backlog
$6.9bn

Technip Energies

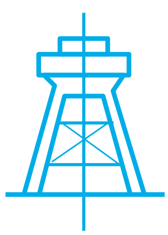


- Second consecutive year of revenue growth, driven by LNG and downstream projects
- Approximately 60% of total order backlog linked to energy transition, including LNG

$5bn
inbound orders

Backlog
$14.1bn

Surface Technologies



- International revenue more than 60% of total segment, with increased revenue in technology-driven businesses
- Significant decline in North America market activity partially mitigated by aggressive cost reduction

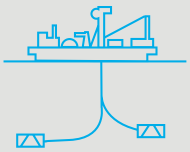
$1.1bn
inbound orders

Backlog
$0.4bn

(1) Reported financial results for the twelve months ended December 31, 2020 and inbound and backlog as of December 31, 2020 are as reported in this U.K. Annual Report.

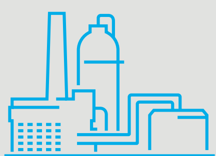
Market Leadership

Subsea



- Achieved inbound orders of $4 billion, including contract awards for:
  - ExxonMobil Payara project in Guyana
  - Libra Consortium's Mero 2 project in Brazil
  - BP Platina iEPCI™ project in Angola
- Introduced Subsea Studio™, a digital front-end design offering that will be extended to incorporate the execution and field management phases of a project
- Identified opportunity set for all-electric subsea production solution that may exceed $8 billion through 2030, benefiting from reduced infrastructure requirements while generating incremental tieback opportunities with a lower carbon footprint
- In collaboration with Halliburton, introduced Odassea™, the first distributed acoustic sensing solution for subsea wells, enabling operators to reduce total cost ownership while improving reservoir knowledge
- Introduced Deep Purple™, a collaboration with clients and partners to integrate offshore renewable electricity and subsea hydrogen storage to provide power to subsea infrastructure and clean energy to consumers when at scale

Technip Energies



- Inbound orders more than doubled versus the prior-year driven by EPC contract awards for:
  - Sempra LNG's and IEnova's Energía Costa Azul LNG Facility in Mexico
  - Assiut National Oil Processing Company project for a new hydrocracking complex in Egypt
  - Shell's Moerdijk Plant in the Netherlands to modernize ethylene furnaces and reduce total site emissions
- Strong momentum in sustainable chemistry across our three core areas:
  - Biofuels: Further strengthening of existing alliance with Neste for Future NEXBTL™ technology based projects
  - Bio-chemicals: Partnership with Carbios to build demonstration plant for depolymerization of waste PET plastics to monomers
  - Circular economy: Extended alliance with BP to include Infinia technology for difficult-to-recycle plastic waste
- Announced a strategic partnership and investment with McPhy to accelerate the development of large scale and competitive green hydrogen solutions
- Introduced Genesis' new and expanded scope. which includes advisory services in both the upstream and downstream domains

Surface Technologies

- International contract award highlights:
  - New 5-year frame agreement with Petrogas Rima in the Middle East
  - Award for high-pressure gas equipment and in-country services in Kuwait
  - Orders for high-specification, clad equipment onshore and annular safety valves offshore in the United Arab Emirates
  - Contracted to supply wellheads, tree systems, and controls for a re-development project in Norway
  - Orders for 20,000 psi pressure control flowlines and well service pumps in China
- North America business highlights:
  - Commercialization of iComplete™ ecosystem as we secured awards from operators in all major U.S. basins
  - Installation of our first iProduction™ system with a leading operator in the Permian basin
  - Continued transformation of our North America operations through client collaboration to drive wellsite operational efficiencies and lower GHG emissions

Response to a difficult operating environment

Reduced capital outlays for 2020:

- Dividend distribution reduced 75% versus the prior year to $59 million
- Capital expenditures reduced 36% versus the prior year to $292 million

Implemented cost reduction plan:

- Achieved annualized run-rate cost savings of more than $350 million
- Included $100+ million in annualized cost reductions for Surface Technologies and $30 million in Corporate expenses

Revised compensation for 2020:

- 30% reduction to both the Chairman and CEO salary and in the Board of Directors' retainer
- 20% reduction to our other executive officers' salaries

We also took aggressive actions to mitigate the impacts of the COVID-19 virus on our business. The health, safety, and well-being of our employees remained our top priority as we focused on maintaining business continuity and adopting leading-edge safety practices. The Company activated a COVID-19 Incident Management Team in order to administer a consistent response throughout our global operations and provide coordinated support to localized events. Our COVID-19 management response was recognized by customers including Shell and BP as "best in class" to emulate. Specific actions included the following:

- Established a thorough Business Continuity Planning process, which included a work from home initiative, when practical, to support continuity of operations;
- Adopted enhanced sanitation practices across all offices and facilities, implemented measures to restrict non-essential business travel, and restricted non-essential visitors from visiting our offices and facilities;
- Provided personal protective equipment and performed proactive health screening and testing of offshore personnel; required employees to self-quarantine when they may have been exposed to, or shown any symptoms of, COVID-19;

- Collaborated more closely with clients to mitigate COVID-19 impacts in order to advance projects and meet customer requirements, albeit at reduced productivity in some instances;
- Engaged with critical vendors regarding their own pandemic preparedness plans to minimize the impact to our business operations;
- Implemented global initiatives on mental health, including a mental health month in October, mental health and well-being webinars on our learning portal, mental health campaign of "it's OK not to be OK," and reinforcement of employee assistance programs and flex work policies; and
- Established a global Incident Management Team sponsored by our executive officers and including representatives from HSE, Security, People & Culture, Legal, Communications, Finance, Medical, and major projects teams to assist in regularly updating our Board on COVID-19 impacts.

2020 Performance Impact on Compensation

The table below outlines the elements of our compensation program that are directly tied to Company performance, along with 2020 performance and resulting payouts.

Compensation Element	Objective	2020 Measures		2020 Performance		2020 Payout
Long-Term Equity **(70% PSUs and 30% RSUs)**	To drive and reward the achievement of long-term results and align interests of the Chairman and CEO with shareholders' interests	50% PSUs: 3-year Relative TSR	>	2018-2020 performance of 25th percentile[1]	>	50% of target[1]
		50% PSUs: 3-Year ROIC	>	2018-2020 performance of 3.3%[1]	>	0% of target[1]
	30% of the long-term equity incentive was delivered in the form of RSUs, the delivered value of which will also depend on share price appreciation, and thus is aligned with shareholder interests.					
Annual Cash Incentive	To drive and reward the achievement of short-term Company strategic goals and individual contributions	**1Q 2020**				
		EBITDA 25%	>	N/A[2]	>	0% of target
		EBITDA as a Percentage of Revenue 25%	>	N/A[2]	>	0% of target
		Working Capital Days 25%	>	N/A[2]	>	0% of target
		Annual Individual Performance 25%	>	Ranging from 100% to 175% performance	>	100% to 175% of target
		2Q-4Q 2020				
		Q2 - Q4 Incremental Cost Savings 37.5%	>	Exceeded $400 million - Exceeded maximum performance	>	100% of target[3]
		Q2 - Q4 Free Cash Flow Conversion Ratio 37.5%	>	Exceeded 75% - Exceeded maximum performance	>	100% of target[3]
		Annual Individual Performance 25%	>	Ranging from 100% to 175% performance	>	100% to 175% of target

(1) Payout for the 2018 grant has been provided instead of payout for the 2020 grant, since payout for the latter is not yet determined based on a 2020-2022 performance period..

(2) Due to the COVID-19 pandemic and the volatility in the oil and gas market, the Compensation Committee set the payout for the Q1 targets at 0%.

(3) Payout for business performance indicators was capped at a maximum of target (100%) for 2020.

Our pay-for-performance program aims to motivate our Chairman and CEO to achieve and exceed both our short-term and long-term goals and objectives by including an appropriate mix of long-term equity compensation and annual cash incentive compensation. As intended by our program, our Chairman and CEO compensation was directly impacted by our performance.

2020 Performance Impact on Long-Term Equity

The majority of our Chairman and CEO's variable compensation is in the form of long-term equity compensation, comprising 85% of 2020 total target variable compensation. Our Chairman and CEO achieved a payout of 25% of target on his 2018 performance-based, long-term equity incentive award, based on the following::

- For the three-year relative TSR measure, we achieved 25th percentile performance for relative TSR for the 2018-2020 performance period based on our performance relative to our 2018 Relative TSR Peer Group, and as a result, the relative TSR component of the 2018 PSU awards paid out at 50%.
- For the ROIC measure, we did not meet the threshold performance for the 2018-2020 performance period, and as a result, the ROIC component of the 2018 PSU awards paid out at 0%.

2020 Performance Impact on Annual Cash Incentive

The annual cash incentive comprises 15% of 2020 total target variable compensation for our Chairman and CEO. Our Chairman and CEO achieved a payout of 100% of target for the annual cash incentive, based on the following:

- The payout for the business performance indicators (which makes up 75% of the annual cash incentive plan) was 75%.
    - For Q1 2020, our performance for EBITDA, EBITDA as a Percentage of Revenue, and Working Capital Days was set at 0% by the Compensation Committee.
    - In Q2-Q4 2020, our performance far exceeded the maximum of the performance range for the Incremental Cost Savings and Free Cash Flow Conversion measures. Therefore, payout for the business performance indicators was 100% for Q2-Q4 (payouts were capped at 100% for Q2 through Q4, even for above target performance).
- The payout for the individual annual performance indicators (which makes up 25% of the annual incentive plan) was 175% for the Chairman and CEO.

Overview of our Compensation Practices

What We Do:	What We Don't Do
Pay for performance by aligning performance measures with our strategy and shareholder interests	No single-trigger vesting upon a change-in-control
Provide the majority of Chairman and CEO compensation as performance-based, "at-risk" compensation	No guaranteed bonuses
Maintain a clawback policy in the event of malfeasance or fraud	No uncapped incentives
Require robust executive and director share ownership requirements	No tax gross-ups on any severance payments
Engage an independent, external compensation consultant	No excessive perquisites, benefits, or pension payments
Benchmark compensation against relevant global and industry peer groups	No discounting, reloading, or repricing of stock options
Cap PSU payout at target when relative TSR exceeds peers' TSR but absolute TSR is negative	No hedging and pledging of Company securities

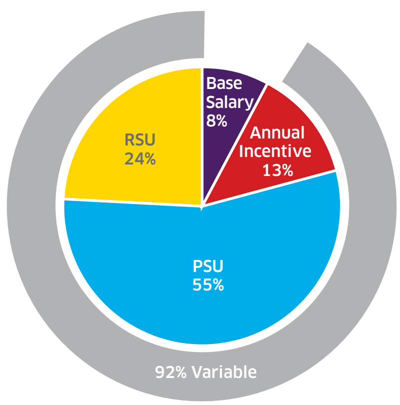
Annual Report on Remuneration: Report for the Year Ended December 31, 2020

The Compensation Committee presents the Annual Report on Remuneration and the statement of the Chairman of the Compensation Committee, which will be submitted to shareholders as an advisory vote at the 2021 Annual Meeting. Some of the information contained in the Annual Report on Remuneration is subject to audit. Where the information is subject to audit, the information is identified in the relevant heading.

As intended by our pay-for-performance program, and as outlined in the sections below, our 2020 compensation for our Chairman and CEO was directly impacted by our performance against key financial, operational, and individual metrics.

Below is an illustration of the Chairman and CEO's remuneration.

CEO



Fixed[1]	8%
Variable[2]	**92%**
Cash	21%
Equity	**79%**
Short-Term Performance	15%
Long-Term Performance	**85%**

(1) Base salary includes the pay reduction from May 1, 2020 to December 31, 2020 in response to the COVID-19 pandemic and associated industry downturn.

(2) RSUs are included in variable pay because their delivered value is based on share price at vesting.

Executive Director's Single Figure Table (Audited Information)

The below table sets forth the single figure of remuneration for the Chairman and CEO for the periods ended December 31, 2020 and 2019.

A proportion of the annual incentive and long-term incentive awards (the variable and at-risk element) – 78% – is subject to share price appreciation. During 2020, we did not exercise the use of discretion as a result of share price appreciation or depreciation.

Year	Salary(1)	Taxable Benefits(2)	Annual Incentive Awards(3)	Long-Term Incentive Awards (4)	Pension-Related Benefits (5)	Total Fixed Remuneration	Total Variable Remuneration	Total
Chairman and CEO: Douglas J. Pferdehirt								
2020	$988,800	$48,659	$4,578,600	$354,027	$247,770	$988,800	$5,229,056	$6,217,856
2019	$1,236,000	$84,989	$4,843,364	$1,455,003	$241,779	$1,236,000	$6,625,135	$7,861,135

(1) Salary provides a fixed level of market competitive compensation to our executive director that reflects his major responsibilities. Base pay is set with reference to market median, based on responsibility, experience, individual performance, and contributions to the business. Salary for our Chairman and CEO is unchanged since March 1, 2018. The salary provided for 2020 includes a 30% temporary pay reduction for the Chairman and CEO effective May 1, 2020, and ending December 31, 2020.

(2)The taxable benefits for 2020 for the Chairman and CEO includes: (i) personal use of Company automobile of $6,727 (ii) financial planning services of $18,000 (iii) UK tax preparation fees of $5,204, (iv) company paid life insurance fees of $578, (v) club dues of $8,863 and (vi) security services of $9,287.

The taxable benefits for 2019 for the Chairman and CEO includes: (i) personal use of Company automobile of $4,977; (ii) spouse travel for Company business functions of $42,699; (iii) financial planning of $20,935; and (iv) security services of $16,378.

(3) The amount disclosed in the Annual Incentive Awards column for 2020 for our Chairman and CEO represents the sum of annual cash incentive and time-based (non-performance based) RSUs awarded in 2020. In 2020, our Chairman and CEO's annual cash incentive was $1,668,600, calculated using a target bonus of 135% of salary, a BPI rating of 75%, and an API rating of 175%. The time-based (non-performance based) RSUs awarded in 2020 were valued at $2,910,000, comprising 30% of the Chairman and CEO's long-term equity incentive target value of $9,700,000.

The amount disclosed in the Annual Incentive Awards column for 2019 for our Chairman and CEO represents the sum of annual cash incentive and time-based (non-performance based) RSUs awarded in 2019. In 2019, our Chairman and CEO's annual cash incentive was $2,903,364 calculated using a target bonus of 135% of salary, a BPI rating of 172%, and an API rating of 180%. The time-vested (non-performance based) RSUs awarded in 2019 were valued at $1,940,000, comprising 20% of the Chairman and CEO's long-term equity incentive target value of $9,700,000.

(4) The amount disclosed in the Long-Term Incentive Awards column for 2020 for our Chairman and CEO represents the value of performance-based RSUs subject to performance (ROIC) and market-based (TSR) vesting conditions with a performance period ending December 31, 2020. The value was calculated using a performance percentage of 25% and share price on date of vesting. Dividend equivalents of $64,218 attributable to the vested shares are not included in the table above.

The amount disclosed in the Long-Term Incentive Awards column for 2019 for our Chairman and CEO represent the value of performance-based RSUs subject to performance (ROIC) and market-based (TSR) vesting conditions with a performance period ending December 31, 2019. The value was calculated using a performance percentage of 50% and share price on date of vesting. Dividend equivalents of $229,429 attributable to the vested shares are not included in the table above.

(5) The amount disclosed in the Pension Related Benefits column represents the value of Company contributions to the U.S. 401(K) and non-qualified defined contribution plans.

Executive Director Remuneration Received in Respect of 2020

One of the Compensation Committee's primary goals in establishing our Executive Director compensation philosophy and designing our compensation program is to ensure that compensation incentivizes Executive Directors to achieve key strategic goals, deliver strong operational and sustainable financial performance, and deliver long-term value for our shareholders. With this as a guiding principle, the Compensation Committee adopted a program that links a significant percentage of an Executive Director's compensation to key performance objectives that, if achieved, would result in the creation of shareholder value over both the short- and long-term.

Base salary

Base salary is set with reference to a competitive range around the size-adjusted market median data, reflecting factors such as individual performance, experience and business conditions within the parameters of our Directors' Remuneration Policy.

The Compensation Committee reviews base salary for the Chairman and CEO on an annual basis, and determines and approves any changes, with input from the committee's independent compensation consultant.

For the Chairman and CEO, base salary has been frozen since March 1, 2018. **In 2020, in response to the change in business environment due to the COVID-19 pandemic and sharp decline in oil prices, the Compensation Committee reduced the annual base salary for the CEO by 30% for the remainder of 2020, effective May 1, 2020.**

Pension

Retirement benefits for 2020 have been calculated in line with the U.K. reporting regulations. Details of the aggregate pension accrued in the U.S. Qualified Savings Plan and the U.S. Non-Qualified Savings Plan by the Chairman and CEO are shown below.

The value of the pension under the pension schemes is calculated based on the Company's contributions which are based on a percentage of employee salary. Retirement contributions for the Chairman and CEO relate to our U.S. Qualified Savings Plan and U.S. Non-Qualified Savings Plan.

Values relating to DC Schemes	Accrued Pension at Year End[1] $000	Company Contributions Over Year[2] $000	Normal Retirement Age[3]
Chairman and CEO	4,693[1]	248	N/A

(1) Accrued balance at 2020 year end in the U.S. Qualified Savings Plan and the U.S. Non-Qualified Savings Plan (which are defined contribution schemes)

(2) Company contributions in 2020 to the U.S. Qualified Savings Plan and the U.S. Non-Qualified Savings Plan

(3) Benefits under the qualified plan can be withdrawn at termination from the company, and benefits under the U.S. Non-Qualified Savings Plan can be withdrawn after 6 months post-termination, therefore retirement age does not apply.

Benefits

The Company also provides limited perquisites to the Chairman and CEO, facilitating the performance of their roles and to ensure a competitive total compensation package. The perquisites we provide to our Chairman and CEO may include financial planning and personal tax assistance, personal use of Company automobiles, dining club memberships and country club memberships, executive physicals and other minor expenses associated with their business responsibilities. The value of perquisites deemed to be personal is imputed as income to an executive officer, and we do not gross up for the taxes due on such imputed income. Additional allowances or benefits may be granted to our Chairman and CEO, if considered appropriate and reasonable.

Reflecting the safety concerns associated with their roles, the Company provides a security program for our Chairman and CEO. The Compensation Committee believes this is in the best interests of shareholders as the personal safety and security of our executive officers is critical to the stability of the Company. The security program was developed based on a risk assessment determined to be appropriate by our security team and an outside consultant. We do not consider the security measures provided to our Chairman and CEO to be a personal benefit, but rather reasonable and necessary expenses for the benefit of the Company.

Elements of 2020 Executive Compensation

Our executive compensation program comprises three primary elements of base salary, annual cash incentive, and long-term equity awards, along with the provision of market competitive benefits and perquisites.

In the first quarter of 2020, the global COVID-19 pandemic, sharp decline in oil prices, and equity market volatility materially changed the business environment and outlook for TechnipFMC. In March 2020, we announced that while the rationale for the Spin-off remained unchanged, we would delay the Spin-off until markets sufficiently recovered. We also decided to accelerate our cost reduction and efficiency efforts worldwide to reinforce the Company through the downturn.

The Compensation Committee took swift and decisive actions in response to these events, and made changes to our executive director compensation program, including the following:

- **Reduced the annual base salary for our Chairman and CEO by 30% and for the remainder of 2020, effective May 1, 2020.**
- **Reduced annual cash retainers for the Board of Directors by 30% for the remainder of 2020, effective May 1, 2020.**
- Due to the COVID-19 pandemic and business downturn and shift in the Company's strategic priorities, updated our annual cash incentive plan measures effective April 1, 2020 and applied a cap on payout under the plan.
- No changes were made to the annual equity awards previously granted and not vested.

The table below summarizes these elements, along with their purpose and key characteristics. However, a more detailed explanation is available in further sections.

Element	Purpose	Key Characteristics
Base Salary	To provide market competitive compensation for the role	▸ Fixed cash compensation ▸ Reflects major responsibilities of the Chairman and CEO's role ▸ Set with reference to market median, based on responsibility, experience, and performance ▸ Effective May 1, 2020 to the end of the year, base pay was reduced by 30% for our Chairman and CEO.

Annual Cash Incentive	To drive and reward the achievement of short-term Company strategic goals and individual contributions	▸ Variable cash compensation
		▸ Target value based on role, set with reference to market median
		▸ Paid based on achievement of business performance targets (75%) and achievement of individual performance targets (25%)
		▸ 2020 business performance targets modified effective Q2 2020 due to the COVID-19 business impact:
		  ▸ For Q1 2020:
		    ▸ EBITDA
		    ▸ EBITDA as a Percentage of Revenue
		    ▸ Working Capital Days
		    ▸ Measures are equally weighted
		    ▸ Actual payout can range from 0% to 200% of target
		  ▸ For Q2-Q4 2020:
		    ▸ Incremental Cost Savings
		    ▸ Free Cash Flow Conversion
		    ▸ Measures are equally weighted
		    ▸ Actual payout can range from 0% to 100% of target; payout capped at target to limit payouts in a volatile business environment

Element	Purpose	Key Characteristics
Long-Term Equity Incentives	To drive and reward the achievement of long-term results and shareholder value creation while encouraging retention	▸ Granted as combination of two vehicles: PSUs (70%) and RSUs (30%) ▸ Target value based on role, set with reference to market median ▸ PSUs (70% of total long-term equity grant) subject to one performance condition measured over three years: relative TSR ▸ 50% of after-tax RSUs must be retained for at least one year following vesting ▸ All long-term incentive awards are subject to three-year cliff vesting
Health and Welfare Benefits, Retirement Benefits, and Perquisites	To facilitate the performance of the role and ensure a market competitive total compensation package	▸ Health and welfare benefits, the same as benefits offered to other employees of the Company in the respective countries ▸ Retirement savings offered through participation in our 401(k) and non-qualified defined contribution plans, similar to plans offered to other U.S. employees ▸ Limited perquisites including financial planning, tax assistance, use of company cars, club memberships, executive physicals, and security services where necessary

Compensation Peer Groups

In making decisions about target compensation levels, the Compensation Committee reviews data from two distinct peer groups. We believe that it is important to consider both global companies of similar size, complexity, and capital-intensive nature, as well as companies within the same industry with significant U.S. operations, for a comprehensive view of who we compete with for talent.

These two peer groups are combined to provide a holistic view of the market for compensation benchmarking, but the Compensation Committee also looks at each peer group separately in order to gain insight into variations between the two groups.

- The Global Peer Group comprises a broadly equal weighting of U.S. and European headquartered companies, of similar size to the Company (in terms of revenue) who compete for executive talent in capital intensive industries similar to the Company, including the oil and gas industry, construction and engineering, and industrial manufacturing.
- The Industry Peer Group is focused more closely on our sub-industry and is drawn from companies in the oilfield services and oil exploration and production sectors, as well as heavy engineering organizations with greater (but not exclusive) focus on North America.

The Compensation Committee does not place a specific weight on the data from either peer group, but considers the data in light of all the circumstances relevant to each executive under review, as well as the Company’s compensation philosophy.

For both sets of peers, we use a range of selection criteria that include, among other factors, financial indicators such as revenue and market capitalization, number of employees, company size, industry, end markets, complexity, geographic footprint, and headquarters location.

Peer Group	Purpose
Global Peer Group	Similarly sized, complex, and capital-intensive global companies, including those based outside the United States
Industry Peer Group	Companies within the same industry, with a greater (but not exclusive) emphasis on oilfield services companies in North America.

The Compensation Committee reviewed our 2019 Compensation Peer Group as defined in our 2020 Proxy Statement, and the following companies were removed from the Peer Group: Chicago Bridge & Iron Company N.V. (due to merger/ acquisition activity), Anadarko Petroleum Corporation (due to acquisition), and Weatherford International plc (due to Chapter 11 bankruptcy).

Accordingly, the companies below comprised the 2020 Compensation Peer Group, including both global and industry peers.

2020 Combined Compensation Peer Group Constituents	
Air Liquide S.A	Ingersoll-Rand plc
Alstom S.A.	**Jacobs Engineering Group Inc.**
Apache Corporation	**John Wood Group plc**
Baker Hughes Company	**McDermott International, Inc.**
Caterpillar Inc.	**National Oilwell Varco, Inc.**
ConocoPhillips	Petrofac Limited
Cummins Inc.	Repsol, S.A.
Devon Energy Corporation	**Saipem S.p.A.**
Dover Corporation	**Schlumberger Limited**
Enbridge, Inc.	**Subsea 7 S.A.**
Fluor Corporation	**Transocean Ltd.**
Halliburton Company	VINCI S.A.

Companies in **blue bold** comprise the Industry Peer Group.

For 2020 compensation decisions, McDermott International, Inc. was included; however, we anticipate that it will be removed from our peer groups for 2021 compensation decisions due to its Chapter 11 bankruptcy filing in January 2020.

When 2020 compensation decisions were made, the median revenue and median market capitalization for each of the peer groups used and the Company's relative ranking are provided below:

Peer Group	Median Revenue	TechnipFMC Revenue Ranking	Median Market Capitalization	TechnipFMC Market Capitalization Ranking
Global Peer Group	$18.4 billion	44th percentile	$14.3 billion	31st percentile
Industry Peer Group	$10.1 billion	63rd percentile	$9.8 billion	40th percentile

Accordingly, the Compensation Committee agreed that this group of companies was reasonable in terms of size for market median comparisons. Where possible, the Compensation Committee's consultant size-adjusts data to account for differences in size between the Company and the Compensation Peer Group.

In 2021, following the completed separation of TechnipFMC and Technip Energies, the Compensation Committee anticipates a review of TechnipFMC's peer group based on its industry peers as a standalone, fully integrated technology and services provider.

Base Salary

We provide our Chairman and CEO with a market competitive base salary to compensate him for services performed during the year. We set base salary by referencing market median total target compensation. When setting the Chairman and CEO's base salary, we consider factors such as individual performance, experience, and contributions to the business, while staying within an appropriate range of the market median for the role.

The Compensation Committee reviews base salary for the Chairman and CEO on an annual basis. For the CEO, the Compensation Committee determines and approves any changes, with input from the committee's independent compensation consultant.

In 2020, in response to the change in business environment due to the COVID-19 pandemic and sharp decline in oil prices, the Compensation Committee reduced the annual base salary for the Chairman and CEO by 30% for the remainder of 2020, effective May 1, 2020.

Changes in salary are shown in the table below:

Chairman & CEO	Base Salary (December 31, 2019)	Base Salary (December 31, 2020)	Change %[1]
Douglas J. Pferdehirt	$1,236,000	$865,200	-30%

(1) The temporary salary reduction ended on January 1, 2021.

Annual Cash Incentive (Audited Information)

2020 Annual Cash Incentive Target

We provide our Chairman and CEO with an annual cash incentive in order to drive and reward the achievement of short-term Company strategic goals and individual contributions. Our Chairman and CEO has an annual cash incentive target, set as a percentage of base salary. The Chairman and CEO can earn 0% to 200% of his annual cash incentive target, depending on Company and individual performance. However, in 2020, in response to the COVID-19 pandemic and business downturn, the payout for business performance indicators, which make up 75% of the annual cash incentive, was capped at 100%. Limiting payouts at target (compared to 200% in prior years) in a volatile business environment helps align with shareholder interests.

The Compensation Committee reviews and approves target annual cash incentive percentages for the Chairman and CEO annually, based on a review of market median total compensation data for our peers. The targets are set at appropriate levels to incentivize the Chairman and CEO to achieve the short-term financial and operational goals for the Company, as well as to provide him with market-competitive levels of total compensation.

The following were the 2020 annual cash incentive targets for our Chairman and CEO:

Chairman and CEO	2019	2020	Increase
Douglas J. Pferdehirt	135%	135%	0%

Annual Cash Incentive Performance Indicators

75% of the annual cash incentive is based on business performance indicators (**"BPI**"), and 25% of the plan is based on individual annual performance indicators ("**API**").

75% BPI	+	25% API
Assessment of overall Company performance based on business performance indicators		Assessment of individual performance based on qualitative factors reflected in the executive directors' annual performance objectives

The payout under both the BPI and API components may range from 0% to 200% of target depending on performance.

BPI Component – 75% of Annual Cash Incentive

The Compensation Committee annually establishes BPI targets and reviews the performance measures at its February meeting.

For the first quarter of 2020, EBITDA, EBITDA as a Percentage of Revenue, and Working Capital Days were the BPI measures for our annual cash incentive plan. These measures were designed to focus our executive officers on operating profitability and efficiency of using operating capital.

Due to the COVID-19 pandemic and business downturn, the Company's strategic priorities shifted to a significantly greater focus on cash flow, liquidity, and business sustainability. To better align the Chairman and CEO's compensation with these critical priorities, the financial measures for the 2020 annual cash incentive plan were changed to Incremental Cost Savings (37.5% weighting) and Free Cash Flow Conversion (37.5%), for the remainder of 2020. The Incremental Cost Savings metric measures our performance against our publicly stated Cost Reduction program. The Free Cash Flow Conversion metric (ratio of Free Cash Flow to Adjusted Net Income) measures the quality of our earnings and is important for liquidity. 25% of the annual cash incentive plan continued to be based on API measures, including specific objectives regarding sustainability in our business performance, further reinforcing the Company's commitment to our Foundational Beliefs. Finally, payout for the 2020 annual cash incentive plan was capped at target payout.

Target Setting for BPI Measures

Performance targets related to our annual cash incentive are set at "stretch" targets that are considered difficult and challenging but achievable with superior execution based on our long-range plans. Given the cyclical nature of our industry sector, as well as the variability in some of our metrics caused by the lifecycle progression of a few very large projects, our targets can vary in absolute terms when compared to prior year targets but are set to ensure that achievement will require the same or improved execution to achieve the targets.

In setting performance goals, the Compensation Committee considers the Company's annual financial plans, strategic initiatives, and projections, which are impacted by the following factors:

- The overall business climate and the cyclical nature of our business
- Underlying market conditions for our products and services

- Volatility in commodity prices
- Our competitors' performance
- Anticipated changes in customer activity
- Our prior-year performance

These inputs inform discussions regarding both the targets and the ranges around the target to ensure the goals are sufficiently difficult without incentivizing inappropriate risk taking.

Q1 Target Setting and Result

Targets were set for the EBITDA, EBITDA as a Percentage of Revenue, and Working Capital Days metrics in Q1 2020, considering the market outlook for each of our business segments and for the Company as a whole at the time the targets were set.

- In April 2020, due to the volatility in the oil and gas market caused by the COVID-19 pandemic and oil price decline, the targets previously set were no longer considered applicable, and the Compensation Committee set the payout for Q1 2020 BPI at 0%.

Q2-Q4 Target Setting and Result

As described above, as a result of the COVID-19 pandemic, worsening oil and gas macro outlook, and cutbacks in customer activity, there was an urgent and critical need to focus on cash flow and liquidity, as well as cost reduction. Accordingly, our BPI metrics for Q2-Q4 2020 were changed to Incremental Cost Savings and Free Cash Flow Conversion. The targets for these measures were set at a level needed to manage the business through the downturn and to achieve the appropriate cost structure to drive shareholder value.

- In Q2-Q4 2020, our performance exceeded the maximum of the performance range for our Incremental Cost Savings and Free Cash Flow Conversion metrics.
    - The Incremental Cost Savings achievement was supported by decisive actions to reduce the Company cost structure by eliminating underperforming business lines, reducing structural overcapacity, and right-sizing the business for the future.
    - Free Cash Flow Conversion was achieved through disciplined management of capital expenditures within targeted reductions, preservation of cash by deferral of non-essential spending, and effective working capital management.
- Although our performance exceeded the maximum of the performance range, payout was capped at 100% to support the Company and align with shareholder interests in a volatile business environment.

Full-Year Result

With Q1 2020 payout percentage at 0% and Q2-Q4 2020 payout percentage at 100%, our weighted overall BPI result for 2020 was 75%.

Q1 2020 (January - March)				
BPI Measure	**Weighting**	**2020 Goal (Annual)**	**Definition**	**Why It Matters**
EBITDA ($M)	25%	$1,639 million	Earnings before interest, taxes, depreciation, and amortization	Indicative of our operating profitability and a driver of shareholder value creation; facilitates comparisons with peer companies by excluding the effect of different capital structures and financing decisions
EBITDA as a Percentage of Revenue	25%	10.3%	Earnings before interest, taxes, depreciation, and amortization, calculated as a percentage of revenue	Reflects the performance and sustainability of the business, leveraging cost efficiencies and driving profitability improvement
Working Capital Days	25%	(78)	Average number of days to convert working capital into revenue	Measures our efficiency of using operating capital to operate the business; our contract arrangements typically result in negative working capital due to advance payments and milestone payments
Q2-Q4 2020 (April - December)				
BPI Measure	**Weighting**	**2020 Goal (Annual)**	**Definition**	**Why It Matters**
Incremental Cost Savings	37.5%	$350 million	Cost savings targets established in response to COVID-19 and commodity price impacts on operations	Measures our performance against our disclosed Cost Reduction Program, with targeted savings of more than $350 million
Free Cash Flow Conversion	37.5%	52.5%	Ratio of free cash flow divided by adjusted net income. Free cash flow is defined as cash provided by operating activities less capital expenditures. Adjusted net income is defined as net income, excluding charges and credits.	Measures the quality of our earnings and is important for liquidity

The 2020 performance goals and the 2020 results achieved are outlined below. Although the payouts apply to the quarter(s), goals and results are annual.

BPI Measure	2020 Goals			2020 Performance	
	Threshold Performance	Target Performance	Maximum Performance	Performance %	Payout %[1]
Q1 2020 (January - March)					
EBITDA ($M)[2]	$1,366	$1,639	$1,831	N/A[3]	0%
EBITDA as a Percentage of Revenue[2]	8.3%	10.3%	12.3%	N/A[3]	0%
Working Capital Days	(71)	(78)	(82)	N/A[3]	0%
Payout Percentage	0%	100%	200%		
Final BPI Payout Percentage for Q1 2020 (25% Weighting)					**0%**
Q2-Q4 2020 (April - December)					
Free Cash Flow Conversion[2]	30%	52.5%	75%	Greater than 75%	100%
Incremental Cost Savings	$300 million	$350 million	$400 million	Greater than $400 million	100%
Payout Percentage	0%	100%	100%[4]		
Final BPI Payout Percentage for Q2-Q4 2020 (75% Weighting)					**100%**
Final Weighted Payout Percentage (BPI)					**75%**

(1) Payout for performance between the threshold, target, and maximum payouts are interpolated on a straight-line basis. The final weighted payout percentage for BPI is rounded to the nearest whole percent for calculating the annual cash incentive payout.

(2) Financial targets and actual performance based on EBITDA exclude non-recurring charges and credits, such as impairments, restructuring costs, integration costs, as well as other items identified in TechnipFMC's quarterly and annual financial statements. Free Cash Flow Conversion is defined as the ratio of free cash flow to adjusted net income. Free cash flow is defined as cash provided by operating activities less capital expenditures. Adjusted net income is defined as net income, excluding charges and credits. Please refer to "Non-GAAP Measures" beginning on page 60 of our Form 10-K and "Liquidity and Capital Resources" beginning on page 65 for a reconciliation of EBITDA, free cash flow, and adjusted net income to the most directly comparable GAAP measures.

(3) Due to the COVID-19 pandemic and the resulting volatility in the oil and gas market, the Compensation Committee set the payout for the Q1 targets at 0%.

(4) Although our performance exceeded the maximum of the performance range, payout was capped at 100% (compared to 200% in prior years) to support the Company and align with shareholder interests in a volatile business environment.

In accordance with established guidelines, the goals are adjusted for the cumulative effect of changes in accounting principles, significant acquisitions and divestitures, and foreign exchange movements. These changes are intended to ensure that performance is measured on a like-for-like basis relative to the goals that were set.

API Component – 25% of Annual Cash Incentive

Each February the individual performance goals are established for the Chairman and CEO.

These objectives are set at "stretch" levels (i.e., objectives that are difficult and challenging but should be achievable with superior execution) and are set using a rigorous evaluation process. If the Chairman and CEO failed to achieve any of his or her objectives, the API multiple would likely be 0%, absent any mitigating factors. If the Chairman and CEO met some, but not all of the objectives, the API multiple would fall between the range of 0% to 200%, depending upon the number of objectives accomplished, their relative importance and difficulty as determined by the Compensation Committee, and any factors that may have prevented achievement of certain objectives.

For 2020, the Chairman and CEO received an API rating of 175%.

In determining the 2020 API rating for our Chairman and CEO, the Compensation Committee took into account a comprehensive view of his performance and contributions, including performance on key objectives and results, in light of the unprecedented global health and economic crisis caused by the COVID-19 pandemic. In addition to individual goals related to Company strategy, profitable growth, and safety, his objectives also included the three pillars of our corporate responsibility and sustainability efforts to ensure that the Company makes meaningful and tangible achievements in this area. The Compensation Committee considered the Chairman and CEO's overall performance relative to the achievement of his key objectives, the importance of each objective, as well as the challenging market conditions that impacted our industry.

Objectives	Key Achievements	Performance Assessment		
		Below Expectations	Meets Expectations	Exceeds Expectations
Mr. Pferdehirt				
Strategy & Growth ▸ Spin-off of Technip Energies	▸ Technip Energies Spin-off completed in Q1 2021			✔
▸ ESG objectives	▸ 2021-2023 ESG objectives and scorecard delivered in November 2020			✔
▸ Digital - commercialize Subsea Studio™	▸ Commercialized Subsea Studio™: +50% of all Subsea FEED studies utilized Subsea Studio™			✔
▸ Technology - qualify Flexibles 2.0 (HFP) and commercialize Gemini	▸ Flexibles 2.0: qualification on-track		✔	
	▸ Gemini: successful commercialization and technology introduction			✔
▸ Foster strategic alliances and relationships	▸ Key strategic alliances: enhanced and expanded			✔
Execute on Key Deliverables ▸ Cost Reduction Program objectives	▸ Exceeded Cost Reduction Program objectives			✔
▸ Expand LNG market	▸ Secured two LNG awards		✔	
▸ Strengthen market position in Surface Technologies	▸ Expanded international market presence		✔	
Team & Company Culture ▸ External leadership ▸ Succession planning ▸ Engagement & culture	▸ Board member for Advancing Women Executives in Energy, CEO Action for Diversity & Inclusion™, American Heart Association, United Way, Energy Workforce Transformation			✔
	▸ Engagement re-focus on well-being and mental health in line with the pandemic environment, all Company well-being survey with actionable results, Company-wide mental health support program implemented			✔

Objectives	Key Achievements	Performance Assessment		
		Below Expectations	Meets Expectations	Exceeds Expectations
Mr. Pferdehirt				
ESG & Foundational Beliefs ▸ Focus on gender diversity, community engagement, and environment	▸ Promoted gender diversity through Company programs and key external recruitment			✓
▸ Expand QHSES transformation	▸ Promoted Company Energy Transition position			✓
▸ Zero fatalities	▸ Zero fatalities not achieved – one fatality	✓		
Overall Rating for Mr. Pferdehirt		175%		

Determination of 2020 Annual Cash Incentive Payout for the Chairman and CEO

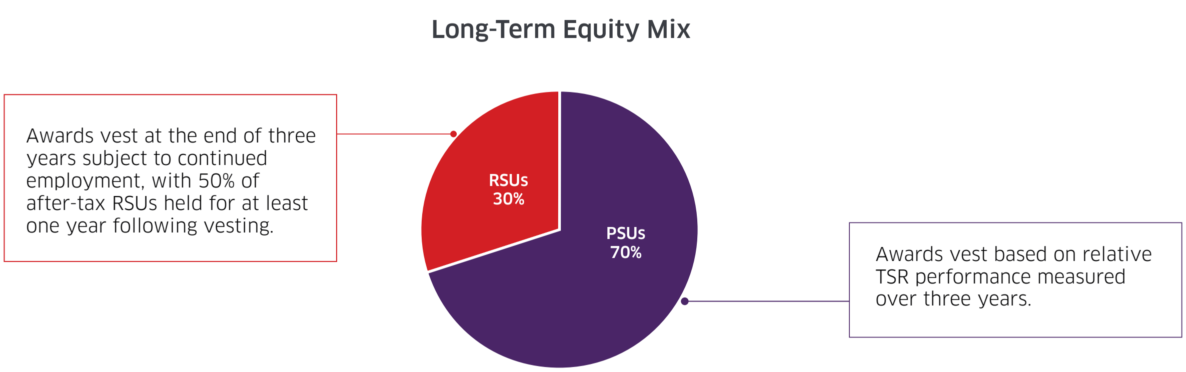
The Chairman and CEO's 2020 annual cash incentive payout was calculated to be $1,668,600 based on the following table:

Chairman and CEO	Target Bonus (% of Salary)	BPI Rating (75% Weight)	API Rating (25% Weight)	Overall Weighted Rating	Actual Bonus (% of salary)	Actual Bonus ($)
Douglas J. Pferdehirt	135%	75%	175%	100%	135%	$1,668,600

Scheme Interests Awarded in the Financial Year (Long-Term Equity Incentives)

Long-term equity incentive awards, granted in the form of TechnipFMC equity, represent the largest component of the Chairman and CEO's annual target compensation opportunity, grounded in our compensation philosophy of paying for performance and aligning executives' interests with those of our shareholders. Awards are made in the form of two complementary vehicles, PSU awards and RSU awards, providing a balanced focus on performance, sustainable long-term value creation, and retention.

In 2020, we discontinued the use of stock option awards in our long-term equity incentive plan, based on feedback from shareholders that stock options are not performance-based.



The Compensation Committee reviews and approves equity awards for our Chairman and CEO on an annual basis. The awards are based on market competitiveness on total target compensation and aim to provide appropriate levels of retention and incentives for achieving the Company's long-term goals.

For 2020, the Compensation Committee set the target value of equity awards for our Chairman and CEO reference to market median total compensation data.

Chairman and CEO	2020 Long-Term Incentive Target Award
Douglas J. Pferdehirt	$9,700,000

2020 Performance Stock Unit Awards (70% of Equity Award) - Conditional Share Awards - (Audited Information)

The Compensation Committee sets the performance targets associated with PSU awards prior to the beginning of each three-year performance period. For awards in 2020, PSU awards comprised 70% of the total long-term equity award and payout will be based on relative TSR performance for the three-year period.

In 2019, the long-term equity award grant was based on two performance measures, ROIC and relative TSR. For 2020, the volatility in the oil and gas business environment, as well as our Spin-off made it challenging to set meaningful ROIC targets. Therefore, in 2020, a single performance measure, relative TSR, was selected.

We believe that relative TSR is a meaningful measure of our long-term performance, and motivates our Chairman and CEO to achieve superior share price compared to our key competitors, thus aligning their interests with shareholder interests. We further reinforce this by requiring a minimum threshold of relative TSR performance for payout and capping payout at 100% if the Company's absolute TSR is negative.

PSU Measure	Weighting	Definition	Why It Matters
Relative TSR	70% of total long-term equity	Cumulative three-year increase in volume-weighted average price and reinvested dividends relative to peers	Assesses our overall performance in the eyes of our shareholders and the broader stock market, relative to companies with whom we compete for customers and investors that are subject to similar macro-economic factors

The relative TSR performance for our 2020 PSU awards will be measured against a group of 10 companies ("**Relative TSR Peer Group**") that the Compensation Committee believes best reflects the companies that we compete with for both investments and customers. The financial and operational performance of these companies is therefore most directly relevant to TechnipFMC, and we are all subject to similar macro-economic factors.

The Compensation Committee reviewed our 2019 Relative TSR Peer Group as defined in our 2020 Proxy Statement, and the following companies were removed from the Peer Group: Chicago Bridge & Iron Company N.V. (due to merger/acquisition activity), McDermott International, Inc. (due to Chapter 11 bankruptcy filing), and Weatherford International plc (due to Chapter 11 bankruptcy filing).

Accordingly, for awards made in 2020, the Relative TSR Peer Group comprised the following:

2020 Relative TSR Peer Group		
Baker Hughes Company	National Oilwell Varco, Inc.	Schlumberger Limited
Fluor Corporation	Oceaneering International, Inc.	Saipem S.p.A.
Halliburton Company	Oil States International, Inc.	Subsea 7 S.A.
John Wood Group plc		

The vesting date for these PSU awards is March 9, 2023, with a performance period of January 1, 2020 through December 31, 2022.

The Compensation Committee approved the following targets in relation to the 2020 PSU awards:

Performance Achievement	Relative TSR Performance	Payout (% of earned PSUs)
Below Threshold	Below 25th percentile	0%
Threshold	25th percentile	50%
Target	42nd percentile	100%
Maximum or above	75th percentile or greater	200%

Note: If the Company's absolute TSR is negative for the performance period, the payout in respect of the TSR element will be capped at target, regardless of our relative performance.

For performance achievement between the levels identified above, payout percentage will be interpolated on a straight-line basis.

	2020 PSU Grant
Number of PSUs/ conditional share awards awarded	730,893
Share Price on Grant Date	$9.29
Fair Value on the date of award[1]	$6,789,996
Fair Value of award as a % salary	687%
Face Value on the date of award at maximum performance[1]	$13,579,992
Face Value of award at maximum performance as a % salary	1373%

(1) Calculated using the grant price, equal to the closing price on the New York Stock Exchange on the date of grant, March 9, 2020.

2020 Time-Based RSU Awards (30% of Equity Award) - Conditional Share Awards (Audited Information)

Time-based RSU awards further align our Chairman and CEO's interests with the interests of our shareholders by incentivizing them to increase share price, while reinforcing the retention impact of our compensation program.

RSUs are subject to three-year cliff vesting terms, with no phased vesting, meaning our Chairman and CEO must remain employed through the vesting date of March 9, 2023, with exceptions only for retirement, death, and disability. Once vested, our Chairman and CEO receives ownership and the voting rights of the underlying Ordinary Shares.

The number of RSUs granted to our Chairman and CEO was determined by dividing the target value set for our Chairman and CEO by the closing price of the Company's Ordinary Shares on the NYSE on the grant date.

On vesting, 50% of the after-tax number of RSUs must be held for a period of at least one year to incentivize our Chairman and CEO to retain the shares and increase share price, further aligning our Chairman and CEO's interests with our shareholders.

	2020 RSU Grant
Number of RSUs/ conditional share awards	313,240
Share Price on Grant Date	$9.29
Face Value on the date of award[1]	$2,910,000
Award as a % salary	294%

(1) Calculated using the grant price, equal to the closing price on the New York Stock Exchange on the date of grant, March 9, 2020.

Vesting of 2018 PSU Awards (Audited Information)

In 2018, the Compensation Committee approved PSU awards subject to a three-year performance period. Vesting of these awards was contingent on performance delivered in two areas: ROIC and relative TSR.

As a result of our 2018-2020 performance, our Chairman and CEO achieved a payout of 25% of target on his 2018 PSUs.

Performance Goals:

Goal/Weightings	Performance Measure
ROIC (30% of total long-term equity)	Achievement of stated target
Relative TSR (30% of total long-term equity)	Percentile Ranking versus the 2018 Performance Peer Group

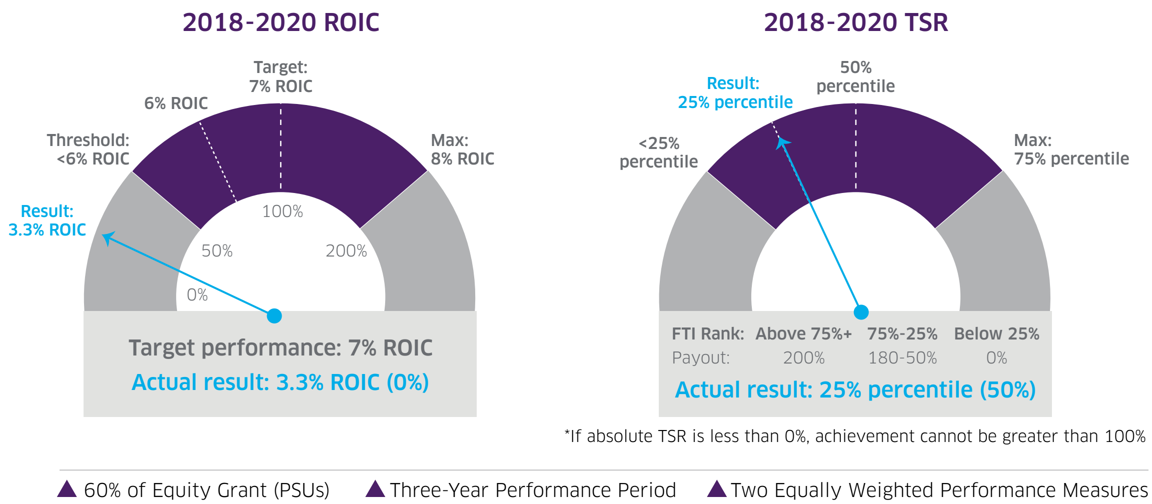
The following are the targets and payout scale for the 2018-2020 PSU awards:

Performance Achievement	ROIC Performance	Relative TSR Performance	Payout (% of earned PSUs)
Below Threshold	Below 6%	Below 25th percentile	0%
Threshold	6%	25th percentile	50%
Target	7%	42nd percentile	100%
Maximum or above	8% or above	75th percentile or greater	200%

Note: If the Company's absolute TSR is negative for the performance period, the payout in respect of the TSR element will be capped at target, regardless of our relative performance.

The overall achievement for the performance element of our 2018 PSU awards was 25% based on the following:

- Three-year ROIC performance for 2018-2020 was 3.3%. This ROIC performance was below the threshold for payout based on the payout scale provided above, and therefore, the ROIC component of the 2018 PSU awards paid out at 0%.
- Three-year relative TSR performance for the Company for 2018-2020 was -67.9%, which placed the Company at the 25th percentile relative to the 2018 Performance Peer Group. This resulted in a payout for the relative TSR measure of 50%, based on the payout scale above. 43,069 shares were vested at the price on date of vesting of $8.22 per share, resulting in a long-term incentive of $354,027.



Treatment of Outstanding Long-Term Equity Incentives at Spin-off

On February 16, 2021, TechnipFMC completed its Spin-off and separated into two independent, publicly traded companies, TechnipFMC and Technip Energies.

Pursuant to the Spin-off, all outstanding 2018, 2019, and 2020 TechnipFMC PSU, RSU, and stock option awards for the Chairman and CEO were adjusted based on the ratio of the closing price of TechnipFMC on the NYSE on the date immediately prior to the Spin-off to the closing price of TechnipFMC on the NYSE on the date immediately after the Spin-off. The vesting dates remained the same and the number of 2019 and 2020 PSUs were set at target performance, as measurement of performance against the set goals was not possible following the Spin-off.

Statement of Directors' Shareholding and Share Interests

Share Ownership and Retention Requirements (Audited Information)

The Compensation Committee oversees the Company's directors' share ownership and retention policy to ensure a continuing alignment of executive and shareholder interests.

None of the Directors exercised stock options in 2020.

Share Ownership Requirement

Our Chairman and CEO is required to own shares in an amount equal to six times his base salary. Qualifying shares include ordinary shares, time-based RSU awards, and performance-based RSUs where the performance period is final and approved. Unexercised stock options, performance-based RSUs where the performance period is not final, and shares held in Company retirement plans are not included in the ownership calculation. An executive director has five years to satisfy an ownership multiple, pro-rated 20% each year, from the effective date of appointment.

Our Chairman and CEO met his pro-rated share ownership requirement as of December 31, 2020.

Share Retention Requirements

An Executive Director is required to retain, for a period of at least one year after the vesting date, shares equivalent to at least one-half of the net after-tax number of shares deposited in his or her account for RSUs. The purpose of this additional requirement is to impose a holding period during which an Executive Director must retain ownership of a significant portion of vested equity compensation.

We believe that the combination of the share ownership and share retention requirements more closely aligns the interests of an Executive Director with the long-term interest of our shareholders. We regularly evaluate and monitor compliance with our share ownership and retention policy, and the Board will review compliance on at least an annual basis. All Executive Directors met their pro rata ownership and retention requirements under the Company's policy in 2020.

The table below sets forth the beneficial interests in the share capital of the Company held by our Chairman and CEO and his connected persons for the period ending December 31, 2020:

Name	Share Ownership Requirements (% of salary)	Number of Shares Required to Hold	Number of Shares Owned Outright (including Connected Persons)	Vested but Unexercised Stock Options	Unvested and Unexercised Stock Options	RSUs	RSUs Subject to Performance Conditions	Weighted Average Exercise Price of Vested Options	Weighted Average Period to Vest of RSUs
Chairman and CEO	600%	473,362	571,225	224,835	536,738	463,134	1,180,577	26.62	19.95 months

(1) Number of Shares Required to Hold is based on the share price as at December 31, 2020 of $9.40. The Executive Directors have five years from appointment to meet the full ownership requirements. Unexercised Stock Options and RSUs Subject to Performance Conditions where the performance period is not final are not used to meet ownership requirements.

Payments to Past Directors (Audited Information)

Mr. Richard Pattarozzi, a former Director who resigned from the Board on May 1, 2019, had his charitable contributions matched by the Company. In total $10,000 was paid in 2020 to match his contribution to five charities as this was a commitment under a legacy charitable donation matching program.

Payments for Loss of Office (Audited Information)

There were no payments for loss of office in 2020, since there were no Directors who left the Company.

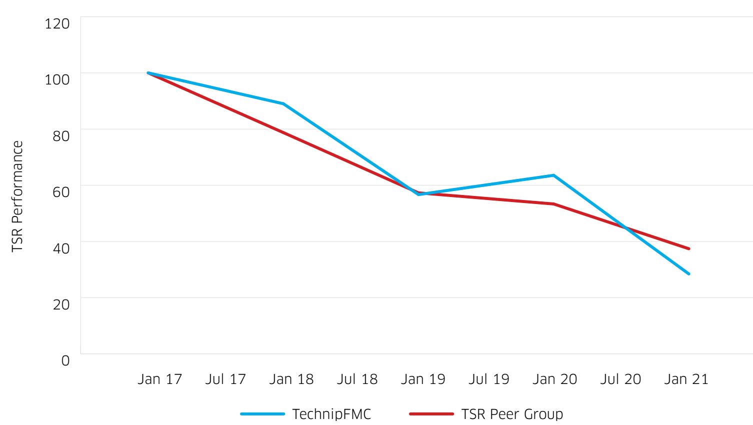
2017-2020 TSR Performance Graphs and Table for the Chairman and CEO

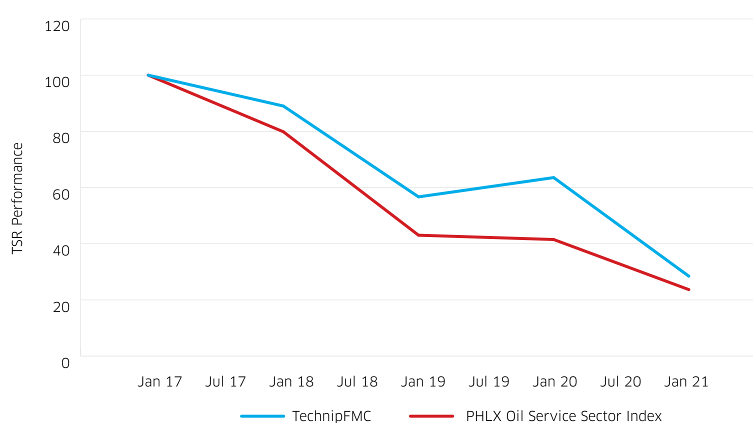
70% of our long-term equity incentive plan is based on relative TSR performance versus the Relative TSR Peer Group for the year of grant. As such, the figures below indicate the Company's TSR performance against our Relative TSR Peer Group and against the Philadelphia Oil Service Sector (OSX) index. Note that the OSX index is not used for plan payout, but provided as a reference point to demonstrate TSR performance for the oil service industry as a whole during this period. The OSX index is an index of companies in the oil services sector and we consider it an appropriate benchmark for our performance.

For the 2017-2020 performance period, our TSR performance has been above the median for the OSX index. For the same period, our TSR performance has been above the median of our Relative TSR Peer Group for the 2017-2019 period, and below the median of our Relative TSR Peer Group in 2020.

This TSR performance is reflected in the payout under the relative TSR component of our PSU awards.

- Although our 2017-2019 relative TSR performance was above median, the payout for the relative TSR component was capped at 100% (due to negative absolute TSR performance). Payout for the ROIC component was at 0%, and therefore, the overall payout for PSU awards was 50%.
- Our 2018-2020 relative TSR performance was at the 25th percentile of the Relative TSR Peer Group, and the resulting payout for the relative TSR component was 50%. Payout for the ROIC component was at 0%, and therefore, the overall payout for PSU awards was 25%.





Summary of Chairman and CEO Pay[1]	2019	2020
Total Single Figure of Remuneration	$7,861,135	$6,217,856
Annual Cash Incentive Award Paid as a % of Maximum	87%	50%
Long-Term Incentive Award Paid as a % of Maximum	25%	12.5%

(1) For more details on the calculation of the Total Single Figure of Remuneration, please see the paragraph entitled "Executive Director's Single Figure Table".

Percentage of Change in Remuneration of the Chairman and CEO, non-executive directors and employees

The following table shows the percentage change in base salary, annual cash incentive and benefits for our Chairman and CEO, non-executive directors, and for the average of all employees of the Company in the United States was as follows. The Company considers that the remuneration of employees in the United States is an appropriate comparator against that of the Chairman and CEO, rather than of the whole Company, on the basis that the Chairman and CEO's remuneration tracks market practice and the regulatory environment in the United States. TechnipFMC plc has a limited number of employees, and comparison versus this group would not provide meaningful information.

	Percentage Change 2019-2020		
Chairman and CEO	**Base Salary[1]**	**Annual Cash Incentive**	**Taxable Benefits[2]**
Douglas P. Pferdehirt	-20%	-43%	-9%
Non-Executive Directors			
Arnaud Caudoux	N/A	N/A	N/A
Eleazar de Carvalho Filho	-20%	N/A	230%
Pascal Colombani	-2%	N/A	230%
Marie-Ange Debon	-17%	N/A	230%
Claire S. Farley	-20%	N/A	N/A
Didier Houssin	-22%	N/A	230%
Peter Mellbye	-20%	N/A	281%
John O'Leary	-20%	N/A	230%
Margaret Ovrum	n/a	N/A	N/A
Olivier Piou	-20%	N/A	N/A
Kay G. Priestly	-20%	N/A	230%
Joseph Rinaldi	-20%	N/A	36%
James M. Ringler	-16%	N/A	69%
John Yearwood	-20%	N/A	N/A
United States employees - Average	20.5%[3]	-11.5%	-11.1%

(1) For Non-Executive Directors, amount provided is annual cash retainer and meeting fees, and includes a temporary 30% reduction in annual retainer from May 1, 2020 to December 31, 2020. The reduction in base salary for the Chairman and CEO includes a temporary 30% reduction in base salary for the Chairman and CEO from May 1, 2020 to December 31, 2020.

(2) Non-Executive DIrectors are not eligible for any taxable benefits other than UK tax preparation assistance - the cost of UK tax preparation increased from an average cost of $1,366 for 2019 to an average cost of $3,382 in 2020.

(3) There was a 36% headcount reduction in the United States in 2020, average base salary was impacted by change in salary distribution.

CEO Pay Ratio Reporting

The table below sets out the ratio at median, 25th and 75th percentile of the total remuneration received by our Chairman and CEO compared to the total remuneration received by our U.K. employees – as well as comparing to base salary only. Total remuneration reflects all remuneration received by an individual in respect of the relevant years, and includes salary, benefits, pension, and value received from incentive plans. We believe that the median pay ratio shown in the table below is representative of pay and progression policies of the Company in the U.K.

Financial year	Option	Total Remuneration P25 (Lower Quartile)	Total Remuneration P50 (Median)	Total Remuneration P75 (Upper Quartile)	Base Salary Only P25 (Lower Quartile)	Base Salary Only P50 (Median)	Base Salary Only P75 (Upper Quartile)
2020	C	113:1	89:1	64:1	21:1	16:1	12:1
2019	C	133:1	115:1	80:1	24:1	22:1	15:1

Financial year	CEO Base Salary	CEO Total Remuneration	UK Employees P25 Base Salary	UK Employees P25 Total Remuneration	UK Employees P50 Base Salary	UK Employees P50 Total Remuneration	UK Employees P75 Base Salary	UK Employees P75 Total Remuneration
2020	$988,800	$6,217,856	$46,983	$54,863	$61,060	$69,891	$83,737	$96,782
2019	$1,236,000	$7,861,135	$51,039	$59,251	$57,292	$68,203	$81,636	$97,830

The Company has decided to use Option C to select the P25, P50 and P75 employees. This option was chosen since this provided the most reliable and accurate data to be used for pay ratio reporting, based on our system capabilities. The data used was as of December 31, 2020. We used a database that includes base salary, benefits, pensions, and incentive plans and selected the employees by comparing them on a full-time equivalent basis among 2,319 employees. For each of the percentiles, we selected a sample of 20 employees around the percentile, added overtime and shift allowance, and used the median of that sample. Overtime and shift allowance has the highest impact in this quartile. Due to operational constraints, we are not able to build a database including those extra elements for all employees. There has been no deviation from the single figure methodology in calculating the total remuneration for employees, and the methodology applied is the same as 2019.

The CEO pay ratios in 2020 are lower than the pay ratios in 2019, this is attributable to smaller payouts on the annual incentive and long-term incentive plans, which make up a larger percentage of the Chairman and CEO's total remuneration compared to other employees.

Pursuant to Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 402(u) of Regulation S-K as promulgated by the SEC, we also submit the following information in our Notice of 2021 Annual Meeting and Proxy Statement, available on our website. This illustrates the ratio of the total annual compensation of our Chairman and CEO to the total annual compensation of our median global employee for our last completed fiscal year, 2020. For 2020, the annual total compensation of our Chairman and CEO for purposes of determining the pay ratio was $12,920,601, and the annual total compensation of our median global employee was $69,891. As a result, for 2020, the ratio of the annual total compensation of our Chairman and CEO to the total annual compensation of our median global employee was approximately 185:1.

Relative Importance of Spend on Pay

The table below sets out data for 2019 and 2020.

Relative spend information	2019	2020	% Change
Remuneration for All Global Employees	$2,552,670,000	$2,546,164,680	-0.3%
Distributions to Shareholders	$232,794,756	$58,279,193	-75.0%

Remuneration of Non-Executive Directors

The following table presents the fees paid to the Company's non-executive directors for the year ended 31 December 2020, pursuant to our Directors' Remuneration Policy, which was approved at our 2018 Annual Meeting. Our current Chairman and CEO, Mr. Pferdehirt, is not included in the table below as he was an employee during 2020 and did not receive any additional compensation for his service as a director.

Non-Executive Directors' Single Figure Table (Audited Information)

	2020 ($000s)					2019 ($000s)				
Non-Executive Director	Base fees[1]	Additional fees[2]	Stock Awards[3]	Taxable benefits[4]	Total	Base fees	Additional fees	Stock Awards	Taxable benefits	Total
Arnaud Caudoux[5]	0	0	0	0	0	0	0	0	0	0
Eleazar de Carvalho Filho	80	10	175	3.6	268.6	100	12.5	175	1.1	288.60
Pascal Colombani	80	67.5	175	3.6	326.1	100	50	175	1.1	326.10
Marie-Ange Debon	80	30	175	3.6	288.6	100	32.5	175	1.1	308.60
Claire S. Farley	80	17.5	175		272.5	100	20	175	1.1	296.10
Didier Houssin	80	17.5	175	3.6	276.1	100	25	175	1.1	301.10
Peter Mellbye	80	27.5	175	4.2	286.7	100	35	175	1.1	311.10
John O'Leary	80	10	175	3.6	268.6	100	12.5	175	1.1	288.60
Margaret Øvrum[6]	17.5	2.5	0	0	20	N/A	N/A	N/A	N/A	N/A
Olivier Piou[7]	80	17.5	306.2	2	405.8	58.3	12.5	0	1.1	71.90
Kay G. Priestly	80	10	175	3.6	268.6	100	12.5	175	2.67	290.17
Joseph Rinaldi	80	20	175	3.6	278.6	100	25	175	2.16	302.16
James M. Ringler	80	25	175	3.6	283.6	100	25	175	0	300.00
John Yearwood[7]	80	20	306.2	1.9	408.1	58.3	15	0	0	73.3

(1) Includes temporary 30% reduction in annual cash retainer from May 1, 2020 to December 31, 2020.

(2) Includes the amount of fees paid for attendance at committee meetings and additional fees paid to the Chair of each Board committee and to the Lead Independent Director.

(3) Restricted stock unit grants were made on March 9, 2020, valued at $9.29 per share, the closing price on the NYSE of the Company's Ordinary Shares on such date. The amount provided in this column reflects the face value of the RSU grants. The annual RSU grant vests after one year of service but is settled in Ordinary Shares on a date elected by the non-executive director that is either (a) after a period of 1 to 10 years from the

grant date or (b) upon their separation from Board service. RSUs granted prior to 2020 vested after one year of service and will be settled upon separation from Board service. The RSUs are forfeited if a director ceases service on the Board prior to the vesting date of the RSUs, except in the event of death or disability. Unvested RSUs will be settled and are payable in Ordinary Shares upon the death or disability of a director or in the event of a change in control of the Company. The aggregate outstanding RSUs held by each of the Company's non-executive directors, other than Ms. Øvrum and Messrs. Piou and Yearwood on December 31, 2020 was 38,033 RSUs (19,196 of which were vested but not yet settled in Ordinary Shares as of December 31, 2020). Messrs. Piou and Yearwood held 32,965 RSUs as of December 31, 2020, which were unvested. Ms. Øvrum joined the Board of Directors on October 1, 2020. She will receive a pro-rated grant of RSUs for her service in 2020 as part of her annual grant in 2021. Dividend equivalents will accumulate on the RSUs to the extent the Company pays dividends on its Ordinary Shares.

(4) Includes assistance for annual individual U.K. tax return.

(5) Mr. Caudoux waived his cash and equity remuneration because of the policies of his employer, Bpifrance.

(6) Ms. Ovrum joined the Board of Directors on October 1, 2020. She will receive a prorated grant of RSUs for her service in 2020 as part of her annual grant in 2021.

(7) Messrs. Piou and Yearwood joined the Board of Directors of the Company on June 1, 2019. They each received a prorated grant of restricted stock units for their service in 2019 as part of their grant in 2020.

Non-Executive Director Share Ownership (Audited Information)

To further align the interests of non-executive directors with the interests of the Company's shareholders, each non-executive director is subject to a share ownership requirement of five times the annual cash retainer. The following table shows, as of 31 December 2020, the number of our Ordinary Shares owned by each of our non-executive director.

Non-Executive Director	Share ownership requirements	Number of shares required to hold	Number of shares owned outright[1]	Interest in shares	Total number of shares held
Arnaud Caudoux	-	-	-	-	-
Eleazar de Carvalho Filho	$500,000	31,915	43,401	18,837	62,238
Pascal Colombani	$500,000	31,915	20,016	18,837	38,853
Marie-Ange Debon	$500,000	31,915	20,026	18,837	38,863
Claire S. Farley	$500,000	31,915	73,705	18,837	92,542
Didier Houssin	$500,000	31,915	19,996	18,837	38,833
Peter Mellbye	$500,000	31,915	30,189	18,837	49,026
John O'Leary	$500,000	31,915	32,796	18,837	51,633
Margaret Ovrum[2]	-	-	-	-	-
Olivier Piou	$500,000	10,638	33,000	32,965	65,965
Kay G. Priestly	$500,000	31,915	28,357	18,837	47,194
Joseph Rinaldi	$500,000	31,915	19,996	18,837	38,833
James M. Ringler	$500,000	31,915	188,653	18,837	207,490
John Yearwood	$500,000	10,638	-	32,965	32,965

(1) Includes Ordinary Shares owned by the individual and Ordinary Shares subject to RSUs credited to individual accounts of non-executive directors as part of the annual equity grant. As of 31 December 2020, the number of Ordinary Shares subject to RSUs credited to each non-executive director as part of the annual equity grant was 19,196, except for Messrs. Piou and Yearwood, who joined the Board in June 2019, and Mr. Caudoux who waived his cash and equity remuneration because of the policies of his employer, Bpifrance. The annual RSU grant vests after one year of service but is settled in Ordinary Shares on a date elected by the non-executive director that is either (a) after a period of 1 to 10 years from the grant date or (b) upon their separation from Board service. RSUs granted prior to 2020 vested after one year of service and will be settled upon separation from Board service. Directors have no power to vote or dispose of shares underlying the RSUs until they are distributed. Until such distribution, these directors have an unsecured claim against us for such units.

(2) Ms. Øvrum joined the Board in October 2020. As such, she was not subject to share ownership requirements as of December 31, 2020.

All of our Directors met their pro-rated share ownership requirements as of December 31, 2020.

Mses. Øvrum and Zurquiyah joined the Board in October 2020 and April 2021, respectively, and therefore, did not hold any equity awards as of December 31, 2020. Mr. Caudoux waived his annual cash and equity remuneration because of the policies of his employer, Bpifrance, and accordingly, he was not subject to any share ownership requirements.

Impact of Spin-off on Non-Executive Director Stock Awards

On February 16, 2021, TechnipFMC separated into two independent, publicly traded companies, TechnipFMC and Technip Energies. Upon the completion of the Spin-off, Ms. Debon and Messrs. Caudoux, Colombani, Houssin, and Rinaldi resigned from our Board and joined the Board of Directors of Technip Energies. Mr. Piou also resigned from our Board, effective February 16, 2021.

For Ms. Debon and Messrs. Colombani, Houssin, and Rinaldi, vesting for their RSUs granted on March 9, 2020 was accelerated to a date two weeks prior to the Spin-off date (February 2, 2021). All of their vested equity awards were distributed to them on February 2, 2021, upon separation from service from our Board.

For our current Board, their RSUs granted on March 9, 2020 were adjusted using an adjustment ratio, calculated as the ratio of the closing price of TechnipFMC on the NYSE on the date immediately prior to the Spin-off to the closing price of TechnipFMC on the NYSE on the date immediately after the Spin-off. The vesting date of March 9, 2021 remained the same. Our current directors' vested 2017, 2018, and 2019 RSUs were also adjusted using the adjustment ratio.

Application of the policy in 2021

Compensation for directors is recommended annually by the Compensation Committee with the assistance of Willis Towers Watson and approved by the Board.

The Directors' Remuneration will be implemented with effect from the 2021 Annual Meeting (May 20, 2021) as follows:

Salary and Benefits

Chairman and CEO	2020 Base Salary[1]	2021 Base Salary	Increase
Douglas J. Pferdehirt	$1,236,000	$1,236,000	0%

(1) The 2020 base salary provided does not include the temporary pay reduction of 30% from May 1, 2020 to December 31, 2020.

Benefits and Pension

No changes are being made.

Annual Bonus

The bonus opportunity and operation for 2021 will be in line with the Directors' Remuneration Policy. The measures and weightings for the year will be as follows:

BPI	75%
EBITDA as a Percentage of Revenue	25%
Free Cash Flow Conversion	25%
ESG Performance	25%
API	25%
Total	**100%**

The 2021 annual incentive performance targets will be disclosed in our 2021 U.K. Annual Report.

Long-term Incentive Plan

The grant of any of these awards is always subject to the discretion of the Compensation Committee. Our annual 2021 Long-Term Equity grant (excluding any exceptional, one-time grants) will be based on the measures outlined in the table below.

Long-Term Equity	Weighting	Vesting	Performance Measure	Why It Matters
Performance Stock Units	70% of total long-term equity	Three-year cliff vesting	Relative TSR: Cumulative three-year increase in volume-weighted average price and reinvested dividends relative to peers	Assesses our overall performance in the eyes of our shareholders and the broader stock market, relative to companies with whom we compete for customers and investors that are subject to similar macro-economic factors
Restricted Stock Units	30% of total long-term equity	Three-year cliff vesting	N/A	Further align our Chairman and CEOs' interests with the interests of our shareholders by incentivizing them to increase share price, while reinforcing the retention impact of our compensation program

We believe that relative TSR is a meaningful measure of our long-term performance and motivates our Chairman and CEO to achieve superior share price compared to our key competitors, thus aligning their interests with shareholder interests. We further reinforce this by requiring a minimum threshold of relative performance for payout and by capping payout in the case of negative TSR.

The relative TSR performance for our 2021 PSU awards will be measured against a Relative TSR Peer Group that the Compensation Committee believes best reflects the companies that we compete with for both investments and customers. The financial and operational performance of these companies are most directly relevant to TechnipFMC, and we are all subject to similar macro-economic factors.

The following are the targets in relation to the 2021 PSU awards:

Performance Achievement	Relative TSR Performance	Payout (% of earned PSUs)
Below Threshold	Below 25th percentile	0%
Threshold	25th percentile	50%
Target	42nd percentile	100%
Maximum or above	75th percentile or greater	200%

Note: If the Company's absolute TSR is negative for the performance period, the payout in respect of the TSR element will be capped at target, regardless of our relative performance.

For performance achievement between the levels identified above, payout percentage will be interpolated on a straight-line basis.

Non-Executive Director fees

For the year ending December 31, 2021, our non-executive director compensation program consists of cash consideration and restricted stock unit awards. The following table describes the components of our non-executive director compensation program.

In April 2020, as a result of the global COVID-19 pandemic, sharp decline in oil prices, and the resulting impact on our business, the annual cash retainers for our Board of Directors was reduced by 30% for the remainder of 2020, effective May 1, 2020. The annual cash retainer was reinstated to 100% effective January 1, 2021.

Compensation Element	Compensation 2020	Compensation 2021	% increase
Annual Retainer	$100,000 paid in cash.[1]	$100,000 paid in cash.	0%
Annual Equity Grant	$175,000 in RSUs, vesting after one year of service. Non-executive directors can elect the year in which they will take receipt of the equity grants from either (a) a period of 1 to 10 years from the grant date or (b) upon their separation from Board service. The elections are made prior to the beginning of the grant year and are irrevocable after December 31st of the year prior to grant. RSUs granted prior to 2020 vested after one year of service and will be settled upon separation from Board service.	$175,000 in RSUs, vesting after one year of service. Non-executive directors can elect the year in which they will take receipt of the equity grants from either (a) a period of 1 to 10 years from the grant date or (b) upon their separation from Board service. The elections are made prior to the beginning of the grant year and are irrevocable after December 31st of the year prior to grant.	0%
Annual Chair Fee	$20,000 for Audit Committee	$20,000 for Audit Committee	0%
	$15,000 for Compensation Committee	$15,000 for Compensation Committee	0%
	$10,000 for Environmental, Social, and Governance Committee	$10,000 for Environmental, Social, and Governance Committee	0%
Annual Lead Independent Director Fee	$50,000	$50,000	0%
Meeting Fee	$2,500 per committee meeting	$2,500 per committee meeting	0%
Stock Ownership Requirement	Five times annual retainer	Five times annual retainer	0%

(1) The 2020 Annual Retainer provided does not include the temporary reduction of 30% from May 1, 2020 to December 31, 2020.

Our Chairman and CEO is an employee and does not receive any additional compensation for his service as a director. Each non-executive director receives reimbursement for reasonable incidental expenses incurred in connection with the attendance at Board and committee meetings.

Activities of the Compensation Committee in 2020

Our Compensation Committee comprising independent non-executive directors oversees our executive compensation program and determines the compensation for our executive officers on behalf of the Board. The Compensation Committee is responsible for, among other things, reviewing, evaluating, and approving:

- The agreements, plans, policies, and programs of the Company to compensate its independent directors, Chairman and CEO, and other officers, as applicable; and
- All awards of equity securities or equity derivatives to executive officers of the Company, as well as the total number of equity securities or equity derivatives to be allocated to all other employees at the discretion of the CEO, consistent with equity plans approved by the Company's shareholders.

The Compensation Committee also reviews the Company's incentive compensation arrangements to ensure that they do not incentivize excessive risk-taking and evaluates compensation policies and practices that could mitigate any such risk.

The Compensation Committee's charter may be viewed on our website at ***www.technipfmc.com*** under the heading "*About us > Governance*."

Under its charter, the Compensation Committee has the sole authority to retain and terminate a compensation consultant, outside counsel, or any other advisors engaged to assist in the evaluation of compensation of directors, as well as the sole authority to approve the consultant's fees and its terms, which are then paid by the Company (within any budgetary constraints imposed by the Board). Our Chairman and CEO does not discuss compensation matters with the Compensation Committee's consultant, except as needed to respond to questions from the consultant.

In 2020, in order to ensure our compensation programs are aligned with peer group and industry best practices, the Compensation Committee retained Willis Towers Watson as its principal compensation consultant to provide information and advice to the Compensation Committee on executive and director compensation and related governance matters. The firm was engaged in 2016, through a tender process, to advise on our 2017 merger and then subsequently confirmed in 2017 as compensation advisors to the Compensation Committee. Fees are based on a fixed fee offset, based on an assumed set of activities. Services carried out by Willis Towers Watson in 2020 included evaluating our director and executive compensation programs against general market and peer data, and providing updates on current executive compensation trends and applicable legislative and governance activity. In 2020, Willis Towers Watson was paid approximately $313,000 in fees related to executive compensation services. In addition, Willis Towers Watson provided non-executive compensation services in 2020, totaling $1,694,000 in fees, which included retirement benefit consultant services, health and group benefits consulting services, and corporate risk and brokering services to management.

In February 2021, the Compensation Committee considered the independence of Willis Towers Watson in accordance with applicable law. At the request of the Compensation Committee, Willis Towers Watson prepared a letter providing data on the following factors relevant to assessing independence: (a) other services provided to the Company by Willis Towers Watson; (b) fees paid by the Company as a percentage of Willis Towers Watson's total revenue; (c) policies and procedures maintained by Willis Towers Watson that are designed to prevent a conflict of interest; (d) any business or personal relationships between the individual consultants involved in the engagement and a member of the Compensation Committee; (e) any ordinary shares owned by the individual consultants involved in the engagement or their immediate family members; and (f) any business or personal relationships between our executive officers and Willis Towers Watson or the individual consultants involved in the engagement. The Compensation Committee also considered that the Willis Towers Watson consultants advising the Compensation Committee derived no economic benefit from the fees paid for the non-executive compensation services. The Compensation Committee discussed these considerations and concluded that the work of Willis Towers Watson and the consultants involved in the engagement did not raise any conflict of interest.

Compensation Committee Members

All members of the Compensation Committee are independent. The Compensation Committee met five times in 2020 and all members attended each meeting. The Compensation Committee currently comprises James Ringler (Chair), Claire S. Farley, John O'Leary and John Yearwood.

The Compensation Committee's Activities during the Year Ended December 31, 2020

Each year, the Compensation Committee approves an annual calendar which sets out the key activities in accordance with its charter. The key activities of the committee in 2020 were as follows:

Q1	Q2–Q3	Q4
Approve compensation decisions and equity awards for directors and officers Approve Company performance achievements for prior year in relation to annual and long-term incentive plans Review and discuss executive compensation strategy, structure, and programs Approve annual compensation disclosures in Company proxy statement and U.K. annual report	Review executive officer share ownership guidelines and compliance Discuss shareholder engagement outcomes and review annual meeting vote results	Review internal governance policies (e.g., clawback, insider trading policy, anti-hedging, pledging) and compliance Approve equity programs, annual equity budget for non-executives, and impact on shareholder dilution Review of peer compensation practices

Statement of Voting at Annual Shareholders’ Meeting

At our 2020 annual general meeting of shareholders, 86.4% of votes cast approved our 2019 Remuneration Report with 13.6% voting against the report (percentages subject to rounding), and 414,793 abstaining. At our 2019 annual general meeting of shareholders, our Remuneration Policy was approved by 76.7% of shareholders, with 23.3% of votes cast against the policy and 487,136 votes abstaining. The Compensation Committee has carefully considered the results of the advisory votes as it completed its annual review of our compensation program. An integral component in the evaluation and review of our compensation program is our shareholder engagement initiatives, explained in further detail in the letter from our Compensation Committee Chairman.

At the 2021 annual general meeting of shareholders, the Directors’ Remuneration Policy will be subject to a binding shareholder vote and will be effective upon approval by shareholders. The proposed Directors’ Remuneration policy is provided in the section below.

We have continued our shareholder engagement program of soliciting feedback on our director compensation program structure and decisions, and our Compensation Committee considers shareholder feedback as it evaluates and reviews the compensation program each year.

On behalf of the Board

James M. Ringler
Director and Compensation Committee Chairman

April 9, 2021

Remuneration Policy

This section of the report sets out the remuneration policy for the executive and non-executive directors which shareholders are asked to approve at the Annual General Meeting of Shareholders in 2021.

Decision Making Process for Remuneration

Our Compensation Committee comprising independent non-executive directors oversees our executive compensation program and determines the compensation for our executive officers on behalf of the Board. The Compensation Committee is responsible for, among other things, reviewing, evaluating, and approving the agreements, plans, policies, and programs of the Company to compensate its Chairman and CEO and its independent directors. The Compensation Committee also reviews the Company's incentive compensation arrangements to ensure that they do not incentivize excessive risk-taking and evaluates compensation policies and practices that could mitigate any such risk.

In 2020, the Compensation Committee retained Willis Towers Watson as its principal compensation consultant to provide information and advice to the Compensation Committee on executive and director compensation and related governance matters. This included evaluating our director and executive compensation programs against general market and peer data and providing updates on current executive compensation trends and applicable legislative and governance activity.

In determining the target compensation package for the Chairman and CEO, the Compensation Committee compares each element and combined total of the Chairman and CEO's compensation to data for relevant roles within the Compensation Peer Group. In setting target compensation, the Compensation Committee also considers market median data, as well as other factors including the experience, tenure, role criticality, and performance of the Chairman and CEO. The Compensation Committee, in partnership with its independent compensation consultant, determines and approves any changes to compensation for the Chairman and CEO, who is not present during these discussions. In addition, any changes to the Chairman and CEO's target compensation are in accordance with the shareholder-approved Directors' Remuneration Policy.

To avoid conflicts of interest, no board member is present in the discussion of their own remuneration and independent advice is provided by our Committee advisors.

Future Policy Table for Executive Directors

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

Base Salary	
Purpose and link to strategy	To attract and retain exceptionally talented individuals who deliver superior operational performance in the Company's businesses and create an environment that fosters the innovation necessary for continued growth of the Company's revenue, earnings and shareholder returns.
Operation	Normally reviewed annually or following a change in responsibilities with changes usually taking effect from March 1. The Compensation Committee considers the following parameters when setting and reviewing base salary levels: ▸ pay increases for other employees across the Company; ▸ economic conditions and governance trends; ▸ the individual's performance, skills, and responsibilities; ▸ base salaries of companies of a similar size and international scope; and ▸ market pay levels. Salaries are normally paid in the currency of the executive director's home country.
Maximum payment	Salary increases will ordinarily be in line with increases awarded to other employees in the Company. The Compensation Committee reserves the discretion to increase salary levels in appropriate circumstances such as where the nature or scope of the executive director's role or responsibilities changes or in order to be competitive at the median level of peer companies. Salary adjustments may also reflect wider market conditions in the geography in which the executive director is based.
Performance assessment	Overall performance of the executive director is considered by the Compensation Committee when setting salaries annually.
Provisions to recover sums paid or the withholding of payments	Not applicable.

Pension and Other Retirements Benefits	
Purpose and link to strategy	Provides competitive post-retirement benefits.
Operation	Provision of market competitive retirement benefits, inclusive of cash in lieu, that may vary based on the location. The Chairman and CEO currently participates in the Company's U.S. Qualified Savings Plan and U.S. Non-Qualified Savings Plan. These plans are also offered to other U.S. employees. Further detail on current pension provisions for executive directors is disclosed in the Annual Report on Remuneration.
Maximum payment	Retirement or pension benefits vary by geography and this makes it difficult to provide a maximum payment level. Based on the single figure valuation approach, for the 2020 financial year, the employer contributions to the U.S. 401(K) and non-qualified pension plan for the Chairman and CEO was $247,770. However, it is recognized that this value may fluctuate yearly.
Performance assessment	None.
Provisions to recover sums paid or the withholding of payments	Not applicable.

Annual Performance Bonus	
Purpose and link to strategy	Incentivizes achievement of the Company's annual financial and strategic targets. Provides focus on key financial metrics and the individual's contributions to the Company's performance.
Operation	▸ Performance measures and stretching targets are set annually in advance by the Compensation Committee by reference to the annual operating plan. ▸ The majority of the bonus will be based on financial performance. However, operational, strategic and individual targets may also be used. ▸ 75% of the bonus is based on a BPI comprising financial and ESG metrics, and 25% of the bonus is based on an API comprising personal targets. ▸ The award is usually paid out in cash after the end of the financial year. ▸ The Compensation Committee has discretion to amend the level of payment if it is not deemed to reflect appropriately the individual's contribution or the overall business performance. Any discretionary adjustments will be detailed in the following year's annual report on remuneration. ▸ The Compensation Committee retains the discretion to make other bonus payments on an exceptional basis when it considers this to be appropriate in the context of Company and executive performance, and when it is considered to be in the best interests of our shareholders. Where such bonuses are paid, we would seek to restrict the value to the limit in this policy.
Maximum payment	▸ The maximum annual bonus target for 2021 is currently set at 270% of base salary for the Chairman and CEO. This equates to 200% of target value. ▸ For threshold performance, the bonus pays out from 0% of target value. ▸ For "on-target" performance up to 100% of target value may be earned. ▸ For maximum performance up to 200% of target value may be earned. The Compensation Committee retains the discretion to increase the bonus target in circumstances it deems appropriate, such as for a change in market levels.
Performance assessment	▸ Performance measures and stretching targets are set annually by the Compensation Committee by reference to the annual operating plan and renewed throughout the year by the Compensation Committee and the Environmental, Social, and Governance Committee. ▸ The Compensation Committee has discretion to vary the weighting of these measures over the life of this remuneration policy. Further details are set out in the annual report on remuneration.
Provisions to recover sums paid or the withholding of payments	Clawback provisions apply as described on page 63 of the 2017 U.K. Annual Report on Remuneration.

Long-term Incentive Schemes	
Purpose and link to strategy	Incentivizes executives to deliver superior long-term returns to shareholders.
Operation	Long-term incentives are granted under the TechnipFMC plc Incentive Award Plan (the "**Incentive Plan**"). This is an omnibus arrangement whereby a variety of award types may be granted, including: performance stock units, restricted stock units, stock options, cash settled awards, and share appreciation rights. For 2021, long-term award grants comprise: ▸ Performance Stock Units ("**PSUs**"): an award of shares subject to performance conditions assessed over a period of 3 years; and ▸ Restricted Stock Units ("**RSUs**"): an award of shares that vest 3 years from grant. Stock options have been excluded from the long-term award grants since 2020. However, the Committee retains the right to issue stock options in the future should it consider it to be appropriate. The type and weighting of awards granted each year is determined annually by the Compensation Committee at its discretion. A minimum of 50% will be performance based. However, it is the current intention of the Compensation Committee for the weighting for the Chairman and CEO based on the fair value at the grant date to be, for 2021: ▸ 60% Performance Stock Units; and ▸ 40% Restricted Stock Units. The Compensation Committee has discretion to vary the weighting of the performance measures over the life of this remuneration policy. Executive directors will be eligible for any dividends paid and accumulated on RSUs and PSUs during the performance or vesting period. No dividend equivalents will be payable on Stock Options.
Maximum payment	▸ The maximum grant date fair value of long-term incentive awards granted to the Chairman and Chief Executive Officer will be $18 million per annum. ▸ PSUs pay out at 25% of target for achievement of threshold performance. ▸ The Compensation Committee retains the discretion to adjust the actual value of awards granted under the Plan in circumstances it deems appropriate but in no way should the total exceed $18 million.

Continued overleaf >

Performance Assessment (applicable to performance based RSUs only)	▸ Long-term incentive awards except PSUs are not subject to achievement of performance targets other than vesting periods. This is in line with market practice in the U.S. ▸ For PSUs, the vesting of awards is linked to a range of performance measures that may include, but are not limited to: ▸ a growth measure (for example, net sales, EPS); ▸ a measure of the Company performance on environmental, social, and governance metrics; ▸ a measure of efficiency (for example, operating margin, operating cash conversion, ROIC); and ▸ a measure of the Company's relative performance in relation to its peers (for example, relative total shareholder return). ▸ Measures and targets will be determined by the Compensation Committee annually at its discretion prior to grant and will be set out in the annual report on remuneration. ▸ The Compensation Committee has discretion to amend the performance conditions in exceptional circumstances if it considers it appropriate to do so. Any such amendments would be disclosed and explained in the following year's annual report on remuneration.
Provisions to recover sums paid or the withholding of payments	Clawback provisions apply as described on page 63 of the 2017 U.K. Annual Report on Remuneration.

All Employee Share Scheme	
Purpose and link to strategy	To enable executive directors to participate in share purchase schemes applicable to all-employees on the same basis as other employees.
Operation	Whilst the Company does not currently operate all employee share purchase schemes were it to obtain shareholder approval to do so during the term of the remuneration policy executive directors would be eligible to participate in such a plan on the same terms as other eligible employees not inconsistent with this policy.
Maximum payment	Subject to the terms of any such Plan approved and consistent with all employee limits.
Performance assessment	None
Provisions to recover sums paid or the withholding of payments	None

Benefits and Perquisites	
Purpose and link to strategy	To provide market competitive benefits and to facilitate the performance of executive directors in their duties.
Operation	Executive directors are eligible to receive benefits, that may include, but are not limited to: financial planning, personal tax assistance, use of company cars and club memberships (primarily business related), medical, vision and dental benefits, sickness, death and dismemberment benefits, work related travel, and security expenses for the director and spouse and matching charity contributions. Benefits may vary by location. The Compensation Committee has discretion to offer additional allowances or benefits to executive directors, if considered appropriate and reasonable. These may include relocation expenses, housing allowance and school fees where an executive director has to relocate from his/her home location as part of his/her duties.
Maximum payment	The actual value of benefits and perquisites varies year on year depending on the cost to the business and individual director's circumstances. The benefits package is set at a level that the Compensation Committee considers: ▸ provides an appropriate level of benefits depending on the role and individual circumstances; and ▸ in line with comparable benefits in companies of a similar size and complexity in the market.
Performance assessment	None.
Provisions to recover sums paid or the withholding of payments	Not applicable.

Legacy Obligations

The Compensation Committee reserves the right to make any remuneration payments that are outside of this remuneration policy if they were agreed to prior to this remuneration policy being enacted, provided that the terms of payment were consistent with any applicable shareholder approved remuneration policy in force at the time they were agreed or were otherwise approved by shareholders. The Compensation Committee also reserves the right to make any remuneration payments that were agreed to prior to the relevant individual becoming an executive director of the Company. Payments include share-based and cash-based incentives and/or salary, benefits, pension and other payments.

Performance Target Selection

The performance targets for the annual bonus and long-term incentive plan are set each year prior to the grant date, taking into account: market practice at peer companies; practice within the wider group; and our strategic and financial business plan over the short and long-term.

The measures we select are chosen due to their link and importance to the strategy and our Key Performance Indicators. We select measures intended to provide a balance between growth, efficiency and relative outperformance.

Non-Qualified Deferred Compensation

Our U.S.-based executives, including our Chairman and CEO, are eligible to participate in the U.S. Non-Qualified Savings Plan, which provides executives and other eligible employees with the opportunity to participate in a tax advantaged savings plan comparable to the U.S. Qualified Savings Plan. The investment options offered to participants in the U.S. Non-Qualified Savings Plan are similar to those offered in our U.S. Qualified Savings Plan. Participants may elect to defer up to 90% of their base pay and/or annual cash incentive into the U.S. Non-Qualified Savings Plan. The Company contributes 5% of the employee's contributions to the U.S. Non-Qualified Savings Plan. Participants are 100% vested in their contributions and the employer contributions. For those participants in the U.S. Non-Qualified Savings Plan eligible to receive the non-elective contribution, we will contribute an additional 2% of the employee's contributions to the U.S. Non-Qualified Savings Plan. Similar to the U.S. Qualified Savings Plan, eligible participants in the U.S. Non-Qualified Savings Plan become vested in their non-elective contributions after three years of service with the Company. In addition, for these eligible participants, we will make a contribution on annual compensation that exceeds the maximum compensation limit required by the U.S. Internal Revenue Code of 1986, as amended, for our U.S. Qualified Savings Plan. The intent of our contributions to the U.S. Non-Qualified Savings Plan is so that eligible employees receive the same contribution as a percentage of eligible earnings from the company regardless of compensation level. All vested funds must be distributed upon an employee's termination or retirement from the Company.

Approach to Recruitment Remuneration

- The Compensation Committee's approach to recruitment remuneration is to pay no more than is necessary to attract appropriate candidates to the role.
- The Compensation Committee will seek to structure pay for any new director in line with the remuneration policy. The Compensation Committee does not envisage paying above the levels set out in the policy for a new executive's ongoing package.
- Where it is necessary to "buy out" an individual's awards from a previous employer, the Compensation Committee will seek to match the expected value of the awards and to grant awards that vest over a time frame similar to those given up, with a commensurate reduction in quantum where the new awards will be subject to performance conditions that are not as stretching as those on the awards given up. Where recruitment payments or awards are intended to replace pay forfeited by the individual, the value of such awards will not be limited to those limits set out in the remuneration policy, but will be determined by the Compensation Committee at its discretion.
- The Compensation Committee may agree to relocation expenses and other associated expenses when negotiating the employment conditions.
- For an internal promotion, any outstanding incentive awards or bonuses may be permitted to continue, or be adjusted to reflect the new position.

Service Agreements

Our Chairman and CEO and non-executive directors have not entered into service agreements. Our Chairman and CEO has severance and change in control protections as detailed in relation to potential loss of office payments are set out below.

If an Executive Director were to be subsequently appointed under a Service Agreement during the term of the Policy it is intended that the Service Agreement would likely contain provisions in relation to the following:

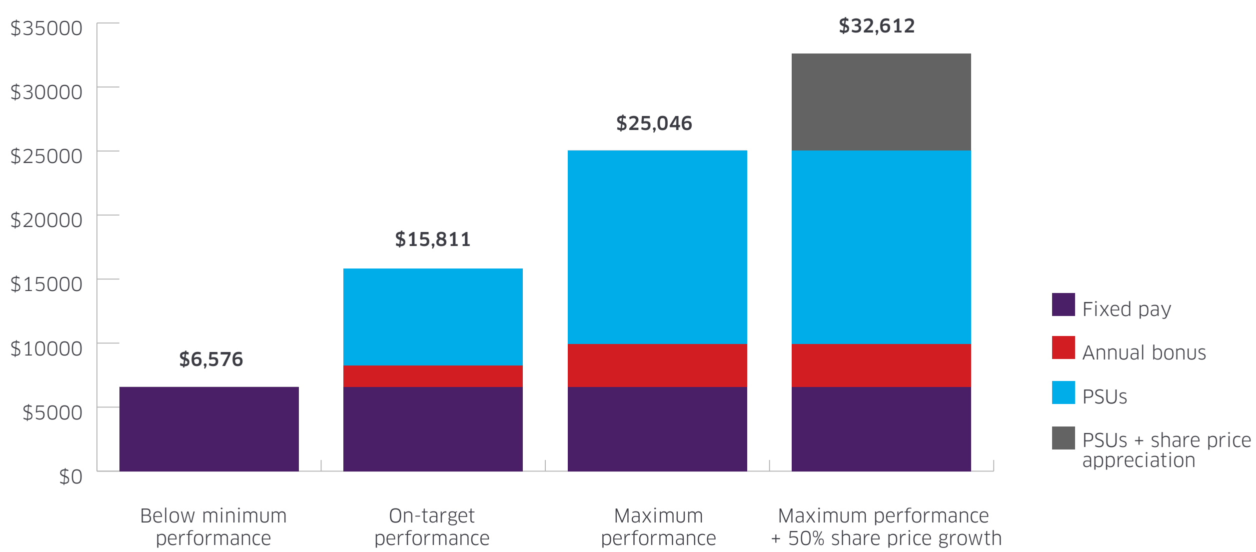
ITEM	Provision (not definitive) *
Remuneration	Base salary Pension and retirement benefits Healthcare and life insurance benefits Annual leave Financial planning assistance Miscellaneous – car benefits, club membership, security arrangements, etc. Eligibility for the annual cash incentive plan and long-term equity awards, subject to the terms of the Incentive Plan
Change of control	The extent to which there any specific provisions and their source
Term and Notice Period	Term of agreement and minimum notice period from employer and employee
Severance /Termination period	Form and level
Restrictive covenants	During employment and period post-employment as applicable

*Summary details to be subsequently confirmed post appointment in the following year's Annual Report on Remuneration.

Illustrations of Application of Directors' Remuneration Policy

The charts below illustrate the potential value of total remuneration that could be received by the Chairman and CEO under the proposed 2021 Policy. The charts illustrate remuneration payable at minimum, target and maximum payouts along with maximum payout incorporating an illustrative share price appreciation on shares granted under the long-term variable pay plan. The total remuneration under each scenario is made up of fixed pay (base pay, taxable benefits and retirement benefits per the single figure of remuneration, as well as face value of restricted stock awards at grant), annual variable pay (annual bonus at minimum, target and maximum performance) and long-term variable pay (performance stock awards at minimum, target and maximum performance, and including 50% share price appreciation).

Chairman and CEO 2021 Potential Total Remuneration ($000)



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

Performance	Fixed pay	Annual variable pay	Long-term variable pay
Threshold performance / Minimum pay-out	Chairman and CEO Base pay for 2021: $1,236,000 Chairman and CEO taxable benefits as per the single figure of remuneration: $48,659 Chairman and CEO retirement benefits as per the single figure of remuneration: $247,770 Chairman and CEO face value of restricted stock awards at grant: $5,044,000	n/a	n/a
On-target / "expected" performance	Fixed Pay (see above)	On-target bonus (100% of target). For 2021: 135% of salary for the Chairman and CEO.	Performance Stock Units at 100% of target. For 2021: face value of $7,566,000 for the Chairman and CEO.
Maximum performance	Fixed Pay (see above)	Maximum bonus (200% of target). For 2021: 270% of salary for the Chairman and CEO.	Performance Stock Units at 200% of target. For 2021: face value of $15,132,000 for the Chairman and CEO.

Policy on Payment for Loss of Office

The Compensation Committee will seek to ensure that all payments for loss of office are reasonable and in the long-term interests of shareholders and the business. The Compensation Committee will generally take into account the circumstance of the loss of office and performance of the director.

The Compensation Committee reserves the right to:

- pay legal fees, financial planning or outplacement costs;
- pay an annual bonus for the year of cessation;
- retain or accelerate vesting of outstanding long-term incentive awards; and
- continue taxable benefits and retirement benefits during the period.

It is our policy to offer severance benefits to our executive directors because we believe that severance benefits provide important financial protection to directors in the event of involuntary job loss, are consistent with the practices of peer companies and are appropriate for the retention of executive talent. Under our executive severance plan, if our Chairman and CEO is terminated without cause, he is entitled to receive 18 months of severance pay (limited to base pay and the target annual cash incentive), his pro-rated target annual cash bonus through the date of termination, the continuation of medical and dental benefits for 18 months at the employee premium rate, outplacement assistance, and financial planning and tax preparation assistance for the last calendar year of employment. The availability of these severance benefits is conditioned on the Chairman and CEO's compliance with non-disclosure, non-compete, and non-solicitation covenants.

In the event of a termination without cause, termination for good reason, or voluntary retirement, any performance-based incentive payments are subject to our actual attainment of performance goals. The terms of our executive severance plan are consistent with the market practice of large public companies surveyed by Willis Towers Watson. Change in control severance benefits, as described below, and severance benefits are exclusive of one another, and in no circumstance, would any executive director receive benefits under both a change in control and the executive severance plan.

Non-executive directors may be terminated early by either the Company or the non-executive director giving one month's written notice. Non-executive directors are not entitled to any severance compensation on termination. However, all vested share awards will be settled at the discretion of the Compensation Committee and the Compensation Committee retains the right to accelerate vesting for any outstanding share awards.

Potential Payments upon Change in Control

It is the Company's policy to operate change in control benefits to ensure that directors have an incentive to continue to work in the Company's best interest during the period of time when a change in control transaction is taking place and in order to ensure continuity of management. The benefits payable upon a change in control are comparable to benefits offered to director positions at peer companies.

The Company has entered into an executive severance agreement with our Chairman and CEO. Pursuant to this agreement, in the event of termination following a qualifying change in control and a qualifying adverse change in employment circumstances, the Chairman and CEO will be entitled to the following benefits:

- full vesting of any share awards;
- three times his annual base pay and annual target bonus;
- a pro-rated payment equal to the amount of his annual target bonus for the year which he is terminated;
- accrued but unpaid base pay and unused paid time off;
- elimination of ownership and retention guidelines;
- awards granted under the Company's Incentive Plan and other incentive arrangements adopted by the Company's will be treated pursuant to the terms of the applicable plan;
- an amount equal to the total monthly premium payable for his coverage (and if applicable spouse and dependent coverage) under the Company's health, dental, vision, prescription drug life, accidental death and dismemberment insurance and long-term disability insurance coverage for 36 months;
- reimbursement for the costs of all outplacement services obtained by him within 18 months of the termination date (limited to the lesser of 15% of his base pay on termination and $50,000); and
- reimbursement for legal fees and other litigation costs incurred in good faith by the Chairman and CEO as a result of the Company's refusal to provide severance benefits under the executive severance agreement, contesting the validity, enforceability or interpretation of the agreement or as a result of any conflict between the parties pertaining to the agreement.

The severance payment is required to be paid in a single lump sum payment no later than 30 days after the date of termination.

A "qualifying termination" includes: (a) an involuntary termination of the Chairman and CEO's employment by the Company and our subsidiaries for reasons other than "cause," disability or death within 24 months of the change in control; (b) a voluntary termination by the Chairman and CEO for "good reason" within 24 months of the change in control; or (c) a breach by the Company or any successor of any provision in the executive severance agreement.

Under the executive severance agreements, an executive will be considered terminated for "cause" for:

- willful and continued failure to substantially perform the executive officer's employment duties in any material respect (other than any such failure resulting from physical or mental incapacity or occurring after an executive officer has provided notification to the Company of a voluntary termination for a "good reason") after proper written demand has been provided to the executive officer and the executive officer fails to resume substantial performance of the executive officer's duties on a continuous basis within 30 days of receipt of such demand;
- willfully engaging in conduct which is demonstrably and materially injurious to the Company or an affiliate; or
- conviction for, or pleading guilty or not contesting, a felony charge under federal or state law.

It is intended that any new executive director would be retained on similar loss of office terms to the current executive directors. Non-executive directors are not entitled to any compensation on termination and have a one-month notice period. However, all share awards will automatically be accelerated on a change of control of the Company.

Future Policy Table for Non-Executive Directors

Directors Fees	
Purpose and link to strategy	Non-executive directors' compensation is designed to reward the time and talent required to serve on the board of a company of our size, complexity, and geographical spread, acknowledging the significant international travel required to discharge their duties to the Company. The Board seeks to provide sufficient flexibility in the form of compensation delivered to meet the needs of individuals who are located in different countries, while ensuring that a substantial portion of directors' compensation is linked to the long-term success of the Company.
Operation and maximum payment	Our Incentive Plan allows the non-executive members of our Board to receive up to $500,000 annually in cash and grant date fair value of equity. The Incentive Plan, however, grants the Board the authority to pay less than the amount provided under the Incentive Plan. Non-executive directors are compensated in both cash and restricted stock units which reflects practice amongst peer companies. Fees are reviewed periodically against market levels. The table below sets out the policy for 2021:

Compensation Element	Compensation
Annual Retainer	$100,000 paid in cash
Annual Equity Grant	$175,000 in RSUs that vest after one year (Non-executive directors will be eligible for any dividends paid and accumulated on RSU during the vesting period).
Annual Chair Fee	$20,000 for Audit Committee $15,000 for Compensation Committee $10,000 for Environmental, Social, and Governance Committee
Annual Lead Independent Director Fee	$50,000
Committee Meeting Fee	$2,500 per committee meeting
Share Ownership Requirement	Five times annual retainer (over 5 years)

The Compensation Committee retains the discretion to increase the value of compensation or alter the weighting of share awards and cash at its discretion, should this be considered appropriate. Where any discretion is exercised, the basis of this exercise should be disclosed in the next remuneration report.

Directors Fees	
Performance assessment	None, although overall performance of the non-executive director is considered by the Compensation Committee when setting fee levels.
Provisions to recover sums paid or the withholding of payments	Not applicable.

Other Benefits
Each non-executive director receives reimbursement for reasonable incidental expenses incurred in connection with the attendance at Board and committee meetings. Directors who are not the Company's employees do not participate in any employee benefit plans.

Share Ownership Requirements
To further align the interests of non-executive directors with the interests of the Company's shareholders, each non-executive director is expected to acquire and retain the Company's Ordinary Shares and/or RSUs having a value equal to at least five times the amount of each director's annual cash retainer. A director has five years from his or her initial appointment date as a director to meet this requirement. The ownership requirement is pro-rated over the five-year period. Each of the Company's non-executive directors met their pro-rata ownership requirements. The annual RSU grant vests after one year of service but is settled in Ordinary Shares on a date following vesting and previously elected by the director. The RSUs are forfeited if a director ceases service on the Board prior to the vesting date of the RSUs, except in the event of death or disability. Unvested RSUs will be settled and are payable in Ordinary Shares upon the death or disability of a director or in the event of a change in control of the Company. Non-executive Directors have the opportunity to elect the year in which they will take receipt of the equity grants from either (a) a period of 1 to 10 years from the grant date or (b) upon their separation from Board service. The elections are made prior to the beginning of the grant year and are irrevocable after 31 December of the year prior to grant.

Other Provisions
The directors' appointment letters provide for a one-month notice period, unless the director is terminated for cause in which case the Company is not required to give notice. All of our non-executive directors have been be subject to annual re-election since 2019. No compensation payable if required to stand down.

Differences between Remuneration Policy for Executive Directors and Other Employees

The Remuneration Policy for the executive directors is designed with regard to the employee remuneration policy across the Company. However, there are some differences in the structure of the remuneration policy for the executive directors and other senior employees, which the Compensation Committee believes are necessary to reflect the different levels of responsibility and market practices.

Statement of consideration of employment conditions elsewhere in the Company

The Compensation Committee generally considers pay and employment conditions elsewhere in the Company when considering the Chairman and CEO's remuneration. While the Compensation Committee gave consideration to these factors, there was no consultation with employees when the Remuneration Policy was developed. When considering base salary increases, the Compensation Committee considers levels of base pay increases offered to other employees. The section "CEO Pay Ratio Reporting" in this Report provides comparisons of the remuneration received by our Chairman and CEO to the remuneration received by our U.K. employees as well as our global employees.

Statement of consideration of shareholder views

Our relationship and ongoing dialogue with our shareholders is an important part of our Board's corporate governance commitment. Our Lead Independent Director and Compensation Committee Chair, or our executives and management from our Legal, People and Culture, and Investor Relations groups, meet with shareholders regularly on a variety of topics. Management provides reports to the Board and its committees regarding the key themes and results of these conversations, including typical investor concerns and questions, and emerging issues related to governance, compensation, safety, and sustainability.

At our 2020 annual general meeting of shareholders, 86.4% of votes cast approved our 2019 Remuneration Report with 13.6% voting against the report. This vote outcome prompted us to engage with shareholders and proxy advisory firms earlier than usual to connect and understand the reasons behind the support.

As such, we contacted shareholders and proxy advisory firms after our 2020 Annual Meeting to seek their views specifically on our executive compensation program and any governance-related feedback, including those related to negative votes for some of our directors. These transparent and productive discussions allowed us to better understand potential disconnects between our disclosure and how our compensation program actually operates.

Furthermore, in early 2020, we further engaged our shareholders in order to discuss more broadly our announced spin-off transaction, our Board leadership structure, our general Board practices, our executive compensation program, and our sustainability efforts. We welcomed our shareholders' feedback and suggestions in maintaining the balance between strengthening the link between pay and performance, retaining and motivating our executives, and appropriately compensating our executives for outperformance, while increasing long-term shareholder value.

Overall, for our 2020-2021 engagement, we contacted proxy advisory firms and our top shareholders representing approximately 42% of our Ordinary Shares outstanding. Management, and in some instances, our Lead Independent Director or our Compensation Committee Chair, held meetings with proxy advisory firms and shareholders representing approximately 18% of our Ordinary Shares outstanding.

Changes in the Remuneration Policy

In seeking a renewal of the 2018 remuneration policy, the Remuneration Committee reviewed the policy in the context of its implementation and considered the views of shareholders as well considering evolving governance and market practices. The policy was found to continue to be fit for purpose with minor changes intended to provide the Committee with enough flexibility to act in the best interests of the business and its stakeholders over the next three years. These changes include:

- Introduction of an ESG measure into the annual cash incentive plan, in order to directly link our compensation program to our ESG commitments and objectives
- Increase in the maximum grant date fair value of annual long-term equity award granted to the Chairman and CEO from $15 million per annum to $18 million per annum, to provide flexibility for the future to adjust compensation mix and proportion of equity-based compensation during a period of volatility in the oil and gas sector. However, this change does not impact the 2021 long-term equity grant, which will remain below $15 million.
- Adjustment to the balance of performance based long-term equity to be a minimum of 50% (from a minimum of 60%), to reflect continuing volatility in the sector and to reflect market norms in North America. However, the weighting for the 2021 long-term equity grant for the Chairman and CEO will be 60% performance-based.

Independent auditors' report to the members of TechnipFMC plc

Report on the audit of the financial statements

Opinion

In our opinion:

- TechnipFMC plc's group financial statements and company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2020 and of the group's and company's loss and the group's cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the U.K. Annual Report and Accounts (the "Annual Report"), which comprise: the Consolidated Statements of Financial Position and Company Statement of Financial Position as at 31 December 2020; Consolidated Statements of Income and Consolidated Statements of Other Comprehensive Income, the Consolidated Statements of Cash Flows, and the Consolidated Statements of Changes in Stockholders' Equity and Company Statement of Changes in Shareholders' Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit Committee.

Separate opinion in relation to international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union

As explained in note 1.1 to the financial statements, the group, in addition to applying international accounting standards in conformity with the requirements of the Companies Act 2006, has also applied international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

In our opinion, the group financial statements have been properly prepared in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in note 31 to the financial statements, we have provided no non-audit services to the company or its controlled undertakings in the period under audit.

Our audit approach

Overview

Audit scope

- We conducted full scope audits on 5 components and the audit of specified balances and classes of transactions on a further 29 components. The scope of work at each component was determined by its contribution to the group's overall financial performance and its risk profile.
- We engaged our network firms in Brazil, France, Italy, India, Malaysia, Norway, Singapore, UK and the US to perform the audit procedures in those respective locations.
- The components where audit work was performed accounted for approximately 69% of group revenue.

Key audit matters

- Risk of fraud in revenue recognition on long-term construction contracts (group)
- Carrying value of investments (company)
- COVID-19 impact (group and company)

Materiality

- Overall group materiality: US$80 million (2019: US$90 million) based on 0.6% of Revenue.
- Overall company materiality: US$70 million (2019: US$80 million) based on 0.5% of Total assets.
- Performance materiality: US$60 million (group) and US$52.5 million (company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Capability of the audit in detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined in the Auditors' responsibilities for the audit of the financial statements section, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to unethical and prohibited business practices and the wide variety of jurisdictions in which the group operates, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate revenue or profit, and management bias in accounting estimates. The group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the group engagement team and/or component auditors included:

- Discussions with management and group General Counsel, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluation of management's controls designed to prevent and detect irregularities;
- Review of minutes of meetings of the Board of Directors;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the accounting for contracts which recognize revenue under the over-time recognition method; and

- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or posted by senior management and legal letters were obtained where necessary.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

COVID-19 impact is a new key audit matter this year. Carrying value of goodwill - Subsea Operating Segment, which was a key audit matter last year, is no longer included because the goodwill balance related to Subsea has been fully written off following the annual impairment assessment. Otherwise, the key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Risk of fraud in revenue recognition on long-term construction contracts (group) The group has a significant number of material lump sum construction contracts which accounts for approximately 80% of the group's total revenue. Contract revenue is recognized over the term of the contract with reference to the percentage stage of completion at each reporting date. The judgement involved in assessing the percentage of completion calculation can be complex and requires an accurate forecast of total contract costs. This is particularly important in respect of large contracts (contract value greater than US$250 million) with low margins (0 to 2%), where management could manipulate the estimates in the cost to complete forecast to avoid recognizing a loss on the contract. Additional complexity arises through assessing the revenue recognition for any contract contingencies. For contracts where there are contract contingencies in excess of US$60 million we consider there to be a risk of fraud as management could manipulate revenue by not releasing these contingencies when no longer required.	We tested key internal financial controls, including the review and approval of project margin calculation and review of technical contingencies. For a sample of contracts, we obtained the percentage of completion calculations, agreed key contractual terms back to signed contracts, tested the mathematical accuracy of the cost to complete calculations and re-performed the calculation of revenue taken in the year based on the percentage of completion. We discussed the sample of contracts selected with project managers and other members of senior management to understand the status of the contract, any changes from previous years, the key assumptions underpinning the revenue and costs, and the existence of any claims or litigation. For costs incurred to date, we tested a sample to appropriate supporting documentation. To test the forecast cost to complete, we obtained the breakdown of forecasted costs and tested elements of the forecast by obtaining executed purchase orders and agreements, comparing estimated costs to other similar projects and corroborating management's judgements and assumptions to appropriate supporting documentation. We assessed the competency and objectivity of the project engineers and performed look-back tests to assess the accuracy of forecasts in previous reporting periods. For a sample of variation orders, we obtained the signed contract amendments. We assessed the adequacy of contingency provisions against contract specific risks and management's assessment of the technical contingencies and the potential for liquidated damages on projects with delays. Overall, we are satisfied that the group's accounting policies for construction contract revenue recognition are reasonable and have been appropriately applied.

Carrying value of investments (company) The total carrying value of investments presented within the company financial statements as at 31 December 2020 is US$11,110 million. In line with IAS 36, at the reporting date, management assessed whether there was any indication that the investments in subsidiaries may be impaired. Where an impairment trigger was identified, management performed an exercise to determine the recoverable amount of the underlying investments. This resulted in an impairment charge of US$4,487 million. We focused on this area given the significant judgements involved, and complexity of valuation methodologies requiring the use of estimates.	We reviewed management's impairment indicator assessment and concluded that it was reasonable. We obtained management's impairment model and tested its mathematical accuracy. We performed audit procedures over the assumptions used in respect of forecast growth rates and discount rates. We involved our valuation specialists to corroborate the appropriateness of the discount rate used by forming an independent view of the rate using third party source data to calculate a range of acceptable rates and comparing this to the rate used in the analysis. We also assessed the work performed by management and their experts on the valuation models. We agreed the underlying cash flow forecasts used in the models to the approved budgets and forecasts. We evaluated the budgets and forecasts used within the model against current trading conditions and corroborated the reasonableness of certain key assumptions with external third-party data and historical results of the company, including the projected revenue growth over the next three years. We reviewed the disclosures provided in the financial statements to ensure compliance with IAS 36 'Impairment of Assets'.
COVID-19 impact (group and company) The significant decline in crude oil prices and the COVID-19 pandemic have caused a significant decline in the performance of the group. The COVID-19 pandemic has stressed financial systems and significant parts of the world's major economies are being negatively impacted. As part of its going concern assessment, management performed a risk assessment of the potential ongoing impact of COVID-19 on the business and a return to low crude oil prices. As part of this assessment, management prepared a cash flow until June 2022 which included a number of severe but plausible downside sensitivities. In accordance with the FRC guidelines management have also prepared a severe but plausible downside sensitivity assuming that the business generates nil operating cash flows until June 2022. The group has three debt covenants, being the Interest coverage ratio (>3.0), Total leverage ratio (<5.5) and First Lien Leverage Ratio (<2.5). Management have calculated the debt covenants on a quarterly basis from Q1'21 until Q2'22 for the base case scenario as well as stress tested the covenants against a severe but plausible downside scenario. There are no breaches in either cases. Based on this analysis management concluded that there is no material uncertainty in respect of the group's going concern assessment and disclosed the above assessment within the related disclosure.	The procedures that we performed to evaluate management's going concern assessment and our conclusions are included in the "Conclusions relating to going concern" section below. Based on the work performed, we consider that management's conclusion on going concern to be appropriate. We increased the frequency and extent of our oversight over component audit teams, using video conferencing and remote working paper reviews, to satisfy ourselves as to the appropriateness of audit work performed. We also assessed the adequacy of the disclosure provided in notes 1.2 of the financial statements in relation to the impact of the pandemic on the relevant accounting estimates and going concern and considered this to be acceptable.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the company, the accounting processes and controls, and the industry in which they operate.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the company, the accounting processes and controls, and the industry in which they operate. The group financial statements are a consolidation of a large number of components which make up the group's operating businesses within the three business unit segments: Subsea, Technip Energies and Surface Technologies. In establishing the overall approach to the group audit, we determined the type of work that needed to be performed at the components either by us, as the group engagement team, or component auditors from other PwC network firms operating under our instruction. The group's components vary significantly in size and we identified 5 components that, in our view, required a full scope audit due to their relative size or risk characteristics. Where component audits were performed by teams other than the group engagement team, members of the group engagement team were involved in their work throughout the audit. We maintained regular communication and conducted formal interim and year-end conference calls with all full and specified procedure component teams. Of the 34 components in scope, we deemed two to be financially significant to the group: Arctic LNG and Technip France. Together these full and specific scope components audits gave appropriate coverage of all material balances at a group level. On a consolidated basis, these provided coverage of 69% of revenue.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements - group	**Financial statements - company**
Overall materiality	US$80 million (2019: US$90 million).	US$70 million (2019: US$80 million).
How we determined it	0.6% of Revenue	0.5% of Total assets
Rationale for benchmark applied	We considered the following benchmarks when approaching the calculation of overall materiality – total revenues, total assets, adjusted pre-tax income and EBITDA. We concluded that the most appropriate benchmark was total revenue given profitability measures continue to be depressed as a result of the pricing environment in the global oil and gas industry and not reflective of the scale of the operations of TechnipFMC. Revenue is a key measure used by shareholders in assessing the performance of the group.	We considered a benchmark of total assets when approaching the calculation of overall materiality for the company. We concluded that this was the most appropriate benchmark given the principal activity of the company is a holding company carrying the investment in subsidiaries.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between US$15 million and US$55 million. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% of overall materiality, amounting to US$60 million for the group financial statements and US$52.5 million for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount in the middle of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above US$7.2 million (group audit) (2019: US$7.5 million) and US$6.3 million (company audit) (2019: US$4 million) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the group's and the company's ability to continue to adopt the going concern basis of accounting included:

- obtaining and reviewing the group's cashflow forecasts for the going concern period, challenging management's assumptions used and verifying that it is consistent with our existing knowledge and understanding of the business;
- reviewing the group's cashflow forecasts under severe but plausible downside scenario, evaluating the assumptions used, and verifying that the group is able to maintain liquidity and comply with the covenants within the going concern period under these scenarios;
- testing the model for mathematical accuracy; and

- assessing the adequacy of the disclosure provided in note 1.2 of the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Directors' Remuneration

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibility Statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit Committee, we were appointed by the members on 11 January 2017 to audit the financial statements for the year ended 31 December 2017 and subsequent financial periods. The period of total uninterrupted engagement is 4 years, covering the years ended 31 December 2017 to 31 December 2020.

Richard Spilsbury (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors
Aberdeen

9 April 2021

CONSOLIDATED FINANCIAL STATEMENTS
TECHNIPFMC PLC
AS OF DECEMBER 31, 2020
Company No. 09909709

1. CONSOLIDATED STATEMENTS OF INCOME

(In millions, except per share data)	Note	Year Ended December 31, 2020	2019
Revenue:			
Service revenue from customer contracts		$ 9,709.6	$ 9,793.1
Product revenue from customer contracts		3,202.6	3,359.2
Lease revenue		145.2	273.9
Total revenue	5	13,057.4	13,426.2
Costs and expenses:			
Cost of service revenue		8,297.9	7,784.4
Cost of product revenue		2,777.1	2,963.9
Cost of lease revenue		117.1	167.5
Selling, general and administrative expense		1,067.6	1,230.0
Research and development expense		119.8	162.9
Impairment, restructuring and other expenses	22	3,436.9	2,436.6
Separation costs	1	39.5	72.1
Merger transaction and integration costs		—	31.2
Total costs and expenses	6	15,855.9	14,848.6
Other expense, net	6	(0.8)	(267.2)
Income from equity affiliates	9	69.4	12.3
Loss before net interest expense and income taxes		(2,729.9)	(1,677.3)
Financial income	6	56.6	115.8
Financial expense	6	(386.8)	(614.3)
Loss before income taxes		(3,060.1)	(2,175.8)
Provision for income taxes	7	148.6	275.1
Net loss		(3,208.7)	(2,450.9)
Net profit attributable to non-controlling interests		(49.7)	(3.1)
Net loss attributable to TechnipFMC plc		$ (3,258.4)	$ (2,454.0)
Earnings (loss) per share attributable to TechnipFMC plc	8		
Basic		$ (7.26)	$ (5.48)
Diluted		$ (7.26)	$ (5.48)
Weighted average shares outstanding			
Basic		448.7	448.0
Diluted		448.7	448.0

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

2. CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME

	Year Ended December 31,	
(In millions)	**2020**	**2019**
Net loss	$ (3,208.7)	$ (2,450.9)
Exchange differences on translating entities operating in foreign currency	(170.9)	11.6
Reclassification adjustment for net gains included in net loss	—	(12.0)
Net gains (losses) on hedging instruments, net of income tax	38.3	28.2
Other comprehensive income (loss) to be reclassified to statement of income in subsequent years, net of tax	(132.6)	27.8
Net remeasurement losses on defined benefit plans, net of income tax	(83.5)	(49.6)
Other comprehensive loss not being reclassified to statement of income in subsequent years, net of tax	(83.5)	(49.6)
Other comprehensive loss, net of income tax	(216.1)	(21.8)
Comprehensive loss, net of tax	(3,424.8)	(2,472.7)
Comprehensive income attributable to non-controlling interest	(50.3)	(2.4)
Comprehensive loss attributable to TechnipFMC plc	$ (3,475.1)	$ (2,475.1)

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

3. CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(In millions, except par value data)	Note	December 31, 2020	December 31, 2019
Assets			
Investments in equity affiliates	9	$ 354.3	$ 300.4
Property, plant and equipment, net	10	2,845.2	3,155.4
Right-of-use assets, lease	4	989.3	864.9
Goodwill	11	2,654.7	5,654.6
Intangible assets, net	11	981.1	1,086.6
Deferred income taxes	7	225.9	267.0
Derivative financial instruments	27	35.9	39.5
Other assets	12	243.4	299.2
Total non-current assets		8,329.8	11,667.6
Cash and cash equivalents	13	4,807.7	5,190.1
Trade receivables, net	14	2,389.4	2,281.4
Contract assets	5	1,266.8	1,519.1
Inventories	15	1,281.5	1,423.9
Derivative financial instruments	27	301.4	101.9
Income taxes receivable	7	334.4	285.7
Advances paid to suppliers		203.6	242.9
Other current assets	16	893.2	862.6
Total current assets		11,478.0	11,907.6
Total assets		$ 19,807.8	$ 23,575.2
Liabilities and equity			
Ordinary shares	17	$ 449.5	$ 447.1
Retained earnings, net income and other reserves	17	4,847.8	8,104.9
Accumulated other comprehensive loss	17	(1,154.1)	(937.4)
Total TechnipFMC plc shareholders' equity		4,143.2	7,614.6
Non-controlling interest	17	103.8	69.9
Total equity		4,247.0	7,684.5
Long-term debt, less current portion	19	1,792.5	2,013.2
Lease liabilities	4	881.0	681.7
Deferred income taxes	7	125.4	184.0
Accrued pension and other post-retirement benefits, less current portion	20	447.1	386.8
Derivative financial instruments	27	23.3	52.7
Non-current provisions	21	52.2	47.7
Other liabilities	23	258.5	433.9
Total non-current liabilities		3,580.0	3,800.0
Short-term debt and current portion of long-term debt	19	2,161.6	2,462.2
Lease liabilities	4	273.9	275.1
Accounts payable, trade	24	2,741.1	2,660.7
Contract liabilities	5	4,725.0	4,571.4
Accrued payroll		418.8	411.7
Derivative financial instruments	27	167.2	141.3
Income taxes payable	7	68.1	73.6
Current provisions	21	443.2	476.6
Other current liabilities	23	981.9	1,018.1
Total current liabilities		11,980.8	12,090.7
Total liabilities		15,560.8	15,890.7
Total equity and liabilities		$ 19,807.8	$ 23,575.2

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

The consolidated financial statements were approved by the Board of Directors and signed on its behalf by

Douglas J. Pferdehirt
Director and Chief Executive Officer
April 9, 2021

4. CONSOLIDATED STATEMENTS OF CASH FLOWS

		Year Ended December 31,	
(In millions)	Note	2020	2019
Cash provided by operating activities			
Net loss		$ (3,208.7)	$ (2,450.9)
Adjustments to reconcile net profit (loss) to cash provided (required) by operating activities			
Depreciation	4, 10	626.7	712.5
Amortization	11	123.7	126.0
Impairments	10, 11	3,210.1	2,430.0
Employee benefit plan and share-based compensation costs		55.8	93.0
Deferred income tax benefit, net		(7.3)	(66.0)
Unrealized (gain) loss on derivative instruments and foreign exchange		(3.0)	33.2
Income (loss) from equity affiliates, net of dividends received		(64.5)	(8.2)
Other		200.8	353.7
Changes in operating assets and liabilities, net of effects of acquisitions			
Trade receivables, net and contract assets		249.2	(36.8)
Inventories, net		77.7	(171.7)
Accounts payable, trade		12.5	16.5
Contract liabilities		(72.6)	522.5
Income taxes payable, net		(56.4)	4.5
Other assets and liabilities, net		(209.6)	(376.2)
Cash provided by operating activities		934.4	1,182.1
Cash required by investing activities			
Capital expenditures		(291.8)	(454.4)
Payment to acquire debt securities		(3.9)	(71.6)
Proceeds from sale of debt securities		51.5	18.9
Acquisition of equity securities		(17.9)	—
Acquisitions, net of cash acquired		—	16.0
Cash received from divestiture		8.8	(2.1)
Proceeds from sale of assets		46.0	7.8
Proceeds from repayment of advances to joint venture		26.7	62.0
Other		—	3.6
Cash required by investing activities		(180.6)	(419.8)
Cash required by financing activities			
Net decrease in short-term debt	19	(24.4)	(49.6)
Net (decrease)/increase in commercial paper	19	(554.5)	57.3
Proceeds from issuance of long-term debt	19	223.2	96.2
Repayments of long-term debt	19	(423.9)	—
Payments for the principal portion of lease liabilities	4	(277.5)	(335.8)
Purchase of treasury shares	17	—	(92.7)
Dividends paid	17	(59.2)	(232.8)
Payments related to taxes withheld on share-based compensation		(7.4)	—
Settlements of mandatorily redeemable financial liability	23	(224.2)	(562.8)
Acquisition of non-controlling interest		(11.8)	—
Cash required by financing activities		(1,359.7)	(1,120.2)
Effect of changes in foreign exchange rates on cash and cash equivalents		223.5	5.8
Decrease in cash and cash equivalents		(382.4)	(352.1)
Cash and cash equivalents, beginning of period	13	5,190.1	5,542.2
Cash and cash equivalents, end of period	13	$ 4,807.7	$ 5,190.1

(In millions)	Year Ended December 31, 2020	2019
Supplemental disclosures of cash flow information		
Cash paid for interest on debt	$ 107.0	$ 109.4
Cash paid for income taxes (net of refunds received)	$ 219.7	$ 374.5

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

5. CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

(In millions)	Ordinary Shares	Ordinary Shares Held in Treasury and Employee Benefit Trust	Retained Earnings, Net Income and Other Reserves	Accumulated Other Comprehensive Income (Loss)	Non-controlling Interest	Total Shareholders' Equity
Balance as of December 31, 2018	$ 450.5	$ (2.4)	$ 10,788.0	$ (916.3)	$ 69.8	$ 10,389.6
Cumulative effect of initial application of IFRS 16	—	—	1.8	—	—	1.8
Net (loss)/profit	—	—	(2,454.0)	—	3.1	(2,450.9)
Other comprehensive loss	—	—	—	(21.1)	(0.7)	(21.8)
Cash dividends declared (Note 17)	—	—	(232.8)	—	—	(232.8)
Cancellation of treasury shares (Note 17)	(4.0)	—	(88.7)	—	—	(92.7)
Issuance of ordinary shares (Note 17)	0.6	—	—	—	—	0.6
Net sales of ordinary shares for employee benefit trust (Note 17)	—	2.4	—	—	—	2.4
Share-based compensation (Note 18)	—	—	74.5	—	—	74.5
Other	—	—	16.1	—	(2.3)	13.8
Balance as of December 31, 2019	$ 447.1	$ —	$ 8,104.9	$ (937.4)	$ 69.9	$ 7,684.5
Net (loss)/profit	—	—	(3,258.4)	—	49.7	(3,208.7)
Other comprehensive (loss)/profit	—	—	—	(216.7)	0.6	(216.1)
Cash dividends declared (Note 17)	—	—	(59.2)	—	—	(59.2)
Cancellation of treasury shares (Note 17)	—	—	—	—	—	—
Issuance of ordinary shares (Note 17)	2.4	—	(9.4)	—	—	(7.0)
Share-based compensation (Note 18)	—	—	69.0	—	—	69.0
Acquisition of non-controlling interest	—	—	(9.4)	—	(2.1)	(11.5)
Other	—	—	10.3	—	(14.3)	(4.0)
Balance as of December 31, 2020	$ 449.5	$ —	$ 4,847.8	$ (1,154.1)	$ 103.8	$ 4,247.0

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

6. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. ACCOUNTING PRINCIPLES

Nature of operations - TechnipFMC plc and consolidated subsidiaries (“TechnipFMC”, the "Company", “we”, “us” or “our”) is a global leader in oil and gas project execution, technology innovation, systems manufacturing and services provider through our business segments: Subsea, Technip Energies and Surface Technologies. We have manufacturing operations worldwide, strategically located to facilitate delivery of our products, systems and services to our customers. On February 16, 2021, we completed the separation of Technip Energies segment (the “Spin-off”). Subsequent to the Spin-off, we will operate under two reporting segments: Subsea and Surface Technologies.

Details of the Company's activities during the year are provided in the Strategic Report. TechnipFMC is a public limited company by shares, incorporated and domiciled in England and Wales (United Kingdom) and listed on the New York Stock Exchange (“NYSE”) and on Euronext Paris, in each case trading under the “FTI” symbol. The address of the registered office is One St. Paul’s Churchyard, London, England, EC4M 8AP.

1.1. Basis of preparation

The consolidated financial statements of TechnipFMC as of December 31, 2020 and for the two years then ended (the "consolidated financial statements") were prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

The consolidated financial statements are expressed in millions of U.S. dollars and all values are rounded to the nearest thousand, unless specified otherwise.

TechnipFMC’s consolidated financial statements have been prepared on a going concern basis under the historical cost convention as modified by the revaluation of financial assets and liabilities at fair value through profit or loss.

TechnipFMC’s significant accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Reclassifications – During the year ended December 31, 2020, in anticipation of our separation transaction, we renamed our Onshore/Offshore operating segment to Technip Energies, which includes our Loading Systems business that was previously reported in the Surface Technologies segment and our process automation business, Cybernetix, that was previously reported in the Subsea segment. Accordingly, our reportable segments comparative information has been restated and Technip Energies operating segment includes $86.6 million and $103.5 million of segment revenue attributable to Loading Systems and Cybernetix businesses, respectively. Certain presentation improvements were made in the prior year comparative information in Note 17 to the consolidated financial statements. Management considers the changes to be more relevant to users in understanding the nature of the transactions.

1.2. Going concern

As required by IAS 1 "Presentation of Financial Statements" in determining the basis of preparation for the consolidated financial statements, we have considered the Company’s business activities, together with the factors likely to affect its future development, performance and position in order to assess whether the Company may adopt the going concern basis in preparing its consolidated financial statements.

Spin-off

On February 16, 2021, we completed the separation of the Technip Energies business segment (the “Spin-off”). In connection with the Spin-off, we executed a series of refinancing transactions, in order to provide a capital structure with sufficient cash resources to support future operating and investment plans.

On February 16, 2021, we entered into a new senior secured revolving credit facility that provides for aggregate revolving capacity of up to $1.0 billion. Availability of borrowings under the Revolving Credit Facility is reduced by any outstanding letters of credit issued against the facility.

On January 29, 2021, we issued $1.0 billion of 6.5% senior notes due 2026. The Notes are senior secured obligations of the Company and are guaranteed on a senior unsecured basis by substantially all of the Company’s wholly-owned U.S. subsidiaries and non-U.S. subsidiaries in Brazil, the Netherlands, Norway, Singapore and the United Kingdom.

The proceeds from the debt issuance described above along with the available cash on hand were used to fund:

- The repayment of all $522.8 million of the outstanding Synthetic Convertible Bonds that matured in January 2021.
- The repayment of all $500.0 million aggregate principal amount of outstanding 3.45% Senior Notes due 2022.
- The termination of the $2.5 billion senior unsecured revolving credit facility agreement dated January 17, 2017 and the termination of the €500.0 million revolving credit facility dated May 19, 2020. In connection with the termination of these credit facilities, we repaid all of the outstanding borrowings.

We will continue to be strategically focused on cash and liquidity preservation. Subsequent to the completion of the Spin-off, we own 49.9% of the outstanding shares of Technip Energies. On March 31, 2021 pursuant to the Share Purchase Agreement BPI exercised its right and purchased from TechnipFMC 7.5 million shares in Technip Energies N.V. for $100.0 million. See Note 33 for further details. We also intend to conduct an orderly sale of our stake in Technip Energies over time and will use the proceeds from future sales to further reduce our net leverage.

Operating and investing activities

We continue to actively monitor the impact of the COVID-19 pandemic and oil price volatility, including the impact on economic activity and financial reporting. Whilst the situation is uncertain and evolving, the Company has modelled potential severe but plausible impacts on revenues, profits and cash flows in its assessment. In preparing its assessment, we have considered the impact that COVID-19 and oil price reduction has had on the business and the related decline in revenues.

In reaction to the fall in revenues we reduced our expectations for capital expenditures in 2020 by more than 30% to approximately $250.0 million. We also announced a series of cost reduction initiatives that will result in annualized savings of more than $350.0 million that extend to all business segments and support functions. We anticipate achieving the targeted savings run-rate by the end of the 2021.

Additionally, we announced revisions to compensation through the end of the year which include a 30% reduction to the Chairman and Chief Executive Officer's salary; a 30% reduction in the Board of Directors' retainer; and a 20% reduction to the Executive Leadership team's salaries.

In April 2020, our Board of Directors announced its decision to lower the annual dividend by 75% to $0.13 per share. We paid a dividend of $0.13 per share in April 2020, and this fulfilled the annual dividend distribution for 2020. The revised dividend policy reduced the annual cash outflow by $175.0 million when compared to the previous year's distribution.

The Company continues to maintain sufficient liquidity and meets its covenants under the revolving credit facilities as of December 31, 2020. See Note 19 for further details. As part of our assessment of going concern we have modelled our projected cash flows under a severe but plausible downside scenario, as well as testing our covenants against this scenario. Under all the scenarios modelled, after taking mitigating actions as needed, our forecasts did not indicate breach within the going concern period of review on any of the future dates through June 2022.

Most of our cash is managed centrally and flowed through centralized bank accounts controlled and maintained by TechnipFMC globally and in many operating jurisdictions to best meet the liquidity needs of our global operations. We expect to meet the continuing funding requirements of our global operations with cash generated by such operations and our existing revolving credit facility. We expect cash flow from our operating activities to be positive for the full 2021 year.

Following its assessment of going concern, the Company has formed a judgement that there are no material uncertainties that cast doubt on the Company's going concern status and that it is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Company continues to adopt the going concern basis in preparing the consolidated financial statements.

1.3. Changes in accounting policies and disclosures

a. Standards, amendments and interpretations effective in 2020

The Company has applied the following standards and amendments for the first time in its consolidated financial statements for the year ended December 31, 2020:

- Definition of a Business - Amendments to IFRS 3 “Business Combinations” (“IFRS 3”);
- Definition of Material - Amendments to IAS 1 "Presentation of Financial Statements" ("IAS 1") and IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” (“IAS 8”);
- Interest Rate Benchmark Reform (Phase 1) - Amendments to IFRS 9 “Financial instruments” (“IFRS 9”), IAS 39 “Financial Instruments: Recognition and Measurement” (“IAS 39”) and IFRS 7 "‘Financial Instruments: Disclosures" ("IFRS 7");
- Revised Conceptual Framework for Financial Reporting.

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

b. Standards, amendments and interpretations to existing standards that are issued, not yet effective and have not been early adopted as of December 31, 2020

Certain new accounting standards and interpretations have been published that are not mandatory for December 31, 2020 reporting periods and have not been early adopted by the Company. The assessment of the impact of these new standards and interpretations is set out below.

IFRS 17 “Insurance Contracts”

This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 “Insurance Contracts” (“IFRS 17”) will change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features. The new standard will be effective for annual periods beginning on or after January 1, 2023 subject to endorsement by the U.K. and the European Union. We are currently evaluating the impact of this standard on our consolidated financial statements and do not expect that the adoption of the standard will have a significant impact on our consolidated financial statements.

Amendments to IAS 1 "Presentation of financial statements" on classification of liabilities

These narrow-scope amendments to IAS 1, clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the ‘settlement’ of a liability. The new amendments will be effective for annual periods beginning on or after January 1, 2023 subject to endorsement by the U.K. and the European Union. We are currently evaluating the impact of this amendment on our consolidated financial statements and do not expect that the adoption of the amendment will have a significant impact on our consolidated financial statements.

A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16

The new amendments will be effective for annual periods beginning on or after January 1, 2022 subject to endorsement by the U.K. and the European Union. We are currently evaluating the impact of these amendments on our consolidated financial statements and do not expect that the adoption of these amendments will have a significant impact on our consolidated financial statements.

Amendments to IAS 1 and IAS 8

The new amendments will be effective for annual periods beginning on or after January 1, 2023 subject to endorsement by the U.K. and the European Union. We are currently evaluating the impact of these amendments on our consolidated financial statements and do not expect that the adoption of these amendments will have a significant impact on our consolidated financial statements.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

Amendments address issues arising during the Phase 2 reform of benchmark interest rates. The amendments are effective from January 1, 2021. We are currently evaluating the impact of these amendments on our consolidated financial statements and do not expect that the adoption of these amendments will have a significant impact on our consolidated financial statements.

1.4. Summary of significant accounting policies

a) Consolidation principles

In accordance with IFRS 10 “Consolidated Financial Statements” ("IFRS 10"), subsidiaries are all entities (including structured entities) over which TechnipFMC has control. TechnipFMC controls an entity where TechnipFMC has all the following:

- the power over the company subject to the investment;
- an exposure or rights to the company’s variable returns; and
- the ability to use its power over the entity to affect these returns.

The power to direct the activities of the entity usually exists when holding more than 50% of voting rights in the entity and these rights are substantive.

As per IFRS 11 “Joint Arrangements” (“IFRS 11”), joint arrangements classified as joint operations should be recognized to the extent of TechnipFMC’s assets and its liabilities, including its share of any assets held jointly or liabilities incurred jointly.

The equity method is used for joint ventures and for investments over which TechnipFMC exercises a significant influence on operational and financial policies. Unless otherwise indicated, such influence is deemed to exist for investments in companies in which TechnipFMC’s ownership is between 20% and 50%.

Companies in which our ownership is less than 20% or which do not represent material investments (such as dormant companies) are recorded under the “Other Non-Current Financial Assets” and classified as “Financial Assets at Fair Value through Profit or Loss”.

The list of TechnipFMC’s related undertakings as of December 31, 2020 is provided in Note 32.

The main affiliates of TechnipFMC close their accounts as of December 31 and all consolidated companies apply TechnipFMC’s accounting policies as set in the Global Accounting Manual.

All intercompany balances and transactions, as well as internal income and expenses, are fully eliminated.

Subsidiaries are consolidated as of the date of acquisition, being the date on which TechnipFMC obtains control, and continue to be consolidated until the date control ceases.

b) Recognition of revenue from customer contracts

TechnipFMC accounts for revenue in accordance with IFRS 15 “Revenues from Contracts with Customers” (“IFRS 15”). Revenue is measured based on the consideration specified in a contract with a customer. TechnipFMC recognizes revenue when or as it transfers control over a good or service to a customer.

Allocation of transaction price to performance obligations - A contract’s transaction price is allocated to each distinct performance obligation and recognized as revenue, when, or as, the performance obligation is satisfied. To determine the proper revenue recognition method, we evaluate whether two or more contracts should be combined and accounted for as one single contract and whether the combined or single contract should be accounted for as more than one performance obligation. This evaluation requires significant judgment; some of our contracts have a single performance obligation as the promise to transfer the individual goods or services is not separately identifiable from other promises in the contracts and, therefore, not distinct. For contracts with multiple performance obligations, we allocate the contract’s transaction price to each performance obligation using our best estimate of the standalone selling price of each distinct good or service in the contract.

Variable consideration - Due to the nature of the work required to be performed on many of our performance obligations, the estimation of total revenue and cost at completion is complex, subject to many variables and requires significant judgment. It is common for our long-term contracts to contain variable considerations that can either increase or decrease the transaction price. Variability in the transaction price arises primarily due to liquidated damages. TechnipFMC considers its experience with similar transactions and expectations regarding the contract in estimating the amount of variable consideration to which it will be entitled, and determining whether the estimated variable consideration should be constrained. We include estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. Our estimates of variable consideration are based largely on an assessment of our anticipated performance and all information (historical, current and forecasted) that is reasonably available to us.

Payment terms - Progress billings are generally issued upon completion of certain phases of the work as stipulated in the contract. Payment terms may either be fixed, lump-sum or driven by time and materials (i.e., daily or hourly rates, plus materials). Because typically the customer retains a small portion of the contract price until completion of the contract, our contracts generally result in revenue recognized in excess of billings which we present as contract assets on the statement of financial position. Amounts billed and due from our customers are classified as receivables on the statement of financial position. The portion of the payments retained by the customer until final contract settlement is not considered a significant financing component because the intent is to protect the customer. For some contracts, we may be entitled to receive an advance payment. We recognize a liability for these advance payments in excess of revenue recognized and present it as contract liabilities on the statement of financial position. The advance payment typically is not considered a significant financing component because it is used to meet working capital demands that can be higher in the early stages of a contract and to protect us from the other party failing to adequately complete some or all of its obligations under the contract.

Warranty - Certain contracts include an assurance-type warranty clause, typically between 18 to 36 months, to guarantee that the products comply with agreed specifications. A service-type warranty may also be provided to the customer; in such a case, management allocates a portion of the transaction price to the warranty based on the estimated stand-alone selling price of the service-type warranty.

Revenue recognized over time - Performance obligations are satisfied over time as work progresses or at a point in time when performance obligations are fulfilled and control transfers to the customer. Revenue from products and services transferred to customers over time accounted for approximately 86% of our revenue for the year ended December 31, 2020. Typically, revenue is recognized over time using an input measure (e.g., costs incurred to date relative to total estimated costs at completion) to measure progress.

Cost-to-cost method - For long-term contracts, because of control transferring over time, revenue is recognized based on the extent of progress towards completion of the performance obligation. The cost-to-cost measure of progress for contracts is generally used because it best depicts the transfer of control to the customer which occurs as costs on the contracts incur. Under the cost-to-cost measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Revenues, including estimated fees or profits, are recorded proportionally as costs are incurred. Any expected losses on contracts in progress are charged to earnings, in total, in the period the losses are identified.

Right to invoice practical expedient - The right-to-invoice practical expedient can be applied to a performance obligation satisfied over time if we have a right to invoice the customer for an amount that corresponds directly with the value transferred to the customer for our performance completed to date. When this practical expedient is used, we do not estimate variable consideration at the inception of the contract to determine the transaction price or for disclosure purposes. We have contracts which have payment terms dictated by daily or hourly rates where some contracts may have mixed pricing terms which include a fixed fee portion. For contracts in which we charge the customer a fixed rate based on the time or materials spent during the project that correspond to the value transferred to the customer, we recognize revenue in the amount to which we have the right to invoice.

Contract modifications - Contracts are often modified to account for changes in contract specifications and requirements. We consider contract modifications to exist when the modification either creates new, or changes the existing, enforceable rights and obligations. Most of our contract modifications are for goods or services that are not distinct from the existing contract due to the significant integration service provided in the context of the contract and are accounted for as if they were part of that existing contract. The effect of a contract modification on the transaction price and our measure of progress for the performance obligation to which it relates is recognized as an adjustment to revenue (either as an increase in or a reduction of revenue) on a cumulative catch-up basis.

c) Foreign currency transactions

Foreign currency transactions are translated into the functional currency at the exchange rate applicable on the transaction date.

At the closing date, monetary assets and liabilities stated in foreign currencies are translated into the functional currency at the exchange rate prevailing on that date. Resulting exchange gains or losses are directly recorded in the statement of income, except exchange gains or losses on cash accounts eligible for future cash flow hedging and for hedging on net foreign currency investments.

Translation of financial statements of subsidiaries in foreign currency

The income statements of foreign subsidiaries are translated into U.S. dollars at the average exchange rate prevailing during the year. Statements of financial position are translated at the exchange rate at the closing date. Differences arising in the translation of financial statements of foreign subsidiaries are recorded in other comprehensive income (loss) as foreign currency translation reserve. Items that are recognized directly in equity are translated using the historical rates. The functional currency of the foreign subsidiaries is most commonly the local currency.

d) Business combinations

Business combinations are accounted for using the acquisition method of accounting. Under the acquisition method, assets acquired and liabilities assumed are recorded at their respective fair values as of the acquisition date. Determining the fair value of assets and liabilities involves significant judgment regarding methods and assumptions used to calculate estimated fair values. The purchase price is allocated to the assets, acquired, including identifiable intangible assets, and liabilities based on their estimated fair values. Any excess of the purchase price over the estimated fair values of the net assets acquired is recorded as goodwill. Identifiable assets are depreciated over their estimated useful lives.

Acquisition-related costs are expensed as incurred and included in the statement of income line item “Selling, general and administrative expenses”.

Adjustments recorded for a business combination on the provisional values of assets, liabilities and contingent liabilities are recognized as a retrospective change in goodwill when occurring within a 12-month period after the acquisition date and resulting from facts or circumstances that existed as of the acquisition date. After this measurement period ends, any change in valuation of assets, liabilities and contingent liabilities is accounted for in profit and loss statement, with no impact on goodwill.

e) Merger transaction and integration costs

Merger transaction and integration costs are expensed as incurred and include fees and expenses as a result of business combination transactions. Merger transaction and integration costs are included in the statement of income line item “Merger transaction and integration costs”.

f) Separation costs

Separation costs are expensed as incurred and include fees and expenses associated with the separation transaction. The costs include legal and tax advice expenses, consulting services and other separation activities related costs. Separation costs are included in the statement of income line item “Separation costs”.

g) Segment information

Information by operating segment

Management’s determination of the reporting segments was made on the basis of strategic priorities within each segment and the differences in the products and services TechnipFMC provides, which corresponds to the manner in which TechnipFMC’s Chief Executive Officer, as a Chief Operating Decision Maker (“CODM”), reviews and evaluates operating performance to make decisions about resources to be allocated to the segment. TechnipFMC reports the results of operations in the following segments: Subsea, Technip Energies and Surface Technologies.

TechnipFMC's reportable segments are:

- *Subsea* - manufactures and designs products and systems, performs engineering, procurement and project management and provides services used by oil and gas companies involved in deepwater exploration and production of crude oil and natural gas.
- *Technip Energies* - designs and builds onshore facilities related to the production, treatment and transportation of oil and gas; and designs, manufactures and installs fixed and floating platforms for the production and processing of oil and gas reserves for companies in the oil and gas industry; and
- *Surface Technologies* - designs and manufactures systems and provides services used by oil and gas companies involved in land and offshore exploration and production of crude oil and natural gas; designs, manufactures and supplies technologically advanced high pressure valves and fittings for oilfield service companies; and also provides flowback and well testing services for exploration companies in the oil and gas industry.

Total revenue by segment includes intersegment sales, which are made at prices approximating those that the selling entity is able to obtain on external sales. Segment operating profit (loss) is defined as total segment revenue less segment operating expenses. Income (loss) from equity method investments is included in calculation the segment operating profit (loss). The following items have been excluded in calculating the segment operating profit (loss): corporate staff expense, foreign exchange gains (losses), net interest income (expense) associated with corporate debt facilities, income taxes, and other revenue and other expense, net.

Information by country

Operating activities and performances of TechnipFMC are reported on the basis of the following countries:

- Russia;
- United States;
- Norway;
- Brazil;
- United Kingdom;
- Angola;
- Egypt; and
- all other countries.

The items related to segment results disclosed by TechnipFMC in its geographical segment information are the ‘‘Revenue’’ and the ‘‘Property, Plant and Equipment’’.

Geographical areas are defined according to the following criteria: specific risks associated with activities performed in a given area, similarity of economic and political framework, regulation of exchange control, and underlying monetary risks. The geographical breakdown is based on the contract delivery within the specific country.

h) Earnings per share

As per IAS 33 “Earnings per Share” (“IAS 33”), Earnings Per Share (“EPS”) are based on the average number of outstanding shares over the year, after deducting treasury shares.

Diluted earnings per share amounts are calculated by dividing the net profit of the year, restated if need be for the after-tax financial cost of dilutive financial instruments, by the sum of the weighted average number of outstanding shares, the weighted average number of share subscription options not yet exercised, the weighted average number of performance shares granted calculated using the share purchase method, and the weighted average number of shares of the convertible bonds and, if applicable, the effects of any other dilutive instrument.

In accordance with the share purchase method, only dilutive instruments are used in calculating EPS. Dilutive instruments are those for which the option exercise price plus the future share-based compensation expense not yet recognized is lower than the average share price during the EPS calculation period.

i) Goodwill

Goodwill is measured at the acquisition date as the total of the fair value of consideration transferred, plus the proportionate amount of any non-controlling interest, plus the fair value of any previously held equity interest in the acquiree, if any, less the net recognized amount (generally at fair value) of the identifiable assets acquired and liabilities assumed. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in profit or loss as a bargain purchase. Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognized in profit or loss.

Goodwill is allocated to a group of cash-generating units ("GCGU") that are expected to benefit from the business combination in which the goodwill arose and in all cases is at the operating segment level, which represents the lowest level at which goodwill is monitored for internal management purposes.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

j) Property, plant and equipment

In compliance with IAS 16 "Property, Plant and Equipment" ("IAS 16"), an asset is recognized only if the cost can be measured reliably and if future economic benefits are expected from its use.

Property, plant and equipment could be initially recognized at cost or at their fair value in case of business combinations.

Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. TechnipFMC uses different depreciation periods for each of the significant components of a single property, plant and equipment asset where the useful life of the component differs from that of the main asset. The following are the useful lives most commonly applied by TechnipFMC:

- Buildings 10 to 50 years
- Vessels 10 to 30 years
- Machinery and Equipment 3 to 20 years
- Office Fixtures and Furniture 5 to 10 years
- Vehicles 3 to 7 years
- IT Equipment 3 to 5 years

If the residual value of an asset is material and can be measured, it is taken into account in calculating its depreciable amount.

On a regular basis, TechnipFMC reviews the useful lives of its assets. That review is based on the effective use of the assets.

As per IAS 16, dry-dock expenses are capitalized as a separate component of the principal asset. They are depreciated over a period of three to five years.

Depreciation costs are recorded in the statement of income as a function of the fixed assets' use, split between the following line items: cost of sales, research and development costs, selling, general and administrative costs.

In accordance with IAS 36 "Impairment of Assets" ("IAS 36"), the carrying value of property, plant and equipment is reviewed for impairment whenever internal or external events indicate that there may be impairment, in which case, an impairment test is performed. Impairment indicators / triggering events are changes in circumstances that indicate the carrying amount of property, plant and equipment may not be recoverable include but are not limited to:

- A significant decrease in the market value of property, plant and equipment;

- A significant adverse change in the extent or manner in which property, plant and equipment is used or in its physical condition;
- A significant adverse change in legal factors or in the business climate that could affect the value of a property, plant and equipment, including an adverse action or assessment by a regulator or the increase of risk-adjusted discount rates;
- An accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of property, plant and equipment;
- A current period operating or cash flow loss combined with a history of operating or cash flow losses or a projection or forecast that demonstrates continuing losses associated with the use of property, plant and equipment; and
- A current expectation that property, plant and equipment will become idle, a significant decrease in utilization of the asset, the operation to which the asset belongs will be discontinued or restructured, sold, or otherwise disposed of significantly before the end of its previously estimated useful life.

As an example, indications of impairment loss used for vessels and analyzed together are mainly the asset workload scheduling, the change in its daily invoicing rate, its age as well as the frequency of its dry-docking.

k) Leases

Lessee arrangements

TechnipFMC leases real estate, including land, buildings and warehouses, machinery/equipment, vessels, vehicles, and various types of manufacturing and data processing equipment, from a lessee perspective. Leases of real estate generally provide for payment of property taxes, insurance, and repairs by TechnipFMC.

TechnipFMC determines if an arrangement is a lease at inception by assessing whether an identified asset exists and if we have the right to control the use of the identified asset. Leases are included in right-of-use assets, lease liabilities (current), and lease liabilities (non-current) on the statement of financial position. Right-of-use assets represent the right to use an underlying asset for the lease term and lease liabilities represent TechnipFMC's obligation to make lease payments arising from the lease. Right-of-use assets and liabilities are recognized at the commencement date based on the present value of the remaining lease payments over the lease term. With the exception of rare cases in which the implicit rate is readily determinable, TechnipFMC uses its incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments. The right-of-use assets also includes any lease prepayments made and excludes lease incentives we received from the lessor. Depreciation of right-of-use assets is recognized on a straight line basis over the lease term. Several of TechnipFMC's leases provide for certain guarantees of residual value. TechnipFMC estimates and includes in the determination of lease payments any amount probable of being owed under these residual value guarantees. The leases do not contain any material restrictive covenants.

Lease terms within the lessee arrangements may include options to extend/renew or terminate the lease and/or purchase the underlying asset when it is reasonably certain that we will exercise that option. TechnipFMC applies a portfolio approach by asset class to determine lease term renewals. The leases within these portfolios are categorized by asset class and have initial lease terms that vary depending on the asset class. The renewal terms range from 60 days to 5 years for asset classes such as temporary residential housing, forklifts, vehicles, vessels, office and IT equipment, and tool rentals, and up to 15 years or more for commercial real estate. Short-term leases with an initial term of 12 months or less that do not include a purchase option are not recorded on the statement of financial position. Lease costs for short-term leases are recognized on a straight-line basis over the lease term and amounts related to short-term leases are disclosed within the consolidated financial statements.

TechnipFMC has variable lease payments, including adjustments to lease payments based on an index or rate (such as the Consumer Price Index), fair value adjustments to lease payments, and common area maintenance, real estate taxes, and insurance payments in triple-net real estate leases. Variable lease payments that depend on an index or a rate (such as the Consumer Price Index or a market interest rate) are included when measuring initial lease liability of the lease arrangements using the payments' base rate or index. We remeasure the lease liability when there is a change in future lease payments resulting from a change in such index or rate. Variable payments that do not depend on an index or rate are recognized in profit or loss and are disclosed as 'variable lease cost' in the period they are incurred.

TechnipFMC adopted the practical expedient to not separate lease and non-lease components for all asset classes except for vessels, which have significant non-lease components.

TechnipFMC currently subleases certain of its leased real estate and vessels to third parties. The subleases are classified as operating leases by the sublessor.

Lessor arrangements

TechnipFMC leases real estate including land, buildings and warehouses, machinery/equipment, and vessels from a lessor perspective. TechnipFMC determines if an arrangement is a lease at inception by assessing whether an identified asset exists and if the customer has the right to control the use of the identified asset. TechnipFMC uses the implicit rate for its lessor arrangements. TechnipFMC estimates the amount it expects to derive from the underlying asset following the end of the lease term based on remaining economic life. The lessor arrangements generally do not include any residual value guarantees. TechnipFMC recognizes lessee payments of lessor costs such as taxes and insurance on a net basis when the lessee pays those costs directly to a third party or when the amount paid by the lessee is not readily determinable.

l) Intangible assets

Internally generated research and development costs

Research costs are expensed when incurred. In compliance with IAS 38 “Intangible Assets” (“IAS 38”), development costs are capitalized if all of the following criteria are met:

- the projects are clearly identified;
- TechnipFMC is able to reliably measure expenditures incurred by each project during its development;
- TechnipFMC is able to demonstrate the technical and industrial feasibility of the project;
- TechnipFMC has the financial and technical resources available to achieve the project;
- TechnipFMC can demonstrate its intention to complete, to use or to commercialize products resulting from the project; and
- TechnipFMC is able to demonstrate the existence of a market for the output of the intangible asset, or, if it is used internally, the usefulness of the intangible asset.

Other intangible assets

Intangible assets other than goodwill (including those acquired in a business combination) are amortized on a straight-line basis over their expected useful lives, as follows:

- Acquired technology: 7 to 10 years
- Backlog: as per the timeframe of the outstanding orders (usually less than 3 years)
- Customer relationships: lower of 10 years or the terms of the customer contracts
- Trade names; Licenses, Patents and Trademarks: lower of 20 years or the period set forth in the legal conditions
- Software (including software rights, proprietary IT tools, such as the E-procurement platform, or TechnipFMC’s management applications): 3 to 7 years

In accordance with IAS 36, the carrying value of intangible assets is reviewed for impairment whenever internal or external events indicate that there may be impairment, in which case, an impairment test is performed.

m) Impairment of non-financial assets

Non-financial assets, property, plant and equipment, and identifiable intangible assets being amortized are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of the asset or cash-generating unit ("CGU") may not be recoverable. If any indication exists, or when annual impairment testing for an asset is required, TechnipFMC estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset, including growth rates in revenues, costs, estimates of future expected changes in operating margins, tax rates and cash expenditures. Future revenues are also adjusted to match changes in the business strategy. Factors that could trigger a lower value in use estimate include sustained price declines of a CGU's products and services, cost increases, regulatory or political environment changes, changes in customer demand, and other changes in market conditions, which may affect certain market participant assumptions used in the discounted future cash flow model.

In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Goodwill is not amortized but it is tested for impairment annually as of October 31 or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment of goodwill is determined by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

n) Fair value measurement

TechnipFMC measures certain financial instruments (including derivatives) at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

TechnipFMC uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets;
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly; and
- Level 3: Unobservable inputs (e.g., a reporting entity's own data).

For assets and liabilities that are recognized in the consolidated financial statements at fair value on a recurring basis, TechnipFMC determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

o) Financial assets

Financial assets are categorized at initial recognition, as subsequently measured at either amortized cost, at fair value through other comprehensive income (“FVOCI”), or at fair value through profit or loss (“FVTPL”).

For debt instruments this classification depends on the financial asset’s contractual cash flow characteristics as well as business model according to which TechnipFMC is managing them. Financial assets are initially measured at their fair values plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15.

A financial asset is classified and measured at amortized cost or fair value through other comprehensive income (“OCI”) if and only if it gives rise to cash flows that are ‘solely payments of principal and interest (“SPPI”), i.e. the asset meets the SPPI test criteria, which are assessed at an instrument level.

The business model applied by TechnipFMC determines whether the cash flows from the instruments will be realized through collecting contractual cash flows, selling the financial assets, or both.

Transactions on financial assets that require delivery of assets within a time frame legally or contractually (regular way trades) are recognized on the trade date, being the date when TechnipFMC commits to acquire or sell the asset.

For purposes of subsequent measurement, financial assets are classified in three categories:

- Financial assets at amortized cost
- Financial assets at fair value through OCI, either with recycling or no recycling of cumulative gains and losses
- Financial assets at fair value through profit or loss

TechnipFMC currently has no financial assets at fair value through OCI.

Financial assets at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortized cost are subsequently measured using the effective interest rate and are also subject to impairment. Gains and losses are recognized in profit or loss within the Other Income (Expense) line when the asset is derecognized, impaired or contractual cash-flows change.

TechnipFMC’s financial assets at amortized cost include trade receivables, loans issued to third or related parties and debt notes receivable presented under other non-current financial assets or other current assets, as applicable.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include:

- Financial assets held for trading (i.e., those which are acquired for the purpose of selling or repurchasing in the near term).
- Financial assets designated upon initial recognition at fair value through profit or loss (in order to eliminate, or significantly reduce, an accounting mismatch), or
- Financial assets required to be measured at fair value (i.e. assets with cash flows that are not solely payments of principal and interest, irrespective of the business model).

Derivatives, including separated embedded derivatives, are also classified as held for trading except for those designated as effective hedging instruments. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

This category includes derivative instruments, listed and non-quoted equity investments which TechnipFMC had not irrevocably elected to classify at fair value through OCI, as well as certain liquid, frequently traded debt instruments such as treasury bills.

Dividends on listed equity investments are also recognized in the statement of profit or loss when the right of payment has been established.

Impairment of financial assets

An allowance for Expected Credit Losses (“ECL”) is recognized for all debt instruments not held at fair value through profit or loss. As opposed to the incurred loss approach, ECL is based on the difference between the carrying amount (as per the contractual cash flows of the instruments) and all the cash flows that TechnipFMC expects to receive, discounted at the original effective interest rate. The expected cash flows reflect the cash flows expected from collateral or other credit enhancements that are part of the contractual terms and are not separately recognized by TechnipFMC. The estimate of expected cash shortfalls on a collateralized financial instrument reflects the amounts and timing of cash flows that are expected from foreclosure on the collateral less the costs of obtaining and selling the collateral, irrespective of whether foreclosure is probable.

In case of instruments for which there has not been a significant increase in credit risk since initial recognition, ECL is applied for default events that are possible within the next 12-months (a 12-month ECL). In case there has been a significant increase in credit risk since initial recognition, a ECL is applied over the remaining life of the exposure (lifetime ECL).

For trade receivables and contract assets TechnipFMC applies a simplified approach permitted by IFRS 9. Therefore, TechnipFMC recognizes lifetime ECL at initial recognition and at each reporting date. TechnipFMC has considered historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment to determine lifetime expected losses.

For short-term notes receivable an expected credit loss is calculated assuming the maximum possible loss in the event of a default (that is, the loan is fully drawn and no amount is recovered). Management established a probability of default based on the counterparty’s credit risk as determined by external credit rating agencies and the maximum loss given default (average recovery rate of sovereign bond issuers as published by credit rating agencies). Based on these factors management determines the ECL for TechnipFMC’s short-term loans receivable.

For debt instruments recognized at amortized cost, as permitted by IFRS 9, TechnipFMC considers the low credit risk simplification. Accordingly, TechnipFMC evaluates whether the debt instrument is considered to have low credit risk at the reporting date, using available, reasonable and supportable information. TechnipFMC considers its internal credit rating of the debt instrument, and also considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due. For debt instruments that continue to have low credit risk after the evaluation, TechnipFMC assumes that there is no significant increase in the credit risk of the instrument.

ECL on such instruments is measured on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. TechnipFMC uses the ratings from credit rating agencies both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

Based on customer experience, customer relationships and the nature of the long term projects, TechnipFMC considers a financial asset in default when contractual payments are 30 days past due. Also, in cases when internal or external information indicates that it is unlikely to receive the outstanding contractual cash flows before considering any credit enhancements, TechnipFMC also considers a financial asset to be in default. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

- The rights to receive cash flows from the asset have expired; or
- TechnipFMC has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) TechnipFMC has transferred substantially all the risks and rewards of the asset, or (b) TechnipFMC has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When TechnipFMC has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, TechnipFMC continues to recognize the transferred asset to the extent of its continuing involvement. In that case, TechnipFMC also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that TechnipFMC has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that TechnipFMC could be required to repay.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

p) Derivative financial instruments and hedging

Initial recognition and subsequent measurement

TechnipFMC uses derivative financial instruments, such as forward contracts, swaps and options to hedge its risks, in particular foreign exchange risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Every derivative financial instrument held by TechnipFMC is aimed at hedging future cash inflows or outflows against exchange rate fluctuations during the period of contract performance. Derivative instruments and in particular forward exchange transactions are aimed at hedging future cash inflows or outflows against exchange rate fluctuations in relation to awarded commercial contracts, or material, labor and overhead expenses.

To hedge its exposure to exchange rate fluctuations during the bid-period of construction contracts, TechnipFMC occasionally enters into insurance contracts under which foreign currencies are exchanged at a specified rate and at a specified future date only if the new contract is awarded. The premium that TechnipFMC pays to enter into such an insurance contract is charged to the income statement when paid. If the commercial bid is not successful, the insurance contract is automatically terminated without any additional cash settlements or penalties.

In some cases, TechnipFMC may enter into foreign currency options for some proposals during the bid-period. These options are not designated for hedge accounting.

For the purpose of hedge accounting, instruments qualifying as hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment (TechnipFMC currently has no financial instruments designated for such hedging relationship)
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment

- Hedges of a net investment in a foreign operation (TechnipFMC currently has no financial instruments designated for such hedging relationship)

Foreign currency treasury accounts designated for a contract and used to finance its future expenses in foreign currencies may qualify as a foreign currency cash flow hedge. Cash as a hedging instrument is determined as cash less accounts payables (including debts contracted on projects) plus accounts receivable (including loans contracted on projects) on reimbursable, services and completed contracts at closing date.

An economic hedging may occasionally be obtained by offsetting cash inflows and outflows on a single contract (“natural hedging”).

When implementing hedging transactions, each of TechnipFMC’s subsidiaries enters into forward exchange contracts with banks or with Technip Eurocash SNC, the company that performs centralized treasury management for TechnipFMC. However, under treasury center accounting only instruments backed by a third party outside of TechnipFMC are designated as hedging instruments.

At the inception of a hedge relationship, TechnipFMC formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how TechnipFMC will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is ‘an economic relationship’ between the hedged item and the hedging instrument.
- The effect of credit risk does not ‘dominate the value changes’ that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that TechnipFMC actually hedges and the quantity of the hedging instrument that TechnipFMC actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for as described below. The fair value of derivative financial instruments is estimated on the basis of valuations provided by bank counterparties or financial models commonly used in financial markets, using market data as of the statement of financial position date.

A derivative instrument qualifies for hedge accounting (fair value hedge or cash flow hedge) when there is a formal designation and documentation of the hedging relationship, and of the effectiveness of the hedge throughout the life of the contract. A fair value hedge aims at reducing risks incurred by changes in the market value of some assets, liabilities or firm commitments. A cash flow hedge aims at reducing risks incurred by variations in the value of future cash flows that may impact net profit (loss) in the statement of income.

All derivative instruments are recorded and disclosed in the statement of financial position at fair value. Derivative instruments not considered for hedge accounting are also classified as current assets and liabilities.

Changes in fair value are recognized as follows:

- regarding cash flow hedges, the effective portion of the gain or loss of the hedging instrument is recorded directly in other comprehensive income, and the ineffective portion of the gain or loss on the hedging instrument is recorded in the income statement. The amounts accumulated in other comprehensive income (“OCI”) are accounted for depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognized in OCI for the period. For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss. If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.
- the changes in fair value of derivative financial instruments that qualify as fair value hedge are recorded as financial income or expenses. The ineffective portion of the gain or loss is immediately recorded in the income statement. The carrying amount of a hedged item is adjusted by the gain or loss on this hedged item which may be allocated to the hedged risk and is recorded in the income statement; and
- the changes in fair value of derivative financial instruments that do not qualify as hedging in accounting standards are directly recorded in the income statement.

TechnipFMC designates only the spot element of forward contracts as a hedging instrument. The forward element of contracts receiving hedge accounting is recognized in the income statement in the same line item as the underlying hedged item.

See Note 27 for further details.

q) Inventories

Inventories are recognized at the lower of cost and net realizable value with cost being principally determined on a weighted-average cost basis.

Write-down of inventories are recorded when the net realizable value of inventories is lower than their net book value.

r) Advances paid to suppliers

Advance payments made to suppliers under long-term contracts are shown under the “Advances Paid to Suppliers” line item, on the asset side of the statement of financial position.

s) Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. TechnipFMC holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method.

Impairment of trade receivables

TechnipFMC applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. TechnipFMC’s trade receivables and contracts assets constitute a homogeneous portfolio, therefore, to measure the expected credit losses, trade receivables and contract assets have been grouped based on a selection of TechnipFMC’s entities that cover a representative part of TechnipFMC’s combined trade receivables and contract assets at each period end. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. TechnipFMC has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

t) Cash and cash equivalents

Cash and cash equivalents consist of cash in bank and in hand, fixed term deposits and securities fulfilling the following criteria: an original maturity of less than three months, highly liquid, a fixed exchange value and an insignificant risk of loss of value. Securities are measured at their market value at year-end. Any change in fair value is recorded in the statement of income.

u) Share-based compensation

The measurement of share-based compensation expense on restricted share awards is based on the market price at the grant date and the number of shares awarded. TechnipFMC utilizes the Black-Scholes options pricing model to measure the fair value of share options granted, excluding from such valuation the service and non-market performance conditions (which are considered in the expected number of awards that will ultimately vest) but including market conditions (Note 18). The share-based compensation expense for each award is recognized during the vesting period (i.e. the period in which the service and, where applicable, the performance conditions are fulfilled). The cumulative expense recognized for share-based employee compensation at each reporting date reflects the already expired portion of the vesting period and TechnipFMC's best estimate of the number of awards that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognized as of the beginning and end of that period.

v) Provisions

Provisions are recognized if and only if the following criteria are simultaneously met:

- TechnipFMC has an ongoing obligation (legal or constructive) as a result of a past event;
- the settlement of the obligation will likely require an outflow of resources embodying economic benefits without expected counterpart; and
- the amount of the obligation can be reliably estimated: provisions are measured according to the risk assessment or the exposed charge, based upon best-known elements.

Contingencies related to contracts

These provisions relate to claims and litigation on contracts.

Restructuring

Once a restructuring plan has been decided and the interested parties have been informed, the plan is scheduled and valued. Restructuring provisions are recognized in accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" ("IAS 37") and presented within Impairment, Restructuring and Other Expenses (Income) in the Statements of Income.

w) Pensions and other long-term benefits

TechnipFMC sponsors various end-of-service and retirement employee benefit plans. Payments under such employee benefit plans are made either at the date of the employee's termination of service with TechnipFMC or at a subsequent date or dates in accordance with the laws and practices of each country in which a participant resides. Depending on the employing entity, the main defined benefit plans can be:

- end-of-career benefits, to be paid at the retirement date;
- deferred compensation, to be paid when an employee leaves TechnipFMC;
- retirement benefits to be paid in the form of a pension.

TechnipFMC assesses its obligations in respect of employee pension plans and other long-term benefits such as "jubilee benefits", post-retirement medical benefits, special termination benefits and cash incentive plans. The plan assets are recorded at fair value.

The defined benefits obligations are estimated by independent actuaries using the projected unit credit actuarial valuation method as per IAS 19 "Employee Benefits" ("IAS 19"). The actuarial assumptions used to determine the obligations may vary depending on the country. The actuarial estimation is based on usual parameters such as future wage and salary increases, life expectancy, staff turnover rate and inflation rate.

The defined benefit liability equals the present value of the defined benefit obligation after deducting the plan assets. Present value of the defined benefit obligation is determined using present value of future cash disbursements based on interest rates of corporate bonds, in the currency used for benefit payment, and whose term is equal to the average expected life of the defined benefit plan.

The actuarial gains and losses resulting from adjustments related to experience and changes in actuarial assumptions are recorded in other comprehensive income. See Note 20 for further details.

x) Deferred income tax

Deferred income taxes are recognized in accordance with IAS 12 “Income Taxes” (“IAS 12”), measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period on all temporary differences at the closing date, between the tax bases of assets and liabilities and their carrying amounts for each TechnipFMC’s company.

Deferred income taxes are reviewed at each closing date to take into account the effect of any changes in tax law and in the prospects of recovery.

Deferred income tax assets are recognized for all deductible temporary differences, unused tax credits carry-forwards and unused tax losses carry-forwards, to the extent that it is probable that taxable profit will be available.

To properly estimate the existence of future taxable income on which deferred tax assets could be allocated, the following items are taken into account:

- existence of temporary differences which will cause taxation in the future;
- forecasts of taxable results;
- analysis of the past taxable results; and
- existence of significant and non-recurring income and expenses, included in the past tax results, which should not repeat in the future.

Deferred income tax liabilities are recognized for all taxable temporary differences, except restrictively enumerated circumstances, in accordance with the provisions of IAS 12.

Tax assets and liabilities are not discounted.

y) Financial liabilities

Financial liabilities are classified, at initial recognition, as:

- financial liabilities at fair value through profit or loss (i.e., instruments held for trading including derivatives not designated as hedging instruments and also instruments designated upon initial recognition as of fair value through profit or loss),
- financial debt,
- trade and other payables, or
- derivatives designated as hedging instruments in an effective hedge.

Financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the statement of profit or loss.

TechnipFMC has not elected to designate any financial liability as of fair value through profit or loss.

Financial debts (current and non-current)

Current and non-current financial debts include bond loans, commercial paper programs and other borrowings. After initial recognition, debt is measured at amortized cost using the effective interest rate method. Transaction costs, such as issuance fees and redemption premium are included in the cost of debt on the liability side of the statement of financial position, as an adjustment to the nominal amount of the debt. The difference between the initial debt and redemption at maturity is amortized at the effective interest rate.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of income.

z) Non-current assets held for sale or distribution to equity holders

TechnipFMC classifies non-current assets and disposal groups as held for sale/or distribution to equity holders of the parent if their carrying amounts will be recovered principally through a sale transaction or a distribution rather than through continuing use. Such non-current assets and disposal groups classified as held for sale/or distribution are measured at the lower of their carrying amount and fair value less costs to sell or distribute. Costs to sell/or distribute are the incremental costs directly attributable to the sale or distribution, excluding finance costs and income tax expense.

The criteria for held for sale/or distribution classification is regarded as met only when the sale/or distribution is highly probable and the asset or disposal group is available for immediate sale/ or distribution in its present condition. Actions required to complete the sale/or distribution should indicate that it is unlikely that significant changes to the sale/or distribution will be made or that the decision to sale/or distribute will be withdrawn. Management must be committed to the sale/or distribution expected within one year from the date of the classification.

aa) Cash dividend and non-cash distribution to equity holders

TechnipFMC recognizes a liability to make cash or non-cash distributions to its equity holders when the distribution is approved by its shareholders. A corresponding amount is recognized directly in the statement of equity.

ab) Current/ non-current distinction

The distinction between current assets and liabilities, and non-current assets and liabilities is based on the operating cycle of contracts. If related to contracts, assets and liabilities are classified as “current”; if not related to contracts, assets and liabilities are classified as “current” if their maturity is less than 12 months or “non-current” if their maturity exceeds 12 months.

1.5. Use of critical accounting estimates, judgments and assumptions

The preparation of the consolidated financial statements requires the use of critical accounting estimates, judgments and assumptions and may affect the assessment and disclosure of assets and liabilities at the date of the financial statements, as well as the income and the reported expenses regarding this financial year. Estimates may be revised if the circumstances and the assumptions on which they were based change, if new information becomes available, or as a result of greater experience. Consequently, the actual result from these operations may differ from these estimates.

Other disclosures relating to TechnipFMC’s exposure to risks and uncertainties includes:

- Capital management (Note 17)
- Market related exposures (Note 30)

a) Judgments

Areas of judgment that have the most significant effect on the amounts recognized in the consolidated financial statements relate to the separation transaction and revenue recognition.

Separation transaction

On August 26, 2019, we announced our intention to separate into two diversified pure-play market leaders – TechnipFMC, focused on subsea and surface hydrocarbon production, and Technip Energies, focused on downstream engineering, procurement, and construction project execution. Due to the COVID-19 pandemic, a significant decline in commodity prices, and the heightened volatility in global equity markets, on March 15, 2020, we announced the postponement of the completion of the transaction until the markets sufficiently recover. On January 7, 2021, we announced the resumption of activity toward completion of the transaction based on increased clarity in the market outlook and our demonstrated ability to successfully execute projects.

As discussed above, on February 16, 2021, we completed the previously announced separation of the Technip Energies business segment. The transaction was structured as a spin-off, which occurred by way of a pro rata dividend (the "Distribution") to our shareholders of 50.1 percent of the outstanding shares in Technip Energies N.V. Each of our shareholders received one ordinary share of Technip Energies N.V. for every five ordinary shares of TechnipFMC held at 5:00 p.m., New York City time on the record date, February 17, 2021. Technip Energies N.V. is now an independent public company and its shares trade under the ticker symbol "TE" on the Euronext Paris stock exchange.

Under IFRS, the reclassification of assets (and any associated liabilities) as 'held for distribution' can only be triggered once the assets are available for distribution in their present condition and the distribution is 'highly probable'. The highly probable criteria is met when the distribution is expected to be completed within a year. As of December 31, 2020, we had no such expectation as the Spin-off was dependent upon on new capital structure negotiations and related new financing in connection with the Spin-off. This only came into effect on January 29, 2021, upon completion by TechnipFMC of its private offering of $1.0 billion in aggregate principal amount of senior unsecured notes due 2026.

In connection with the Spin-off, as of December 31, 2020 we were also in a process of completing a separation of the Technip Energies business from the other TechnipFMC operations. This involved separation of activities in relation to operational processes, information technologies and support functions, such as finance, human resources and the separation of certain legal entities, which host several business activities.

Revenue recognition

The majority of our revenue is derived from long-term contracts that can span several years. TechnipFMC accounts for revenue in accordance with IFRS 15. The unit of account in IFRS 15 is a performance obligation. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. The performance obligations are satisfied over time as work progresses or at a point in time.

A significant portion of our total revenue recognized over time relates to our Technip Energies and Subsea segments, primarily for the entire range of onshore facilities, fixed and floating offshore oil and gas facilities, and subsea exploration and production equipment projects that involve the design, engineering, manufacturing, construction, and assembly of complex, customer-specific systems. Because of control transferring over time, revenue is recognized based on the extent of progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the products or services to be provided. We generally use the cost-to-cost measure of progress for our contracts because it best depicts the transfer of control to the customer that occurs as we incur costs on our contracts. Under the cost-to-cost measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Revenues, including estimated fees or profits, are recorded proportionally as costs are incurred.

Due to the nature of the work required to be performed on many of performance obligations, the estimation of total revenue and cost at completion is complex, subject to many variables, and requires significant judgment. It is common for the long-term contracts to contain award fees, incentive fees, or other provisions that can either increase or decrease the transaction price. We include estimated amounts in the transaction price when we believe we have an enforceable right to the modification, the amount can be estimated reliably, and its realization is probable. The estimated amounts are included in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

TechnipFMC executes contracts with its customers that clearly describe the equipment, systems, and/or services. After analyzing the drawings and specifications of the contract requirements, the project engineers estimate total contract costs based on their experience with similar projects and then adjust these estimates for specific risks associated with each project, such as technical risks associated with a new design. Costs associated with specific risks are estimated by assessing the probability that conditions arising from these specific risks will affect the total cost to complete the project. After work on a project begins, assumptions that form the basis for the calculation of total project cost are examined on a regular basis and the estimates are updated to reflect the most current information and management's best judgment.

Adjustments to estimates of contract revenue, total contract cost, or extent of progress toward completion are often required as work progresses under the contract and as experience is gained, even though the scope of work required under the contract may not change. The nature of accounting for long-term contracts is such that refinements of the estimating process for changing conditions and new developments are continuous and characteristic of the process. Consequently, the amount of revenue recognized over time is sensitive to changes in estimates of total contract costs. There are many factors, including, but not limited to, the ability to properly execute the engineering and design phases consistent with customers' expectations, the availability and costs of labor and material resources, productivity, and weather, all of which can affect the accuracy of cost estimates, and ultimately, the future profitability.

Our operating loss for the year ended December 31, 2020 was positively impacted by approximately $457.9 million, as a result of changes in contract estimates related to projects that were in progress as of December 31, 2019. During the year ended December 31, 2020, we recognized changes in our estimates that had an impact on our margin in the amounts of $519.5 million, $(56.5) million and $(5.1) million in our Technip Energies, Subsea and Surface Technologies segments, respectively. The changes in contract estimates are attributed to better than expected performance throughout our execution of our projects.

Our operating loss for the year ended December 31, 2019 was positively impacted by approximately $1,114.3 million, as a result of changes in contract estimates related to projects that were in progress as of December 31, 2018. During the year ended December 31, 2019, we recognized changes in our estimates that had an impact on our margin in the amounts of $797.2 million, $324.7 million and $(7.6) million in our Technip Energies, Subsea and Surface technologies segments, respectively. The changes in contract estimates are attributed to better than expected performance throughout our execution of our projects.

See Note 1 for further details.

b) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year relate to income taxes, pension accounting, determination of fair value in business combinations, impairment of non-financial assets and estimates related to fair value for purposes of assessing goodwill for impairment and are described below.

Income taxes

Our income tax expense, deferred tax assets and liabilities, and reserves for uncertain tax positions reflect management's best assessment of estimated future taxes to be paid. We are subject to income taxes in the United Kingdom and numerous foreign jurisdictions. Significant judgments and estimates are required in determining the consolidated income tax expense.

In determining the current income tax provision, we assess temporary differences resulting from differing treatments of items for tax and accounting purposes. These differences result in deferred tax assets and liabilities, which are recorded in our consolidated balance sheets. When we maintain deferred tax assets, we must assess the likelihood that these assets will be recovered through adjustments to future taxable income. To the extent we believe recovery is not probable, no deferred tax asset is recognized. We believe this assessment is a critical accounting estimate because it is highly susceptible to change from period to period, requires management to make assumptions about our future income, and can be potentially material to the results of operations.

Forecasting future income requires us to use a significant amount of judgment. In estimating future income, we use our internal operating budgets and long-range planning projections. We develop our budgets and long-range projections based on recent results, trends, economic and industry forecasts influencing the segments' performance, our backlog, planned timing of new product launches and customer sales commitments. Significant changes in our judgment related to the expected realizability of a deferred tax asset results in an adjustment to the recorded balance of that asset.

The calculation of income tax expense involves dealing with uncertainties in the application of complex tax laws and regulations in numerous jurisdictions in which we operate. We recognize tax benefits related to uncertain tax positions when, in our judgment, it is more likely than not that such positions will be sustained on examination, including resolutions of any related appeals or litigation, based on the technical merits. We adjust our liabilities for uncertain tax positions when our judgment changes as a result of new information previously unavailable. Due to the complexity of some of these uncertainties, their ultimate resolution may result in payments that are materially different from our current estimates. Any such differences will be reflected as adjustments to income tax expense in the periods in which they are determined.

See Note 7 for further details.

Accounting for pension and other post-retirement benefit plans

Pension and other post-retirement (health care and life insurance) obligations are described in Note 20 to the consolidated financial statements.

The determination of the projected benefit obligations of TechnipFMC's pension and other post-retirement benefit plans are important to the recorded amounts of such obligations on our consolidated statement of financial position and to the amount of pension expense in our consolidated statements of income. In order to measure the obligations and expense associated with our pension benefits, management must make a variety of estimates, including discount rates used to value certain liabilities, rate of compensation increase, employee turnover rates, retirement rates, mortality rates and other factors. Management updates these estimates on an annual basis or more frequently upon the occurrence of significant events. These accounting estimates bear the risk of change due to the uncertainty and difficulty in estimating these measures. Different estimates used by management could result in recognition of different amounts of expense over different periods of time.

The discount rate affects the interest cost component of net periodic pension cost and the calculation of the projected benefit obligation. The discount rate is based on rates at which the pension benefit obligation could be effectively settled on a present value basis. Discount rates are derived by identifying a theoretical settlement portfolio of long-term, high quality ("AA" rated) corporate bonds at the determination date that is sufficient to provide for the projected pension benefit payments. An application of a determined discount rate results in a discounted value of the pension benefit payments that equate to the market value of the selected bonds. The resulting discount rate is reflective of both the current interest rate environment and the pension's distinct liability characteristics. Significant changes in the discount rate, such as those caused by changes in the yield curve, the mix of bonds available in the market, the duration of selected bonds and the timing of expected benefit payments, may result in volatility in pension expense and pension liabilities.

Due to the specialized and statistical nature of these calculations which attempt to anticipate future events, management engages third-party specialists to assist evaluating the assumptions as well as appropriately measuring the costs and obligations associated with these pension benefits.

The actuarial assumptions and estimates made by management in determining TechnipFMC's pension benefit obligations may materially differ from actual results as a result of changing market and economic conditions and changes in plan participant assumptions. While management believes the assumptions and estimates used are appropriate, differences in actual experience or changes in plan participant assumptions may materially affect the financial position or results of operations.

Impairment of non-financial assets

Property, plant and equipment, including vessels, identifiable intangible assets being amortized and capitalized software costs are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of the non-financial assets may not be recoverable. The carrying amount of a non-financial asset is not recoverable if it exceeds the recoverable amount determined as the higher of and asset’s fair vale less costs of disposal and its value in use. If it is determined that an impairment loss has occurred, the loss is measured as the amount by which the carrying amount of the non-financial asset exceeds its recoverable amount. The determination of future value in use as well as the estimated fair value of non-financial assets involves significant estimates on the part of management. Because there usually is a lack of quoted market prices for non-financial assets, fair value of impaired assets is generally determined based on the present values of expected future cash flows using discount rates believed to be consistent with those used by principal market participants, or based on a multiple of operating cash flow validated with historical market transactions of similar assets where possible. To assess the fair value of our vessels we utilize external broker valuation reports.

The expected future cash flows used for impairment reviews and related fair value calculations are based on judgmental assessments of future productivity of the asset, operating costs, capital decisions and possible additional impacts from emerging risks such as those related to climate change and the transition to a lower carbon economy and pandemics. Oil and gas price assumptions have a significant impact on impairment assessments of non-financial assets and are inherently uncertain. Furthermore, the estimation of future oil and gas prices is subject to increased uncertainty, given climate change and the global energy transition. If future market conditions deteriorate beyond the current expectations and assumptions, impairments of non-financial assets may be identified if management concludes that the carrying amounts are no longer recoverable.

See Note 10 for further details.

Impairment of goodwill

Goodwill represents the excess of cost over the fair market value of net assets acquired in business combinations. Goodwill is not subject to amortization but is tested for impairment at the level of GCGUs the goodwill has been allocated to, on an annual basis, or more frequently if impairment indicators arise. TechnipFMC established October 31 as the date of the annual test for impairment of goodwill. TechnipFMC identifies a potential impairment by comparing the recoverable amount of the applicable GCGU to its net book value, including goodwill. If the net book value exceeds the recoverable amount of the GCGU, management measures the impairment by comparing the carrying value of the GCGU to its recoverable amount. GCGU with goodwill are tested for impairment using a quantitative impairment test.

When using the quantitative impairment test, determining the fair value of a GCGU is judgmental in nature and involves the use of significant estimates and assumptions. TechnipFMC estimates the fair value of its GCGUs using a discounted future cash flow model. The majority of the estimates and assumptions used in a discounted future cash flow model involve unobservable inputs reflecting management’s own assumptions about the assumptions market participants would use in estimating the fair value of a business. These estimates and assumptions include revenue growth rates and operating margins used to calculate projected future cash flows, discount rates and future economic and market conditions. The transition to a lower carbon global economy may potentially lead to a lower oil and gas price scenario in the future due to declining demand. Management took into account considerations of uncertainty over the pace of the transition to lower-carbon supply and demand and the social, political and environmental actions that will be taken to meet the goals of the Paris climate change agreement when determining their future revenue growth rates assumptions and revised the future revenue growth rates assumptions downwards when compared with the prior year assumptions. The estimates are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and do not reflect unanticipated events and circumstances that may occur.

A lower recoverable amount estimate in the future for any of GCGUs could result in goodwill impairments. Factors that could trigger a lower recoverable amount estimate include sustained price declines of the GCGU’s products and services, cost increases, regulatory or political environment changes, changes in customer demand, and other changes in market conditions, which may affect certain market participant assumptions used in the discounted future cash flow model based on internal forecasts of revenues and expenses over a specified period plus a terminal value (the income approach). When assessing triggering factors, on a quarterly and also on an annual basis, TechnipFMC also analyzes the relationship between its market capitalization and its consolidated book value of equity.

The income approach estimates recoverable amount by discounting each GCGU's estimated future cash flows using a weighted-average cost of capital that reflects current market conditions and the risk profile of the GCGU. To arrive at the future cash flows, management uses estimates of economic and market assumptions, including growth rates in revenues, costs, estimates of future expected changes in operating margins, tax rates and cash expenditures. Future revenues are also adjusted to match changes in TechnipFMC's business strategy. Management believes this approach is an appropriate valuation method. Under the market multiple approach, management determines the estimated fair value of each of GCGUs by applying transaction multiples to each GCGU's projected EBITDA and then averaging that estimate with similar historical calculations using either a one, two or three year average. The GCGU valuations were determined primarily by utilizing the income approach, with a lesser weighting attributed the market multiple approach.

See Note 11 for further details.

NOTE 2. BUSINESS COMBINATIONS AND OTHER TRANSACTIONS

2.1 Business combinations

Year ended December 31, 2020 - Significant business combinations and other changes

TechnipFMC did not have any significant acquisitions during the year ended December 31, 2020.

Year ended December 31, 2019 - Significant business combinations and other changes

On December 30, 2019, we completed the acquisition of the remaining 50% interest in Technip Odebrecht PLSV CV ("TOP CV"). TOP CV was formed as a joint venture between Technip SA and Ocyan SA to provide pipeline installation ships to Petroleo Brasileiro SA ("Petrobras") for their work in oil and gas fields offshore Brazil with results reported in our Subsea segment using the equity method of accounting. In connection with the acquisition, we acquired $391.0 million in assets, including two vessels valued at $335.2 million. In addition, we assumed $239.9 million of liabilities, including a $203.1 million term loan. As a result of the acquisition, we recorded a gain of $59.5 million, the net results of the impairment charge of $23.8 million included within Income from Equity Affiliates and a bargain purchase gain of $83.3 million included within Impairment, Restructuring and Other Expenses. The bargain purchase gain, caused by the distressed sale, represents the excess fair value of the net assets acquired over the consideration exchanged. No significant adjustments were made to the provisional fair values of the identifiable assets and liabilities acquired when those values were finalized.

2.2 Subsidiaries, joint venture undertakings and equity affiliates

TechnipFMC's subsidiaries, joint venture undertakings and equity affiliates as of December 31, 2020 are listed in Note 32. All subsidiaries are fully consolidated in the financial statements. Ownership interests noted in the table reflect holdings of ordinary shares.

All consolidated companies close their accounts as of December 31 except (i) Technip India which closes their statutory accounts as of March 31st, (ii) Technipetrol AG which closes their statutory accounts as of November 30th and (iii) Technip South Africa (Pty.) Ltd which closes their statutory accounts as of June 30th. However, these entities perform an interim account closing as of December 31 for the purpose of TechnipFMC consolidation.

NOTE 3. SEGMENT INFORMATION

3.1 Information by business segment

Segment revenue and segment operating profit (loss)

(In millions)	Year Ended December 31, 2020	2019 [c]
Segment revenue		
Subsea	$ 5,471.4	$ 5,419.9
Technip Energies	6,520.0	6,458.9
Surface Technologies	1,066.0	1,547.4
Total revenue	$ 13,057.4	$ 13,426.2
Segment operating profit (loss)		
Subsea	$ (2,890.5)	$ (1,412.1)
Technip Energies	673.1	966.0
Surface Technologies	(284.5)	(661.4)
Total segment operating loss	(2,501.9)	(1,107.5)
Corporate items		
Impairment, restructuring and other expenses	(10.0)	(17.4)
Separation costs	(39.5)	(72.1)
Merger transaction costs	—	(31.2)
Legal expenses	—	(54.6)
Other corporate expense [a]	(125.2)	(227.3)
Corporate expense	(174.7)	(402.6)
Interest income	56.6	115.8
Interest expense	(386.8)	(614.3)
Foreign exchange losses	(53.3)	(167.2)
Total corporate items	(558.2)	(1,068.3)
Loss before income taxes [b]	$ (3,060.1)	$ (2,175.8)

(a) Other corporate expenses primarily include corporate staff expenses, stock-based compensation expenses, and other employee benefits.

(b) Includes amounts attributable to non-controlling interests.

(c) As discussed in Note 1, our reportable segments 2019 comparative information have been restated and Technip Energies operating segment includes $86.6 million and $103.5 million of segment revenue attributable to Loading Systems and Cybernetix businesses, respectively. Subsequent to the Spin-off, we operate under two reportable segments: Subsea and Surface Technologies.

During the years ended December 31, 2020 and 2019, revenue from Arctic LNG and JSC Yamal LNG, respectively, exceeded 10% of TechnipFMC’s consolidated revenue.

Segment assets

(In millions)	December 31, 2020	December 31, 2019
Segment assets		
Subsea	$ 7,030.6	$ 10,837.3
Technip Energies	5,052.0	4,446.7
Surface Technologies	1,612.1	2,249.8
Total segment assets	13,694.7	17,533.8
Corporate [a]	6,113.1	6,041.4
Total assets	$ 19,807.8	$ 23,575.2

(a) Corporate includes cash, deferred income tax balances, property, plant and equipment, intercompany eliminations not associated with a specific segment, pension assets and the fair value of derivative financial instruments.

Other business segment information:

	Capital Expenditures		Depreciation and Amortization		Research and Development Expense	
	Year Ended December 31,		Year Ended December 31,		Year Ended December 31,	
(In millions)	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Subsea	$ 213.6	$ 287.7	$ 451.5	$ 574.5	$ 66.5	$ 134.4
Technip Energies	13.0	22.6	89.0	82.4	44.5	13.2
Surface Technologies	38.5	96.6	173.6	145.7	8.8	15.3
Corporate	26.7	47.5	36.3	35.9	—	—
Total	$ 291.8	$ 454.4	$ 750.4	$ 838.5	$ 119.8	$ 162.9

3.2 Information by geography

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

	Year Ended December 31,	
(In millions)	**2020**	**2019**
Revenue		
Russia	$ 2,451.5	$ 2,378.0
United States	2,141.4	1,931.2
Norway	1,393.5	1,371.1
Brazil	698.8	1,100.1
United Kingdom	513.8	540.8
Angola	488.5	447.8
Egypt	445.9	177.6
Mozambique	391.4	166.1
India	386.4	518.0
Senegal	353.0	176.5
Vietnam	340.7	72.1
Israel	333.6	757.0
Guyana	330.1	7.2
Australia	320.8	372.8
Singapore	312.2	64.9
Indonesia	286.9	237.6
Malaysia	281.7	283.8
France	186.9	92.8
China	151.4	272.9
United Arab Emirates	147.9	327.2
All other countries	1,101.0	2,130.7
Total revenue	$ 13,057.4	$ 13,426.2

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

	December 31,	
(In millions)	**2020**	**2019**
United Kingdom	$ 936.2	$ 957.1
United States	467.5	558.1
Netherlands	402.5	474.9
Norway	312.2	333.0
Brazil	260.0	313.2
All other countries	466.8	519.1
Total property, plant and equipment, net	$ 2,845.2	$ 3,155.4

NOTE 4. LEASES

Lessee arrangements

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

	Year Ended December 31,	
(In millions)	**2020**	**2019**
Depreciation of right-of-use assets	$ 304.3	$ 329.2
Interest expense on lease liabilities	35.1	44.4
Short-term lease costs	13.7	20.8
Sublease income	$ 7.3	$ 8.9

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

	Depreciation		Net Book Value	
	Year Ended December 31,		December 31,	
(In millions)	**2020**	**2019**	**2020**	**2019**
Real estate	$ 205.4	$ 189.3	$ 891.4	$ 743.5
Vessels	85.7	129.9	77.5	101.2
Machinery and equipment	9.5	5.6	14.7	13.2
IT equipment	2.3	2.7	3.7	5.5
Office furniture and equipment	1.4	1.7	2.0	1.5
Total	$ 304.3	$ 329.2	$ 989.3	$ 864.9

Additions to the right-of-use assets during the year ended December 31, 2020 were $535.9 million.

The statement of financial position shows the following amounts relating to lease liabilities:

	December 31,	
(In millions except for discount rate)	**2020**	**2019**
Current lease liabilities	$ 273.9	$ 275.1
Non-current lease liabilities	881.0	681.7
Total lease liabilities	$ 1,154.9	$ 956.8
Weighted average discount rate	5.1 %	4.4 %

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

	Year Ended December 31,	
(In millions)	**2020**	**2019**
Payments for the principal portion of lease liabilities	$ 277.5	$ 335.8
Cash paid for interest on lease liabilities	36.7	48.9
Right-of-use assets obtained in exchange for lease obligations	$ 535.9	$ 125.4

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

	December 31,	
(In millions)	**2020**	**2019**
Less than a year	$ 279.4	$ 305.3
Between 1 and 2 years	191.5	184.6
Between 2 and 3 years	137.1	128.0
Between 3 and 4 years	117.6	101.9
Between 4 and 5 years	79.2	89.7
Thereafter	471.4	330.4
Total lease payments	1,276.2	1,139.9
Less: Imputed interest (1)	121.3	183.1
Total lease liabilities (2)	$ 1,154.9	$ 956.8

(1) Calculated using the interest rate for each lease.

(2) Includes the current portion of $273.9 million and $275.1 million for lease liabilities as of December 31, 2020 and 2019, respectively.

In December 2020, TechnipFMC sold its leased office building at Gremp Campus in Houston, Texas on behalf of the existing lessor to Oak Street Real Estate Capital, LLC (“New Lessor”). TechnipFMC also sold the land underneath Gremp Campus which the Company owns to New Lessor. TechnipFMC concurrently executed a new lease agreement for both land and the office building (collectively, “Gremp Campus Properties”) with New Lessor.

The new lease agreement of Gremp Campus Properties commenced on December 11, 2020 and the initial term ends on December 31, 2042. TechnipFMC has four renewal periods of ten years each after the expiration of initial term. At inception of the new lease agreement, TechnipFMC did not consider any renewal period as probable of being exercised.

TechnipFMC paid net cash of $1.8 million in connection with the new lease agreement, and recognized a loss of $3.1 million from derecognition of the existing lease. There was no gain or loss from sale of the land at Gremp Campus.

Lessor arrangements

The total lease revenue from lessor arrangements was $145.2 million and $273.9 million for the year ended December 31, 2020 and 2019, respectively.

The following table is a summary with the maturity analysis of operating lease payments, showing the undiscounted lease payments to be received on an annual basis for a minimum of each of the first five years and a total of the amounts for the remaining years:

	December 31,	
(In millions)	**2020**	**2019**
Less than a year	$ 21.4	$ 29.4
Between 1 and 2 years	14.3	17.5
Between 2 and 3 years	1.0	14.3
Between 3 and 4 years	—	1.0
Thereafter	—	—
Total undiscounted cash flows	$ 36.7	$ 62.2

NOTE 5. REVENUE

5.1 Revenue recognition by segment

The majority of our revenue is from long-term contracts associated with designing and manufacturing products and systems and providing services to customers involved in exploration and production of crude oil and natural gas. The following is a description of principal activities separated by reportable segments from which TechnipFMC generates its revenue.

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

Systems and services may be sold separately or as combined integrated systems and services offered within one contract. Many of the systems and products TechnipFMC supplies for subsea applications are highly engineered to meet the unique demands of our customers' field properties and are typically ordered one to two years prior to installation. We often receive advance payments and progress billings from our customers in order to fund initial development and working capital requirements.

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

Our Subsea segment also performs an array of subsea services including (i) installation services, (ii) asset management services (iii) product optimization, (iv) inspection, maintenance and repair services, and (v) well access and intervention services, where revenue is generally earned through the execution of either installation-type or maintenance-type contracts. For either contract-type, management has determined that the performance of the service generally represents one single performance obligation. We have determined that revenue from these contracts is recognized over time as the customer simultaneously receives and consumes the benefit of the services.

Technip Energies - Technip Energies Business designs and builds onshore facilities related to the production, treatment, transformation and transportation of hydrocarbons and renewable feedstock; and designs, manufactures and installs fixed and floating platforms for the offshore production and processing of oil and gas reserves.

The onshore business combines the design, engineering, procurement, construction and project management of the entire range of onshore facilities. The onshore activity covers all types of onshore facilities related to the production, treatment and transportation of oil and gas, as well as transformation with petrochemicals such as ethylene, polymers and fertilizers. Some of the onshore activities include the development of onshore fields, refining, natural gas treatment and liquefaction, and design and construction of hydrogen and synthesis gas production units.

Many of these contracts provide a combination of engineering, procurement, construction, project management and installation services, which may last several years. Management has determined that contracts of this nature have generally one performance obligation. In these contracts, the final product is highly customized to the specifications of the field and the customer's requirements. Therefore, the customer obtains control of the asset over time, and thus revenue is recognized over time.

The offshore business combines the design, engineering, procurement, construction and project management within the entire range of fixed and floating offshore oil and gas facilities, many of which were the first of their kind, including the development of floating liquefied natural gas ("FLNG") facilities. Similar to onshore contracts, contracts grouped under this segment provide a combination of services, which may last several years.

Management has determined that contracts of this nature have one performance obligation. In these contracts, the final product is highly customized to the specifications of the field and the customer's requirements. Management has determined that the customer obtains control of the asset over time, and thus revenue is recognized over time as the customized products do not have an alternative use for us and we have an enforceable right to payment plus reasonable profit for performance completed to date.

Surface Technologies - Our Surface Technologies segment designs, manufactures and supplies technologically advanced wellhead systems and high pressure valves and pumps used in stimulation activities for oilfield service companies and provides installation, flowback and other services for exploration and production companies.

We provide a full range of drilling, completion and production wellhead systems for both standard and custom-engineered applications. Under pressure control product contracts, we design and manufacture flowline products, under the Weco®/Chiksan® trademarks, articulating frac arm manifold trailers, well service pumps, compact valves and reciprocating pumps used in well completion and stimulation activities by major oilfield service companies. Performance obligations within these systems are satisfied either through delivery of a standardized product or equipment or the delivery of a customized product or equipment.

For contracts with a standardized product or equipment performance obligation, management has determined that because there is limited customization to products sold within such contracts and the asset delivered can be resold to another customer, revenue should be recognized as of a point in time, upon transfer of control to the customer and after the customer acceptance provisions have been met.

For contracts with a customized product or equipment performance obligation, the revenue is recognized over time, as the manufacturing of our product does not create an asset with an alternative use for us.

This segment also designs, manufactures and services measurement products globally. Contract-types include standard product or equipment and maintenance-type services where we have determined that each contract under this product line represents one performance obligation.

Revenue from standard measurement equipment contracts is recognized at a point in time, while maintenance-type contracts are typically priced at a daily or hourly rate. We have determined that revenue for these contracts is recognized over time because the customer simultaneously receives and consumes the benefit of the services.

5.2 Disaggregation of revenue

We disaggregate revenue by geographic location and contract types. The following table presents products and services revenue by geography for each reportable segment for the year ended December 31, 2020 and 2019:

	Reportable Segments			Reportable Segments		
	Year Ended December 31, 2020			Year Ended December 31, 2019		
(In millions)	Subsea	Technip Energies	Surface Technologies	Subsea	Technip Energies	Surface Technologies
Europe, Russia, Central Asia	$ 1,641.9	$ 3,111.6	$ 188.2	$ 1,635.0	$ 3,009.9	$ 150.1
America	1,957.7	982.6	376.7	1,770.4	766.2	741.4
Asia Pacific	753.2	1,094.3	123.4	667.1	1,145.3	189.3
Africa	893.9	884.4	45.8	824.3	526.5	61.1
Middle East	169.8	447.1	241.6	407.1	1,011.0	247.6
Total products and services revenue	$ 5,416.5	$ 6,520.0	$ 975.7	$ 5,303.9	$ 6,458.9	$ 1,389.5

The following table represents revenue by contract type for each reportable segment for the year ended December 31, 2020 and 2019:

	Year Ended December 31, 2020			Year Ended December 31, 2019		
(In millions)	Subsea	Technip Energies	Surface Technologies	Subsea(2)	Technip Energies	Surface Technologies
Services	$ 3,121.1	$ 6,436.9	$ 151.6	$ 3,141.4	$ 6,458.9	$ 192.8
Products	2,295.4	83.1	824.1	2,162.5	—	1,196.7
Total products and services revenue	5,416.5	6,520.0	975.7	5,303.9	6,458.9	1,389.5
Lease and other(1)	54.9	—	90.3	116.0	—	157.9
Total revenue	$ 5,471.4	$ 6,520.0	$ 1,066.0	$ 5,419.9	$ 6,458.9	$ 1,547.4

(1) Represents revenue not subject to IFRS15.

5.3 Contract balances

The timing of revenue recognition, billings and cash collections results in billed accounts receivable, costs and estimated earnings in excess of billings on uncompleted contracts (contract assets), and billings in excess of costs and estimated earnings on uncompleted contracts (contract liabilities) on the consolidated statement of financial position.

Contract Assets - Include unbilled amounts typically resulting from sales under long-term contracts when revenue is recognized over time and revenue recognized exceeds the amount billed to the customer, and right to payment is not just subject to the passage of time. Amounts may not exceed their net realizable value. Costs and estimated earnings in excess of billings on uncompleted contracts are generally classified as current.

Contract Liabilities - We receive advances or deposits from our customers, before revenue is recognized, resulting in contract liabilities.

The following table provides information about net contract assets (liabilities) as of December 31, 2020 and 2019, respectively:

(In millions)	December 31, 2020	December 31, 2019	$ change	% change
Contract assets	$ 1,266.8	$ 1,519.1	$ (252.3)	(16.6)
Contract (liabilities)	(4,725.0)	(4,571.4)	(153.6)	(3.4)
Net contract (liabilities)	$ (3,458.2)	$ (3,052.3)	$ (405.9)	(13.3)

The decrease in our contract assets from December 31, 2019 to December 31, 2020 was primarily due to the timing of milestones. The increase in our contract liabilities was primarily due to additional cash received, excluding amounts recognized as revenue during the period.

In order to determine revenue recognized in the period from contract liabilities, we allocate revenue to the individual contract liability balance outstanding at the beginning of the period until the revenue exceeds that balance. Revenue recognized for the year ended December 31, 2020 that were included in the contract liabilities balance as of December 31, 2019 was $1,267.5 million. Revenue recognized for the year ended December 31, 2019 that were included in the contract liabilities balance as of December 31, 2018 was $2,414.0 million.

In addition, net revenue recognized for the year ended December 31, 2020 and 2019 from our performance obligations satisfied in previous periods has favorable impact of $470.8 million and $1,176.5 million, respectively. This primarily relates to the changes in the estimate of the stage of completion that impacted revenue.

5.4 Transaction price allocated to the remaining unsatisfied performance obligations

Remaining unsatisfied performance obligations (“RUPO” or “order backlog”) represent the transaction price for products and services for which we have a material right but work has not been performed. Transaction price of the order backlog includes the base transaction price, variable consideration and changes in transaction price. The order backlog table does not include contracts for which we recognize revenue at the amount to which we have the right to invoice for services performed. The transaction price of order backlog related to unfilled, confirmed customer orders is estimated at each reporting date. As of December 31, 2020, the aggregate amount of the transaction price allocated to order backlog was $21,388.2 million. TechnipFMC expects to recognize revenue on approximately 51.2% of the order backlog through 2021 and 48.8% thereafter.

The following table details the consolidated order backlog for each business segment as of December 31, 2020:

(In millions)	2021	2022	Thereafter
Subsea	$ 3,585.4	$ 2,217.2	$ 1,073.4
Technip Energies	7,016.2	4,081.7	3,000.8
Surface Technologies	343.6	69.4	0.5
Total remaining unsatisfied performance obligations	$ 10,945.2	$ 6,368.3	$ 4,074.7

The following table details the consolidated order backlog for each business segment as of December 31, 2019:

(In millions)	2020	2021	Thereafter
Subsea	$ 4,499.5	$ 2,472.4	$ 1,500.9
Technip Energies	6,649.0	5,127.8	3,589.0
Surface Technologies	351.0	61.5	—
Total remaining unsatisfied performance obligations	$ 11,499.5	$ 7,661.7	$ 5,089.9

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

6.1 Other income (expense), net

Other income (expense), net is as follows:

(In millions)	2020	2019
Net gain (loss) from disposal of property, plant and equipment	$ 7.8	$ (25.5)
Reinsurance income	6.3	4.8
Legal provision (Note 21)	—	(91.3)
Unrealized loss on cost method investments	(6.3)	—
Foreign currency translation losses	(53.3)	(167.3)
Other	44.7	12.1
Total other income (expense), net	$ (0.8)	$ (267.2)

6.2 Expenses by nature

An analysis of operating expenses by nature is as follows:

(In millions)	2020	2019
Impairment and other [(1)]	$ 3,210.1	$ 2,430.0
Wages and salaries	2,546.2	2,552.7
Social security costs	563.9	552.1
Depreciation and amortization	446.1	509.3
Right-of-use lease amortization	304.3	329.2
Other pension costs	48.7	54.5
Separation costs [(2)]	39.5	72.1
Merger, transaction and integration costs	—	31.2
Purchases, external charges and other expenses	8,697.1	8,317.5
Total costs and other expenses	$ 15,855.9	$ 14,848.6

(1) In 2019 we have recorded a bargain purchase gain of $83.3 million in connection with the acquisition of the remaining 50% interest in TOP CV. See Note 2.1 for further details.

(2) We have incurred $39.5 million and $72.1 million of Separation costs associated with the Separation transaction related to Technip Energies operating segment for the year ended December 31, 2020 and 2019, respectively. See Note 33 for further details.

6.3 Financial income

Financial income consists of the follows:

(In millions)	2020	2019
Interest income from treasury management [(1)]	$ 50.0	$ 101.4
Net proceeds from disposal of financial assets	4.8	13.1
Financial income related to long-term employee benefit plans	1.5	1.0
Dividends from non-consolidated investments	0.3	0.3
Total financial income	$ 56.6	$ 115.8

(1) Mainly consists of interest income from short-term security deposits.

6.4 Financial expenses

Financial expenses consist of the follows:

(In millions)	2020	2019
Redeemable financial liability fair value remeasurement	$ (203.1)	$ (423.5)
Interest expenses on bonds and private placements	(78.4)	(75.1)
Interest expenses on commercial papers, bank borrowings and overdrafts	(47.8)	(49.9)
Interest expenses on lease liabilities	(35.1)	(44.4)
Financial expenses related to long-term employee benefit plans	(2.7)	(4.6)
Other	(19.7)	(16.8)
Total financial expenses	$ (386.8)	$ (614.3)
Net financial expenses	$ (330.2)	$ (498.5)

Net financial expenses for the year ended December 31, 2020 amounted to a loss of $330.2 million compared to $498.5 million in 2019.

NOTE 7. INCOME TAX

7.1 Income tax expense

The income tax expense recognized in the statements of income is $148.6 million and $275.1 million in 2020 and 2019 respectively, explained as follows:

(In millions)	2020	2019
Current income tax expense	$ (155.9)	$ (341.1)
Deferred income tax credit	7.3	66.0
Income tax expense, net as recognized in the consolidated statements of income	$ (148.6)	$ (275.1)

	2020	2019
Deferred income tax related to items booked directly to opening equity	$ (14.1)	$ (12.9)
Deferred income tax related to items booked to equity during the year	19.8	(1.2)
Income tax expense as recognized in the consolidated statements of other comprehensive income	$ 5.7	$ (14.1)

7.2 Income tax reconciliation

The reconciliation between the tax calculated using the standard tax rate applicable to TechnipFMC and the amount of tax effectively recognized in the accounts is detailed as follows:

(In millions)	2020	2019
Net loss	$ (3,208.7)	$ (2,450.9)
Income tax expense	(148.6)	(275.1)
Loss before income taxes	(3,060.1)	(2,175.8)
At TechnipFMC plc statutory income tax rate of 19.0%	581.4	413.4
Differences between TechnipFMC plc and foreign income tax rates	(50.9)	(0.8)
Net change in uncertain tax positions	5.3	28.3
Deferred tax assets not recognized	13.6	(187.0)
Adjustments on prior year taxes	(38.7)	(9.7)
Deferred tax relating to changes in tax rates	10.8	(12.2)
Impairments	(676.7)	(467.3)
Non-deductible legal provision	—	(17.3)
Other	6.6	(22.5)
Effective income tax expense	(148.6)	(275.1)
Tax rate	(4.9)%	(12.6)%
Income tax expense as recognized in the consolidated statements of income	$ (148.6)	$ (275.1)

7.3 Deferred income tax

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

(In millions)	December 31, 2019	Recognized in Statement of Income	Recognized in Statement of OCI	December 31, 2020
Accrued expenses	$ (61.8)	$ 116.7	$ —	$ 54.9
Net operating loss carryforwards	101.6	18.7	—	120.3
Inventories	5.5	(1.9)	—	3.6
Non-deductible interest	22.8	(11.0)	—	11.8
Other tax credits	113.2	(112.8)	—	0.4
Foreign exchange	(2.6)	(14.0)	(5.7)	(22.3)
Provisions for pensions and other long-term employee benefits	5.0	(18.4)	25.5	12.1
Contingencies related to contracts	25.1	17.0	—	42.1
Other contingencies	2.1	1.5	—	3.6
Leasing	219.8	26.1	—	245.9
Other	(4.1)	(7.9)	—	(12.0)
Total deferred income tax assets	426.6	14.0	19.8	460.4
Revenue in excess of billings on contracts accounted for under the percentage of completion method	20.6	23.6	—	44.2
U.S. tax on foreign subsidiaries' undistributed earnings not indefinitely reinvested	10.4	(6.2)	—	4.2
Property, plant and equipment, goodwill and other assets	190.4	(35.3)	—	155.1
Margin recognition on construction contracts	(93.1)	14.6	—	(78.5)
Leasing	215.3	19.6	—	234.9
Total deferred income tax liabilities	343.6	16.3	—	359.9
Deferred income tax assets (liabilities), net	$ 83.0	$ (2.3)	$ 19.8	$ 100.5

(In millions)	December 31, 2018	Recognized in Statement of Income	Recognized in Statement of OCI	December 31, 2019
Accrued expenses	$ 116.2	$ (178.0)	$ —	$ (61.8)
Net operating loss carryforwards	33.6	68.0	—	101.6
Inventories	3.2	2.3	—	5.5
Non-deductible interest	—	22.8	—	22.8
Other tax credits	—	113.2	—	113.2
Foreign exchange	25.7	(21.7)	(6.6)	(2.6)
Provisions for pensions and other long-term employee benefits	39.0	(39.4)	5.4	5.0
Contingencies related to contracts	71.1	(46.0)	—	25.1
Other contingencies	28.7	(26.6)	—	2.1
Capital loss	21.1	(21.1)	—	—
Leasing	—	219.8	—	219.8
Other	15.0	(19.1)	—	(4.1)
Total deferred income tax assets	353.6	74.2	(1.2)	426.6
Revenue in excess of billings on contracts accounted for under the percentage of completion method	20.8	(0.2)	—	20.6
U.S. tax on foreign subsidiaries' undistributed earnings not indefinitely reinvested	9.4	1.0	—	10.4
Property, plant and equipment, goodwill and other assets	350.1	(159.7)	—	190.4
Margin recognition on construction contracts	(34.4)	(58.7)	—	(93.1)
Leasing	—	215.3	—	215.3
Total deferred income tax liabilities	345.9	(2.3)	—	343.6
Deferred income tax assets (liabilities), net	$ 7.7	$ 76.5	$ (1.2)	$ 83.0

As of December 31, 2020, the net deferred tax asset of $100.5 million is broken down into a deferred tax asset of $225.9 million and a deferred tax liability of $125.4 million as recorded in the statement of financial position.

As of December 31, 2019, the net deferred tax asset of $83.0 million is broken down into a deferred tax asset of $267.0 million and a deferred tax liability of $184.0 million as recorded in the statement of financial position.

7.4 Tax loss carry-forwards and tax credits

As of December 31, 2020 and 2019, deferred tax assets excluded U.S. foreign tax credit carryforwards of $145.8 million and $135.3 million, which, if not utilized, will begin to expire in 2024. Realization of these deferred tax assets is dependent on the generation of sufficient U.S. taxable income prior to the above date. Based on long-term forecasts of operating results, management believes that it is more likely than not that our U.S. earnings over the forecast period will not result in sufficient U.S. taxable income to fully realize these deferred tax assets. In its analysis, management has considered the effect of deemed dividends and other expected adjustments to U.S. earnings that are required in determining U.S. taxable income. Non-U.S. earnings subject to U.S. tax, including deemed dividends for U.S. tax purposes, were $61.0 thousand in 2020 and $3.8 million in 2019, respectively.

As of December 31, 2020, deferred tax assets excluded tax benefits related to net operating loss carryforwards. If not utilized, these net operating loss carryforward will begin to expire in 2021. Except in Norway (net operating losses of $373.7 million), management believes it is more likely than not that we will not be able to utilize these operating loss carryforwards before expiration. Except in Canada, Mexico, and Netherlands, all of these tax loss carryforwards extend indefinitely.

As of December 31, 2020, deferred tax assets excluded tax benefits related to certain intercompany interest costs which are not currently deductible, but which may be deductible in future periods. If not utilized, these costs will become permanently non-deductible beginning in 2025. Management believes that it is more likely than not that we will not be able to deduct these costs before expiration of the carry forward period.

See Note 1 for discussion on estimates and uncertainties. There are no income tax consequences attached to the payment of dividends in either 2020 or 2019 by TechnipFMC to its shareholders.

NOTE 8. EARNINGS PER SHARE

Diluted earnings per share are computed in accordance with Note 1. Reconciliation between earnings per share before dilution and diluted earnings per share is as follows:

	Year Ended December 31,	
(In millions, except per share data)	**2020**	**2019**
Net loss attributable to TechnipFMC plc	$ (3,258.4)	$ (2,454.0)
Weighted average number of shares outstanding	448.7	448.0
Total shares and dilutive securities	448.7	448.0
(In U.S. dollars)		
Basic earnings (loss) per share attributable to TechnipFMC plc	$ (7.26)	$ (5.48)
Diluted earnings (loss) per share attributable to TechnipFMC plc	$ (7.26)	$ (5.48)

In 2020, the average annual share price amounted to $9.48 and the closing price to $9.40. In 2019, the average annual share price amounted to $23.06 and the closing price to $21.32.

For the years ended December 31, 2020 and 2019, we incurred net losses; therefore, the impact of any incremental shares from our share-based compensation awards would be anti-dilutive. For the years ended December 31, 2020 and 2019, 3.80 million shares and 4.3 million shares, respectively, were anti-dilutive due to net loss position.

Weighted average shares of the following share-based compensation awards were excluded from the calculation of diluted weighted average number of shares where the assumed proceeds exceed the average market price from the calculation of diluted weighted average number of shares, because their effect would be anti-dilutive:.

	Year Ended December 31,	
(millions of shares)	**2020**	**2019**
Share option awards	4.6	4.0
Restricted share units	1.8	—
Performance shares	1.9	1.6
Total	8.3	5.6

NOTE 9. EQUITY METHOD INVESTMENTS

Our equity investments were as follows as of December 31, 2020 and 2019:

	December 31, 2020		December 31, 2019	
(In millions, except %)	**Percentage Owned**	**Carrying Value**	**Percentage Owned**	**Carrying Value**
Dofcon Brasil AS	50 %	$ 234.9	50 %	$ 167.4
Serimax Holdings SAS	20 %	18.8	20 %	21.5
Magma Global Limited	25 %	51.4	25 %	50.2
TTSJV WLL	36 %	—	36 %	—
Other	—	49.2	—	61.3
Investments in equity affiliates		$ 354.3		$ 300.4

For certain construction joint operations, our assets in such operations, including those held jointly, and our liabilities, including those incurred jointly are recognized in the consolidated financial statements. None of joint operations, individually or in the aggregate, are significant to our consolidated results for 2020 or 2019.

Our total net profit from equity affiliates included in each of our reporting segments was as follows:

	Year Ended December 31,	
(In millions)	**2020**	**2019**
Subsea	$ 61.5	$ 9.2
Technip Energies	7.9	3.1
Income from equity affiliates	$ 69.4	$ 12.3

Our major equity method investments are as follows:

Dofcon Brasil AS ("Dofcon") - is an affiliated company in the form of a joint venture between Technip SA and DOF Subsea and was founded in 2006. Dofcon provides Pipe-Laying Support Vessels (PLSVs) for work in oil and gas fields offshore Brazil. We have accounted for our 50% investment using the equity method of accounting with results reported in our Subsea segment.

Serimax Holdings SAS ("Serimax") - is an affiliated company in the form of a joint venture between Technip SA and Vallourec SA and was founded in 2016. Serimax is headquartered in Paris, France and provides rigid pipes welding services for work in oil and gas fields around the world. We have accounted for our 20% investment using the equity method of accounting with results reported in our Subsea segment.

Magma Global Limited ("Magma Global") - is an affiliated company in the form of a collaborative agreement signed in 2018 between Technip-Coflexip UK Holdings Limited and Magma Global to develop hybrid flexible pipe for use in offshore applications. As part of the collaboration, TechnipFMC holds a minority stake. We have accounted for our 25% investment using the equity method investment of accounting with results reported in our Subsea segment.

TTSJV W.L.L. ("TTSJV W.L.L.") - is an affiliated company in the form of a joint venture between Technip Italy S.p.A. Technip USA, Inc., Tecnicas Reunidas Saudia for Services and Contracting Co. Ltd and Samsung Engineering Co. Ltd was founded in in October 2018 for the BAPCO Modernization Program. We have accounted for our 36% investment using the equity method of accounting with results reported in our Technip Energies segment.

TOP CV - is an affiliated company in the form of a joint venture between Technip SA and Ocyan SA. TOP CV was formed in 2011 when awarded a contract to provide pipeline installation ships to state controlled Petrobras for their work in oil and gas fields offshore Brazil. On December 30, 2019, we completed the acquisition of the remaining 50% interest in TOP CV. Prior to the acquisition, we accounted for our 50% investment using the equity method of accounting with results reported in our Subsea segment. See Note 2.1 for further details.

Reconciliation of carrying amount in TechnipFMC's equity affiliates is as follows:

(In millions)	2020	2019
Carrying amount of investments as of January 1	$ 300.4	$ 359.1
Acquisitions / contributions	0.4	0.7
Divestiture [(1)]	—	(67.8)
Share of profit of equity affiliates	69.4	12.3
Distributed dividends	(5.1)	(4.1)
Other comprehensive loss	(10.6)	(1.1)
Other	(0.2)	1.3
Carrying amount of investments as of December 31	$ 354.3	$ 300.4

[(1)] On December 30, 2019, we completed the acquisition of the remaining 50% interest in TOP CV. See Note 2.1 for further details.

The tables below provide summarized financial information for Dofcon and TTSJV W.L.L that are material to TechnipFMC. The information disclosed reflects the amounts presented in the financial statements of Dofcon and TTSJV W.L.L and not TechnipFMC's share of those amounts. They have been amended to reflect adjustments made by TechnipFMC when using the equity method, including fair value adjustments. On December 30, 2019, we completed the acquisition of the remaining 50% interest in TOP CV. See Note 2.1 for further details.

	TTSJV W.L.L		Dofcon	
(In millions)	December 31,		December 31,	
Data at 100%	2020	2019	2020	2019
Cash and cash equivalents	$ 534.0	$ 548.7	$ 124.3	$ 86.0
Other current assets	110.3	32.5	125.9	101.1
Total current assets	644.3	581.2	250.2	187.1
Non-current assets	1.6	3.5	1,671.1	1,715.9
Total assets	$ 645.9	$ 584.7	$ 1,921.3	$ 1,903.0
Equity	$ —	$ (18.6)	$ 469.8	$ 334.8
Financial non-current liabilities	—	—	1,031.7	671.4
Total non-current liabilities	—	—	1,031.7	671.4
Financial current liabilities	—	—	326.4	374.5
Other current liabilities	645.9	603.3	93.4	522.3
Total current liabilities	645.9	603.3	419.8	896.8
Total equity and liabilities	$ 645.9	$ 584.7	$ 1,921.3	$ 1,903.0

(In millions)	TTSJV W.L.L		Dofcon		TOP CV	
	Year Ended December 31,		Year Ended December 31,		Year Ended December 31,	
Data at 100%	2020	2019	2020	2019	2020	2019
Revenue	$ 1,053.6	$ 1,107.3	$ 290.8	$ 273.5	$ —	$ 120.5
Depreciation and amortization	(3.1)	(0.3)	(85.0)	(85.2)	—	(190.4)
Interest income	1.3	2.1	11.2	10.1	—	2.4
Interest expense	—	—	(34.5)	(61.1)	—	(21.0)
Income tax expense (benefit)	—	—	19.4	(4.9)	—	—
Profit (loss) for the period	18.7	(19.3)	138.9	81.4	—	(66.6)
Other comprehensive income (loss)	—	—	(3.9)	1.0	—	(2.2)
Total comprehensive income (loss)	$ 18.7	$ (19.3)	$ 135.0	$ 82.4	$ —	$ (68.8)

(In millions)	TTSJV W.L.L		Dofcon		TOP CV	
Data at 100%	2020	2019	2020	2019	2020	2019
Carrying amount of investment as of January 1	$ (18.7)	$ 0.6	$ 334.8	$ 252.4	$ —	$ 204.4
Divestiture	—	—	—	—	—	(135.6)
Profit (loss) for the period	18.7	(19.3)	138.9	81.4	—	(66.6)
Other comprehensive income (loss)	—	—	(3.9)	1.0	—	(2.2)
Distributed dividends	—	—	—	—	—	—
Carrying amount of investment as of December 31	$ —	$ (18.7)	$ 469.8	$ 334.8	$ —	$ —
TechnipFMC's share in %	36.0%	36.0%	50.0%	50.0%	—%	—%
TechnipFMC's share in investment	$ —	$ —	$ 234.9	$ 167.4	$ —	$ —
Carrying amount	$ —	$ —	$ 234.9	$ 167.4	$ —	$ —

In addition to the interest in Dofcon and TTSJV W.L.L disclosed above, TechnipFMC also has interests in a number of individually immaterial associates that are accounted for using the equity method. None of the investments in joint ventures and associates is individually material, therefore summarized financial information (at 100%) are presented below:

(In millions)	December 31,	
Data at 100%	2020	2019
Non-current assets	$ 346.1	$ 305.5
Current assets	1,449.8	823.4
Total assets	$ 1,795.9	$ 1,128.9
Total equity	$ 483.4	$ 530.7
Non-current liabilities	16.2	—
Current liabilities	1,296.3	598.2
Total equity and liabilities	$ 1,795.9	$ 1,128.9

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

(In millions)	Year Ended December 31,	
Data at 100%	2020	2019
Revenue	$ 622.5	$ 702.5
Interest income	4.8	18.7
Depreciation and amortization	(11.8)	(13.7)
Interest expense	(2.4)	(7.0)
Income tax expense (benefit)	(5.2)	(1.8)
(Loss) profit for the period	$ (25.5)	$ 18.7
Other comprehensive income	9.8	2.9
Total comprehensive income (loss)	$ (15.7)	$ 21.6

NOTE 10. PROPERTY, PLANT AND EQUIPMENT

The following tables include the costs, the accumulated depreciation and impairment losses by type of tangible assets:

(In millions)	Land	Buildings	Vessels	Machinery and Equipment	Assets under Construction	Other	Total
Net book value as of December 31, 2018	$ 151.1	$ 711.8	$ 1,143.8	$ 1,181.1	$ 179.1	$ 203.2	$ 3,570.1
Costs	112.9	699.8	2,742.7	2,254.1	130.7	569.3	6,509.5
Accumulated depreciation	(7.1)	(225.5)	(767.4)	(892.2)	—	(389.8)	(2,282.0)
Accumulated impairment	(3.4)	(74.5)	(675.0)	(316.7)	(1.8)	(0.7)	(1,072.1)
Net book value as of December 31, 2019	$ 102.4	$ 399.8	$ 1,300.3	$ 1,045.2	$ 128.9	$ 178.8	$ 3,155.4
Costs	$ 97.6	$ 703.1	$ 2,528.8	$ 2,360.8	$ 148.1	$ 554.0	$ 6,392.4
Accumulated depreciation	(7.8)	(242.1)	(740.1)	(1,016.8)	—	(394.1)	(2,400.9)
Accumulated impairment	(8.1)	(93.7)	(585.0)	(441.2)	(2.5)	(15.8)	(1,146.3)
Net book value as of December 31, 2020	$ 81.7	$ 367.3	$ 1,203.7	$ 902.8	$ 145.6	$ 144.1	$ 2,845.2

In connection with TechnipFMC annual test for impairment of goodwill as of October 31, property, plant and equipment was also tested for impairment at that date. In estimating property, plant and equipment value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or cash-generating unit). For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, an impairment loss is recognized. An impairment loss is recognized as an expense immediately as part of operating profit (loss) in the consolidated statements of income.

In estimating certain vessels' recoverable amounts, TechnipFMC obtained independent valuations. Since vessels were valued using the broker valuations in 2020 and 2019, the valuation is considered to be Level 2 in the fair value hierarchy.

2020

Due to the substantial decline in global demand for oil caused by the COVID-19 pandemic in 2020 we reviewed the future utilization of our vessels and the service potential of our subsea service and surface equipment and determined that the carrying amount of certain properties, plant and equipment exceeded their respective recoverable amounts. Assessing these asset groups for recoverability required the use of unobservable inputs that involves significant judgment. Such judgments include expected future asset utilization while taking into account reduced future capital spending by certain customers in response to market conditions.

The $172.3 million of property, plant and equipment impairments during the year ended December 31, 2020 consisted of $92.9 million attributable to plant, equipment and various machinery infrastructure in our Subsea operating segment; $79.4 million mainly related to building and surface equipment in our Surface Technologies reportable segment. As of December 31, 2020, these impaired assets were recorded at their recoverable amount of $464.7 million. We measured the recoverable amount by estimating the amount and timing of net future cash flows, which are Level 3 unobservable inputs, and discounting them using a risk-adjusted rate of interest of 10.8%.

In December 2020, we announced our intent to sell our G1200 vessel as part of our overall strategy to optimize the profile and size of our Subsea fleet. As of December 31, 2020 we evaluated the vessel's book value and adjusted it by $8.3 million to the lower of its carrying amount or estimated fair value less cost to sell. An impairment charge of $8.3 million was recorded within Impairment, Restructuring and Other Expenses in our consolidated statement of income for the year ended December 31, 2020. In March 2021, we entered into a Memorandum of Agreement to sell the vessel. The agreement is subject to certain conditions precedent to complete the transaction. We expect to complete the sale in the first half of 2021.

2019

During 2019, the prolonged downturn in the energy market and its corresponding impact on our business outlook led us to conclude the carrying amount of certain of our assets in our Subsea operating segment exceeded their recoverable amount. For the long-lived assets which we impaired in 2019, we measured their recoverable amount using a fair valuation model by estimating the amount and timing of net future cash flows, which are Level 3 unobservable inputs, and discounting them using a risk-adjusted rate of interest of 10.8%.

We recorded $153.8 million impairment loss on vessels and vessels equipment in our Subsea segment during the year ended December 31, 2019. Additionally, in 2019 an impairment charge of $168.9 million related to our flexible pipe and umbilical manufacturing facilities was recorded by our Surface Technologies operating segments.

In December 2019, we completed the sale of our G1201 vessel as part of our overall strategy to optimize the profile and size of our subsea fleet. Due to the intent to sell our G1201 vessel and subsequently signed Memorandum of Agreement (MOA) with a third party, we reviewed the carrying value of its sister vessel, the G1200, as of September 30, 2019. As a result of this assessment, an impairment charge of $125.1 million was recorded on the two vessels to bring their carrying value to a combined fair value of $104.0 million as of September 30, 2019. The fair value measurements of these vessels were based on the transaction price in the MOA, which is a Level 2 observable input as per the fair value hierarchy. As a result of the sale, a net loss of $7.1 million is included in Other Income (Expense), net in our consolidated statements of income.

In January 2019, we purchased a deepwater dive support vessel, Deep Discoverer, for $116.8 million. The purchase of this vessel was funded through debt. See Note 19 for further details.

On December 30, 2019, we completed the acquisition of the remaining 50% interest in TOP CV. In connection with the acquisition, we assumed assets and liabilities that included two vessels and loan that is fully collateralized against the two vessels. See to Note 2 for further details. There were no other pledged property, plant and equipment as of December 31, 2020 and 2019.

A reconciliation of the carrying amount of property, plant and equipment is as follows:

(In millions)	Land	Buildings	Vessels	Machinery and Equipment	Assets under Construction	Other	Total
Net book value as of December 31, 2018	$ 151.1	$ 711.8	$ 1,143.8	$ 1,181.1	$ 179.1	$ 203.2	$ 3,570.1
Additions	0.6	33.6	118.4	224.2	25.3	33.4	435.5
Acquisitions through business combinations	—	—	335.2	—	—	—	335.2
Disposals	—	(2.7)	(45.8)	(3.1)	0.4	(2.5)	(53.7)
Transfer to right-of-use	(48.4)	(262.8)	—	(10.1)	—	—	(321.3)
Depreciation expense for the year	(0.8)	(26.7)	(99.5)	(216.5)	—	(39.8)	(383.3)
Impairment	(1.8)	(39.6)	(125.1)	(243.7)	—	(1.1)	(411.3)
Net foreign exchange differences	(0.4)	(2.5)	18.2	1.8	(1.3)	(4.8)	11.0
Other	2.1	(11.3)	(44.9)	111.5	(74.6)	(9.6)	(26.8)
Net book value as of December 31, 2019	102.4	399.8	1,300.3	1,045.2	128.9	178.8	3,155.4
Additions	1.7	21.1	32.1	143.6	63.9	34.6	297.0
Disposals	(11.5)	(8.9)	(1.2)	(5.9)	—	0.7	(26.8)
Depreciation expense for the year	(0.6)	(23.4)	(98.3)	(166.0)	—	(34.1)	(322.4)
Impairment	(4.7)	—	(16.4)	(150.5)	(0.7)	—	(172.3)
Net foreign exchange differences	(1.4)	(5.2)	23.2	(10.4)	(7.6)	(16.6)	(18.0)
Other	(4.2)	(16.1)	(36.0)	46.8	(38.9)	(19.3)	(67.7)
Net book value as of December 31, 2020	$ 81.7	$ 367.3	$ 1,203.7	$ 902.8	$ 145.6	$ 144.1	$ 2,845.2

NOTE 11. GOODWILL AND INTANGIBLE ASSETS, NET

11.1 Intangible assets, net

The components of intangible assets were as follows:

(In millions)	Goodwill	Acquired Technology	Backlog	Customer Relationships	Tradenames	Licenses, Patents and Trademarks	Software	Other	Total
Net book value as of December 31, 2018	$ 7,693.9	$ 191.1	$ —	$ 227.6	$ 572.6	$ 51.5	$ 72.1	$ 61.8	$ 8,870.6
Costs	9,040.5	240.0	175.0	285.4	636.6	181.2	226.4	105.6	10,890.7
Accumulated amortization	—	(73.9)	(175.0)	(85.9)	(95.8)	(131.5)	(150.0)	(50.3)	(762.4)
Accumulated impairment	(3,385.9)	—	—	—	—	—	(1.2)	—	(3,387.1)
Net book value as of December 31, 2019	$ 5,654.6	$ 166.1	$ —	$ 199.5	$ 540.8	$ 49.7	$ 75.2	$ 55.3	$ 6,741.2
Costs	$ 9,038.3	$ 240.0	$ —	$ 285.4	$ 636.7	$ 187.3	$ 253.0	$ 106.7	$ 10,747.4
Accumulated amortization	—	(98.9)	—	(114.4)	(127.7)	(135.5)	(178.9)	(65.2)	(720.6)
Accumulated impairment	(6,383.6)	—	—	—	—	—	(7.4)	—	(6,391.0)
Net book value as of December 31, 2020	$ 2,654.7	$ 141.1	$ —	$ 171.0	$ 509.0	$ 51.8	$ 66.7	$ 41.5	$ 3,635.8

A reconciliation of the carrying amount of intangible assets is as follows:

(In millions)	Goodwill	Acquired Technology	Backlog	Customer Relationships	Tradenames	Licenses, Patents and Trademarks	Software	Other	Total
Net book value as of December 31, 2018	$ 7,693.9	$ 191.1	$ —	$ 227.6	$ 572.6	$ 51.5	$ 72.1	$ 61.8	$ 8,870.6
Additions	9.9	—	—	0.4	0.1	—	27.3	10.0	47.7
Disposals - write-off	—	—	—	—	—	—	(0.4)	3.6	3.2
Amortization charge for the year	—	(25.0)	—	(28.5)	(31.9)	(1.9)	(19.8)	(18.9)	(126.0)
Impairment	(2,018.7)	—	—	—	—	—	(0.2)	—	(2,018.9)
Net foreign exchange differences (1)	(12.8)	—	—	—	—	0.1	(0.6)	0.2	(13.1)
Other	(17.7)	—	—	—	—	—	(3.2)	(1.4)	(22.3)
Net book value as of December 31, 2019	5,654.6	166.1	—	199.5	540.8	49.7	75.2	55.3	6,741.2
Additions	—	—	—	—	—	2.7	16.3	(0.1)	18.9
Disposals - write-off	—	—	—	—	—	—	—	—	—
Amortization charge for the year	—	(25.0)	—	(28.5)	(31.8)	(1.8)	(22.4)	(14.2)	(123.7)
Impairment	(2,997.7)	—	—	—	—	—	(6.0)	—	(3,003.7)
Net foreign exchange differences (1)	(2.2)	—	—	—	—	1.0	3.3	0.5	2.6
Other	—	—	—	—	—	0.2	0.3	—	0.5
Net book value as of December 31, 2020	$ 2,654.7	$ 141.1	$ —	$ 171.0	$ 509.0	$ 51.8	$ 66.7	$ 41.5	$ 3,635.8

(1) Goodwill is partially denominated in Euro.

TechnipFMC recognized identifiable intangible assets acquired in business combinations. All of the acquired identifiable intangible assets are subject to amortization and, where applicable, foreign currency translation adjustments. There are no intangible assets with indefinite useful life.

11.2 Goodwill

A reconciliation of carrying amounts of goodwill by reporting segment are as follows:

(In millions)	Subsea	Technip Energies	Surface Technologies [(a)]	Total
December 31, 2018	$ 4,220.9	$ 2,447.7	$ 1,025.3	$ 7,693.9
Additions due to business combinations	—	—	9.9	9.9
Impairment	(1,347.7)	—	(671.0)	(2,018.7)
Other	—	(17.7)	—	(17.7)
Translation	(6.4)	(6.4)	—	(12.8)
December 31, 2019	2,866.8	2,423.6	364.2	5,654.6
Transfers	(21.2)	46.1	(24.9)	—
Impairment	(2,800.2)	—	(197.5)	(2,997.7)
Translation	(45.4)	42.8	0.4	(2.2)
December 31, 2020	$ —	$ 2,512.5	$ 142.2	$ 2,654.7

(a) Surface Technologies includes Surface Americas and Surface International operating segments. While the CODM receives separate reports for each of the Surface region, the Surface Americas and Surface International operating segments have been aggregated into one reportable segment Surface Technologies as they have similar characteristics.

Goodwill was tested for impairment utilizing the methodology in accordance with the accounting policy in Note 1. In 2020, for the purpose of goodwill impairment test, the recoverable amount of the GCGUs was primarily determined by estimating value in use. In 2019, for the purpose of goodwill impairment test, the recoverable amount of the GCGUs was primarily determined by estimating value in use with a lesser weighting attributed the market multiple approach. The income approach estimates the value in use by discounting each GCGU's estimated future cash flows using a weighted-average cost of capital that reflects current market conditions and the risk profile of the GCGU. To calculate the future cash flows, TechnipFMC used estimates of economic and market assumptions, including growth rates in revenues, costs, estimates of future expected changes in operating margins, tax rates and cash expenditures. The future revenues are adjusted to match changes in TechnipFMC's business strategy and management's judgmental assessments as discussed in Note 1. Under the market multiple approach, we determine the estimated fair value of each of our GCGUs by applying transaction multiples to each GCGU's projected EBITDA and then averaging that estimate with similar historical calculations using either a one, two or three year average.

During the first half of 2020, triggering events were identified which led to performing interim goodwill impairment testing in our Subsea, Surface Americas and Surface International operating segments as of June 30, 2020. These events included the COVID-19 pandemic breakout, commodity price declines, and a significant decrease in our market capitalization as well as those of our peers and customers. The estimation of recoverable amounts of our Subsea, Surface Americas and Surface International operating segments was determined based on value in use calculations. An interim impairment test during the first quarter of 2020 resulted in $2,800.2 million, $12.2 million and $185.3 million of goodwill impairment charges in our Subsea, Surface Americas and Surface International operating segments, respectively. The goodwill at our Subsea and Surface Americas operating segments was fully impaired at June 30, 2020.

The following table sets out the key assumptions for the operating segments where the impairment calculations were updated during the first half of 2020:

	June 30, 2020
Year of cash flows before terminal value	4
Risk-adjusted post-tax discount rate	12.0% to 14.0%

During our annual impairment tests the following significant estimates were used by management in determining the fair values of reporting units in order to test the goodwill as of October 31:

	December 31, 2020	December 31, 2019
Year of cash flows before terminal value	4	4
Risk-adjusted post-tax discount rate	9.5% to 18.0%	12.5% to 15.0%
EBITDA multiples	N/A	6.0 - 8.5x

During the year ended December 31, 2020, the significant estimates used by management in determining the recoverable amount described above relate to Technip Energies and Surface International operating segments only.

The recoverable amount over carrying amount for our Technip Energies and Surface International operating segments was in excess of 300% and 100% of their carrying amounts at October 31, 2020, respectively. No reasonably possible change in any of the significant estimates would cause the Technip Energies and Surface International carrying amounts to exceed their recoverable amounts.

Based on the impairment tests performed during the year ended December 31, 2020, no further goodwill impairment charges were recorded during the second half of 2020 in our Subsea, Surface Americas and Surface International operating segments.

During the year ended December 31, 2019, we recorded $1,347.7 million and $671.0 million of goodwill impairment charges in our Subsea and Surface Americas operating segments, respectively.

NOTE 12. OTHER NON-CURRENT ASSETS

Other non-current assets consisted of the following:

	December 31,	
(In millions)	**2020**	**2019**
Non-current financial assets at amortized cost, gross	$ 186.9	$ 252.6
Loss allowance	(11.7)	(11.8)
Non-current financial assets at amortized cost, net	175.2	240.8
Non-quoted equity instruments at Fair Value Through Profit or Loss (“FVTPL”)	2.6	3.6
Quoted equity instruments at FVTPL	65.6	54.8
Total non-current assets, net	$ 243.4	$ 299.2

NOTE 13. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of the following:

(In millions)	December 31, 2020	December 31, 2019
Cash at bank and in hand	$ 3,159.4	$ 3,320.6
Cash equivalents	1,648.3	1,869.5
Total cash and cash equivalents	$ 4,807.7	$ 5,190.1
U.S. dollar	$ 1,880.8	$ 2,359.6
Euro	1,724.7	1,514.5
Malaysian ringgit	138.4	274.5
Pound sterling	110.6	136.3
Norwegian krone	77.8	83.5
Japanese yen	35.3	56.1
Australian dollar	34.6	44.7
Brazilian real	—	40.8
Other	805.5	680.1
Total cash and cash equivalents by currency	$ 4,807.7	$ 5,190.1
Fixed term deposits	$ 1,634.7	$ 1,617.3
Other	13.6	252.2
Total cash equivalents by nature	$ 1,648.3	$ 1,869.5

A substantial portion of cash and securities are recorded or invested in either Euro or U.S. dollar which are frequently used by TechnipFMC within the framework of its commercial relationships. Cash and securities in other currencies correspond either to deposits retained by subsidiaries located in countries where such currencies are the national currencies in order to ensure their own liquidity, or to amounts received from customers prior to the payment of expenses in these same currencies or the payment of dividends. Short-term deposits are classified as cash equivalents along with the other securities.

NOTE 14. TRADE RECEIVABLES, NET AND CONTRACT ASSETS

Trade receivables, net and contract assets include trade accounts receivable from completed contracts, contract assets and other miscellaneous invoices (e.g. trading, procurement services). TechnipFMC's trade receivables and contracts assets mainly constitute a homogeneous portfolio of major oil and gas, petrochemical or oil-related companies.

TechnipFMC applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. On that basis, the all potential uncollectible receivables as of December 31, 2020 and 2019 were determined as follows for both trade receivables and contract assets:

	December 31, 2020		December 31, 2019	
(In millions)	Trade Receivables	Contract Assets	Trade Receivables	Contract Assets
Gross amount	$ 2,498.3	$ 1,267.8	$ 2,382.5	$ 1,521.6
Opening loss allowance	$ (101.1)	$ (2.5)	$ (125.2)	$ (3.7)
Increase in loss allowance	(69.1)	1.1	(39.5)	1.2
Used allowance reversals	55.5	—	3.5	—
Unused allowance reversals	9.6	—	39.8	—
Effects of foreign exchange and other	(3.8)	0.4	20.3	—
Closing loss allowance	$ (108.9)	$ (1.0)	$ (101.1)	$ (2.5)
Total, net	$ 2,389.4	$ 1,266.8	$ 2,281.4	$ 1,519.1

See Note 30 for further information on impairment losses of trade receivables and TechnipFMC's exposure to credit risk and foreign currency risk.

NOTE 15. INVENTORIES

Inventories consisted of the following:

	December 31,	
(In millions)	**2020**	**2019**
Raw materials	$ 272.4	$ 347.5
Work in process	245.2	290.2
Finished goods	763.9	786.2
Total inventories, net	$ 1,281.5	$ 1,423.9

All amounts in the table above are reported net of obsolescence reserves of $162.8 million and $135.7 million as of December 31, 2020 and 2019, respectively.

NOTE 16. OTHER CURRENT ASSETS

Other current assets consisted of the following:

	December 31,	
(In millions)	**2020**	**2019**
Current financial assets at amortized cost	$ 64.2	$ 91.7
Current financial assets, total	64.2	91.7
Value added tax receivables	450.5	395.2
Prepaid expenses	111.7	66.8
Other tax receivables	90.7	100.7
Assets held for sale	47.3	25.8
Other	128.8	182.4
Other current assets, total	829.0	770.9
Total other current assets, net	$ 893.2	$ 862.6

NOTE 17. STOCKHOLDERS' EQUITY

17.1 Changes in TechnipFMC's ordinary shares and treasury shares

As of December 31, 2020, TechnipFMC's share capital was 449,466,233 ordinary shares. As of December 31, 2019, TechnipFMC's share capital was 447,064,767 ordinary shares. On November 27, 2019, TechnipFMC redeemed 50,000 redeemable shares of £1 each and cancelled one deferred ordinary share of £1 in the capital of TechnipFMC.

The movements in share capital were as follows:

(In millions of shares)	Ordinary Shares	Ordinary Shares held in Employee Benefit Trust	Treasury Shares
December 31, 2018	450.5	0.1	—
Stock awards	0.6	—	—
Treasury stock purchases	—	—	4.0
Treasury stock cancellations	(4.0)	—	(4.0)
Net stock sold from employee benefit trust	—	(0.1)	—
December 31, 2019	447.1	—	—
Stock awards	2.4	—	—
December 31, 2020	449.5	—	—

The plan administrator of the Non-Qualified Plan purchases shares of our ordinary shares on the open market. Such shares are placed in a trust owned by a subsidiary.

17.2 Dividends

As an English public limited company, we are required under U.K. law to have available “distributable reserves” to conduct share repurchases or pay dividends to shareholders. Distributable reserves are a statutory requirement and are not linked to a IFRS reported amount (e.g. retained earnings, net income and other reserves). The declaration and payment of dividends require the authorization of our Board of Directors, provided that such dividends on issued share capital may be paid only out of our “distributable reserves” on our statutory balance sheet. Therefore, we are not permitted to pay dividends out of share capital, which includes share premium

Our articles of association permit us by ordinary resolution of the shareholders to declare dividends, provided that the directors have made a recommendation as to its amount. The dividend shall not exceed the amount recommended by the directors. The directors may also decide to pay interim dividends if it appears to them that the profits available for distribution justify the payment. When recommending or declaring payment of a dividend, the directors are required under English law to comply with their duties, including considering our future financial requirements.

Dividends declared and paid during the year ended December 31, 2020 were $59.2 million.

Dividends declared and paid during the year ended December 31, 2019 were $232.8 million.

17.3 Capital management

For the purpose of our equity capital management, equity capital includes issued ordinary shares, share premium and all other equity reserves attributable to the equity holders of TechnipFMC. The primary objective of our capital management is to maximize the shareholder value.

We monitor our capital structure and take actions in light of economic conditions and the requirements of our financial covenants. To manage our capital structure, from time to time we may adjust the return capital to shareholders or issue new share. We have also met all our financial covenants set forth by our loans and borrowings.

In 2017, the Board of Directors authorized a share repurchase program of up to $500.0 million in ordinary shares. In December 2018, the Board of Directors authorized an extension of the share repurchase program of up to $300.0 million of additional shares. During the years ended December 31, 2020, 2019 and 2018, we repurchased nil, $92.7 million and $442.8 million of shares, respectively. As of December 31, 2020, we had $207.8 million of shares authorized for repurchase. Repurchased shares are canceled and not held in treasury.

As of December 31, 2020, our securities authorized for issuance under equity compensation plans were as follows:

	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights (in $)	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans
Equity compensation plans approved by security holders	4,598.4	$ 29.77	14,250.2
Equity compensation plans not approved by security holders	—	—	—
Total	4,598.4	$ 29.77	14,250.2

We had no unregistered sales of equity securities during the years ended December 31, 2020 and 2019.

17.4 Accumulated other comprehensive income (loss)

Accumulated other comprehensive income (loss) are as follows:

(In millions)	Cash Flow Hedges [(1)]	Gains (Losses) on Defined Benefit Pension Plans	Foreign Currency Translation	Accumulated Other Comprehensive Income (Loss) – TechnipFMC plc	Accumulated Other Comprehensive Income (Loss) – Non-Controlling Interests	Total Accumulated Other Comprehensive Income (Loss)
December 31, 2018	$ (67.9)	$ (23.6)	$ (824.8)	$ (916.3)	$ (4.9)	$ (921.2)
Net effect before reclassification to profit or loss	51.9	(49.6)	12.3	14.6	(0.7)	13.9
Reclassification to profit or loss	(23.7)	—	(12.0)	(35.7)	—	(35.7)
December 31, 2019	(39.7)	(73.2)	(824.5)	(937.4)	(5.6)	(943.0)
Net effect before reclassification to profit or loss	59.7	(83.5)	(172.9)	(196.7)	0.6	(196.1)
Reclassification to profit or loss	(20.0)	—	—	(20.0)	—	(20.0)
December 31, 2020	$ —	$ (156.7)	$ (997.4)	$ (1,154.1)	$ (5.0)	$ (1,159.1)

(1) Recorded under this heading is the effective portion of the change in fair value of the financial instruments qualified as cash flow hedging, as well as foreign exchange gains and losses corresponding to the effective portion of non-derivative financial assets or liabilities that are designated as a hedge of a foreign currency risk.

17.5 Non-controlling interests

Non-controlling interests amounting to $103.8 million and $69.9 million as of December 31, 2020 and 2019, respectively, did not represent a material component of TechnipFMC's consolidated financial statements in the years ended December 31, 2020, and 2019.

NOTE 18. SHARE-BASED COMPENSATION

Incentive compensation and award plan

On January 11, 2017, we adopted TechnipFMC's Incentive Award Plan (the "Plan"). The Plan provides certain incentives and awards to officers, employees, non-employee directors and consultants of TechnipFMC and its subsidiaries. The Plan allows our Board of Directors to make various types of awards to non-employee directors and the Compensation Committee (the "Committee") of the Board of Directors to make various types of awards to other eligible individuals. Awards may include share options, share appreciation rights, performance share units, restricted share units, restricted shares or other awards authorized under the Plan. All awards are subject to the Plan's provisions, including all share-based grants previously issued by FMC Technologies and Technip prior to consummation of the Merger. Under the Plan, 24.1 million ordinary shares were authorized for awards. As of December 31, 2020, 8.5 million ordinary shares were available for future grant.

The exercise price for options is determined by the Committee but cannot be less than the fair market value of our ordinary shares at the grant date. Restricted share and performance share unit grants generally vest after three years of service.

Under the Plan, our Board of Directors has the authority to grant non-employee directors share options, restricted shares, restricted share units and performance shares. Unless otherwise determined by our Board of Directors, awards to non-employee directors generally vest one year from the date of grant. Restricted share units are settled when a director ceases services to the Board of Directors. As of December 31, 2020, outstanding awards to active and retired non-employee directors included 254.3 thousand of share units. As of December 31, 2019, outstanding awards to active and retired non-employee directors included 83.4 thousand of share units.

We recognize compensation expense and the corresponding tax benefits for awards under the Plan. The compensation expense under the Plan was as follows:

	Year Ended December 31,	
(In millions)	2020	2019
Share-based compensation expense	$ 69.0	$ 74.5
Income tax benefits related to share based compensation expense	18.6	20.1

Share-based compensation expense is recognized over the lesser of the stated vesting period of three years or the period until the employee reaches age 62 (the retirement eligible age under the plan).

As of December 31, 2020 and 2019, the portion of share-based compensation expense related to outstanding awards to be recognized in future periods is as follows:

	December 31,	
	2020	2019
Share-based compensation expense not yet recognized (In millions)	$ 68.1	$ 76.9
Weighted-average recognition period (in years)	1.8	1.7

Restricted share units

We began issuing restricted share units in 2017. A summary of the non-vested restricted share units activity is as follows:

	2020		2019	
(Shares in thousands)	Shares	Weighted-Average Grant Date Fair Value	Shares	Weighted-Average Grant Date Fair Value
Non-vested as of January 1	4,525.9	$ 27.44	2,977.4	$ 30.1
Granted	3,836.0	$ 9.27	1,969.1	$ 21.24
Vested	(1,909.1)	$ 27.16	(347.1)	$ 29.44
Cancelled/forfeited	(330.9)	$ 15.71	(73.5)	$ 27.79
Non-vested as of December 31	6,121.9	$ 18.43	4,525.9	$ 27.44

The total grant date fair value of restricted stock share units vested during the years ended December 31, 2020 and 2019 was $51.8 million and $10.2 million, respectively.

Performance share Units

The Board of Directors has granted certain employees, senior executives and Directors or Officers performance share units that vest subject to achieving satisfactory performances. For performance share units issued on or after January 1, 2017, performance is based on results of return on invested capital and total shareholder return (“TSR”).

For the performance share units which vest based on TSR, the fair value of performance shares is estimated using a combination of the closing stock price on the grant date and the Monte Carlo simulation model. The weighted-average fair value and the assumptions used to measure the fair value of performance share units subject to performance-adjusted vesting conditions in the Monte Carlo simulation model were as follows:

	Year Ended December 31,	
	2020	2019
Weighted-average fair value (1)	$ 10.02	$ 29.04
Expected volatility (2)	38.30 %	34.00 %
Risk-free interest rate (3)	0.40 %	2.42 %
Expected performance period in years (4)	3.0	3.0

(1) The weighted-average fair value was based on performance share units granted during the period.

(2) Expected volatility is based on normalized historical volatility of our shares over a preceding period commensurate with the expected term of the performance share units.

(3) The risk-free rate for the expected term of the performance share units is based on the U.S. Treasury yield curve in effect at the time of grant.

(4) For awards subject to service-based vesting, due to the lack of historical exercise and post-vesting termination patterns of the post-Merger employee base, the expected term was estimated using a simplified method for all awards granted in 2019 and 2018.

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

	2020		2019	
(Shares in thousands)	Shares	Weighted-Average Grant Date Fair Value	Shares	Weighted-Average Grant Date Fair Value
Non-vested as of January 1	3,817.7	$ 28.52	3,043.8	$ 27.02
Granted	2,828.4	$ 10.02	1,514.7	$ 24.99
Vested	(1,364.4)	$ 31.65	(597.6)	$ 22.30
Cancelled/forfeited	(441.0)	$ 20.62	(143.2)	$ 27.94
Non-vested as of December 31	4,840.7	$ 17.55	3,817.7	$ 28.52

The total grant date fair value of performance shares vested during years ended December 31, 2020 and 2019 was $43.2 million and $13.3 million, respectively.

Share option awards

The fair value of each share option award is estimated as of the date of grant using the Black-Scholes options pricing model or the Cox Ross Rubinstein binomial model.

Share options awarded prior to 2017 were granted subject to performance criteria based upon certain targets, such as total shareholder return, return on capital employed, and operating profit (loss) from recurring activities. Subsequent share options granted are time based awards vesting over three years.

The weighted-average fair value and the assumptions used to measure fair value are as follows:

	Year Ended December 31	
	2020	2019
Weighted-average fair value (1)	$ —	$ 5.64
Expected volatility (2)	— %	32.5 %
Risk-free interest rate (3)	— %	2.5 %
Expected dividend yield (4)	— %	2.6 %
Expected term in years (5)	0.0	6.5

(1) The weighted-average fair value was based on stock options granted during the period.

(2) Expected volatility is based on normalized historical volatility of our shares over a preceding period commensurate with the expected term of the option.

(3) The risk-free rate for the expected term of the option is based on the U.S. Treasury yield curve in effect at the time of grant.

(4) Share options awarded in 2020 and 2019 were valued using an expected dividend yield of 0.0% and 2.6%, respectively.

(5) For awards subject to service-based vesting, due to the lack of historical exercise and post-vesting termination patterns of the post-Merger employee base, the expected term was estimated using a simplified method for all awards granted in 2020 and 2019.

The following is a summary of share option transactions during year ended December 31, 2020:

(Shares in thousands)	Number of Shares	Weighted average exercise price	Weighted average remaining life (in years)
December 31, 2019	4,842.4	$ 29.68	5.3
Granted	—	$ —	
Exercised	—	$ —	
Cancelled	(244.0)	$ 28.08	
December 31, 2020	4,598.4	$ 29.77	4.2
Exercisable as of December 31, 2020	3,460.8	$ 31.47	3.0

The aggregate intrinsic value of stock options outstanding and stock options exercisable as of December 31, 2020 was nil and nil, respectively.

Cash received from the share option exercises was nil during each of the years ended December 31, 2020 and 2019. The total intrinsic value of share options exercised during each of the years ended December 31, 2020 and 2019 was nil. To exercise share options, an employee may choose (1) to pay, either directly or by way of the group savings plan, the share option strike price to obtain shares, or (2) to sell the shares immediately after having exercised the share option (in this case, the employee does not pay the strike price but instead receives the intrinsic value of the share options in cash).

The following summarizes significant ranges of outstanding and exercisable share options as of December 31, 2020:

	Options Outstanding				Options Exercisable		
Exercise Price Range	Number of options (in thousands)	Weighted average remaining life (in years)	Weighted average exercise price (in $)		Number of options (in thousands)	Weighted average exercise price (in $)	
$20.00-$33.00	4,087.2	4.6	$	26.68	2,949.5	$	26.90
$45.00-$51.00	33.0	1.0	$	45.49	33.0	$	45.49
$55.00-$57.00	478.2	0.4	$	56.93	478.3	$	56.93
Total	4,598.4	4.2	$	29.77	3,460.8	$	31.47

The following summarizes significant ranges of outstanding and exercisable options as of December 31, 2019:

	Options Outstanding				Options Exercisable		
Exercise Price Range	Number of options (in thousands)	Weighted average remaining life (in years)	Weighted average exercise price (in $)		Number of options (in thousands)	Weighted average exercise price (in $)	
$20.00-$33.00	4,330.4	5.7	$	26.55	1,105.7	$	26.54
$45.00-$51.00	33.0	2.0	$	45.49	33.0	$	45.49
$55.00-$57.00	479.0	1.4	$	56.93	479.0	$	56.93
Total	4,842.4	5.3	$	29.68	1,617.7	$	35.92

NOTE 19. DEBT

19.1 Debt

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

(In millions)	December 31, 2020		December 31, 2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Commercial papers	$ 1,525.2	$ 1,527.7	$ 1,967.0	$ 1,966.9
Synthetic bonds due 2021	551.1	552.0	—	—
Bank borrowings	56.5	56.5	247.8	248.0
5.00% Notes due 2020	—	—	224.4	230.0
Other	28.8	28.5	23.0	23.0
Total short-term debt and current portion of long-term	$ 2,161.6	$ 2,164.7	$ 2,462.2	$ 2,467.9

Long-term debt—Long-term debt consisted of the following:

(In millions)	December 31, 2020		December 31, 2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Synthetic bonds due 2021	$ —	$ —	$ 491.7	$ 513.1
3.45% Senior Notes due 2022	500.0	513.2	500.0	499.2
3.40% Notes due 2022	184.0	188.8	168.4	180.6
3.15% Notes due 2023	159.0	163.7	145.4	156.8
3.15% Notes due 2023	153.3	161.8	140.2	150.5
4.50% Notes due 2025	241.1	256.8	—	—
4.00% Notes due 2027	91.9	99.7	84.2	96.4
4.00% Notes due 2032	119.0	136.8	108.6	127.8
3.75% Notes due 2033	119.5	126.4	109.2	123.8
Bank borrowings and other	224.7	224.8	265.5	265.4
Total long-term debt	1,792.5	1,872.0	2,013.2	2,113.6
Commercial paper	1,525.2	1,527.7	1,967.0	1,966.9
Synthetic bonds due 2021	551.1	552.0	—	—
Bank borrowings and other	85.3	85.0	270.8	271.0
5.00% Notes due 2020	—	—	224.4	230.0
Total short-term debt and current portion of long-term	2,161.6	2,164.7	2,462.2	2,467.9
Total debt	$ 3,954.1	$ 4,036.7	$ 4,475.4	$ 4,581.5

Significant Funding and Liquidity Activities

During 2020, we completed the following transactions in order to enhance our total liquidity position:

- Repaid $233.9 million of 5.00% 2010 private placement notes;
- Repaid the remaining outstanding balance of $190.0 million of the term loan assumed in connection with the acquisition of the remaining 50% interest in TOP CV.
- Issued €200 million aggregate principal amount of 4.500% 2020 Private Placement Notes due June 30, 2025. Within three months of the effective date of the Spin-off of Technip Energies, if there is a downgrade by a nationally recognized rating agency of the corporate rating of TechnipFMC from an investment grade to a non-investment grade rating or a withdrawal of any such rating, the interest rate applicable to the 2020 Private Placement Notes will be increased to 5.75%;
- Entered into a new, six-month €500 million senior unsecured revolving credit facility agreement, which may be extended for two additional three-month periods (the “Euro Facility”); and
- Entered into the Bank of England’s COVID Corporate Financing Facility program (the “CCFF Program”), which allows us to issue up to £600 million of unsecured commercial paper notes.

Credit Facilities and Debt

Revolving credit facility - On January 17, 2017, we acceded to a new $2.5 billion senior unsecured revolving credit facility agreement ("facility agreement") between FMC Technologies, Inc., Technip Eurocash SNC (the "Borrowers"), and TechnipFMC plc (the "Additional Borrower") with JPMorgan Chase Bank, National Association ("JPMorgan"), as agent and an arranger, SG Americas Securities LLC as an arranger, and the lenders party thereto.

The facility agreement provides for the establishment of a multicurrency, revolving credit facility, which includes a $1.5 billion letter of credit subfacility. Subject to certain conditions, the Borrowers may request the aggregate commitments under the facility agreement be increased by an additional $500.0 million. On November 26, 2018, we entered into an extension which extends the expiration date to January 2023.

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

- U.S. dollar-denominated loans bear interest, at the Borrowers' option, at a base rate or an adjusted rate linked to the London interbank offered rate ("Adjusted LIBOR");

- sterling-denominated loans bear interest at Adjusted LIBOR; and

- euro-denominated loans bear interest at the Euro interbank offered rate ("EURIBOR").

Depending on the credit rating of TechnipFMC, the applicable margin for revolving loans varies (i) in the case of Adjusted LIBOR and EURIBOR loans, from 0.820% to 1.300% and (ii) in the case of base rate loans, from 0.000% to 0.300%. The "base rate" is the highest of (a) the prime rate announced by JPMorgan, (b) the greater of the Federal Funds Rate and the Overnight Bank Funding Rate plus 0.50% or (c) one-month Adjusted LIBOR plus 1.0%. As of December 31, 2020, there were no outstanding borrowings under our revolving credit facility.

Euro Facility – On May 19, 2020, we entered into the Euro Facility with HSBC France, as agent, and the lenders party thereto, which provides for the establishment of a six-month revolving credit facility denominated in Euros with total commitments of €500.0 million, which may be extended by us for two additional three-month periods. Borrowings under the Euro Facility bear interest at the Euro interbank offered rate for a period equal in length to the interest period of a given loan (which may be three or six months), plus an applicable margin. As of December 31, 2020, there were no outstanding borrowings under Euro Facility.

On June 12, 2020, we entered into Amendment No. 1 to the Facility Agreement and into an Amendment and Restatement Agreement to our Euro Facility. The amendments, which are effective through the respective expirations of the Facility Agreement and Euro Facility, permit us to include the gross book value of $3.2 billion of goodwill (fully impaired in the quarter ended March 31, 2020) in the calculation of consolidated net worth, which is used in the calculation of our quarterly compliance with the total capitalization ratio under the Facility Agreement and Euro Facility.

The facility agreement and Euro Facility contain usual and customary covenants, representations and warranties, and events of default for credit facilities of this type, including financial covenants requiring that our total capitalization ratio not exceed 60% at the end of any financial quarter. The facility agreement and Euro Facility also contain covenants restricting our ability and our subsidiaries' ability to incur additional liens and indebtedness, enter into asset sales, or make certain investments.

As of December 31, 2020, we were in compliance with all restrictive covenants under our credit facilities.

CCFF Program - On May 19, 2020, we entered into a dealer agreement (the "Dealer Agreement") with Bank of America Merrill Lynch International DAC (the "Dealer") and an Issuing and Paying Agency Agreement (the "Agency Agreement", and together with the Dealer Agreement, the "Agreements") with Bank of America, National Association, London Branch, relating to the European commercial paper program established under the CCFF Program as a source of additional liquidity.

The Agreements provide the terms under which we may issue, and the Dealer will arrange for, the sale of short term, unsecured commercial paper notes (the "Notes") to reduce existing debt or decrease overall borrowing costs. The Notes contain customary representations, warranties, covenants, defaults, and indemnification provisions, and will be sold at such discounts from their face amounts as shall be agreed between us and the Dealer. The Notes will be fully payable at maturity, and the maturities of the Notes will vary but may not exceed 364 days. The principal amount of outstanding Notes may not exceed £600.0 million. The Agency Agreement provides for the terms of issuance and payment of the Notes. As of December 31, 2020, our commercial paper borrowings under the CCFF Program had a weighted average interest rate of 0.43%. The commercial paper borrowings under the CCFF Program were repaid during the first quarter of 2021.

Bilateral credit facilities - We have access to a €100.0 million bilateral credit facility expiring in May 2021. The bilateral credit facility contains usual and customary covenants, representations and warranties and events of default for credit facilities of this type.

As of December 31, 2020, there were no outstanding borrowings under our bilateral credit facility.

Commercial paper - Under our commercial paper program, we have the ability to access $1.5 billion and €1.0 billion of short-term financing through our commercial paper dealers, subject to the limit of unused capacity of our facility agreement. Commercial paper borrowings are issued at market interest rates. As of December 31, 2020, our commercial paper borrowings had a weighted average interest rate of 0.34% on the U.S. dollar denominated borrowings and (0.06)% on the Euro denominated borrowings.

Synthetic bonds - On January 25, 2016, we issued €375.0 million principal amount of 0.875% convertible bonds with a maturity date of January 25, 2021 and a redemption at par of the bonds which have not been converted. On March 3, 2016, we issued additional convertible bonds for a principal amount of €75.0 million issued on the same terms, fully fungible with and assimilated to the bonds issued on January 25, 2016. The synthetic bonds were repaid in January 2021.

Senior Notes - We have outstanding 3.45% $500.0 million senior notes due October 1, 2022 (the "Senior Notes"). The terms of the Senior Notes are governed by the indenture, dated as of March 29, 2017 between TechnipFMC and U.S. Bank National Association, as trustee (the "Trustee"), as amended and supplemented by the First Supplemental Indenture between TechnipFMC and the Trustee (the "First Supplemental Indenture") relating to the issuance of the 2017 Notes and the Second Supplemental Indenture between TechnipFMC and the Trustee (the "Second Supplemental Indenture") relating to the issuance of the 2022 Notes.

At any time prior to July 1, 2022, in the case of the 2022 Notes, we may redeem some or all of the Senior Notes at the redemption prices specified in the First Supplemental Indenture and Second Supplemental Indenture, respectively. At any time on or after July 1, 2022, we may redeem the 2022 Notes at the redemption price equal to 100% of the principal amount of the 2022 Notes redeemed. The Senior Notes are our senior unsecured obligations. The Senior Notes will rank equally in right of payment with all of our existing and future unsubordinated debt, and will rank senior in right of payment to all of our future subordinated debt.

Private Placement Notes

2020 Issuances:

During 2020, we completed the private placement of €200.0 million aggregate principal amount of the 2020 Private Placement Notes. The 2020 Private Placement Notes bear interest of 4.500% and are due June 2025. Interest on the notes is payable annually in arrears on June 30 of each year beginning June 30, 2020. The 2020 Private Placement Notes contain usual and customary covenants and events of default for notes of this type. In addition, within three months of the effective date of the Spin-off of Technip Energies, if there is a downgrade by a nationally recognized rating agency of the corporate rating of TechnipFMC from an investment grade to a non-investment grade rating or a withdrawal of any such rating, the interest rate applicable to the 2020 Private Placement Notes will be increased to 5.75%.

2013 Issuances:

In October 2013, we completed the private placement of €355.0 million aggregate principal amount of senior notes. The notes were issued in three tranches with €100.0 million bearing interest at 3.75% and due October 2033 (the “Tranche A 2033 Notes”), €130.0 million bearing interest of 3.15% and due October 2023 (the “Tranche B 2023 Notes) and €125.0 million bearing interest of 3.15% and due October 2023 (the “Tranche C 2023 Notes” and, collectively with the “Tranche A 2033 Notes” and the “Tranche B 2023 Notes”, the “2013 Private Placement Notes”).

Interest on the Tranche A 2033 Notes is payable annually in arrears on October 7 each year, beginning October 7, 2014. Interest on the Tranche B 2023 Notes is payable annually in arrears on October 16 of each year beginning October 16, 2014. Interest on the Tranche C 2023 Notes is payable annually in arrears on October 18 of each year, beginning October 18, 2014.

2012 Issuances:

In June 2012, we completed the private placement of €325.0 million aggregate principal amount of notes. The notes were issued in three tranches with €150.0 million bearing interest at 3.40% and due June 2022 (the “Tranche A 2022 Notes”), €75.0 million bearing interest of 4.0% and due June 2027 (the “Tranche B 2027 Notes”) and €100.0 million bearing interest of 4.0% and due June 2032 (the “Tranche C 2032 Notes” and, collectively with the “Tranche A 2022 Notes and the “Tranche B 2027 Notes”, the “2012 Private Placement Notes”). Interest on the Tranche A 2022 Notes and the Tranche C 2032 Notes is payable annually in arrears on June 14 of each year beginning June 14, 2013. Interest on the Tranche B 2027 Notes is payable annually in arrears on June 15 of each year, beginning June 15, 2013.

The 2013 and 2012 Private Placement Notes contain usual and customary covenants and events of default for notes of this type. In the event of a change of control resulting in a downgrade in the rating of the notes below BBB-, the 2013 and 2012 Private Placement Notes may be redeemed early by any bondholder, at its sole discretion. The 2013 and 2012 Private Placement Notes are our unsecured obligations. The 2013 and 2012 Private Placement Notes will rank equally in right of payment with all of our existing and future unsubordinated debt.

Bank borrowings and other

Bank borrowings - In January 2019, we executed a sale-leaseback transaction to finance the purchase of a deepwater dive support vessel, Deep Discoverer (the “Vessel”) for the full transaction price of $116.8 million. The sale-leaseback agreement (“Charter”) was entered into with a French joint-stock company, owned by Credit Industrial et Commercial (“CIC”) which was formed for the sole purpose to purchase and act as the lessor of the Vessel. It is a variable interest entity, which is fully consolidated in our consolidated financial statements. The transaction was funded through debt of $96.2 million which is primarily long-term, expiring on January 8, 2031.

Term loan - In December 2016, we entered into a £160.0 million term loan agreement to finance the Deep Explorer, a diving support vessel (“DSV”), maturing December 2028. Under the loan agreement, interest accrues at an annual rate of 2.813%. This loan agreement contains usual and customary covenants and events of default for loans of this type.

Foreign committed credit - We have committed credit lines at many of our international subsidiaries for immaterial amounts. We utilize these facilities for asset financing and to provide a more efficient daily source of liquidity. The effective interest rates depend upon the local national market.

Analysis by type of interest rate after yield management is described in Note 30.

19.2 Secured financial debts excluding finance leases

Secured debts are as follows:

	December 31, 2020			December 31, 2019		
(In millions)	Guarantee	Without Guarantee	Total	Guarantee	Without Guarantee	Total
Bank overdrafts, current facilities and other	$ —	$ 10.7	$ 10.7	$ 232.1	$ 4.1	$ 236.2
Short-term portion of long-term debt	38.7	633.9	672.6	34.4	2,191.6	2,226.0
Total short-term debt and current portion of long-term	38.7	644.6	683.3	266.5	2,195.7	2,462.2
Total long-term debt, less current portion and finance leases	201.7	3,069.1	$ 3,270.8	190.0	1,823.2	2,013.2
Total debt excluding finance leases	$ 240.4	$ 3,713.7	$ 3,954.1	$ 456.5	$ 4,018.9	$ 4,475.4

NOTE 20. PENSIONS AND OTHER LONG-TERM EMPLOYEE BENEFIT PLANS

20.1 Description of TechnipFMC's current benefit plans

We have funded and unfunded defined benefit pension plans which provide defined benefits based on years of service and final average salary.

We are required to recognize the funded status of defined benefit post-retirement plans as an asset or liability in the consolidated statement of financial position and recognize changes in that funded status in comprehensive income in the year in which the changes occur. Further, we are required to measure the plan's assets and its obligations that determine its funded status as of the date of the consolidated statement of financial position. We have applied this guidance to our domestic pension and other post-retirement benefit plans as well as for many of our non-U.S. plans, including those in the United Kingdom, Germany, France and Canada.

In the case of funded plans, we ensure that the investment positions are managed to achieve long-term investments that are in line with the obligations under the pension schemes. Our objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency.

We actively monitor how the duration and the expected yield of the investments are matching the expected cash outflows arising from the pension obligations. We have not changed the processes used to manage its risks from previous periods. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

Our pension investment strategy emphasizes maximizing returns consistent with balancing risk. Excluding our international plans with insurance-based investments, 86% of our total pension plan assets represent the U.S. qualified plan, the U.K. plan and the Netherlands plan. These plans are primarily invested in equity securities to maximize the long-term returns of the plans.

On December 31, 2017, we amended the U.S. retirement plans (the "Plans") to freeze benefit accruals for all participants of the Plans as of December 31, 2017. After that date, participants in the Plans will no longer accrue any further benefits and participants' benefits under the Plans will be determined based on credited service and eligible earnings as of December 31, 2017.

Foreign-based employees are eligible to participate in TechnipFMC-sponsored or government-sponsored benefit plans to which we contribute. Several of the foreign defined benefit pension plans sponsored by us provide for employee contributions; the remaining plans are noncontributory. The most significant of these plans are in the Netherlands, France and the United Kingdom.

We have other post-retirement benefit plans covering substantially all of our U.S. unionized employees. The post-retirement health care plans are contributory; the post-retirement life insurance plans are noncontributory.

We expect to contribute approximately $20.7 million to our international pension plans, representing primarily the Netherlands qualified pension plans and U.K. qualified pension plans. We do not expect to make any contributions to our U.S. Qualified Pension Plan and our U.S. Non-Qualified Defined Benefit Pension Plan in 2021. All of the contributions are expected to be in the form of cash.

The following table summarizes expected benefit payments from our various pension and post-retirement benefit plans through 2030 as of December 31, 2020. Actual benefit payments may differ from expected benefit payments.

(In millions)	Expected benefit payments
2021	$ 92.9
2022	65.9
2023	65.5
2024	71.3
2025	69.0
2026-2030	380.2
Total	$ 744.8

20.2 Net benefit expense recognized in the statement of income

The net benefit expense recognized in the statement of income is as follows:

(In millions)	2020	2019
Current service cost	$ 18.3	$ 16.2
Financial cost	37.5	45.0
Interest income	(28.3)	(34.6)
Net actuarial loss (gain) recognized on long-term benefits	0.2	(0.2)
Settlement loss (gain)	0.2	—
Special events (curtailment/settlement)	0.3	1.5
Administration costs and taxes	5.5	3.6
Net benefit expense as recorded in the statement of income	$ 33.7	$ 31.5

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

The amounts recognized in the statement of financial position and the movements in the net defined benefit obligation over the year are as follows:

(In millions)	Defined Benefit Obligation	Fair Value of Plan Assets	Net Defined Benefit Obligation
December 31, 2018	$ 1,394.3	$ 1,035.4	$ 358.9
Acquisitions / disposals	—	—	—
Expense as recorded in the statement of income	66.1	34.6	31.5
Total current service cost	17.7	—	17.7
Net financial costs	45.0	34.6	10.4
Actuarial gains of the year	(0.2)	—	(0.2)
Administrative costs and taxes	3.6	—	3.6
Actuarial loss recognized in other comprehensive income	185.3	129.5	55.8
Actuarial loss on defined benefit obligation	185.3	129.5	55.8
- Experience	*(2.7)*	—	(2.7)
- Financial assumptions	204.2	—	204.2
- Demographic assumptions	(14.9)	—	(14.9)
Actuarial loss on plan assets	—	129.5	(129.5)
Change in irrecoverable surplus other than interest	(1.3)	—	(1.3)
Contributions and benefits paid	(69.2)	(45.3)	(23.9)
Contributions by employer	—	6.9	(6.9)
Contributions by employee	1.1	1.1	—
Benefits paid by employer	(17.0)	—	(17.0)
Benefits paid from plan assets	(53.3)	(53.3)	—
Exchange difference and other	11.0	13.5	(2.5)
Other	5.0	0.2	4.8
December 31, 2019	$ 1,592.5	$ 1,167.9	$ 424.6
Acquisitions / disposals	—	—	—
Expense as recorded in the statement of income	62.0	28.3	33.7
Total current service cost	18.6	—	18.6
Net financial costs	37.5	28.3	9.2
Actuarial losses of the year	0.2	—	0.2
Settlement loss of the year	0.2	—	0.2
Administrative costs and taxes	5.5	—	5.5
Actuarial loss recognized in other comprehensive income	107.3	39.0	68.3
Actuarial loss on defined benefit obligation	107.3	39.0	68.3
- Experience	(20.7)	—	(20.7)
- Financial assumptions	133.4	—	133.4
- Demographic assumptions	(5.1)	—	(5.1)
Actuarial loss on plan assets	—	39.0	(39.0)
Change in irrecoverable surplus other than interest	(0.3)	—	(0.3)
Contributions and benefits paid	(84.6)	(27.0)	(57.6)
Contributions by employer	—	28.7	(28.7)
Contributions by employee	1.1	1.1	—
Benefits paid by employer	(28.9)	—	(28.9)
Benefits paid from plan assets	(56.8)	(56.8)	—
Exchange difference and other	47.4	33.6	13.8
Settlements	(21.3)	(21.5)	0.2
Other	3.2	0.2	3.0
December 31, 2020	$ 1,706.5	$ 1,220.5	$ 486.0

In 2020 and 2019, the discounted defined benefit obligation included $1,469.3 million and $1,378.2 million for funded plans and $238.3 million and $215.8 million for unfunded plan assets, respectively.

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

	December 31, 2020					
(In %)	Bonds	Shares	Real Estate	Cash	Other	Total
Eurozone	— %	— %	— %	— %	100 %	100 %
United Kingdom	11 %	71 %	7 %	11 %	— %	100 %
United States	— %	92 %	— %	8 %	— %	100 %

	December 31, 2019					
(In %)	Bonds	Shares	Real Estate	Cash	Other	Total
Eurozone	— %	— %	— %	— %	100 %	100 %
United Kingdom	11 %	82 %	— %	7 %	— %	100 %
United States	— %	90 %	— %	10 %	— %	100 %

20.4 Actuarial assumptions

	December 31, 2020			
	Discount Rate	Future Salary Increase (above Inflation Rate)	Healthcare Cost Increase Rate	Inflation Rate
Eurozone	From 0.30% to 0.70%	From 1.50% to 3.90%	3.0 %	From 1.50% to 1.90%
United Kingdom	1.5 %	2.9 %	NA	From 2.50% to 2.90%
United States	2.5 %	4.0 %	NA	NA

	December 31, 2019			
	Discount Rate	Future Salary Increase (above Inflation Rate)	Healthcare Cost Increase Rate	Inflation Rate
Eurozone	From 0.90% to 1.00%	From 2.30% to 3.60%	3.0 %	From 1.60% to 1.80%
United Kingdom	2.0 %	3.9 %	NA	From 2.40% to 3.10%
United States	3.6 %	4.0 %	NA	NA

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in each territory. These assumptions translate into an average life expectancy in years for a pensioner retiring at age 65:

	December 31, 2020			
	Assumed life expectations for a retiree age 65			
	Retiring at the end of the reporting period		Retiring 15 years after the end of the reporting period	
(in years)	Male	Female	Male	Female
Eurozone	24	27	28	31
United Kingdom	21	23	23	25
United States	21	23	19	21

	December 31, 2019			
	Assumed life expectations for a retiree age 65			
	Retiring at the end of the reporting period		Retiring 15 years after the end of the reporting period	
(in years)	Male	Female	Male	Female
Eurozone	23	27	28	31
United Kingdom	21	23	23	25
United States	21	23	19	21

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

The discount rates as of December 31, 2020 of the Eurozone, United Kingdom and the United States zones are determined by holding the benefit flows of services expected from the plans and by using a curve of yield built from a wide basket of bonds of companies of high quality (rated AA). In the countries where the market bonds of companies of high quality is insufficiently deep, the discount rates are measured in reference to governmental rates.

The references used to determine the discount rates and mortality assumptions as of December 31, 2020 remain unchanged compared to 2019. A 25% decrease in the discount rate would increase the defined benefit obligation by approximately 98.7%. A 25% increase in the discount rate would decrease the defined benefit obligation by approximately (3.8)%. A one year decrease in the life expectancy would decrease the defined benefit obligation by approximately (3.7)%. A one year increase in the life expectancy would increase the defined benefit obligation by approximately 3.7%.

20.5 Other plans

Savings plans - The TechnipFMC Retirement Savings Plan (“Qualified Plan”), a qualified salary reduction plan under Section 401(k) of the Internal Revenue Code, is a defined contribution plan. Additionally, we have a non-qualified deferred compensation plan, the Non-Qualified Plan, which allows certain highly compensated employees the option to defer the receipt of a portion of their salary. We match a portion of the participants’ deferrals to both plans. Both plans relate to FMC Technologies, Inc.

Participants in the Non-Qualified Plan earn a return based on hypothetical investments in the same options as our 401(k) plan, including TechnipFMC plc stock (“FTI Stock Fund”). In March 2019, the FTI Stock Fund was removed from the Non-Qualified Plan. Changes in the market value of these participant investments are reflected in other income (expense), net. The deferred compensation obligation is measured based on the actuarial present value of the benefits owed to the employee. As of December 31, 2020 and 2019, our liability for the Non-Qualified Plan was $36.4 million and $36.6 million, respectively, and was recorded in other non-current liabilities. We hedge the financial impact of changes in the participants’ hypothetical investments by purchasing the investments that the participants have chosen. Changes in the fair value of these investments are recognized as an offset to other income (expense), net. As of December 31, 2020 and 2019, we had investments for the Non-Qualified Plan totaling $22.8 million and $26.3 million at fair market value, respectively.

We recognized expense of $29.9 million and $34.0 million for matching contributions to these plans in 2020 and 2019, respectively. Additionally, we recognized expense of $12.1 million and $13.2 million for non-elective contributions in 2020 and 2019, respectively.

NOTE 21. PROVISIONS (CURRENT AND NON-CURRENT)

Movements in each class of provision as of December 31, 2019 are as follows:

(In millions)	December 31, 2018	Increase	Used Reversals	Unused Reversals	Net foreign exchange differences	Other	December 31, 2019
Tax	$ 0.7	$ —	$ —	$ —	$ —	$ —	$ 0.7
Litigation	5.8	5.2	(2.2)	—	(3.2)	2.0	7.6
Restructuring obligations [2]	10.8	2.2	(0.6)	(2.0)	0.2	5.0	15.6
Provisions for claims	6.4	2.4	—	—	(0.1)	—	8.7
Other non-current provisions	19.0	1.0	(13.3)	(0.2)	(0.2)	8.8	15.1
Total non-current provisions	42.7	10.8	(16.1)	(2.2)	(3.3)	15.8	47.7
Contingencies related to contracts	148.8	36.5	(20.7)	(10.4)	(0.4)	(37.1)	116.7
Tax	30.0	8.8	(1.1)	(2.6)	0.3	(11.6)	23.8
Litigation [1]	388.2	84.0	(293.9)	(27.5)	(6.9)	16.2	160.1
Restructuring obligations [2]	28.6	30.3	(17.3)	(1.3)	—	(7.2)	33.1
Provisions for claims	15.2	5.7	(20.0)	—	(0.6)	—	0.3
Other current provisions	215.5	124.1	(115.6)	(73.2)	(2.9)	(5.3)	142.6
Total current provisions	826.3	289.4	(468.6)	(115.0)	(10.5)	(45.0)	476.6
Total provisions	$ 869.0	$ 300.2	$ (484.7)	$ (117.2)	$ (13.8)	$ (29.2)	$ 524.3

Movements in each class of provision as of December 31, 2020 are as follows:

(In millions)	December 31, 2019	Increase	Used Reversals	Unused Reversals	Net foreign exchange differences	Other	December 31, 2020
Tax	$ 0.7	$ —	$ —	$ (0.6)	$ 0.1	$ —	$ 0.2
Litigation	7.6	—	—	—	0.4	(1.5)	6.5
Restructuring obligations [2]	15.6	20.6	(4.8)	(1.1)	(1.1)	(2.1)	27.1
Provisions for claims	8.7	0.4	(0.1)	(0.5)	0.9	—	9.4
Other non-current provisions	15.1	0.2	(0.2)	(0.6)	—	(5.5)	9.0
Total non-current provisions	47.7	21.2	(5.1)	(2.8)	0.3	(9.1)	52.2
Contingencies related to contracts	116.7	69.3	(8.1)	(61.1)	1.4	(7.3)	110.9
Tax	23.8	1.3	—	(4.9)	—	—	20.2
Litigation [1]	160.1	33.8	(12.8)	(6.7)	(4.9)	(1.1)	168.4
Restructuring obligations	33.1	105.8	(77.0)	(12.7)	2.8	3.7	55.7
Provisions for claims	0.3	—	—	—	—	—	0.3
Other current provisions	142.6	89.5	(104.1)	(31.9)	(9.2)	0.8	87.7
Total current provisions	476.6	299.7	(202.0)	(117.3)	(9.9)	(3.9)	443.2
Total provisions	$ 524.3	$ 320.9	$ (207.1)	$ (120.1)	$ (9.6)	$ (13.0)	$ 495.4

(1) *Litigation* - The balance includes provision of $51.5 million and $128.6 million as of December 31, 2020 and 2019, respectively. U.S. Department of Justice performed investigation of offshore platform projects awarded between 2003 and 2007, performed in Brazil by a joint venture company in which Technip S.A. was a minority participant, and also certain other projects performed by Technip S.A. subsidiaries in Brazil between 2002 and 2013. On June 25, 2019, we announced a global resolution to pay a total of $301.3 million. As part of this resolution, we entered into a three-year Deferred Prosecution Agreement. See Note 26 for further details.

(2) *Restructuring obligations* - In December 2019, we initiated a company-wide reduction in workforce intended to reduce costs and better align our workforce with current and anticipated activity levels, which resulted in the recognition of severance costs relating to termination benefits and other restructuring charges. The initial plan

included a workforce reduction of approximately 1,600 employees. Restructuring charges related to this global initiative were $32.4 million. In 2020, due to prolonged uncertainty in energy markets related to COVID-19 we also incurred additional restructuring and other expenses. See Note 22 for more details.

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

NOTE 22. IMPAIRMENT, RESTRUCTURING AND OTHER EXPENSES

Impairment, restructuring and other expenses were as follows:

	Year Ended December 31,	
(In millions)	**2020**	**2019**
Subsea	$ 3,031.7	$ 1,693.8
Technip Energies	93.6	17.0
Surface Technologies	301.6	708.4
Corporate and other	10.0	17.4
Total impairment, restructuring and other expenses	$ 3,436.9	$ 2,436.6

Goodwill, property, plant and equipment and right-of-use impairments

During the years ended December 31, 2020 and 2019, triggering events were identified which led to impairments of certain property, plant and equipment, including goodwill.

Goodwill impairment charges of $2,800.2 million and $197.5 million were recorded during the year ended December 31, 2020 in our Subsea and Surface Technologies operating segments, respectively. Goodwill impairment charges of $1,347.7 million and $671.0 million were recorded during the year ended December 31, 2019 in our Subsea and Surface Technologies operating segments, respectively. See Note 11 for further details.

For property, plant and equipment, as a result of impairment assessments, during the year ended December 31, 2020, impairment charges of $92.9 million and $79.4 million were recorded in our Subsea and Surface Technologies operating segments, respectively. During the year ended December 31, 2019, we recorded $411.3 million of property, plant and equipment impairment charges primarily consisted of $153.8 million related to vessels and vessels equipment in our Subsea operating segment and $168.9 million related to the pipe and umbilical manufacturing facilities in our Surface Technologies operating segments. See Note 10 for further details.

For right-of-use assets, as a result of impairment assessments, during the year ended December 31, 2020, impairment charges of $18.8 million, $1.8 million, $10.3 million and $2.6 million were recorded in our Subsea, Surface Technologies, Technip Energies operating segments and Corporate, respectively. No impairment charges for right-of-use assets were recorded in 2019.

Restructuring and other expenses

In addition, during the year ended December 31, 2020, we recorded restructuring and other charges of $227.5 million. Restructuring and other charges primarily consisted of severance and other employee related costs and COVID-19 related expenses across all segments. Restructuring and other charges were as follows:

	Year Ended December 31,		
	2020		2019
(In millions)	**Restructuring and other charges**	**COVID-19 expenses**	**Restructuring and other charges**
Subsea	$ 66.5	$ 50.1	$ (46.4)
Technip Energies	39.3	44.0	17.0
Surface Technologies	13.2	7.7	18.7
Corporate and other	6.7	—	17.4
Total	$ 125.7	$ 101.8	$ 6.7

COVID-19 related expenses represent unplanned, one-off, incremental and non-recoverable costs incurred solely as a result of COVID-19 pandemic situation, which would not have been incurred otherwise. COVID-19 related expenses primarily included (a) employee payroll and travel, operational disruptions associated with quarantining, personnel travel restrictions to job sites and shutdown of manufacturing plants and sites; (b) supply chain and related expediting costs of accelerated shipments for previously ordered and undelivered products; (c) costs associated with implementing additional information technology to support remote working environments; and (d) facilities-related expenses to ensure safe working environments.

Prolonged uncertainty in energy markets could lead to further future reductions in capital spending from our customer base. In turn, this may lead to changes in our strategy. We will continue to take actions designed to mitigate the adverse effects of the rapidly changing market environment and expect to continue to adjust our cost structure to market conditions. If market conditions continue to deteriorate, we may record additional restructuring charges and additional impairments of our property, plant and equipment and equity method investments.

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

Other current liabilities are as follows:

	December 31,	
(In millions)	**2020**	**2019**
Redeemable financial liability	$ 184.2	$ 129.0
Current financial liabilities at Fair Value Through Profit or Loss, total	184.2	129.0
Other taxes payable	221.3	240.4
Accruals on completed contracts	174.9	193.5
Social security liability	108.9	116.5
Payable on litigation settlement	51.5	62.9
Other	241.1	275.8
Other current liabilities, total	797.7	889.1
Total other current liabilities	$ 981.9	$ 1,018.1

Other non-current liabilities are as follows:

	December 31,	
(In millions)	**2020**	**2019**
Redeemable financial liabilities	$ 104.7	$ 181.0
Non-current financial liabilities at Fair Value through Profit or Loss, total	104.7	181.0
Uncertain tax positions	51.9	60.6
Obligations on non-qualified employee retirement plans	36.4	36.6
Subsidies	4.9	4.4
Payable on litigation settlement	—	62.9
Payable on property, plant and equipment	—	12.2
Other	60.6	76.2
Other non-current liabilities	153.8	252.9
Total other non-current liabilities	$ 258.5	$ 433.9

A mandatorily redeemable financial liability was recognized in 2016 to account for the fair value of the non-controlling interests in the equity of legal onshore/offshore contract entities which own and account for the design, engineering and construction of the Yamal LNG plant. This financial liability is periodically revalued to its fair value, in order to reflect current expectations about the obligation. TechnipFMC recognized a loss of $202.0 million and $423.1 million in 2020 and 2019, respectively. Pursuant to payments of $224.2 million and $562.8 million during the year in 2020 and 2019, respectively. The carrying amount of Yamal LNG redeemable financial liability as of December 31 was $246.6 million and $268.8 million in 2020 and 2019, respectively.

NOTE 24. ACCOUNTS PAYABLE, TRADE

Trade payables amounted to $2,741.1 million as of December 31, 2020 as compared to $2,660.7 million as of December 31, 2019. Trade payables maturities are linked to the operating cycle of supply contracts and mature within 12 months.

NOTE 25. WARRANTY OBLIGATIONS

Warranty obligations are included within "Other current liabilities" in our consolidated statements of financial position as of December 31, 2020 and 2019. A reconciliation of warranty obligations for the years ended December 31, 2020 and 2019 as follows:

	Year Ended December 31,	
(In millions)	**2020**	**2019**
Balance at beginning of period	$ 193.5	$ 234.4
Warranty expenses	95.6	78.8
Adjustment to existing accruals	(86.2)	(57.5)
Claims paid	(28.1)	(62.2)
Balance at end of period	$ 174.8	$ 193.5

NOTE 26. COMMITMENTS AND CONTINGENT LIABILITIES

Contingent liabilities associated with guarantees - In the ordinary course of business, we enter into standby letters of credit, performance bonds, surety bonds and other guarantees with financial institutions for the benefit of our customers, vendors and other parties. The majority of these financial instruments expire within five years. Management does not expect any of these financial instruments to result in losses that, if incurred, would have a material adverse effect on our consolidated financial position, results of operations or cash flows.

Guarantees consisted of the following:

	December 31,	
(In millions)	**2020**	**2019**
Financial guarantees (1)	$ 310.1	$ 945.5
Performance guarantees (2)	4,659.6	4,916.0
Maximum potential undiscounted payments	$ 4,969.7	$ 5,861.5

(1) Financial guarantees represent contracts that contingently require a guarantor to make payments to a guaranteed party based on changes in an underlying agreement that is related to an asset, a liability, or an equity security of the guaranteed party. These tend to be drawn down only if there is a failure to fulfill our financial obligations.

(2) Performance guarantees represent contracts that contingently require a guarantor to make payments to a guaranteed party based on another entity's failure to perform under a nonfinancial obligating agreement. Events that trigger payment are performance-related, such as failure to ship a product or provide a service.

Management believes the ultimate resolution of our known contingencies will not materially affect our consolidated financial position, results of operations, or cash flows.

Contingent liabilities associated with legal matters - We are involved in various pending or potential legal and tax actions or disputes in the ordinary course of our business. Management is unable to predict the ultimate outcome of these actions because of their inherent uncertainty. However, management believes that the most probable, ultimate resolution of these matters will not have a material adverse effect on our consolidated financial position, results of operations or cash flows.

On March 28, 2016, FMC Technologies received an inquiry from the U.S. Department of Justice ("DOJ") related to the DOJ's investigation of whether certain services Unaoil S.A.M. provided to its clients, including FMC Technologies, violated the U.S. Foreign Corrupt Practices Act ("FCPA"). On March 29, 2016, Technip S.A. also received an inquiry from the DOJ related to Unaoil. We cooperated with the DOJ's investigations and, with regard to FMC Technologies, a related investigation by the SEC.

In late 2016, Technip S.A. was contacted by the DOJ regarding its investigation of offshore platform projects awarded between 2003 and 2007, performed in Brazil by a joint venture company in which Technip S.A. was a minority participant, and we have also raised with DOJ certain other projects performed by Technip S.A. subsidiaries in Brazil between 2002 and 2013. The DOJ has also inquired about projects in Ghana and Equatorial Guinea that were awarded to Technip S.A. subsidiaries in 2008 and 2009, respectively. We cooperated with the DOJ in its investigation into potential violations of the FCPA in connection with these projects. We contacted and cooperated with the Brazilian authorities (Federal Prosecution Service ("MPF"), the Comptroller General of Brazil ("CGU") and the Attorney General of Brazil ("AGU")) with their investigation concerning the projects in Brazil and have also contacted and are cooperating with French authorities (the Parquet National Financier ("PNF")) with their investigation about these existing matters.

On June 25, 2019, we announced a global resolution to pay a total of $301.3 million to the DOJ, the SEC, the MPF, and the CGU/AGU to resolve these anti-corruption investigations. We will not be required to have a monitor and will, instead, provide reports on our anti-corruption program to the Brazilian and U.S. authorities for two and three years, respectively.

As part of this resolution, we entered into a three-year Deferred Prosecution Agreement ("DPA") with the DOJ related to charges of conspiracy to violate the FCPA related to conduct in Brazil and with Unaoil. In addition, Technip USA, Inc., a U.S. subsidiary, pled guilty to one count of conspiracy to violate the FCPA related to conduct in Brazil. We will also provide the DOJ reports on our anti-corruption program during the term of the DPA.

In Brazil, our subsidiaries Technip Brasil - Engenharia, Instalações E Apoio Marítimo Ltda. and Flexibrás Tubos Flexíveis Ltda. entered into leniency agreements with both the MPF and the CGU/AGU. We have committed, as part of those agreements, to make certain enhancements to their compliance programs in Brazil during a two-year self-reporting period, which aligns with our commitment to cooperation and transparency with the compliance community in Brazil and globally.

In September 2019, the SEC approved our previously disclosed agreement in principle with the SEC Staff and issued an Administrative Order, pursuant to which we paid the SEC $5.1 million, which was included in the global resolution of $301.3 million.

To date, the investigation by PNF related to historical projects in Equatorial Guinea and Ghana has not reached resolution. We remain committed to finding a resolution with the PNF and will maintain a $70.0 million provision related to this investigation. As we continue to progress our discussions with PNF towards resolution, the amount of a settlement could exceed this provision.

There is no certainty that a settlement with PNF will be reached or that the settlement will not exceed current accruals. The PNF has a broad range of potential sanctions under anticorruption laws and regulations that it may seek to impose in appropriate circumstances including, but not limited to, fines, penalties, and modifications to business practices and compliance programs. Any of these measures, if applicable to us, as well as potential customer reaction to such measures, could have a material adverse impact on our business, results of operations, and financial condition. If we cannot reach a resolution with the PNF, we could be subject to criminal proceedings in France, the outcome of which cannot be predicted.

Legal proceedings -A purported shareholder class action filed in 2017 and amended in January 2018 and captioned Prause v. TechnipFMC, et al., No. 4:17-cv-02368 (S.D. Texas) is pending in the U.S. District Court for the Southern District of Texas against the Company and certain current and former officers and employees of the Company. The suit alleged violations of the federal securities laws in connection with the Company's restatement of our first quarter 2017 financial results and a material weakness in our internal control over financial reporting announced on July 24, 2017. On January 18, 2019, the District Court dismissed claims under Section 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended, and Section 15 of the Securities Act of 1933, as amended ("Securities Act"). A remaining claim for alleged violation of Section 11 of the Securities Act in connection with the reporting of certain financial results in the Company's Form S-4 Registration Statement filed in 2016 is pending and seeks unspecified damages. The Company is vigorously contesting the litigation and cannot predict its duration or outcome.

Contingent liabilities associated with liquidated damages - Some of our contracts contain provisions that require us to pay liquidated damages if we are responsible for the failure to meet specified contractual milestone dates and the applicable customer asserts a conforming claim under these provisions. These contracts define the conditions under which our customers may make claims against us for liquidated damages. Based upon the evaluation of our performance and other commercial and legal analysis, management believes we have appropriately recognized probable liquidated damages as of December 31, 2020 and 2019, and that the ultimate resolution of such matters will not materially affect our consolidated financial position, results of operations, or cash flows.

NOTE 27. FINANCIAL INSTRUMENTS

27.1 Financial assets and liabilities by category

Financial assets and financial liabilities are as follows:

	December 31, 2020			
	Analysis by Category of Financial Instruments			
(In millions)	**Carrying Amount**	**At Fair Value through Profit or Loss**	**Assets/ Liabilities at Amortized cost**	**At Fair Value through OCI**
Financial assets				
Trade receivables, net	$ 2,389.4	$ —	$ 2,389.4	$ —
Other financial assets	307.6	68.2	239.4	—
Derivative financial instruments	337.3	85.9	—	251.4
Cash and cash equivalents	4,807.7	4,807.7	—	—
Total financial assets	$ 7,842.0	$ 4,961.8	$ 2,628.8	$ 251.4
Financial liabilities				
Long-term debt, less current portion	$ 1,792.5	$ —	$ 1,792.5	$ —
Non-current lease liabilities	881.0	—	881.0	—
Other non-current financial liabilities	104.7	104.7	—	—
Short-term debt and current portion of long-term debt	2,161.6	—	2,161.6	—
Accounts payable, trade	2,741.1	—	2,741.1	—
Derivative financial instruments	190.5	15.6	—	174.9
Current lease liabilities	273.9	—	273.9	—
Other financial liabilities	184.2	184.2	—	—
Total financial liabilities	$ 8,329.5	$ 304.5	$ 7,850.1	$ 174.9

	December 31, 2019			
	Analysis by Category of Financial Instruments			
(In millions)	Carrying Amount	At Fair Value through Profit or Loss	Assets/ Liabilities at Amortized cost	At Fair Value through OCI
Financial assets				
Trade receivables, net	$ 2,281.4	$ —	$ 2,281.4	$ —
Other financial assets	390.9	58.4	332.5	—
Derivative financial instruments	141.4	12.3	—	129.1
Cash and cash equivalents	5,190.1	5,190.1	—	—
Total financial assets	$ 8,003.8	$ 5,260.8	$ 2,613.9	$ 129.1
Financial liabilities				
Long-term debt, less current portion	$ 2,013.2	$ —	$ 2,013.2	$ —
Non-current lease liabilities	681.7	—	681.7	—
Other non-current financial liabilities	181.0	181.0	—	—
Short-term debt and current portion of long-term debt	2,462.2	—	2,462.2	—
Accounts payable, trade	2,660.7	—	2,660.7	—
Derivative financial instruments	194.0	21.0	—	173.0
Current lease liabilities	275.1	—	275.1	—
Other current financial liabilities	129.0	129.0	—	—
Total financial liabilities	$ 8,596.9	$ 331.0	$ 8,092.9	$ 173.0

The following explains the judgments and estimates made in determining the fair values of the financial instruments that are recognized and measured at fair value in the consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, TechnipFMC has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

	December 31, 2020			
(In millions)	Level 1	Level 2	Level 3	Total
Financial assets				
Investments:				
Non-Qualified Plan:				
Traded securities (1)	$ 65.6	$ —	$ —	$ 65.6
Money market fund	—	1.7	—	1.7
Stable value fund	—	0.9	—	0.9
Derivative financial instruments:				—
Foreign exchange contracts	—	337.3	—	337.3
Total financial assets	$ 65.6	$ 339.9	$ —	$ 405.5
Financial liabilities				
Redeemable financial liability	$ —	$ —	$ 288.9	$ 288.9
Derivative financial instruments:				
Foreign exchange contracts	—	190.5	—	190.5
Total financial liabilities	$ —	$ 190.5	$ 288.9	$ 479.4

	December 31, 2019			
(In millions)	Level 1	Level 2	Level 3	Total
Financial assets				
Investments:				
Non-Qualified Plan:				
Traded securities (1)	$ 54.8	$ —	$ —	$ 54.8
Money market fund	—	1.5	—	1.5
Stable value fund	—	2.1	—	2.1
Derivative financial instruments:				
Synthetic bonds - call option premium	—	4.3	—	4.3
Foreign exchange contracts	—	137.1	—	137.1
Total financial assets	$ 54.8	$ 145.0	$ —	$ 199.8
Financial liabilities				
Redeemable financial liability	$ —	$ —	$ 310.0	$ 310.0
Derivative financial instruments:				
Synthetic bonds - embedded derivatives	—	4.3	—	4.3
Foreign exchange contracts	—	189.7	—	189.7
Total financial liabilities	$ —	$ 194.0	$ 310.0	$ 504.0

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

During the financial years 2020 and 2019, there were no transfer between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

Non-Qualified Plan—The fair value measurement of our traded securities is at FVTPL and is based on quoted prices that we have the ability to access in public markets. Our stable value fund and money market fund are valued at the net asset value of the shares held at the end of the quarter, which is based on the fair value of the underlying investments using information reported by our investment adviser at period-end.

Redeemable financial liabilities—The following redeemable financial liabilities were recognized during the financial year 2020 and 2019:

- *Yamal redeemable financial liability* - The mandatorily redeemable financial liability relates to our voting control interests in legal Technip Energies contract entities which own and account for the design, engineering and construction of the Yamal LNG plant. The fair value is determined using a discounted cash flow model. The key assumptions used in applying the income approach are the selected discount rates and the expected dividends to be distributed in the future to the non-controlling interest holders. Expected dividends to be distributed are based on the non-controlling interests' share of the expected profitability of the underlying contract, a 15% discount rate and the overall timing of completion of the project. See Note 23 for further details. A decrease of one percentage point in the discount rate would have increased the liability by $2.0 million as of December 31, 2020.
- *TIOS redeemable financial liability* - In 2018, we acquired a 51% share in TIOS. On acquisition date a redeemable financial liability was recorded at fair value of a written put option. On acquisition date we determined the fair value of the put option over non-controlling interest as the present value of the expected redemption price of the written put option. TIOS redeemable financial liability is classified as a current financial liability and stated at its redemption value totaling $42.3 million as of December 31, 2020.

The fair value measurement of our redeemable financial liabilities is based upon significant unobservable inputs not observable in the market and is consequently classified as a Level 3 fair value measurement.

Changes in the fair value of our Level 3 mandatorily redeemable financial liabilities is recorded as interest expense in the consolidated statements of income and is presented below.

	Yamal		TIOS	
(In millions)	**2020**	**2019**	**2020**	**2019**
Balance as of January 1	$ 268.8	$ 408.5	$ 41.2	$ 40.8
Expenses recognized in the statements of income	(202.0)	(423.1)	(1.1)	(0.4)
Settlements of mandatorily redeemable financial liability	224.2	562.8	—	—
Balance as of December 31	$ 246.6	$ 268.8	$ 42.3	$ 41.2

Fair value of debt—The fair values (based on Level 2 inputs) of our debt, carried at amortized cost, are presented in Note 19 Debts.

27.2 Derivative financial instruments

For purposes of mitigating the effect of changes in exchange rates, we hold derivative financial instruments to hedge the risks of certain identifiable and anticipated transactions and recorded assets and liabilities in our consolidated statement of financial position. The types of risks hedged are those relating to the variability of future earnings and cash flows caused by movements in foreign currency exchange rates. Our policy is to hold derivatives only for the purpose of hedging risks associated with anticipated foreign currency purchases and sales created in the normal course of business and not for trading purposes where the objective is solely or partially to generate profit.

Generally, we enter into hedging relationships such that changes in the fair values or cash flows of the transactions being hedged are expected to be offset by corresponding changes in the fair value of the derivatives. For derivative instruments that qualify as a cash flow hedge, the effective portion of the gain or loss of the derivative, which does not include the time value component of a forward currency rate, is reported as a component of OCI and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings. For derivative instruments not designated as hedging instruments, any change in the fair value of those instruments are reflected in earnings in the period such change occurs.

See Note 30 for further details.

We hold the following types of derivative instruments:

Foreign exchange rate forward contracts—The purpose of these instruments is to hedge the risk of changes in future cash flows of highly probable purchase or sale commitments denominated in foreign currencies and recorded assets and liabilities in our consolidated statement of financial position.

We held the following material net positions as of December 31, 2020 and 2019:

	December 31, 2020			
	Maturity			
(In millions except for rates)	**1-12 months**	**12-24 months**	**Beyond 24 months**	**Total**
Australian dollar				
Notional amount (LC)	27.3	45.2	5.7	78.2
Average forward rate (LC/USD)	1.3	1.3	1.3	1.3
USD equivalent	21.1	34.9	4.4	60.4
Brazilian real				
Notional amount (LC)	(951.4)	1,632.8	—	681.4
Average forward rate (LC/USD)	5.2	5.2	5.2	5.2
USD equivalent	(183.1)	314.2	—	131.1
British pound				
Notional amount (LC)	653.5	96.0	22.1	771.6

Average forward rate (LC/USD)	0.7	0.7	0.7	0.7
USD equivalent	892.9	131.3	30.1	1,054.3
Canadian dollar				
Notional amount (LC)	(4.4)	(2.7)	—	(7.1)
Average forward rate (LC/USD)	1.3	1.3	1.3	1.3
USD equivalent	(3.4)	(2.2)	—	(5.6)
Columbian peso				
Notional amount (LC)	37,142.2	—	—	37,142.2
Average forward rate (LC/USD)	3,432.5	3,432.5	3,432.5	3,432.5
USD equivalent	10.8	—	—	10.8
Euro				
Notional amount (LC)	1,406.1	367.6	20.8	1,794.5
Average forward rate (LC/USD)	0.8	0.8	0.8	0.8
USD equivalent	1,725.2	451.0	25.5	2,201.7
Hong Kong dollar				
Notional amount (LC)	(95.1)	(2.5)	—	(97.6)
Average forward rate (LC/USD)	7.8	7.8	7.8	7.8
USD equivalent	(12.3)	(0.3)	—	(12.6)
Indian rupee				
Notional amount (LC)	2,694.3	478.0	(0.3)	3,172.0
Average forward rate (LC/USD)	73.1	73.1	73.1	73.1
USD equivalent	36.9	6.5	—	43.4
Indonesian rupiah				
Notional amount (LC)	(201,679.0)	—	—	(201,679.0)
Average forward rate (LC/USD)	14,105.0	14,105.0	14,105.0	14,105.0
USD equivalent	(14.3)	—	—	(14.3)
Japanese yen				
Notional amount (LC)	1,300.0	(175.6)	—	1,124.4
Average forward rate (LC/USD)	103.1	103.1	—	103.1
USD equivalent	12.6	(1.7)	—	10.9
Malaysian ringgit				
Notional amount (LC)	745.0	146.0	—	891.0
Average forward rate (LC/USD)	4.0	4.0	4.0	4.0
USD equivalent	185.2	36.3	—	221.5
Mexican peso				
Notional amount (LC)	(26.3)	843.7	470.6	1,288.0
Average forward rate (LC/USD)	19.9	19.9	19.9	19.9
USD equivalent	(1.3)	42.3	23.6	64.6
Norwegian krone				
Notional amount (LC)	501.5	149.9	1,070.2	1,721.6
Average forward rate (LC/USD)	3.2	3.2	3.2	3.2
USD equivalent	156.0	(79.7)	125.4	201.7
Singapore dollar				
Notional amount (LC)	165.8	5.4	—	171.2
Average forward rate (LC/USD)	1.3	1.3	—	1.3
USD equivalent	125.4	4.1	—	129.5
Yuan Renminbi				
Notional amount (LC)	35.9	—	—	35.9
Average forward rate (LC/USD)	6.54	—	—	—

USD equivalent	5.5	—	—	5.5
U.S. dollar	(1,847.1)	(989.0)	(86.0)	(2,922.1)

	December 31, 2019			
	Maturity			
(In millions except for rates)	**1-12 months**	**12-24 months**	**Beyond 24 months**	**Total**
Australian dollar				
Notional amount (LC)	154.5	(103.1)	—	51.4
Average forward rate (LC/USD)	1.4	1.4	—	1.4
USD equivalent	108.4	(72.4)	—	36.0
Brazilian real				
Notional amount (LC)	1,089.7	(101.1)	(190.0)	798.6
Average forward rate (LC/USD)	4.0	4.0	4.0	4.0
USD equivalent	270.3	(25.1)	(47.1)	198.1
British pound				
Notional amount (LC)	233.4	116.7	(235.3)	114.8
Average forward rate (LC/USD)	0.8	0.8	0.8	0.8
USD equivalent	307.8	154.1	(310.4)	151.5
Canadian dollar				
Notional amount (LC)	(89.6)	(0.3)	—	(89.9)
Average forward rate (LC/USD)	1.3	1.3	—	1.3
USD equivalent	(68.9)	(0.2)	—	(69.1)
Columbian peso				
Notional amount (LC)	—	—	(7.0)	(7.0)
Average forward rate (LC/USD)	—	—	6.7	6.7
USD equivalent	—	—	(1.1)	(1.1)
Euro				
Notional amount (LC)	908.0	99.0	102.3	1,109.3
Average forward rate (LC/USD)	0.9	0.9	0.9	0.9
USD equivalent	1,019.8	111.1	114.8	1,245.7
Hong Kong dollar				
Notional amount (LC)	—	(138.0)	—	(138.0)
Average forward rate (LC/USD)	—	7.8	—	7.8
USD equivalent	—	(17.7)	—	(17.7)
Indian rupee				
Notional amount (LC)	—	74.3	302.2	376.5
Average forward rate (LC/USD)	—	71.3	71.3	71.3
USD equivalent	—	1.0	4.2	5.2
Indonesian rupiah				
Notional amount (LC)	—	240,584.6	—	240,584.6
Average forward rate (LC/USD)	—	13,901.0	—	13,901.0
USD equivalent	—	17.3	—	17.3
Japanese yen				
Notional amount (LC)	(50.1)	(130.5)	4,557.2	4,376.6
Average forward rate (LC/USD)	108.5	108.5	108.5	108.5
USD equivalent	(0.5)	(1.2)	42.0	40.3
Malaysian ringgit				
Notional amount (LC)	52.6	(0.2)	361.2	413.6
Average forward rate (LC/USD)	4.1	4.1	4.1	4.1
USD equivalent	12.9	—	88.3	101.2
Mexican peso				

Notional amount (LC)	(300.0)	—	—	(300.0)
Average forward rate (LC/USD)	18.9	—	—	18.9
USD equivalent	(15.9)	—	—	(15.9)
Norwegian krone				
Notional amount (LC)	834.0	1,573.9	275.1	2,683.0
Average forward rate (LC/USD)	8.8	8.8	8.8	8.8
USD equivalent	94.9	179.2	31.3	305.4
Singapore dollar				
Notional amount (LC)	192.2	15.1	0.9	208.2
Average forward rate (LC/USD)	1.4	1.4	1.4	1.4
USD equivalent	142.9	11.2	0.6	154.7
Swedish Krona				
Notional amount (LC)	90.0	15.7	—	105.7
Average forward rate (LC/USD)	9.3	9.3	—	9.3
USD equivalent	9.7	1.7	—	11.4
Kuwaiti dinar				
Notional amount (LC)	(2.0)	(0.2)	—	(2.2)
Average forward rate (LC/USD)	0.3	0.3	—	0.3
USD equivalent	(6.5)	(0.6)	—	(7.1)
Yuan Renminbi				
Notional amount (LC)	—	31.6	—	31.6
Average forward rate (LC/USD)	—	7.0	—	7.0
USD equivalent	—	4.5	—	4.5
U.S. dollar	(578.7)	(432.6)	(67.4)	(1,078.7)

Foreign exchange rate instruments embedded in purchase and sale contracts—In general embedded derivative instrument are separated from the host contract if the economic characteristics and risks of the embedded derivative instrument are not clearly and closely related to those of the host contract and the host contract is not marked-to-market at fair value. The purpose of these instruments is to match offsetting currency payments and receipts for particular projects, or comply with government restrictions on the currency used to purchase goods in certain countries.

As of December 31, 2020 and 2019, our portfolio of these instruments included the following material net positions:

	December 31, 2020			
(In millions except rates)	**1-12 months**	**12-24 months**	**Beyond 24 months**	**Total**
Brazilian real				
Notional amount (LC)	35.5	42.4	—	77.9
Average forward rate (LC/USD)	5.2	5.2	—	5.2
USD equivalent	6.8	8.2	—	15.0
Euro				
Notional amount (LC)	(6.8)	(1.9)	—	(8.7)
Average forward rate (LC/USD)	0.8	0.8	—	0.8
USD equivalent	(8.3)	(2.4)	—	(10.7)
Norwegian krone				
Notional amount (LC)	(143.5)	0.7	—	(142.8)
Average forward rate (LC/USD)	8.5	8.5	—	8.5
USD equivalent	(16.8)	0.1	—	(16.7)
U.S. dollar	10.7	(5.5)	—	5.2

	December 31, 2019			
(In millions except rates)	**1-12 months**	**12-24 months**	**Beyond 24 months**	**Total**
Brazilian real				
Notional amount (LC)	20.4	37.2	—	57.6
Average forward rate (LC/USD)	0.3	0.3	—	0.3
USD equivalent	5.1	9.2	—	14.3
Euro				
Notional amount (LC)	(2.0)	(4.8)	—	(6.8)
Average forward rate (LC/USD)	1.1	1.1	—	1.1
USD equivalent	(2.2)	(5.4)	—	(7.6)
Norwegian krone				
Notional amount (LC)	(55.2)	(69.5)	—	(124.7)
Average forward rate (LC/USD)	0.1	0.1	—	0.1
USD equivalent	(6.3)	(7.9)	—	(14.2)
U.S. dollar	3.1	4.5	—	7.6

Fair value amounts for all outstanding derivative instruments have been determined using available market information and commonly accepted valuation methodologies. Accordingly, the estimates presented may not be indicative of the amounts that we would realize in a current market exchange and may not be indicative of the gains or losses we may ultimately incur when these contracts are settled.

The following table presents the location and fair value amounts of derivative instruments reported in the consolidated statement of financial position:

	December 31, 2020		December 31, 2019	
(In millions)	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Derivatives designated as hedging instruments				
Foreign exchange contracts				
Current - Derivative financial instruments	$ 215.8	$ 151.6	$ 94.3	$ 125.0
Long-term - Derivative financial instruments	35.6	23.3	34.8	48.0
Total derivatives designated as hedging instruments	251.4	174.9	129.1	173.0
Derivatives not designated as hedging instruments				
Foreign exchange contracts				
Current - Derivative financial instruments	85.6	15.6	7.6	16.3
Long-term - Derivative financial instruments	0.3	—	0.4	0.4
Total derivatives not designated as hedging instruments	85.9	15.6	8.0	16.7
Long-term - Derivative financial instruments - Synthetic Bonds - Call Option Premium	—	—	4.3	—
Long-term - Derivative financial instruments - Synthetic Bonds - Embedded Derivatives	—	—	—	4.3
Total derivatives	$ 337.3	$ 190.5	$ 141.4	$ 194.0

Cash flow hedges

Foreign exchange forward contracts listed above are designated as hedging instruments in cash flow hedges of forecast sales and forecast purchases in different local currencies. These forecast transactions are highly probable. The foreign exchange forward contract balances vary with the level of expected foreign currency sales and purchases and changes in foreign exchange forward rates.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the foreign exchange forward contracts match the terms of the expected highly probable forecast transactions (i.e., notional amount and expected payment date). We have established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the foreign exchange forward contracts are identical to the hedged risk components. To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

Hedge ineffectiveness can arise from:

- Differences in the timing of the cash flows of the hedged items and the hedging instruments
- Different indexes (and accordingly different curves) linked to the hedged risk of the hedged items and hedging instruments
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments

We recognized loss of $0.2 million and gain of $3.2 million for the year ended December 31, 2020 and 2019, respectively, due to discontinuance of hedge accounting as it was probable that the original forecasted transaction would not occur. Cash flow hedges of forecasted transactions, net of tax, resulted in accumulated other comprehensive loss of Nil million and $39.7 million as of December 31, 2020 and 2019, respectively. We expect to transfer an approximately 107.6 million gain from accumulated OCI to earnings during the next 12 months when the anticipated transactions actually occur. All anticipated transactions currently being hedged are expected to occur by the second half of 2025.

The following represents the effect of cash flow hedge accounting on the consolidated statements of income for the year ended December 31, 2020 and 2019:

(In millions)	Year Ended December 31, 2020				Year Ended December 31, 2019			
Total amount of income (expense) presented in the consolidated statements of income associated with hedges and derivatives	**Revenue**	**Cost of sales**	**Selling, general and administrative expense**	**Other income (expense), net**	**Revenue**	**Cost of sales**	**Selling, general and administrative expense**	**Other income (expense), net**
Cash Flow hedge gain (loss) recognized in income								
Foreign Exchange Contracts								
Amounts reclassified from accumulated OCI to income (loss)	$ (83.7)	$ 68.5	(0.4)	$ (4.4)	$ (26.6)	$ 12.0	$ —	$ (9.1)
Ineffective amounts	—	—	—	(0.2)	—	—	—	3.2
Total cash flow hedge gain (loss) recognized in income	(83.7)	68.5	(0.4)	(4.6)	(26.6)	12.0	—	(5.9)
Gain (loss) recognized in income on derivatives not designated as hedging instruments	(0.8)	3.4	—	22.7	(1.6)	0.2	—	(10.2)
Total	$ (84.5)	$ 71.9	$ (0.4)	$ 18.1	$ (28.2)	$ 12.2	$ —	$ (16.1)

Impact of hedging on equity

A reconciliation of cash flow hedge reserves in OCI attributable to TechnipFMC plc are as follows:

	Cash flow hedge reserve	
	Year Ended December 31,	
(In millions)	2020	2019
Balance at beginning of period	$ (39.7)	$ (67.9)
Effective portion of changes in fair value	65.4	58.6
Amount reclassified to profit or loss	(20.0)	(23.7)
Tax effect	(5.7)	(6.7)
Balance at end of period	$ —	$ (39.7)

27.3 Offsetting financial assets and financial liabilities

We execute derivative contracts with counterparties that consent to a master netting agreement, which permits net settlement of the gross derivative assets against gross derivative liabilities. Each instrument is accounted for individually and assets and liabilities are not offset. As of December 31, 2020 and 2019, we had no collateralized derivative contracts.

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

	December 31, 2020			December 31, 2019		
(In millions)	Gross Amount Recognized	Gross Amounts Not Offset Permitted Under Master Netting Agreements	Net Amount	Gross Amount Recognized	Gross Amounts Not Offset Permitted Under Master Netting Agreements	Net Amount
Derivative assets	$ 337.3	$ (134.0)	$ 203.3	$ 141.4	$ (112.5)	$ 28.9
Derivative liabilities	$ 190.5	$ (134.0)	$ 56.5	$ 194.0	$ (112.5)	$ 81.5

NOTE 28. PAYROLL STAFF

As of December 31, 2020, TechnipFMC had approximately 35,000 full-time employees.

The average monthly number of employees (including executive directors) employed by TechnipFMC during the years ended December 31, 2020 and 2019 are as follows:

By function:	**2020**	**2019**
Production / Services	26,670	27,512
Selling and distribution	3,168	3,368
General and administrative	6,520	7,146
Total	36,358	38,026

NOTE 29. RELATED PARTIES DISCLOSURES

29.1 Transactions with related parties and equity affiliates

Receivables, payables, revenues and expenses which are included in our consolidated financial statements for all transactions with related parties, defined as entities related to our directors and main shareholders as well as the partners of our consolidated joint ventures, were as follows.

Trade receivables consisted of receivables due from following related parties:

	December 31,	
(In millions)	**2020**	**2019**
TP JGC Coral France SNC	$ 38.1	$ 40.1
Equinor ASA	24.1	—
TTSJV W.L.L.	14.9	22.4
Novarctic SNC	9.7	—
Dofcon Navegacao	4.2	—
Techdof Brasil AS	8.0	4.3
Storengy	6.1	3.1
Others	8.4	6.9
Total trade receivables	$ 113.5	$ 76.8

TP JGC Coral France SNC, TTSJV W.L.L., Dofcon Navegacao, and Novarctic SNC are equity method affiliates. Techdof Brasil AS is a wholly owned subsidiary of Dofcon Brasil AS, our equity method affiliate. A member of our Board of Directors serves on the Board of Directors for Storengy. In October 2020, we added a new member of our Board of Directors who is an executive of Equinor ASA.

Trade payables consisted of payables due to following related parties:

	December 31,	
(In millions)	**2020**	**2019**
Chiyoda	$ 14.2	$ 24.8
Nipigas	14.2	—
Saipem	23.7	—
JGC Corporation	1.9	15.1
IFP Energies nouvelles	—	2.4
Dofcon Navegacao	1.5	2.1
Others	5.7	6.7
Total trade payables	$ 61.2	$ 51.1

Chiyoda and JGC Corporation are joint venture partners on our Yamal project. Saipem and Nipigas are joint venture partners on our Arctic LNG project. A member of our Board of Directors serve as an executive officer of IFP Energies nouvelles until June 2020.

Additionally, we have note receivable balance of $40.3 million and $65.2 million as of December 31, 2020 and 2019, respectively. The note receivables balance includes $37.6 million and $62.5 million with Dofcon Brasil AS at December 31, 2020 and 2019, respectively. Dofcon Brasil AS is an associate and accounted for as an equity method investment. These are included in other assets on our consolidated statements of financial position.

Revenue consisted of amount from following related parties:

	Year Ended December 31,	
(In millions)	**2020**	**2019**
TTSJV W.L.L.	$ 47.2	$ 127.9
TP JGC Coral France SNC	44.2	110.4
Equinor ASA	81.1	—
Equinor Brasil	38.5	—
Anadarko Petroleum Company	—	67.1
TOP CV	—	11.9
Storengy	10.7	8.8
Novarctic SNC	10.7	0.4
Dofcon Navegacao	3.4	8.4
Techdof Brasil AS	11.2	8.3
JGC Corporation	—	6.7
Others	27.2	29.7
Total revenue	$ 274.2	$ 379.6

A member of our Board of Directors (the "Director") served on the Board of Directors of Anadarko Petroleum Company ("Anadarko") until August 2019. In August 2019, Anadarko was acquired by Occidental Petroleum Corporation ("Occidental"). As a result, the Director no longer serves as a member of the Board of Directors of Anadarko. The Director is not an officer or director of Occidental.

Techdof Brasil AS is a wholly owned subsidiary of Dofcon Brasil AS, our equity method affiliate.

TOP CV was previously an equity method affiliate that became a fully consolidated subsidiary on December 30, 2019. See Note 2.1 for further details.

Novarctic SNC is our equity method affiliate.

Expenses consisted of amount to following related parties:

	Year Ended December 31,	
(In millions)	**2020**	**2019**
Chiyoda	$ 1.4	$ 25.1
JGC Corporation	0.4	20.8
Arkema S.A.	5.3	18.9
Serimax Holdings SAS	0.4	17.7
Saipem	26.8	—
Nipigas	36.8	—
Magma Global Limited	14.0	7.3
TP JGC Coral France SNC	—	5.0
Jumbo Shipping	16.0	4.5
Dofcon Navegacao	24.0	1.8
Others	24.6	41.3
Total expenses	$ 149.7	$ 142.4

Serimax Holdings SAS and Magma Global Limited are equity method affiliates. Members of our Board of Directors serve on the Board of Directors for Arkema S.A. and Jumbo Shipping.

29.2 Executive compensation

The below table sets forth the single figure of remuneration for the years ended December 31, 2020 and 2019 for each of TechnipFMC's executive directors; the Chief Executive Officer and the Executive Chairman. In May 2019, our Chief Executive Officer assumed the role of Executive Chairman when the former Executive Chairman retired.

	Chief Executive Officer		Executive Chairman	
(In U.S. dollars)	**2020**	**2019**	**2020**	**2019**
Salary (1)	$ 988,800	$ 1,236,000	$ —	$ 335,391
Taxable benefits (2)	48,659	84,989	—	46,193
Annual incentive (3)	4,578,600	4,843,364	—	402,470
Long-term incentive awards (4)	354,027	1,455,003	—	901,545
Pension-related benefits (5)	247,770	241,779	—	9,665
Total remuneration	$ 6,217,856	$ 7,861,135	$ —	$ 1,695,264

(1) Salary provides a fixed level of market competitive compensation to our executive director that reflects his major responsibilities. Base pay is set with reference to market median, based on responsibility, experience, individual performance, and contributions to the business.

Salary for our Chairman and CEO is unchanged since March 1, 2018. The salary provided for 2020 includes a 30% temporary pay reduction to the Chairman and CEO effective May 1, 2020 and ending December 31, 2020.

(2) The taxable benefits for 2020 for the Chairman and CEO includes: (i) personal use of Company automobile of $6,727; (ii) financial planning services of $18,000; (iii) UK tax preparation fees of $5,204; (iv) company paid life insurance fees of $578; (v) club dues of $8,863; and (vi) security services of $9,287.

The taxable benefits for 2019 for the Chairman and CEO includes: (i) personal use of Company automobile of $4,977; (ii) spouse travel for Company business functions of $42,699; (iii) financial planning of $20,935; and (iv) security services of $16,378.

(3) The amount disclosed in the Annual Incentive Awards line for 2020 for our Chairman and CEO represents the sum of annual cash incentive and time-based (non-performance based) RSUs awarded in 2020. In 2020, our Chairman and CEO's annual cash incentive was $1,668,600, calculated using a target bonus of 135% of salary, a BPI rating of 75%, and an API rating of 175%. The time-based (non-performance based) RSUs awarded in 2020 were valued at $2,910,000, comprising 30% of the Chairman and CEO's long-term equity incentive target value of $9,700,000.

The amount disclosed in the Annual Incentive Awards line for 2019 for our Chairman and CEO represents the sum of annual cash incentive and time-based (non-performance based) RSUs awarded in 2019. In 2019, our Chairman and CEO's annual cash incentive was $2,903,364 calculated using a target bonus of 135% of salary, a BPI rating of 172%, and an API rating of 180%. The time-vested (non-performance based) RSUs awarded in 2019 were valued at $1,940,000, comprising 20% of the Chairman and CEO's long-term equity incentive target value of $9,700,000.

(4) The amount disclosed in the Long-Term Incentive Awards line for 2020 for our Chairman and CEO represents the value of performance-based RSUs subject to performance (ROIC) and market-based (TSR) vesting conditions with a performance period ending December 31, 2020. The value was calculated using a performance percentage of 25% and share price on date of vesting. Dividend equivalents attributable to the vested shares are not included.

The amount disclosed in the Long-Term Incentive Awards line for 2019 for our Chairman and CEO represent the value of performance-based RSUs subject to performance (ROIC) and market-based (TSR) vesting conditions with a performance period ending December 31, 2019. The value was calculated using a performance percentage of 25% and share price on date of vesting. Dividend equivalents attributable to the vested shares are not included.

The amount disclosed in the Long-term Incentive Awards line for our former Executive Chairman represent the value of performance-based RSUs subject to performance (ROIC) and market-based (TSR) vesting conditions with a performance period ending December 31, 2019.

(5) The amount disclosed in the Pension-Related Benefits line represents the value of Company contributions to the U.S. 401(K) and non-qualified defined contribution plans.

Note: The amounts reported as Salary, Taxable Benefits, Annual Incentive Awards, and Pension-Related Benefits to our former Executive Chairman were paid in Euros. These amounts were converted to U.S. dollars utilizing an average of the Euro to U.S. dollar exchange rates on the last day of each month during each reporting year (for 2019: EUR 1 to USD 1.117971). For 2019, the table includes all compensation paid during the period he served as Executive Chairman, from January 1 to May 1, 2019.

NOTE 30. MARKET RELATED EXPOSURE

30.1 Liquidity risk

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

Net (debt) cash

Net (debt) cash, is a non-IFRS financial measure reflecting cash and cash equivalents, net of debt. Management uses this non-IFRS financial measure to evaluate our capital structure and financial leverage. We believe net debt, or net cash, is a meaningful financial measure that may assist investors in understanding our financial condition and recognizing underlying trends in our capital structure. Net (debt) cash should not be considered an alternative to, or more meaningful than, cash and cash equivalents as determined in accordance with IFRS or as an indicator of our operating performance or liquidity.

The following table provides a reconciliation of our cash and cash equivalents to net (debt) cash, utilizing details of classifications from our consolidated statement of financial position:

(In millions)	December 31, 2020	December 31, 2019
Cash and cash equivalents	$ 4,807.7	$ 5,190.1
Less: Short-term debt and current portion of long-term debt	2,161.6	2,462.2
Less: Long-term debt, less current portion	1,792.5	2,013.2
Less: Lease liabilities	1,154.9	956.8
Net (debt) cash	$ (301.3)	$ (242.1)

Cash flows

Operating cash flows - During 2020, we generated $934.4 million in cash flows from operating activities as compared to $1,182.1 million used in 2019, resulting in a $247.7 million decrease compared to 2019. The decrease in operating cash flows is primarily driven by the decrease in cash generated by our operations during the year due to the overall decline in activity.

Investing cash flows - Investing activities used $180.6 million and $419.8 million of cash in 2020 and 2019, respectively. The decrease in cash used by investing activities was due primarily to decreased capital expenditures, decreased payments to acquire debt securities and increased proceeds from sale of assets and debt securities during 2020. In 2019, we purchased a deepwater dive support vessel, Deep Discoverer for $116.8 million, that was subsequently funded through a sale-leaseback transaction.

Financing cash flows - Financing activities used $1,359.7 million and $1,120.2 million in 2020 and 2019, respectively. The increase of $239.5 million in cash required for financing activities was due primarily to the increased debt pay down activity during 2020, partially offset by $338.6 million reduction in settlements of mandatorily redeemable financial liability and our efforts and commitment to preserve cash, which included reduction in cash dividends and share repurchases.

Debt and Liquidity

Significant Funding and Liquidity Activities - During 2020, we completed the following transactions in order to enhance our total liquidity position:

- Repaid $233.9 million of 5.00% 2010 private placement notes;
- Repaid the remaining outstanding balance of $190.0 million of the term loan assumed in connection with the acquisition of the remaining 50% interest in TOP CV.
- Issued €200.0 million aggregate principal amount of 4.500% Private Placement Notes due June 30, 2025. Within three months of the effective date of the Spin-off of Technip Energies, if there is a downgrade by a nationally recognized rating agency of the corporate rating of TechnipFMC from an investment grade to a non-investment grade rating or a withdrawal of any such rating, the interest rate applicable to the Private Placement Notes will be increased to 5.75%;
- Entered into a new, six-month €500.0 million senior unsecured revolving credit facility agreement, which may be extended for two additional three-month periods (the “Euro Facility”); and
- Entered into the Bank of England’s COVID Corporate Financing Facility program (the “CCFF Program”), which allows us to issue up to £600.0 million of unsecured commercial paper notes.

Total borrowings as of December 31, 2020 and 2019 were as follows:

(In millions)	December 31, 2020	December 31, 2019
Commercial paper	$ 1,525.2	$ 1,967.0
Synthetic bonds due 2021	551.1	491.7
3.45% Senior Notes due 2022	500.0	500.0
5.00% Notes due 2020	—	224.4
3.40% Notes due 2022	184.0	168.4
3.15% Notes due 2023	159.0	145.4
3.15% Notes due 2023	153.3	140.2
4.50% Notes due 2025	241.1	—
4.00% Notes due 2027	91.9	84.2
4.00% Notes due 2032	119.0	108.6
3.75% Notes due 2033	119.5	109.2
Bank borrowings and other	310.0	536.3
Total borrowings	$ 3,954.1	$ 4,475.4

Credit facilities - The following is a summary of our credit facilities as of December 31, 2020:

(In millions)	Amount	Debt Outstanding	Commercial Paper Outstanding (a)	Letters of Credit	Unused Capacity	Maturity
Revolving credit facility	$ 2,500.0	$ —	$ 708.0	$ —	$ 1,792.0	January 2023
CCFF Program	£ 600.0	£ —	£ 600.0	£ —	£ —	March 2021
Euro Facility	€ 500.0	€ —	€ —	€ —	€ 500.0	February 2021
Bilateral credit facility	€ 100.0	€ —	€ —	€ —	€ 100.0	May 2021

(a) Under our commercial paper program, we have the ability to access up to $1.5 billion and €1.0 billion of financing through our commercial paper dealers. Our available capacity under our revolving credit facility is reduced by any outstanding commercial paper.

Committed credit available under our revolving credit facilities provides the ability to issue our commercial paper obligations on a long-term basis. We had $708.0 million of commercial paper issued under our facilities as of December 31, 2020. In addition, we had $817.9 million of Notes outstanding under the CCFF Program.

On June 12, 2020, we entered into Amendment No. 1 to the Facility Agreement and into an Amendment and Restatement Agreement to our Euro Facility. The amendments, which are effective through the respective expirations of the Facility Agreement and Euro Facility, permit us to include the gross book value of $3.2 billion of goodwill (fully impaired in the quarter ended March 31, 2020) in the calculation of consolidated net worth, which is used in the calculation of our quarterly compliance with the total capitalization ratio under the Facility Agreement and Euro Facility.

The Facility Agreement and Euro Facility contain usual and customary covenants, representations and warranties, and events of default for credit facilities of this type, including financial covenants requiring that our total capitalization ratio not exceed 60% at the end of any financial quarter. The Facility Agreement and Euro Facility also contain covenants restricting our ability and our subsidiaries' ability to incur additional liens and indebtedness, enter into asset sales, or make certain investments.

As of December 31, 2020, we were in compliance with all restrictive covenants under our credit facilities. See Note 19 for further details.

Credit Ratings - As of April 9, 2021 our credit ratings with Standard and Poor's (S&P) are BB+ for our long-term secured debt and B for commercial paper program. Our credit ratings with Moody's are Ba1 for our long-term secured debt.

The contractual, undiscounted repayment schedule of financial liabilities are as follows:

(In millions)	2021	2022	2023	2024	2025	2026 and beyond	Total
Debt	$ 2,161.6	$ 717.7	$ 346.1	$ 26.3	$ 267.6	$ 434.8	$ 3,954.1
Interest on debt	58.1	51.0	32.1	24.2	18.7	73.3	257.4
Accounts payable, trade	2,741.1	—	—	—	—	—	2,741.1
Derivative financial instruments	167.2	21.9	1.4	—	—	—	190.5
Redeemable financial liability	184.2	66.3	43.5	33.1	—	—	327.1
Finance lease liabilities	279.4	191.5	137.1	117.6	79.2	471.4	1,276.2
Total financial liabilities as of December 31, 2020	$ 5,591.6	$ 1,048.4	$ 560.2	$ 201.2	$ 365.5	$ 979.5	$ 8,746.4

(In millions)	2020	2021	2022	2023	2024	2025 and beyond	Total
Debt	$ 2,462.2	$ 624.4	$ 801.2	$ 285.6	$ —	$ 302.0	$ 4,475.4
Interest on debt	54.9	44.4	24.2	19.3	12.1	77.7	232.6
Accounts payable, trade	2,660.7	—	—	—	—	—	2,660.7
Derivative financial instruments	141.3	37.3	13.2	2.2	—	—	194.0
Redeemable financial liability	138.7	119.8	65.0	40.0	15.0	—	378.5
Finance lease liabilities	305.3	184.6	128.0	101.9	89.7	330.4	1,139.9
Total financial liabilities as of December 31, 2019	$ 5,763.1	$ 1,010.5	$ 1,031.6	$ 449.0	$ 116.8	$ 710.1	$ 9,081.1

30.2 Foreign currency exchange rate risk

We conduct operations around the world in a number of different currencies. Many of our significant foreign subsidiaries have designated the local currency as their functional currency. Our earnings are therefore subject to change due to fluctuations in foreign currency exchange rates when the earnings in foreign currencies are translated into U.S. dollars. We do not hedge this translation impact on earnings. A 10% increase or decrease in the average exchange rates of all foreign currencies as of December 31, 2020, would have changed our revenue and profit (loss) before income taxes attributable to TechnipFMC by approximately $813.0 million and $38.0 million, respectively. A 10% increase or decrease in the average exchange rates of all foreign currencies as of December 31, 2019, would have changed our revenue and income before income taxes attributable to TechnipFMC by approximately $733.5 million and $19.1 million, respectively.

When transactions are denominated in currencies other than our subsidiaries' respective functional currencies, we manage these exposures through the use of derivative instruments. We primarily use foreign currency forward contracts to hedge the foreign currency fluctuation associated with firmly committed and forecasted foreign currency denominated payments and receipts. The derivative instruments associated with these anticipated transactions are usually designated and qualify as cash flow hedges, and as such the gains and losses associated with these instruments are recorded in other comprehensive income until such time that the underlying transactions are recognized. Unless these cash flow contracts are deemed to be ineffective or are not designated as cash flow hedges at inception, changes in the derivative fair value will not have an immediate impact on our results of operations since the gains and losses associated with these instruments are recorded in other comprehensive income. When the anticipated transactions occur, these changes in value of derivative instrument positions will be offset against changes in the value of the underlying transaction. When an anticipated transaction in a currency other than the functional currency of an entity is recognized as an asset or liability on the statement of financial position, we also hedge the foreign currency fluctuation of these assets and liabilities with derivative instruments after netting our exposures worldwide. These derivative instruments do not qualify as cash flow hedges.

Occasionally, we enter into contracts or other arrangements containing terms and conditions that qualify as embedded derivative instruments and are subject to fluctuations in foreign exchange rates. In those situations, we enter into derivative foreign exchange contracts that hedge the price or cost fluctuations due to movements in the foreign exchange rates. These derivative instruments are not designated as cash flow hedges.

For our foreign currency forward contracts hedging anticipated transactions that are accounted for as cash flow hedges, a 10% increase in the value of the U.S. dollar would have resulted in an additional loss of $68.4 million and $83.8 million in the net fair value of cash flow hedges reflected in our consolidated statement of financial position as of December 31, 2020 and 2019, respectively.

30.3 Interest rate risk

We assess effectiveness of forward foreign currency contracts designated as cash flow hedges based on changes in fair value attributable to changes in spot rates. We exclude the impact attributable to changes in the difference between the spot rate and the forward rate for the assessment of hedge effectiveness and recognize the change in fair value of this component immediately in earnings. Considering that the difference between the spot rate and the forward rate is proportional to the differences in the interest rates of the countries of the currencies being traded, we have exposure in the unrealized valuation of our forward foreign currency contracts to relative changes in interest rates between countries in our results of operations.

Our interest-bearing loans and borrowings were split between fixed and floating rate as follows:

(In millions)	December 31, 2020	December 31, 2019
Fixed Rate	$ 3,927.0	$ 4,432.3
Floating Rate	27.1	43.1
Total debt	$ 3,954.1	$ 4,475.4

Sensitivity analysis as of December 31, 2020

TechnipFMC's floating rate debt amounted to $27.1 million compared to an aggregate total debt of $3,954.1 million. To ensure liquidity, cash is invested on a short-term basis. Financial products are subject to fluctuations in currency interest rates.

As of December 31, 2020, the net short-term cash position of TechnipFMC (cash and cash equivalents, less short-term financial debts) amounted to $2,372.2 million.

As of December 31, 2020, a 1% (100 basis points) increase in interest rates would lower the fair value of the fixed rate synthetic bonds, senior notes and private placements by $40.9 million before tax. A 1% (100 basis points) decrease in interest rates would raise the fair value by $43.8 million before tax.

A 1% (100 basis points) increase in interest rates would generate an additional profit of $26.4 million before tax in the net cash position. A 1% (100 basis points) decrease in interest rates would generate a loss of the same amount.

Sensitivity analysis as of December 31, 2019

TechnipFMC's floating rate debt amounted to $43.1 million compared to an aggregate total debt of $4,475.4 million. To ensure liquidity, cash is invested on a short-term basis. Financial products are subject to fluctuations in currency interest rates.

As of December 31, 2019, the net short-term cash position of TechnipFMC (cash and cash equivalents, less short-term financial debts) amounted to $2,452.8 million.

As of December 31, 2019, a 1% (100 basis points) increase in interest rates would lower the fair value of the fixed rate synthetic bonds, senior notes and private placements by $53.7 million before tax. A 1% (100 basis points) decrease in interest rates would raise the fair value by $56.6 million before tax.

A 1% (100 basis points) increase in interest rates would generate an additional profit of $27.3 million before tax in the net cash position. A 1% (100 basis points) decrease in interest rates would generate a loss of the same amount

30.4 Credit risk

Valuations of derivative assets and liabilities reflect the value of the instruments, including the values associated with counterparty risk. These values must also take into account our credit standing, thus including in the valuation of the derivative instrument the value of the net credit differential between the counterparties to the derivative contract. Our methodology includes the impact of both counterparty and our own credit standing. Adjustments to our derivative assets and liabilities related to credit risk were not material for any period presented.

By their nature, financial instruments involve risk, including credit risk, for non-performance by counterparties. Financial instruments that potentially subject us to credit risk primarily consist of trade receivables, contract assets, contractual cash flows from our debt instruments (primarily loans), cash equivalents and deposits with banks, as well as derivative contracts. We manage the credit risk on financial instruments by transacting only with what management believes are financially secure counterparties, requiring credit approvals and credit limits, and monitoring counterparties' financial condition. Our maximum exposure to credit loss in the event of non-performance by the counterparty is limited to the amount drawn and outstanding on the financial instrument. We mitigate credit risk on derivative contracts by executing contracts only with counterparties that consent to a master netting agreement, which permits the net settlement of gross derivative assets against gross derivative liabilities.

We apply the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. TechnipFMC's trade receivables and contracts assets constitute a homogeneous portfolio. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. TechnipFMC has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on a selection of TechnipFMC's subsidiaries that cover a representative part of TechnipFMC's consolidated trade receivables and contract assets at each period end.

The expected loss rates are based on the payment profiles of sales over a period of 36 month before December 31, 2020 or December 31, 2019, respectively, and the corresponding historical credit losses experienced within this period.

Credit risk exposure on our trade receivables and contract assets using a provision matrix are set out as follows:

	December 31, 2020					
	Days past due					
(In millions)	Current	Less than 3 months	3 to 12 months	Over 1 year	Total Trade Receivables	Contract Assets
Carrying amount - Gross	$ 1,526.4	$ 411.4	$ 259.8	$ 300.7	$ 2,498.3	$ 1,267.8
Weighted average expected credit loss rate	—	—	—	—	0.18 %	0.18 %

	December 31, 2019					
	Days past due					
(In millions)	Current	Less than 3 months	3 to 12 months	Over 1 year	Total Trade Receivables	Contract Assets
Carrying amount - Gross	$ 1,539.5	$ 366.1	$ 232.0	$ 244.9	$ 2,382.5	$ 1,521.6
Weighted average expected credit loss rate	—	—	—	—	0.16 %	0.16 %

NOTE 31. AUDITORS' REMUNERATION

Fees payable to TechnipFMC's auditors and its associates are as follows:

(In millions)	2020	2019
Audit services		
Fees payable to TechnipFMC plc's auditors for the audit of its annual financial statements including 404B internal control and separation related audit fees	$ 17.3	$ 11.2
Fees payable to TechnipFMC plc's auditors and its associates for the audit of its subsidiaries	4.7	4.5
Total fees payable for audit services	$ 22.0	$ 15.7
Other services		
Audit related services	$ 3.5	$ 8.4
Legal and tax compliance services	0.2	0.1
Other services	0.2	—
Total fees payable for other services	$ 3.9	$ 8.5

NOTE 32. SUBSIDIARIES, JOINT VENTURE UNDERTAKINGS AND EQUITY AFFILIATES

TechnipFMC's subsidiaries, joint venture undertakings and equity affiliates as of December 31, 2020 are listed below:

32.1 Directly owned subsidiaries

Company Name	Address	Share Class	Group interest held in %
AUSTRALIA			
Technip Australia Pty	1120 Hay Street, Perth WA 6000	Ordinary shares	100
CHINA			
Technip Chemical Engineering (Tianjin) Co., Ltd.	521 Jingjin, Road Tianjin	Equity interest	100
FRANCE			
Clecel SAS	6-8 Allée de l'Arche - Faubourg de l'Arche - ZAC Danton 92400 Courbevoie	Ordinary shares	100
Compagnie Française De Réalisations Industrielles, Cofri SAS	6-8 Allée de l'Arche - Faubourg de l'Arche - ZAC Danton 92400 Courbevoie	Ordinary shares	100
Cybernetix SAS	Technopôle de Château-Gombert 13382 Marseille Cedex 13	Ordinary shares	100
Middle East Projects International (Technip Mepi)	6-8 Allée de l'Arche - Faubourg de l'Arche - ZAC Danton 92400 Courbevoie	Ordinary shares	100
Safrel SAS	6-8 Allée de l'Arche - Faubourg de l'Arche - ZAC Danton 92400 Courbevoie	Ordinary shares	100
Seal Engineering SAS	19, Avenue Feuchères 30000 Nîmes	Ordinary shares	100
Technip Corporate Services SAS	6-8 Allée de l'Arche - Faubourg de l'Arche - ZAC Danton 92400 Courbevoie	Ordinary shares	100
Technip Eurocash SNC	6-8 Allée de l'Arche - Faubourg de l'Arche - ZAC Danton 92400 Courbevoie	Equity interest	96[1]
Technip France SAS	6-8 Allée de l'Arche - Faubourg de l'Arche - ZAC Danton 92400 Courbevoie	Ordinary shares	100
Technip Ingenierie Defense SAS	6-8 Allée de l'Arche - Faubourg de l'Arche - ZAC Danton 92400 Courbevoie	Ordinary shares	100
Technip N-Power SAS	6-8 Allée de l'Arche - Faubourg de l'Arche - ZAC Danton 92400 Courbevoie	Ordinary shares	77.79[1]

Company Name	Address	Share Class	Group interest held in %
Technip Offshore International SAS	6-8 Allée de l'Arche - Faubourg de l'Arche - ZAC Danton 92400 Courbevoie	Ordinary shares	100
Technipnet SAS	6-8 Allée de l'Arche - Faubourg de l'Arche - ZAC Danton 92400 Courbevoie	Ordinary shares	100
GERMANY			
Technip Zimmer GmbH	Friesstrasse 20 60388 Frankfurt am Main	Ordinary shares	100
ITALY			
Technip Italy S.P.A.	68, Viale Castello della Magliana 00148 Rome	Ordinary shares	100
TPL - Tecnologie Progetti Lavori S.P.A. In Liquidazione	68, Viale Castello della Magliana 00148 Rome	Ordinary shares	100
MALAYSIA			
Technip Far East Sdn Bhd	Suite 13.03, 13th Floor 207 Jalan Tun Razak Kuala Lumpur 50400	Ordinary shares	100
NETHERLANDS			
Technip Benelux B.V.	Afrikaweg 30 Zoetermeer 2713 AW	Ordinary shares	100
Technip Energies BV	6-8 Allée de l'Arche - Faubourg de l'Arche - ZAC Danton 92400 Courbevoie	Ordinary shares	100
Technip Holding Benelux B.V.	Zuidplein 126, WTC, Tower H, 15th Fl. Amsterdam 1077XV	Ordinary shares	100
Technip Oil & Gas B.V.	Afrikaweg 30 Zoetermeer 2713 AW	Ordinary shares	100
NEW-CALEDONIA - FRENCH OVERSEAS TERRITORY			
Technip Nouvelle-Caledonie	27 bis Avenue du Maréchal Foch - Galerie CENTER FOCH - Centre-Ville B.P. 4460 98847 NOUMEA	Ordinary shares	100
NORWAY			
Kanfa AS	Philip Pedersens vei 7 1366 Lysaker	Ordinary shares	100
PANAMA			
Technip Overseas S.A.	East 53rd Street, Marbella, Humboldt Tower, 2nd Floor, Panama	Ordinary shares	100

Company Name	Address	Share Class	Group interest held in %
RUSSIAN FEDERATION			
Technip Rus JSC	266 Litera O, Ligovsky Prospect 196084 St Petersburg	Ordinary shares	99.9
SINGAPORE			
Technip Energies Singapore Pte Ltd	149 Gul Circle 629605 Singapore	Ordinary shares	100
SPAIN			
Technip Iberia, S.A.	Building n° 8 - Floor 4th Plaça de la Pau s/n World Trade Center - Almeda Park - Cornellà de Llobregat 08940 Barcelone	Ordinary shares	100
SWITZERLAND			
Engineering Re AG	Vulkanstrasse 106 8048 Zurich	Ordinary shares	100
UNITED KINGDOM			
Technip E&C Limited	One St Paul's Churchyard London EC4M 8AP	Ordinary shares	100
Technip PMC Services Limited	One St Paul's Churchyard London EC4M 8AP	Ordinary shares	100
TechnipFMC Corporate Holdings Limited	One St Paul's Churchyard London EC4M 8AP	Ordinary shares	88.03[1]
VENEZUELA			
Inversiones Dinsa, C.A.	Avenida Principal de La Urbina, calle 1 con calle 2 Centro Empresarial INECOM, piso 1, oficina 1-1 La Urbina, Minicipio Sucre 1070 Caracas	Ordinary shares	100
Technip Bolivar, C.A. en liquidation	523 Zona Industrial Matanzas, Planta De Bauxilum Puerto Ordaz Ciudad Bolivar	Ordinary shares	99.88[1]
VIETNAM			
Technip Vietnam Co., Ltd.	7F, Centec Tower Building 72-74 Nguyen Thi Minh Khai Street and 143-145B Hai Ba Trung Street, Ward 6, District 3, Ho Chi Minh City	Equity interest	100

[1] Subsidiary fully and indirectly owned by TechnipFMC, plc.

32.2 Indirectly owned subsidiaries

Company Name	Address	Share Class	Group interest held in %
ALGERIA			
FMC Technologies Algeria SARL	Rue Shakespeare BT 08/10 Commune d'El Mouradia Algiers	Ordinary Shares	100
ANGOLA			
Angoflex Industrial Limitada	Rua 1 de Dezembro nº 15, Lobito, Província de Benguela	Ordinary Shares	70
Technip Angola-Engenharia, Limitada	Rua Rei Katyavala, N.°43-45, Edificio Avenca Plaza, 5°. Andar 5364 Luanda	Ordinary Shares	60
TechnipFMC Angola, Limitada	Rua Rei Katyavala, n.º 41-43, Edifício Avenca Plaza, 12.º Andar, Bairro e Distrito Urbano da Ingombota, Luanda, Angola	Ordinary Shares	49
ARGENTINA			
FMC Technologies Argentina S.R.L.	c/o Allende & Brea Maipú 1300, 10th Floor Buenos Aires C1006ACT	Equity interest	100
AUSTRALIA			
FMC Technologies Australia Limited	66 Sparks Road - Henderson WA 6166	Ordinary shares	100
Genesis Oil & Gas Consultants (Pty) Ltd	1120 Hay St, West Perth WA 6005	Ordinary shares	100

Company Name	Address	Share Class	Group interest held in %
Technip Oceania Pty Ltd	1120 Hay St, West Perth WA 6005	Ordinary shares	100
BAHAMAS			
AMC Angola Offshore Ltd	c/o Trident Corporate Services Limited Provident House East Hill Street, Nassau	Ordinary shares	100
BELARUS			
Technip Bel	Pobediteley avenue, 17, room 1009 220004 Minsk	Ordinary shares	100
BRAZIL			
Cybernétix Produtos E Serviços Do Brasil Ltda. (In Liquidation)	Rua Dom Marcos Barbosa, nº 2, sala 402 20211-178, Cidade Nova, Rio de Janeiro	Equity interest	100
FMC Technologies do Brasil Ltda	Rodovia Presidente Dutra 2660 Pavuna - RJ - Brazil CEP 21535-900	Equity interest	100
Genesis Oil & Gás Brasil Engenharia Ltda.	Rua Paulo Emídio Barbosa, 485, quadra 4 (parte), Cidade Universitária cidade e estado do Rio de Janeiro, CEP: 21941-615	Equity interest	100
GLBL Brasil Oleodutos E Serviços Ltda.	Rua Dom Marcos Barbosa, nº 2, sala 602 (parte) 20211-178, Cidade Nova, Rio de Janeiro	Equity interest	100
Technip Brasil - Engenharia, Instalações e Apoio Marítimo Ltda.	Rua Dom Marcos Barbosa, nº 2, salas 202 (parte), 203, 204, 302, 303, 304, 403, 404, 503, 504, 603 e 604 20211-178, Cidade Nova, Rio de Janeiro	Equity interest	100
BRUNEI DARUSSALAM			
Technip Engineering (B) Sendirian Berhad	B6, Second Floor, Block B Shakirin Complex, Kampong Kiulap BE1518 Bandar Seri Begawan	Ordinary shares	93.10
CAMEROON			
FMC Technologies Cameroon SARL	Zone Portuaire/Place de l'Udeac, P.B. 12804, Bonanjo, Douala	Equity interest	100
CANADA			
TechnipFMC Canada Limited	c/o McInnes Cooper 5th Floor, 10 Fort William Place P.O. Box 5939, St John's, NL A1C 5X4 Newfoundland and Labrador	Ordinary shares	100
CHILE			
FMC Technologies Chile Limitada	Callao 2910, Office 704 Las Condes, Santiago	Equity interest	100
CHINA			
FMC Technologies Energy (Hong Kong) Limited	Suite 1106-8, 11/F., Tai Yau Building, No. 181 Johnston Road, Wanchai Hong Kong	Ordinary shares	100
FMC Technologies Energy Holdings (Shanghai) Ltd.	Suite 1106-8, 11/F., Tai Yau Building, No. 181 Johnston Road, Wanchai Hong Kong	Ordinary shares	100
FMC Technologies (Shanghai) Co., Ltd	Room 1903 No. 55 Ding'an Road Xuhui District, Shanghai	Equity interest	100
FMC Technologies (Shenzhen) Co., Ltd.	Room H, 12/F, Times Plaza, 1 Taizi Road, Shekou, Nanshan District 518607 Shenzhen	Equity interest	100
Gydan Yard Management Services (Shanghai) Co., Ltd.	ARCTIC LNG 2 18F N°1329 Middle Huaihai Road, Shanghai 200031	Ordinary shares	84.9
Shanghai Technip Trading Company	Room 1903, 55 Ding'An Road, Shanghai	Equity interest	100
Technip Engineering Consultant (Shanghai) Co., Ltd.	Room 1902, 55 Ding'An Road, Shanghai	Equity interest	100
CYPRUS			
Subtec Marine Services Limited	3 Chrysanthou Mylona, P.C.3030 Limassol	Ordinary shares	100
EGYPT			

Company Name	Address	Share Class	Group interest held in %
FMC Technologies Egypt LLC	2nd floor, building No. 80 located at Road 250 Maadi El Sarayat, Maadi	Ordinary shares	100
EQUATORIAL GUINEA			
Technipfmc Equatorial Guinea SARL	Carretera de Aeropuerto, KM 5, APDO 925, Malabo	Ordinary shares	65
FRANCE			
Angoflex SAS	ZAC Danton 92400 Courbevoie	Ordinary shares	100
Consorcio Intep SNC	6-8 Allée de l'Arche - Faubourg de l'Arche - ZAC Danton 92400 Courbevoie	Equity interest	90
Cyxplus SAS	Technopôle de Château-Gombert 13382 Marseille Cedex 13	Ordinary shares	100
Flexi France SAS	Rue Jean Huré 76580 Le Trait	Ordinary shares	100
FMC Loading Systems SAS	Route des Clérimois 89100 Sens	Ordinary shares	100
FMC Technologies Overseas, SAS	Bâtiment C, Rue Nelson Mandela, Zone ECOParc, 89100 Sens	Ordinary shares	100
FMC Technologies SAS	Bâtiment C, Rue Nelson Mandela, Zone ECOParc, 89100 Sens	Ordinary shares	100
Gydan LNG SNC	6-8 Allée de l'Arche - Faubourg de l'Arche - ZAC Danton 92400 Courbevoie	Ordinary shares	84
Gygaz SNC	6-8 Allée de l'Arche - Faubourg de l'Arche - ZAC Danton 92400 Courbevoie	Ordinary shares	84.85
SCI les Bessons	Technopôle de Château-Gombert 13382 Marseille Cedex 13	Equity interest	100
Technip Normandie SAS	14 rue Linus Carl Pauling PAT La Vatine 76130 Mont-Saint-Aignan	Ordinary shares	100
GABON			
FMC Technologies Gabon S.A.R.L.	Boite Postale (B.P) 277 Port Gentil	Equity interest	90
GERMANY			
F.A. Sening GmbH	Regentstraße 1 25474 Ellerbek	Ordinary shares	100
Smith Meter GmbH	Regentstraße 1 25474 Ellerbek	Ordinary shares	100
GHANA			
FMC Technologies (Ghana) Limited	Commercial Port Gate 2 Takoradi P.O. Box CT 42, Cantonments, Accra	Ordinary shares	100
GNPC-TechnipFMC Engineering Services Limited	6th Floor, One Airport Square, Airport City, Accra PMB CT 305 Cantonments, Accra	Ordinary shares	70
GUYANA			
TechnipFMC Guyana INC.	c/o Cameron & Shepherd 2 Avenue of the Republic, Georgetown	Ordinary shares	100
INDIA			
FMC Technologies India Private Limited	Plot No.27(Part) Survey No. 124, Road No 12, Commerzone, Raheja IT Park, Opp. Institute of Preventive Medicine, Industrial Park, IDA Nacharam, Hyderabad, Telangana 500 076	Ordinary shares	100
Technip Global Business Services Private Limited	9th Floor, World Trade Tower (WTT) Tower-B C-1, Sector 16, Noida - 201301, U.P 201301 Noida	Ordinary shares	100
Technip India Limited	B-22, Okhla Phase, 1 Industrial Area 110020 New Delhi	Ordinary shares	100
INDONESIA			
PT FMC Santana Petroleum Equipment Indonesia	Jalan Cakung Cilincing Raya KM 2.5 Semper, Jakarta 14130	Ordinary shares	60

Company Name	Address	Share Class	Group interest held in %
PT FMC Technologies Subsea Indonesia	Metropolitan Tower Lantai 15 Unit B, JL RA Kartini TB Simatupang Kav 14 RT/RW 010/04, Cilandak Barat, Cilandak, Jakarta Selatan 12430	Ordinary shares	100
IRAQ			
F.M.C Petroleum Services Ltd.	English Village Compound House 161 - Gulan Street - Erbil	Ordinary shares	100
Advanced Oil Services LLC	Al Mansour - District 609 - Alley 23, Building 70 - Office 15, Baghdad	Equity interest	100
ISLE OF MAN			
Subtec Asia Ltd	Burleigh Manor, Peel Road Douglas IM1 5EP	Ordinary shares	100
ITALY			
Consorzio Technip Italy Procurement Services - TIPS	68, Viale Castello della Magliana 00148 Rome	Equity interest	100
FMC Technologies S.r.l. a socio unico	Via Thomas Alva Edison n.110 ed. A 20099 Sesto San Giovanni (MI),	Equity interest	100
Technip Italy Direzione Lavori S.P.A.	68, Viale Castello della Magliana 00148 Rome	Ordinary shares	100
JERSEY			
CSO Oil & Gas Technology (West Africa) Ltd	26 New Street, St. Helier, Jersey, JE2 3RA	Ordinary shares	100
KAZAKHSTAN			
FMC Technologies Kazakhstan LLP	43/5 building, industrial zone 3 Birlik residential area, 130006 Kyzyltobe village, Munaily district Mangistau Region	Equity interest	100
TKJV LLP	Karagandy district, Karaganda city, Kazybek bi district, av.Abdirova, bld. 3, postal index 100009	Participatory Interest	49.5
LUXEMBOURG			
FMC Technologies Global Rental Tools S.a r.l	8-10 avenue de la Gare 1610 Luxembourg	Ordinary shares	100
FMC Technologies Tool Holdings S.ar.l	8-10 avenue de la Gare 1610 Luxembourg	Ordinary shares	100
MALAYSIA			
Asiaflex Products Sdn. Bhd.	Suite 13.03, 13th Floor 207 Jalan Tun Razak 50400 Kuala Lumpur	Ordinary shares	65.75
Flexiasia Sdn Bhd	Suite 13.03, 13th Floor 207 Jalan Tun Razak 50400 Kuala Lumpur	Ordinary shares	48.89
FMC Petroleum Equipment (Malaysia) Sdn. Bhd.	Suite 13.03, 13th Floor 207 Jalan Tun Razak 50400 Kuala Lumpur	Ordinary shares	100
FMC Technologies Global Supply Sdn. Bhd.	Suite 13.03, 13th Floor 207 Jalan Tun Razak 50400 Kuala Lumpur	Ordinary shares	100
Genesis Oil & Gas Consultants Malaysia Sdn. Bhd.	Suite 13.03, 13th Floor 207 Jalan Tun Razak 50400 Kuala Lumpur	Ordinary shares	100
MAURITIUS			
Coflexip Stena Offshore (Mauritius) Ltd.	33, Edith Cavell Street 11324 Port Louis	Ordinary shares	100
GIL Mauritius Holdings Ltd	33, Edith Cavell Street 11324 Port Louis	Ordinary shares	100
Global Construction Mauritius Services Ltd (In Liquidation)	33, Edith Cavell Street 11324 Port Louis	Ordinary shares	100
Global Vessels Mauritius, Ltd. (In Liquidation)	33, Edith Cavell Street 11324 Port Louis	Ordinary shares	100
MEXICO			
FMC Technologies de México S.A. de R.L de C.V.	FMC Technologies de Mexico, S.A. de C.V. Laurel Lote 41, Manzana 19, Col. Bruno Pagliai Veracruz, Veracruz C.P. 91697	Ordinary shares	100

Company Name	Address	Share Class	Group interest held in %
FMC Technologies Servicios Corporativos, S. de R.L de C.V.	FMC Technologies de Mexico, S.A. de C.V. Laurel Lote 41, Manzana 19, Col. Bruno Pagliai Veracruz, Veracruz C.P. 91697	Ordinary shares	100
Global Industries Mexico Holdings S. de R.L. de C.V.	Vasco de Quiroga 3000 Edificio Calakmul piso 6 Colonia Santa Fe CP 01210 México, D.F. México	Ordinary shares	100
Global Industries Services, S. de R.L. de C.V.	Vasco de Quiroga 3000 Edificio Calakmul piso 6 Colonia Santa Fe CP 01210 México, D.F. México	Class A, B and N	100
Global Offshore Mexico, S. de R.L. de C.V.	Vasco de Quiroga 3000 Edificio Calakmul piso 6 Colonia Santa Fe CP 01210 México, D.F. México	Ordinary shares	100
Global Vessels Mexico, S. de R.L. de C.V.	Vasco de Quiroga 3000 Edificio Calakmul piso 6 Colonia Santa Fe CP 01210 México, D.F. México	Ordinary shares	99
Technip De Mexico S. de R.L. de C.V.	Blvd. Manuel Ávila Camacho 36, Piso 10, Oficina 1058 Lomas De Chapultepec I Sección. C. P. 11000, Alcaldía Miguel Hidalgo Ciudad de México, México	Ordinary shares	100
TP Energies Servicios Mexico, S. de R.L. de C.V.	Blvd. Manuel Ávila Camacho 36, Piso 10, Oficina 01 Lomas De Chapultepec I Sección. C. P. 11000, Alcaldía Miguel Hidalgo Ciudad de México, México	Ordinary shares	100
TP Oil & Gas Mexico, S. de R.L. de C.V.	Avenida de la Marina Oficina 1 Baja California 22800	Ordinary shares	100
MOZAMBIQUE			
Technip Mozambique Lda	Distrito Urbano 1, Bairro Central Avenida da Vladmir Lénine n.˚1123 Ed. Topázio 8˚ andar Maputo	Ordinary Shares	100
FMC Technologies Mozambique Lda	Distrito Urbano 1, Av. Zedequias Manganhela no 257, 5 Andar (5th floor), Maputo Cidade	Ordinary Shares	100
MYANMAR			
Technip Myanmar Co. Ltd	No. 18 G/F, Ground Floor Tha Pyay Nyo Street, Shin Saw Pu Quarter Sanchaung Township 11201	Ordinary shares	100
NETHERLANDS			
FMC Separation Systems B.V.	Zuidplein 126, WTC, Tower H, 15th Fl. Amsterdam 1077XV	Ordinary shares	100
FMC Technologies B.V.	Zuidplein 126, WTC, Tower H, 15th Fl. Amsterdam 1077XV	Ordinary shares	100
FMC Technologies Brazil Finance B.V.	Zuidplein 126, WTC, Tower H, 15th Fl. Amsterdam 1077XV	Ordinary shares	100
FMC Technologies Global B.V.	Zuidplein 126, WTC, Tower H, 15th Fl. Amsterdam 1077XV	Ordinary shares	100
FMC Technologies International Services B.V.	Zuidplein 126, WTC, Tower H, 15th Fl. Amsterdam 1077XV	Ordinary shares	100
FMC Technologies Surface Wellhead B.V.	Zuidplein 126, WTC, Tower H, 15th Fl. Amsterdam 1077XV	Ordinary shares	100
TSLP B.V.	Zuidplein 126, WTC, Tower H, 15th Fl. Amsterdam 1077XV	Ordinary shares	100
Technip EPG B.V.	Barbizonlaan 50 Capelle aan den Ijssel 2908 ME	Ordinary shares	100
TechnipFMC PLSV BV	Zuidplein 126, WTC, Tower H, 15th Fl. Amsterdam 1077XV	Ordinary shares	100
TechnipFMC PLSV CV	Zuidplein 126, WTC, Tower H, 15th Fl. Amsterdam 1077XV	Ordinary shares	100

Company Name	Address	Share Class	Group interest held in %
Technip Offshore Contracting B.V.	Zuidplein 126, WTC, Tower H, 15th Fl. Amsterdam 1077XV	Ordinary shares	100
Technip Offshore N.V.	Zuidplein 126, WTC, Tower H, 15th Fl. Amsterdam 1077XV	Ordinary shares	100
Technip Ships (Netherlands) B.V.	Zuidplein 126, WTC, Tower H, 15th Fl. Amsterdam 1077XV	Ordinary shares	100
TechnipFMC Cash B.V.	Zuidplein 126, WTC, Tower H, 15th Fl. Amsterdam 1077XV	Ordinary shares	100
TechnipFMC International Holdings B.V.	Zuidplein 126, WTC, Tower H, 15th Fl. Amsterdam 1077XV	Ordinary shares Preferred shares	100 100
TechnipFMC Pipelaying BV	Zuidplein 126, WTC, Tower H, 15th Fl. Amsterdam 1077XV	Ordinary shares	100
NIGERIA			
Global Pipelines Plus Nigeria Ltd.	7 Town Planning way, Ilupeju, Lagos	Ordinary shares	99.99
Neptune Maritime Nigeria Ltd.	Neptune Base, Rumuolumeni PMB 017 (Trans Amadi), Rivers State Port Harcourt	Ordinary shares	66.91
TechnipFMC Nigeria Limited	22A Gerrard Road Ikoyi Lagos	Ordinary shares	100
Technip Offshore (Nigeria) Ltd	22A, Gerrard Road, Ikoyi, Lagos.	Ordinary shares	100
NORWAY			
Agat Technology AS	Lagerveien 23 4033 Stavanger	Ordinary shares	51
FMC Kongsberg Subsea AS	Kirkegårdsveien 45 3616 Kongsberg	Ordinary shares	100
FMC Technologies Norway AS	Kirkegårdsveien 45 3616 Kongsberg	Ordinary shares	100
Technip - FMC IEPCI DA (In liquidation)	Philip Pedersens vei 7 1366 Lysaker	Equity interest	100
Genesis Oil & Gas Consultants Norway AS	Moseidsletta 122 4033 Stavanger	Ordinary shares	100
Technip Chartering Norge AS	Philip Pedersens vei 7 1366 Lysaker	Ordinary shares	100
Technip Norge AS	Philip Pedersens vei 7 1366 Lysaker	Ordinary shares	100
TechnipCoflexip Norge AS	Philip Pedersens vei 7 1366 Lysaker	Ordinary shares	100
POLAND			
FMC Technologies Sp.z.o.o.	al. Gen. Tadeusza Bora-Komorowskiego 25b Buma Quattro Complex Buidling B 31-476 Krakow	Ordinary shares	100
Technip Polska Sp. Z o.o.	ul. Promyka No.13, suíte 4, 01-604 Warsaw	Ordinary shares	100
PORTUGAL			
Angoltech, SGPS, LDA.	Centro Empresarial Torres de Lisboa, Rua Tomás da Fonseca, Torre E, Piso 9 1600-209 Lisboa	Ordinary shares	100
Lusotechnip Engenharia, Sociedade Unipessoal Lda.	Centro Empresarial Torres de Lisboa, Rua Tomás da Fonseca, Torre E, Piso 9 1600-209 Lisboa	Ordinary shares	100
RUSSIAN FEDERATION			
FMC Eurasia LLC	31 Bolshaya Yakimanka, 31, office 401, 119180 Moscow	Ordinary shares	100
Rus Technip LLC	Prechistenka, str. 40/2, building 1, office XXVII, 4th floor, 119034 Moscow	Ordinary shares	51
Arctic Energies LLC	The site 1, territory TOR “Stolica Arctiki” Kolsky District, Murmansk Region	Ordinary shares	100
SAUDI ARABIA			
FMC Technologies Saudi Arabia Limited	PO Box 3076 2nd Industrial City Dammam 34326, Eastern Province	Ordinary shares	100

Company Name	Address	Share Class	Group interest held in %
Technip Saudi Arabia Limited	Dhahran Center Building - 5th Floor, Suite #501 Dharan Street, P.O. Box 30893 31952 Al-Khobar	Ordinary shares	76
TPL Arabia	Dhahran Center Building - 5th Floor, Suite #501 Dharan Street, P.O. Box 30893 31952 Al-Khobar	Ordinary shares	90
SINGAPORE			
Coflexip Singapore Pte Ltd	149 Gul Circle 629605 Singapore	Ordinary shares	100
FMC Technologies Global Services Pte. Ltd.	149 Gul Circle 629605 Singapore	Ordinary shares	100
FMC Technologies Singapore Pte. Ltd.	149 Gul Circle 629605 Singapore	Ordinary shares	100
Technip Singapore Pte. Ltd.	149 Gul Circle 629605 Singapore	Ordinary shares	100
TP-NPV Singapore Pte Ltd	149 Gul Circle 629605 Singapore	Ordinary shares	100
SOUTH AFRICA			
FMC Technologies (Pty.) Ltd.	Koper Street Brackenfell 7560, Kape Town	Ordinary shares	100
Technip South Africa (Pty.) Ltd	13, Sloane Street, Epsom Downs OfficePark, Optimum House, Bryanston, 2021, Johannesburg	Ordinary shares	100
SPAIN			
Global Industries Offshore Spain, S.L.	Arturo Soria 263B 28003 Madrid	Ordinary shares	100
SWITZERLAND			
FMC Kongsberg International GmbH	Bahnofstrasse 10 6300 Zurich	Ordinary shares	100
FMC Technologies GmbH	Bahnofstrasse 10 6300 Zug	Ordinary shares	100
Technipetrol AG	Industriestrasse 13c CH-6304 Zug	Ordinary shares	100
THAILAND			
Global Industries Offshore (Thailand), Ltd.	18th Floor, Sathorn Thani Building 2, No. 92/52, North Sathorn Road, Kwaeng Silom, Khet Bangrak, Bangkok 10500	Ordinary shares	100
Technip Engineering (Thailand) Co. Ltd	20th Floor - Suntowers Building A 123 Vibhavadee - Rangsit Road Chatuchak, Bangkok 10900	Ordinary shares	74
TUNISIA			
FMC Technologies Service SARL	Rue Lac Tanganyika, Immeuble Junior, Bureaux 2-3, Les Berges du Lac, 1053, La Marsa,Tunis	Ordinary shares	100
UNITED ARAB EMIRATES			
Multi Phase Meters FZE	Office LB14414, P.O. Box 262274 Jebel Ali Free Zone, Dubai	Ordinary shares	100
Technip Middle East FZCO	Office LB15310, P.O. Box 17864 Jebel Ali Free Zone Dubai	Ordinary shares	100
TechnipFMC Gulf FZE	Office LB15325, Jebel Ali Free Zone Dubai	Ordinary shares	100
UNITED KINGDOM			
AABB Limited	One St Paul's Churchyard London EC4M 8AP	48,880 Ordinary (equity) of 1p each 4,937,630 Ordinary deferred of 10p each	100 100
Coflexip (UK) Ltd	One St Paul's Churchyard London EC4M 8AP	Ordinary shares	100
Control Systems International (UK) Limited	One St. Paul's Churchyard, London, EC4M 8AP	Ordinary shares	100
Crosby Services International Ltd.	Enterprise Drive, Westhill, Aberdeenshire, AB32 6TQ	Ordinary shares	100

Company Name	Address	Share Class	Group interest held in %
Cybernetix S.R.I.S. Limited	One St Paul's Churchyard London EC4M 8AP	Ordinary shares	100
Forsys Subsea Limited (In liquidation)	Birchin Court 20 Birchin Lane London, EC3V 9DU	Share A Share B	100
Genesis Oil & Gas Consultants Ltd	One St Paul's Churchyard London EC4M 8AP	Share A Share B	100
Genesis Oil & Gas Ltd	One St Paul's Churchyard London EC4M 8AP	Ordinary shares	100
FMC Kongsberg Services Limited	One St Paul's Churchyard London EC4M 8AP	Ordinary shares	100
FMC/KOS West Africa Limited	One St Paul's Churchyard London EC4M 8AP	Ordinary shares	100
FMC Technologies Global Business Services Ltd. (In liquidation)	C/o Johnston Carmichael LLP Bishop's Court 29 Albyn Place Aberdeen, AB10 1YL	Ordinary shares	100
FMC Technologies Limited	One St Paul's Churchyard London EC4M 8AP	Ordinary shares	100
FMC Technologies Pension Plan Ltd	One St Paul's Churchyard London EC4M 8AP	Ordinary shares	100
Spoolbase UK Limited	One St Paul’s Churchyard London EC4M 8AP	Ordinary shares	100
Subsea I & C Services Limited	One St Paul’s Churchyard London EC4M 8AP	Ordinary shares	100
Subsea Maritime Services Limited	One St Paul’s Churchyard London EC4M 8AP	Ordinary shares	100
Subsea Offshore Services Limited	One St Paul’s Churchyard London EC4M 8AP	Ordinary shares	100
Schilling Robotics Limited	One St Paul’s Churchyard London EC4M 8AP	Ordinary shares	100
Technip Maritime UK Limited	One St Paul’s Churchyard London EC4M 8AP	Ordinary shares	100
Technip Offshore Holdings Limited	One St Paul’s Churchyard London EC4M 8AP	Ordinary shares	100
Technip Offshore Manning Services Ltd	One St Paul’s Churchyard London EC4M 8AP	Ordinary shares	100
Technip Services Limited	One St Paul’s Churchyard London EC4M 8AP	Ordinary shares	100
Technip Ships One Ltd	One St Paul’s Churchyard London EC4M 8AP	Ordinary shares	100
Technip UK Limited	One St Paul’s Churchyard London EC4M 8AP	Ordinary shares	100
Technip-Coflexip UK Holdings Ltd	One St Paul’s Churchyard London EC4M 8AP	Ordinary shares	100
TechnipFMC DSV3 Limited	One St Paul’s Churchyard London EC4M 8AP	Ordinary shares	100
TechnipFMC (Europe) Limited	One St Paul’s Churchyard London EC4M 8AP	Ordinary shares	100
TechnipFMC Finance ULC	One St Paul’s Churchyard London EC4M 8AP	Ordinary shares	100
TechnipFMC Holdings Limited	One St Paul’s Churchyard London EC4M 8AP	Ordinary shares A Ordinary shares B	100
TechnipFMC International Finance Limited	One St Paul’s Churchyard London EC4M 8AP	Ordinary shares	100
TechnipFMC International UK Limited	One St Paul’s Churchyard London EC4M 8AP	Ordinary shares	100
TechnipFMC Umbilicals Ltd	One St Paul’s Churchyard London EC4M 8AP	Ordinary shares	100
West Africa Subsea Services Limited	One St Paul’s Churchyard London EC4M 8AP	Ordinary shares	100
UNITED STATES			

Company Name	Address	Share Class	Group interest held in %
Badger Licensing LLC	Corporation Service Company 251 Little Falls Drive Wilmington, DE 19808	Membership interest	100
Badger Technologies, LLC	c/o CT Corporation System 3867 Plaza Tower Baton Rouge, Louisiana, 70816	Membership interest	100
Badger Technology Holdings, LLC	c/o CT Corporation System 3867 Plaza Tower Baton Rouge, Louisiana, 70816	Membership interest	100
Control Systems International, Inc.	c/o CT Corporation Company, Inc. 3800 North Central Avenue, Suite 460 Topeka, Kansas 66603	Ordinary shares	100
Deepwater Technologies Inc	c/o The Corporation Trust Company 1209 Orange Street Wilmington, Delaware 19801	Ordinary shares	75
FMC Subsea Service, Inc.	c/o The Corporation Trust Company 1209 Orange Street Wilmington, Delaware 19801	Ordinary shares	100
FMC Technologies Energy LLC	c/o The Corporation Trust Company 1209 Orange Street Wilmington, Delaware 19801	Membership interest	100
FMC Technologies, Inc.	c/o The Corporation Trust Company 1209 Orange Street Wilmington, Delaware 19801	Ordinary shares	100
FMC Technologies Measurement Solutions, Inc.	c/o The Corporation Trust Company 1209 Orange Street Wilmington, Delaware 19801	Ordinary shares	100
FMC Technologies Overseas Ltd.	c/o The Corporation Trust Company 1209 Orange Street Wilmington, Delaware 19801	Ordinary shares	100
FMC Technologies Separation Systems, Inc.	c/o CT Corporation System 1999 Bryan Street, Suite 900 Dallas, Texas 75201	Ordinary shares	100
FMC Technologies Surface Integrated Services, Inc.	c/o The Corporation Company 7700 E Arapahoe Road, Suite 220 Centennial, Colorado 80112-1268	Ordinary shares	100
FMX, LLC	c/o CT Corporation System 1999 Bryan Street, Suite 900 Dallas, Texas 75201	Membership interest	100
Schilling Robotics, LLC	c/o The Corporation Trust Company 1209 Orange Street Wilmington, Delaware 19801	Membership interest	100
Subtec Middle East Ltd	c/o The Corporation Trust Company 1209 Orange Street Wilmington, Delaware 19801	Ordinary shares	100
Technip E&C, Inc.	c/o CT Corporation System 1999 Bryan Street, Suite 900 Dallas, Texas 75201	Ordinary shares	100
Technip Energy & Chemicals International, Inc.	c/o CT Corporation System 3867 Plaza Tower Baton Rouge, Louisiana, 70816	Ordinary shares	100
Technip Process Technology, Inc.	c/o CT Corporation System 3867 Plaza Tower Baton Rouge, Louisiana, 70816	Ordinary shares	100
Technip S&W Abu Dhabi, Inc.	c/o CT Corporation System 3867 Plaza Tower Baton Rouge, Louisiana, 70816	Ordinary shares	100
Technip S&W International, Inc.	c/o CT Corporation System 3867 Plaza Tower Baton Rouge, Louisiana, 70816	Ordinary shares	100
Technip Stone & Webster Process Technology, Inc	c/o The Corporation Trust Company 1209 Orange Street Wilmington, Delaware 19801	Ordinary shares	100

Company Name	Address	Share Class	Group interest held in %
Technip USA, Inc.	c/o The Corporation Trust Company 1209 Orange Street Wilmington, Delaware 19801	Ordinary shares	100
TechnipFMC Umbilicals, Inc.	c/o The Corporation Trust Company 1209 Orange Street Wilmington, Delaware 19801	Ordinary shares	100
TechnipFMC USA, Inc	c/o The Corporation Trust Company 1209 Orange Street Wilmington, Delaware 19801	Ordinary shares	100
TechnipFMC US Holdings Inc.	c/o The Corporation Trust Company 1209 Orange Street Wilmington, Delaware 19801	Ordinary shares	100
TechnipFMC US LLC 1	c/o The Corporation Trust Company 1209 Orange Street Wilmington, Delaware 19801	Membership Interest	100
TechnipFMC US LLC 2	c/o The Corporation Trust Company 1209 Orange Street Wilmington, Delaware 19801	Membership Interest	100
The Red Adair Company, L.L.C.	c/o CT Corporation System 3867 Plaza Tower Baton Rouge, Louisiana, 70816	Membership interest	100
VENEZUELA			
FMC Wellhead de Venezuela, S.A.	Av. 62 # 147-35, Zona Industrial, Maracaibo, Zulia State, 4001	Ordinary shares	100
Technip Velam, S.A	Av. Principal con Calle 1 y Calle 2 Centro Empresarial Inecom Piso 1 - La Urbina 1060 Caracas	Ordinary shares	100
VIETNAM			
FMC Technologies (Vietnam) Co., Ltd.	No. 29, Le Duan Street Ben Nghe Ward, Distric 1 Ho Chi Minh City	Equity interest	100

32.3 Joint ventures

Company Name	Address	Share Class	Group interest held in %
BAHRAIN			
TTSJV W.L.L.	P.O. Box 28110 Muharraq – Block 215, Rd 1531, Bldg 1130, Flt.12, Kingdom of Bahrain	Ordinary shares	36
ESTONIA			
Ingenium Baltic OU	Teaduspargi 8, 12618 Tallinn	Ordinary shares	70
FRANCE			
South Tambey LNG	5 place de la Pyramide 92088 La Défense Cedex	Equity interest	50
TP JGC Coral France SNC	6-8 Allée de l'Arche - Faubourg de l'Arche - ZAC Danton 92400 Courbevoie	Equity interest	50
Yamgaz SNC	6-8 Allée de l’Arche - Faubourg de l’Arche - ZAC Danton 92400 Courbevoie	Equity interest	50
ITALY			
Consorzio Technip Italy Worley Parsons	Viale Castello della Magliana, 68 00148 Roma	Equity interest	90
TP - HQC S.R.L.	68, Viale Castello della Magliana 00148 Rome	Equity interest	51
MOZAMBIQUE			
ENHL- TechnipFMC Mozambique, LDA	Av. Vladimir Lenine, 1123, 7° Andar | Edifício Topázio | Maputo	Ordinary shares	51
JGC Fluor TechnipFMC Moçambique, LDA	Av. Vladimir Lenine, 1123, 7° Andar | Edifício Topázio | Maputo	Ordinary shares	33.33

Company Name	Address	Share Class	Group interest held in %
TP JGC Coral Mozambique	Av. Vladimir Lenine, 1123, 7° Andar | Edifício Topázio | Maputo	Ordinary shares	50
NETHERLANDS			
Etileno XXI Holding B.V.	Kleine Houtweg 33 Haarlem 2012 CB	Ordinary shares	50
NIGERIA			
B7JV(Nigeria) Limited	3rd Floor, WAEC Office Complex, 10, Zambezi Crescent, Maitama, Abuja, FCT Maitama	Ordinary shares	33.33
NORWAY			
Anchor Contracting AS	Bryggegata 9 0250 Oslo	Ordinary shares	51
Dofcon Brasil AS	Thormohlens Gate 53 C 5006 Bergen	Ordinary shares	50
Inocean AS	Bryggegata 3 0250 Oslo	Ordinary shares	51
Inocean Marotec AS	Bryggegata 9 0250 Oslo	Ordinary shares	46
Marine Offshore AS	Vollsveien 17A 1327 Lysaker	Ordinary shares	51
TechDOF Brasil AS	ThormØhlens Gate 53C, 5006 Bergen	Ordinary shares	50
Technip-DeepOcean PRS JV DA	Killingøy 5515 Haugesund	No capital	50
TIOS AS	Lagerveien 23 4033 Stavanger	Ordinary shares	51
TIOS Crewing AS	Lagerveien 23 4033 Stavanger	Ordinary shares	51
POLAND			
Inocean Poland Sp Z.o.o	ul. Dubois 20 71-610 Szczecin	Ordinary shares	51
PORTUGAL			
TSKJ - Serviços De Engenharia, Lda.	Avenida Arriaga, n.º 30, 1.º andar - H Funchal (Sé) 9000 064, Ilha da Madeira	Ordinary shares	25
SAUDI ARABIA			
Global Al Rushaid Offshore Ltd	P O Box No 31685 31952 Al Khobar	Ordinary shares	50
Technip Italy S.p.A. & Dar Al Riyadh for Engineering Consulting	Khobar Business Gate, Tower B, 7th Floor, King Faisal Bin Abdul-Aziz Road 34423 Al-Khobar	Ordinary shares	60
SWEDEN			
Inocean AB	Gårdatorget 1 SE-412 50 Gothenburg	Ordinary shares	51
THAILAND			
Technip (Thailand) Ltd	20th Floor - Suntowers Building A 123 Vibhavadee - Rangsit Road Chatuchak, Bangkok 10900	Ordinary shares	49
UNITED ARAB EMIRATES			
Yemgas FZCO	Office LB03031 P.O. Box No.17891 Jebel Ali Free Zone - Dubai	Ordinary shares	33.33
UNITED KINGDOM			
B7JV(UK) Limited	Hill Park Court Springfield Drive, Leatherhead, Surrey, KT22 7NL	Ordinary shares	33.33
TechnipFMC Island Offshore Subsea UK Ltd	Pavilion 2, Aspect 32 Prospect Road, Arnhall Business Park, Westhill AB32 6FE Aberdeenshire	Ordinary shares	51
UNITED STATES			

Company Name	Address	Share Class	Group interest held in %
FMC Technologies Offshore, LLC	c/o The Corporation Trust Center 1209 Orange Street Wilmington, Delaware 19801 USA	Ownership based on Contributions	50
Spars International Inc.	c/o CT Corporation System 1999 Bryan Street, Suite 900 Dallas, Texas 75201 USA	Class A Common Stock	50

32.4 Associated undertakings

Company Name	Address	Share Class	Group interest held in %
BOSNIA AND HERZEGOVINA			
Petrolinvest, D.D. Sarajevo	Tvornicka 3 71000 Sarajevo	Ordinary shares	33
BRAZIL			
FSTP Brasil Ltda.	Rua Visconde de Inhaúma, n.º 83, 17 e 18 andares, Centro, Cidade e Estado do Rio de Janeiro	Ordinary shares	25
CHINA			
HQC - TP Co. Ltd	n° 7 Yinghuayuan Dongjie, Chaoyang District Pechino	Equity interest	49
COLOMBIA			
Tipiel, S.A.	Calle 38 # 8-62 Piso 3 Santafe De Bogota D.C.	Ordinary shares	56.5
FINLAND			
Creowave Oy	Yrttipellontie 10 H 90230 Oulu	Ordinary shares	24.9
FRANCE			
Novarctic SNC	6-8 Allée de l'Arche - Faubourg de l'Arche - ZAC Danton 92400 Courbevoie	Ordinary shares	33.33
Oceanide	Port de Brégaillon 83502 La Seyne sur Mer	Ordinary shares	23.10
Serimax Holdings SAS	346 rue de la Belle Etoile 95700 Roissy en France	Ordinary shares	20
GHANA			
TechnipFMC Ghana Limited	6th Floor, One Airport Square 00233 Accra	Ordinary shares	49
INDONESIA			
PT Technip Indonesia	Metropolitan Tower, 15th Florr, JL. R. A. Kartini Kav. 14 (T.B Simatupang), Cilandak Jakarta Selatan 12430	Ordinary shares	42.1
MALAYSIA			
FMC Wellhead Equipment Sdn. Bhd.	Suite 13.03, 13th Floor 207 Jalan Tun Razak 50400 Kuala Lumpur	Ordinary shares	49
Technip Consultant (M) Sdn. Bhd	Suite 13.03, 13th Floor 207 Jalan Tun Razak 50400 Kuala Lumpur	Ordinary shares	25
Technip Geoproduction (M) Sdn. Bhd.	Suite 13.03, 13th Floor 207 Jalan Tun Razak 50400 Kuala Lumpur	Ordinary shares	31
Technip Marine (M) Sdn Bhd	Suite 13.03, 13th Floor 207 Jalan Tun Razak 50400 Kuala Lumpur	Ordinary shares	49
NETHERLANDS			
Etileno XXI Services B.V.	Prins Bernhardplein 200 Amsterdam 1097 JB	Ordinary shares	40
NORWAY			

Company Name	Address	Share Class	Group interest held in %
Kongsberg Technology Training Centre AS	Kirkegårdsveien 45 3616 KONGSBERG	Ordinary shares	33.33
RUSSIA			
LNG Nova Engineering LLC	Room 1,2 Premises XXXV, ul. Akademika Pilyugina 22 Moscow 117393	Ordinary shares	34.90
SINGAPORE			
FSTP Pte Ltd	50 Gul road 629351 Singapore	Ordinary shares	25
UNITED ARAB EMIRATES			
CTEP Free Zone Company	Jebel Ali Free Zone - Office 10007 P.O. Box 261645 Dubaï	Ordinary shares	40
UNITED KINGDOM			
Magma Global Limited	Magma House, Trafalgar Wharf, Hamilton Road, Portsmouth, PO6 4PX	Ordinary shares	25

NOTE 33. SUBSEQUENT EVENTS

On February 16, 2021, we completed the Spin-off. In connection with the Spin-off, on January 7, 2021, Bpifrance Participations SA ("BPI"), which has been one of our substantial shareholders since 2009, entered into a share purchase agreement with us (the "Share Purchase Agreement") pursuant to which BPI agreed to purchase a portion of our retained stake in Technip Energies N.V. (the "BPI Investment") for $200.0 million (the "Purchase Price"). On February 25, 2021, BPI paid 200.0 million in connection with the Share Purchase Agreement. The Purchase Price was subject to adjustment, and BPI's ownership stake was determined based upon a thirty day volume-weighted average price of Technip Energies N.V.'s shares (with BPI's ownership collared between an 11.82 percentage floor and a 17.25 percentage cap), less a six percent discount. The BPI Investment was subject to customary conditions and regulatory approval.

On March 31, 2021 pursuant to the Share Purchase Agreement BPI exercised its right and purchased from TechnipFMC 7.5 million shares in Technip Energies N.V. for $100.0 million. On April 8, 2021 we refunded $100.0 million to BPI as a result of their revised level of investment. We intend to significantly reduce our remaining shareholding in Technip Energies N.V. over the 18 months following the Spin-off.

Pursuant to the Separation and Distribution Agreement, signed between TechnipFMC and Technip Energies in connection with the Spin-off, we and Technip Energies each agreed to cross-indemnities principally designed to allocate financial responsibility for the obligations and liabilities of our business to us and those of Technip Energies' business to it.

In connection with the Spin-off, we executed a series of refinancing transactions, in order to provide a capital structure with sufficient cash resources to support future operating and investment plans.

On February 16, 2021, we entered into a new senior secured revolving credit facility (the "Revolving Credit Facility") that provides for aggregate revolving capacity of up to $1.0 billion. Availability of borrowings under the Revolving Credit Facility is reduced by any outstanding letters of credit issued against the facility.

On January 29, 2021, we issued $1.0 billion of 6.5% senior notes due 2026 (the "2021 Notes"). The interest on the 2021 Notes is paid semi-annually on February 1 and August 1 of each year, beginning on August 1, 2021. The 2021 Notes are senior unsecured obligations and are guaranteed on a senior unsecured basis by substantially all of our wholly-owned U.S. subsidiaries and non-U.S. subsidiaries in Brazil, the Netherlands, Norway, Singapore and the United Kingdom.

The proceeds from the debt issuance described above along with the available cash on hand were used to fund the repayment of all $522.8 million of the outstanding Synthetic Convertible Bonds that matured in January 2021 and the repayment of all $500.0 million aggregate principal amount of outstanding 3.45% Senior Notes due 2022.

In addition, we terminated the $2.5 billion senior unsecured revolving credit facility we entered into on January 17, 2017 and terminated the €500.0 million Euro Facility and CCFF Program we entered into on May 19, 2020. In connection with the termination of these credit facilities, we repaid most of the outstanding commercial paper borrowings, which were $1,525.2 million as of December 31, 2020.

NOTE 34. RECONCILIATION OF US GAAP TO IFRS

In accordance with the Securities and Exchange Commission ("SEC"), TechnipFMC is required to prepare its Annual Report on Form 10-K for the three years ended December 31, 2020 in accordance with accounting principles generally accepted in the United States of America ("US GAAP") and SEC rules and regulations pertaining to annual financial information.

To assist TechnipFMC's shareholders in understanding the differences in the basis of preparation of the TechnipFMC's consolidated financial statements, the tables below set out reconciliations from US GAAP to IFRS for Net Loss attributable to TechnipFMC plc for the years ended December 31, 2020 and 2019, respectively, together with a reconciliation of Total Equity from US GAAP to IFRS as of December 31, 2020 and 2019. These reconciliations set out all significant differences which are expected to result from the conversion from US GAAP to IFRS.

In the consolidated financial statements as of December 31, 2020 and for the two years then ended, the main differences between US GAAP and IFRS for TechnipFMC relate to the following:

(In millions)	**December 31,**	
	2020	**2019**
Total TechnipFMC plc stockholders' equity in accordance with US GAAP	$ 4,214.3	$ 7,688.1
Leases	(50.9)	(25.0)
Goodwill	142.2	56.2
Impairment of property, plant and equipment	(24.9)	(18.1)
Defined benefit plans	(42.6)	(32.6)
Hedge accounting	3.8	8.5
LIFO adjustments	11.6	10.9
Expected credit losses	—	(9.6)
Equity method investments	—	—
Other	(6.5)	6.1
Total equity in accordance with IFRS	$ 4,247.0	$ 7,684.5

(In millions)	**Year Ended**	
	2020	**2019**
Net loss attributable to TechnipFMC plc in accordance with US GAAP	$ (3,287.6)	$ (2,415.2)
Leases	(25.8)	(8.6)
Goodwill	86.0	(30.0)
Impairment of property, plant and equipment	(6.9)	(8.5)
Defined benefit plans	(10.3)	(25.5)
Hedge accounting	(4.7)	(3.6)
LIFO adjustments	0.7	3.0
Expected credit losses	(1.7)	(2.6)
Equity method investments	—	33.7
Other	(8.1)	3.3
Net loss attributable to TechnipFMC plc in accordance with IFRS	$ (3,258.4)	$ (2,454.0)

Leases

Under the US GAAP leasing accounting guidance at lease commencement, a lessee classifies a lease as a finance lease or an operating lease. Under the IFRS accounting guidance, almost all leases are treated under a single model that is similar to a finance lease model under US GAAP. TechnipFMC classified majority of its leases as operating lease under US GAAP that resulted in significant accounting differences between the two standards.

Goodwill

In 2020 due to a different valuation methodology applied to calculate the goodwill impairment charge under US GAAP and IFRS, the difference in fair values of our Surface International operating segment resulted in a higher goodwill impairment charge under US GAAP.

Impairment of property, plant and equipment

US GAAP has a higher hurdle for impairment of long-lived assets (property, plant and equipment) than IFRS, meaning it is less likely for impairment charges to be recognized. Therefore, the US GAAP impairment test had yielded different results in the past years that subsequently resulted in an impact to IFRS earnings.

Defined benefit plans

There are differences between the methodologies for defined benefits under IFRS compared to US GAAP. The most notable differences relate to accounting for actuarial gains and losses, recognition of prior service costs, special event accounting and calculation of the expected return on plan assets.

Under US GAAP all actuarial gains and losses are deferred in OCI and subsequently amortized to net income through a corridor approach as elected by TechnipFMC. Under IFRS actuarial gains and losses are recognized immediately in OCI for long-term benefit plans. Gains and losses are not subsequently recognized in net income in subsequent periods for these plans. Several small short-term plans (such as jubilee plans) do expense gains and losses directly in net income in the year incurred.

Under US GAAP prior service costs or credits from plan amendments are initially deferred in OCI and subsequently recognized in net income over the average remaining service period of active employees affected by the plan amendment. Under IFRS all past service costs and credits are immediately recognized in profit or loss at the earlier of when the amendment occurs or when the related restructuring or termination costs are recognized.

Under US GAAP special events such as settlements and curtailments are recognized differently from IFRS. Under US GAAP settlements are triggered through lump sums exceeding a specified threshold in a given year, resulting in accelerated recognition of actuarial gains and losses. Under IFRS, settlements are triggered based on non-routine lump sum payments, with the settlement impact calculated as the difference between the cash payout and the present value of the benefit held on the balance sheet. Curtailments have different definitions of when to recognize, with US GAAP triggering a curtailment when an event causes a significant decrease in the plan's future service and IFRS triggering a curtailment based on a significant reduction in employee headcount based on a specific event. The net income impact under IFRS is calculated as the change in present value due to the curtailment, and US GAAP using a more complicated formula depending on whether the curtailment is a gain or loss, and whether any outstanding prior service cost exists.

The US GAAP expected return on plan assets is calculated using the expected long-term rate of return on invested assets in the underlying portfolio. Under IFRS, a "net interest" expense (income) on the net defined benefit liability (asset) is recognized as a component of defined benefit cost, based on the discount rate used to determine the obligation.

Hedge accounting

Using cash as natural hedge instrument is not allowed under US GAAP. An adjustment to reclassify natural hedging results from income statement to OCI is recorded under IFRS.

LIFO adjustments

TechnipFMC has several subsidiaries that utilize LIFO cost accounting method under US GAAP. While LIFO is an allowable method under US GAAP, it is prohibited under IFRS. TechnipFMC records an adjustment to reverse the impact from LIFO costing method under IFRS in its consolidated financial statements.

Expected credit losses

Effective January 1, 2020, under US GAAP we adopted ASU No. 2016-13, "Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments." This ASU introduces a new model for recognizing credit losses on financial instruments based on an estimate of current expected credit losses. After adoption of the new standard TechnipFMC do not have material US GAAP to IFRS conversion differences in accounting for expected credit losses for trade and other receivables, debt securities, loans receivable and other financial assets.

Equity method investments

US GAAP and IFRS have different methodologies in assessment of impairment on equity method investments.

Other

TechnipFMC recorded other various insignificant differences including differences from deferred taxes.

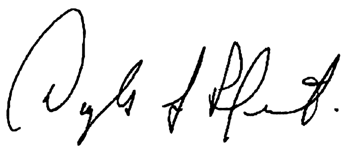
COMPANY FINANCIAL STATEMENTS
TECHNIPFMC PLC
AS OF DECEMBER 31, 2020
Company No. 09909709

1. COMPANY STATEMENT OF FINANCIAL POSITION

(In millions)	Note	December 31, 2020	December 31, 2019
Assets			
Investments in subsidiaries	3	$ 11,110.2	$ 14,475.5
Property, plant and equipment, net		0.3	0.3
Right-of-use assets	4	—	42.6
Intangible assets, net		1.5	1.3
Loan receivables – related parties	5	156.8	1,551.9
Other non-current financial assets		15.0	28.9
Deferred income taxes	6	5.1	0.6
Total non-current assets		11,288.9	16,101.1
Cash and cash equivalents		2.3	5.5
Trade and other receivables, net	7	205.0	195.0
Loan receivables – related parties	5	1,035.2	—
Derivative financial instruments	11	69.9	4.3
Income taxes receivable	8	154.3	180.6
Other current assets		16.7	23.5
Total current assets		1,483.4	408.9
Total assets		$ 12,772.3	$ 16,510.0
Equity and Liabilities			
Ordinary shares	9	$ 449.5	$ 447.1
Retained earnings, net income and other reserves		1,618.8	5,935.7
Total shareholders' equity		2,068.3	6,382.8
Long-term debt	10	1,535.1	1,707.5
Loan payables – related parties	12	5,701.7	5,599.5
Lease liabilities	4	—	9.9
Derivative financial instruments	11	1.1	4.3
Other non-current liabilities	4	123.9	113.9
Total non-current liabilities		7,361.8	7,435.1
Short term debt	10	1,387.0	244.6
Trade and other payables	13	1,917.6	2,327.2
Lease liabilities	4	—	35.5
Income taxes payable	8	37.6	84.8
Total current liabilities		3,342.2	2,692.1
Total liabilities		10,704.0	10,127.2
Total equity and liabilities		$ 12,772.3	$ 16,510.0
As of January 1		$ 5,935.7	$ 8,317.7
Loss for the year		(4,556.4)	(2,068.0)
Other changes in retained earnings		239.5	(314.0)
Retained earnings		$ 1,618.8	$ 5,935.7

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

The financial statements were approved by the Board of Directors and signed on its behalf by



Douglas J. Pferdehirt
Director and Chief Executive Officer
April 9, 2021

2. COMPANY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(In millions)	Ordinary Shares	Share Premium	Merger Reserve	Retained Earnings, Net Income and Other reserves	Total Shareholders' Equity
Balance as of December 31, 2018	$ 450.5	$ —	$ —	$ 8,317.7	$ 8,768.2
Cumulative effect of initial application of IFRS 16	—	—	—	(1.2)	(1.2)
Net loss	—	—	—	(2,068.0)	(2,068.0)
Other comprehensive income/(loss)	—	—	—	(65.8)	(65.8)
Dividends (Note 9)	—	—	—	(232.8)	(232.8)
Issuance of ordinary shares (Note 9)	0.6	—	—	—	0.6
Cancellation of treasury shares (Note 9)	(4.0)	—	—	(88.7)	(92.7)
Share-based compensation (Note 9)	—	—	—	74.5	74.5
Balance as of December 31, 2019	$ 447.1	$ —	$ —	$ 5,935.7	$ 6,382.8
Net loss	—	—	—	(4,556.4)	(4,556.4)
Other comprehensive income/(loss)	—	—	—	239.1	239.1
Dividends (Note 9)	—	—	—	(59.2)	(59.2)
Issuance of ordinary shares (Note 9)	2.4	—	—	(9.4)	(7.0)
Share-based compensation (Note 9)	—	—	—	69.0	69.0
Balance as of December 31, 2020	$ 449.5	$ —	$ —	$ 1,618.8	$ 2,068.3

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

3. NOTES TO THE COMPANY FINANCIAL STATEMENTS

NOTE 1 - GENERAL CORPORATE INFORMATION

TechnipFMC plc (the "Company" or "TechnipFMC") is a global leader in subsea, onshore/offshore, and surface projects. TechnipFMC is a public limited company limited by shares. The company is incorporated under the laws of England and Wales. The Company's registered address is One St. Paul's Churchyard, London, EC4M 8AP.

NOTE 2 - ACCOUNTING PRINCIPLES

2.1 Basis of preparation

The financial statements for the year ended December 31, 2020 have been prepared in accordance with United Kingdom Accounting Standards – in particular Financial Reporting Standard 101 "Reduced Disclosure Framework" ("FRS 101") – and with the Act. FRS 101 sets out a reduced disclosure framework for a qualifying entity as defined in the Standards which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted International Financial Reporting Standards ("IFRS").

The Company is a qualifying entity for the purposes of FRS 101. The application of FRS 101 has enabled the Company to take advantage of certain disclosure exemptions that would have been required had the Company adopted IFRS in full. The only such exemptions that the directors considered to be significant are:

- No detailed disclosures in relation to financial instruments;
- No cash flow statement;
- No disclosure of related party transactions with subsidiaries;
- No statement regarding the potential impact of forthcoming changes in financial reporting standards;
- No disclosure of "key management compensation" for key management other than the Directors;
- No disclosures relating to the Company's policy on capital management, and
- No disclosure of requirements of paragraph 45b and 46-52 of IFRS 2 Share based charges.

The Company's functional currency was determined to be U.S. dollars ("USD") as this is the primary economic environment in which the entity operates.

The financial statements have been prepared under the historical cost convention, except for certain financial assets and liabilities, which are measured at fair value. Accounting policies have been consistently applied throughout the reporting period. The financial statements of the Company for the year ended December 31, 2020 are presented in U.S. dollars, the presentation and functional currency of the Company, and all values are rounded to the nearest million included to one decimal place.

The directors have a reasonable expectation that the Company has adequate resources to continue in existence for the foreseeable future. Therefore, the financial statements have been prepared on a going concern basis.

The directors have taken advantage of the exemption available under Section 408 of the Act and have not presented a profit and loss account for the Company.

Going concern

Following its assessment of going concern, the Company has formed a judgement that there are no material uncertainties that cast doubt on the Company's going concern status and that it is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Company continues to adopt the going concern basis in preparing its financial statements. Details of going concern assessment are provided in Note 1 of TechnipFMC consolidated financial statements.

2.2 Standards, amendments and interpretations effective in 2020

The Company has applied the following standards and amendments for the first time in its financial statements for the year ended December 31, 2020:

- Definition of a Business - Amendments to IFRS 3 “Business Combinations” (“IFRS 3”);
- Definition of Material - Amendments to IAS 1 "Presentation of Financial Statements" ("IAS 1") and IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” (“IAS 8”);
- Interest Rate Benchmark Reform (Phase 1) - Amendments to IFRS 9 “Financial instruments” (“IFRS 9”), IAS 39 “Financial Instruments: Recognition and Measurement” (“IAS 39”) and IFRS 7 "‘Financial Instruments: Disclosures" ("IFRS 7");
- Revised Conceptual Framework for Financial Reporting.

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

2.3 Summary of significant accounting policies

The significant accounting policies, which have been used in the preparation of the Company financial statements, are set out below. These policies have been consistently applied to all years presented.

a) Investments

Investments are measured initially at cost, including transaction costs, less any provision for impairment.

At each balance sheet date, the Company reviews the carrying amounts of its investments to assess whether there is an indication that those assets may be impaired. If any such indication exists, the Company makes an estimate of the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s fair value less costs to sell and its value in use.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in the income statement.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior periods. A reversal of an impairment loss is recognized immediately in the income statement.

Dividend income is recognized when the right to receive payment is established.

b) Trade receivable and loans issued to related parties

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method.

Loans issued to related parties are initially measured at their fair values plus transaction costs and subsequently carried at amortized cost net of impairment allowance.

Interest income on loans issued to related parties is calculated by applying the effective interest rate to the gross carrying amount of a loan receivable.

c) Share-based employee compensation

The measurement of share-based compensation expense on restricted share awards is based on the market price at the grant date and the number of shares awarded. The share-based compensation expense for each award is recognized during the vesting period (i.e., the period in which the service and, where applicable, the performance conditions are fulfilled). The cumulative expense recognized for share-based employee compensation at each reporting date reflects the already expired portion of the vesting period and the Company’s best estimate of the number of awards that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognized as of the beginning and end of that period.

d) Long term debt

Current and non-current financial debts include bond loans, commercial paper programs and other borrowings. After initial recognition, debt is measured at amortized cost using the effective interest rate method. Transaction costs, such as issuance fees and redemption premium are included in the cost of debt on the liability side of the statement of financial position, as an adjustment to the nominal amount of the debt. The difference between the initial debt and redemption at maturity is amortized at the effective interest rate.

e) Foreign currency transactions

Foreign currency transactions are translated into the functional currency at the exchange rate applicable on the transaction date.

At the closing balance sheet date, monetary assets and liabilities stated in foreign currencies are translated into the functional currency at the exchange rate prevailing on that date. Resulting exchange gains or losses are directly recorded in the income statement, except exchange gains or losses on cash accounts eligible for future cash flow hedging and for hedging on net foreign currency investments.

Translation of financial statements of the Company's branch in foreign currency

The income statements of the Company's branch are translated into USD at the average exchange rate prevailing during the year. Statements of financial position are translated at the exchange rate at the closing date. Differences arising in the translation of financial statements of the branch are recorded in other comprehensive income as foreign currency translation reserve. The functional currency of the branch is the local currency (euro).

f) Derivative financial instruments and hedging

The Company uses derivative financial instruments, such as forward contracts, swaps and options to hedge its risks, in particular foreign exchange risks. Currently, every derivative financial instrument held by the Company is aimed at hedging future inflows or outflows against exchange rate fluctuations during the period of contract performance. Derivative instruments and in particular forward exchange transactions are aimed at hedging future cash inflows or outflows against exchange rate fluctuations in relation with awarded commercial contracts.

See Note 27 of TechnipFMC consolidated financial statements for further details.

g) Cash and cash equivalents

Cash and cash equivalents consist of cash in bank and in hand, fixed term deposits and securities fulfilling the following criteria: an original maturity of less than three months, highly liquid, a fixed exchange value and an insignificant risk of loss of value. Securities are measured at their market value at year-end. Any change in fair value is recorded in the statement of income.

h) Share capital and dividend distribution

Ordinary shares and redeemable shares are classified as equity. The redeemable shares may be redeemed by the Company for nil consideration at any time and are therefore recognized within equity.

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders. A corresponding amount is recognized directly in the statement of equity. Interim dividends are recognized when paid.

i) Taxation

Corporate tax is payable on taxable profits at amounts expected to be paid, or recovered, under the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is recognized to take account of temporary differences between the treatment of transactions for financial reporting purposes and their treatment for tax purposes. A deferred tax asset is only recognized when it is regarded as more likely than not there will be a suitable taxable profit from which the future reversal of the underlying temporary differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the temporary differences are expected to reverse based on the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

j) Non-current assets held for sale or distribution to equity holders

TechnipFMC classifies non-current assets as held for sale/or distribution to equity holders of the parent if their carrying amounts will be recovered principally through a sale transaction or a distribution rather than through continuing use. Such non-current assets classified as held for sale/or distribution are measured at the lower of their carrying amount and fair value less costs to sell or distribute. Costs to sell/or distribute are the incremental costs directly attributable to the sale or distribution, excluding finance costs and income tax expense.

The criteria for held for sale/or distribution classification is regarded as met only when the sale/or distribution is highly probable and the asset is available for immediate sale/ or distribution in its present condition. Actions required to complete the sale/or distribution should indicate that it is unlikely that significant changes to the sale/or distribution will be made or that the decision to sale/or distribute will be withdrawn. Management must be committed to the sale/or distribution expected within one year from the date of the classification.

k) Cash dividend and non-cash distribution to equity holders

The Company recognizes a liability to make cash or non-cash distributions to its equity holders when the distribution is approved by its shareholders. A corresponding amount is recognized directly in the statement of equity.

l) Related parties

The Company is a qualifying entity for the purposes of FRS 101 and took an advantage of the disclosure exemption not to provide a disclosure on the following:

- related party transactions with subsidiaries;
- “key management compensation” for key management other than the Directors.

2.4 Use of critical accounting estimates, judgments and assumptions

The preparation of the financial statements requires the use of critical accounting estimates, judgments and assumptions that may affect the assessment and disclosure of assets and liabilities at the date of the financial statements, as well as the income and the reported expenses regarding this financial year. Estimates may be revised if the circumstances and the assumptions on which they were based change, if new information becomes available, or as a result of greater experience. Consequently, the actual result from these operations may differ from these estimates.

a) Judgments

Area of judgment that has the most significant effect on the amounts recognized in the Company’s financial statements relate to the separation transaction.

On February 16, 2021, we completed the previously announced separation of the Technip Energies business segment. The transaction was structured as a spin-off, which occurred by way of a pro rata dividend (the “Distribution”) to our shareholders of 50.1 percent of the outstanding shares in Technip Energies N.V. Each of our shareholders received one ordinary share of Technip Energies N.V. for every five ordinary shares of TechnipFMC held at 5:00 p.m., New York City time on the record date, February 17, 2021. Technip Energies N.V. is now an independent public company and its shares trade under the ticker symbol “TE” on the Euronext Paris stock exchange.

Under IFRS, the reclassification of assets (and any associated liabilities) as 'held for distribution' can only be triggered once the assets are available for distribution in their present condition and the distribution is 'highly probable'. The highly probable criteria is met when the distribution is expected to be completed within a year. As of December 31, 2020, we had no such expectation as the Spin-off was dependent upon on new capital structure negotiations and related new financing in connection with the Spin-off. This only came into effect on January 29, 2020, upon completion by TechnipFMC its private offering of $1.0 billion in aggregate principal amount of senior unsecured notes due 2026. Therefore, the assets and liabilities associated with our Technip Energies business are not classified as held for distribution as of December 31, 2020. The "highly probable" criteria was not met as of

December 31, 2020 since both TechnipFMC and Technip Energies were in process of negotiation on capital structure that was conditional on issuance of new financing in connection with the Spin-off.

b) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date relate to the following:

- estimates on provision for expected credit losses on trade receivable and loans issued to related parties, and
- impairment of investments in subsidiaries.

The loss allowances for trade receivable and loans issued to related parties are based on assumptions about risk of default and expected credit loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The Company assesses whether there are any indicators of impairment of investments at each reporting date. Investments are tested for impairment when there are both external and internal indicators that the carrying amount may not be recoverable. Details of impairment recorded during the year and the carrying value of investments are contained in Note 3.

There have been no other critical judgments made in applying the Company's accounting policies.

NOTE 3 - INVESTMENTS IN SUBSIDIARIES

The movement in investments account balances are described below:

(In millions)	2020	2019
Cost as of January 1	$ 18,497.7	$ 18,581.6
Capital increase	6.8	—
Additions due to the spin-off of Technip Energies [(2)]	886.8	—
Net foreign exchange difference	227.6	(83.9)
Total cost as of December 31,	$ 19,618.9	$ 18,497.7
Impairment as of January 1	$ 4,022.2	$ 1,996.9
Impairments [(1)]	4,486.5	2,035.8
Net foreign exchange difference	—	(10.5)
Total impairment as of December 31,	$ 8,508.7	$ 4,022.2
Net book value as of December 31,	$ 11,110.2	$ 14,475.5

(1) Impairments relate to the carrying value of intermediate holding company investments. The methodology and assumptions used in reviewing the investments for impairment were the same as those used in the Goodwill review. See Note 11 of TechnipFMC consolidated financial statements for further details.

(2) During 2020, the Company executed a series of transactions to restructure and realign the ownership of its group entities in connection with the Spin-off. The transactions included the acquisition of additional ownership interest from 77.8% to 100.0% in its investment in Technip France for $194.2 million. The Company also restructured ownership of underlying investments and acquired a 100.0% direct interest in existing subsidiaries including Clecel SAS for $109.2 million, Technip E&C Limited for $188.3 million, and Kanfa AS for $52.1 million. Creation of new subsidiaries included a 77.79% direct interest in Technip N-Power for $38.5 million and a 100.0% direct interest in Technip Benelux B.V. for $223.0 million. See Note 33 of TechnipFMC consolidated financial statements for further details on the Spin-off transaction.

The Company's direct subsidiaries as of December 31, 2020 are listed below. Ownership interests reflect holdings of ordinary shares. Details of other related undertakings are provided in Note 32 of TechnipFMC consolidated financial statements.

Company Name	Address	Share Class	The Company interest held in %
AUSTRALIA			
Technip Australia Pty	1120 Hay Street, Perth WA 6000	Ordinary shares	100
BRAZIL			
Technip Cleplan Empreendimentos E Projetos Industriais Ltda.	Rua Dom Marcos Barbosa, nº 2, sala 202 (parte) 20211-178 Rio de Janeiro	Equity interest	58.29
CHINA			
Technip Chemical Engineering (Tianjin) Co., Ltd.	10th Floor - Yunhai Mansion 200031 Shanghai	Equity interest	100
COLUMBIA			
Tipiel, S.A.	Calle 38 # 8-62 Piso 3 Santafe de Bogota D.C.	Equity interest	7.2
FRANCE			
Clecel, SAS	6-8 Allee de l'Arche - Faubourg de l'Arche - ZAC Danton 92400 Courbevoie	Ordinary shares	100
Technip Corporate Services SAS	89, avenue de la Grande Armée 75116 Paris	Ordinary shares	100
TechnipFMC Corporate Services SAS	89, avenue de la Grande Armee 75116 Paris	Ordinary shares	77.97
Technip Eurocash SNC	89, avenue de la Grande Armée 75116 Paris	Equity interest	96
Technip France SA	6-8 Allée de l'Arche - Faubourg de l'Arche - ZAC Danton 92400 Courbevoie	Ordinary shares	78
Compagnie Française De Réalisations Industrielles, Cofri SAS	6-8 Allée de l'Arche - Faubourg de l'Arche - ZAC Danton 92400 Courbevoie	Ordinary shares	100
Cybernetix SAS	Technopôle de Château-Gombert 13382 Marseille Cedex 13	Ordinary shares	100
Genesis Nimes SAS	19, Avenue Feuchères 30000 Nîmes	Ordinary shares	100
Serimax Holdings SAS	95700 Roissy en France	Ordinary shares	20
Technip Ingenierie Defense SAS	6-8 Allée de l'Arche - Faubourg de l'Arche - ZAC Danton 92400 Courbevoie	Ordinary shares	100
Technip N-Power SAS	6-8 Allée de l'Arche - Faubourg de l'Arche - ZAC Danton 92400 Courbevoie	Ordinary shares	77.79
Technip Offshore International SAS	89, avenue de la Grande Armée 75116 Paris	Ordinary shares	100
Technipnet SAS	6-8 Allée de l'Arche - Faubourg de l'Arche - ZAC Danton 92400 Courbevoie	Ordinary shares	100
GERMANY			
Technip Zimmer GmbH	Friesstrasse 20 60388 Frankfurt am Main	Ordinary shares	100
INDONESIA			
PT Technip Indonesia	Metropolitan Tower, 15th Florr, JL. R. A. Kartini Kav. 14 (T.B Simatupang), Cilandak Jakarta Selatan 12430	Equity interest	9
ITALY			
Technip Italy S.P.A.	68, Viale Castello della Magliana 00148 Rome	Ordinary shares	100
TPL - Tecnologie Progetti Lavori S.P.A. In Liquidazione	68, Viale Castello della Magliana 00148 Rome	Ordinary shares	100
MALAYSIA			

Company Name	Address	Share Class	The Company interest held in %
Technip Geoproduction (M) Sdn. Bhd.	Suite 13.03, 13th Floor 2017 Jalan Tun Razak Kuala Lumpur 50400	Ordinary shares	31
Asiaflex Products Sdn. Bhd.	Suite 13.03, 13th Floor 2017 Jalan Tun Razak Kuala Lumpur 50400	Ordinary shares	33
Technip Far East Sdn Bhd	Suite 13.03, 13th Floor 2017 Jalan Tun Razak Kuala Lumpur 50400	Ordinary shares	100
MEXICO			
Technip de Mexico S.de R.L. de C.V.	Blvd, Manuel Avila Camacho 36, Piso 10, Officina 1058	Ordinary shares	50
NETHERLANDS			
FMC Technologies Global B.V.	Zuidplein 126, Tower H, 15th Fl. 1077 XV Amsterdam	Ordinary shares	68.6
Technip Benelux B.V.	Afrikaweg 30 Zoetemeer, 2713 AW	Ordinary shares	100
Technip Energies B.V.	6-8 Allee de l'Arche - Faubourg De l'Arche - ZAC Danton	Ordinary shares	100
Technip Oil & Gas B.V.	Afrikaweg 30 Zoetemeer, 2713 AW	Ordinary shares	100
Technip Holding Benelux B.V.	Afrikaweg 30 Zoetermeer 2713 AW	Ordinary shares	100
TechnipFMC International Holdings B.V.	Zuidplein 126, WTC, Tower H, 15é Amsterdam 1077XV	Preferred shares and Ordinary shares	38.93
NEW-CALEDONIA - FRENCH OVERSEAS TERRITORY			
Technip Nouvelle-Caledonie	27 bis Avenue du Maréchal Foch - Galerie CENTER FOCH - Centre-Ville B.P. 4460 98847 NOUMEA	Ordinary shares	100
NORWAY			
Inocean AS	Bryggeata 3 0250 Oslo	Ordinary shares	51
Marine Offshore AS	Vollsyeien 17A 1327 Lysaker	Ordinary shares	51
Kanfa AS	Philip Pedersens vei 7 1366 Lysaker	Ordinary shares	100
PANAMA			
Technip Overseas S.A.	East 53rd Street Marbella, Humboldt Tower 2nd Floor Panama	Ordinary shares	100
PORTUGAL			
TSKJ Servicos De Engenharia, Lda	Avenida Arriaga, numero trinta Terceiro andar - H Frequesia da Se, Concelho do Funchal	Equity Interest	25
RUSSIAN FEDERATION			
Technip Rus LLC	266 Litera O, Ligovsky Prospect 196084 St Petersburg	Ordinary shares	99.98
SAUDI ARABIA			

Company Name	Address	Share Class	The Company interest held in %
Technip Saudi Arabia Limited	Dhahran Center Building - 5th Floor, Suite $501 31952 Al-Khobar	Ordinary shares	40
SERBIA			
Petrolinvest, dd Sarajevo	Tvornicka 3 71000 Sarajevo	Equity interest	33.01
SINGAPORE			
Technip Energies Singapore Pte Ltd	149 Gul Circle 629605 Singapore	Ordinary shares	100
SPAIN			
Technip Iberia, S.A.	Building n° 8 - Floor 4th Plaça de la Pau s/n World Trade Center - Almeda Park - Cornellà de Llobregat 08940 Barcelone	Ordinary shares	99.99
SWITZERLAND			
Engineering Re AG	Basteiplatz 7 8001 Zurich	Ordinary shares	100
UNITED KINGDOM			
TechnipFMC Corporate Holdings Limited	One St Paul's Churchyard London EC4M 8AP	Ordinary shares	88.12
Technip PMC Services Limited	One St Paul's Churchyard London EC4M 8AP	Ordinary shares	100
Technip E&C Limited	One St Paul's Churchyard London EC4M 8AP	Ordinary shares	100
VENEZUELA			
Inversiones Dinsa, C.A.	Avenida Principal de La Urbina, calle 1 con calle 2 Centro Empresarial INECOM, piso 1, oficina 1-1 La Urbina, Minicipio Sucre 1070 Caracas	Ordinary shares	100
Technip Bolivar, C.A. en liquidation	523 Zona Industrial Matanzas, Planta De Bauxilum Puerto Ordaz Ciudad Bolivar	Ordinary shares	99.94

NOTE 4 – LEASES

In 2020, the Company novated its sole lease to another entity within the TechnipFMC's subsidiaries. The Company has no leases as of December 31, 2020.

	December 31,	
(In millions except for discount rate)	**2020**	**2019**
Right-of-use asset	$ —	$ 42.6
Lease Liability	—	45.4
Current lease liabilities	—	35.5
Non-current lease liabilities	$ —	$ 9.9
Weighted average discount rate	— %	3.9%

The following summarizes various amounts recognized by the Company as of and for the years ended December 31, 2020 and 2019:

- Depreciation of ROU asset in consolidated statement of income of $0.0 million and $35.6 million, respectively.

- Interest expense on lease liability of $0.0 million and $2.0 million, respectively.
- Payments for the principal portion of lease liability of $0.0 million and $34.2 million and interest portion of $0.0 million and $1.8 million for total payments of $0.0 million and $36.0 million, respectively.

NOTE 5 - LOAN RECEIVABLES

(In millions)	December 31, 2020	December 31, 2019
Loan receivables - current	$ 1,035.2	$ —
Loan receivables - non-current	156.8	1,551.9
Total	$ 1,192.0	$ 1,551.9

The Company's loan receivables from related parties are unsecured and are stated net of impairment allowance of $4.7 million and $4.7 million as of December 31, 2020 and 2019, respectively.

Loan receivables from related parties primarily consist of loans to Technip Offshore International SAS ("TOI"), Technip UK Ltd ("Technip UK") and Asiaflex. The terms and interest rates for significant loans are detailed below:

(i) Loans to TOI consist of two loans in the amount of $1,103.5 million and $114.0 million respectively with 5 year terms and interest rates of 4.16% and 2.10% respectively.

(ii) Loan to Technip UK is in the amount of $147.8 million with a 5 year term and interest rate of LIBOR GBP 6 months +0.5 basis point.

(iii) Loan to Asiaflex is in the amount of $70.0 million with a 10 year term and interest rate of LIBOR 3M +1.1%.

NOTE 6 - DEFERRED INCOME TAX

The tax rate utilized to compute deferred taxes depends on the location of the underlying transaction. The transactions carried out by the U.K. head office are tax effected using the U.K. tax rate. The transactions carried out by the French permanent establishment are tax effected using the French tax rate.

The earnings of the U.K. head office are subject to the U.K. statutory rate of 19.0%. The profits or losses of the French permanent establishment are not taxable in the U.K. as the election under section 18A CTA 2009 has been validly made.

The net deferred tax assets and liabilities amounts to $5.8 million and $0.6 million as of December 31, 2020 and 2019, respectively. The deferred tax balance comprises:

(In millions)	December 31, 2020	December 31, 2019
Deferred tax relating to pensions	$ 0.2	$ 0.4
Deferred tax relating to financial instruments	—	(1.9)
Short term temporary differences	—	0.9
Tax loss carry forward	5.6	1.2
Total	$ 5.8	$ 0.6

The movement in the deferred tax asset is shown below:

(In millions)	December 31, 2020	December 31, 2019
As of January 1	$ 0.6	$ 22.2
Movement relating to pensions	0.2	0.4
Credit to income statement	5.0	(22.0)
As of December 31	$ 5.8	$ 0.6

NOTE 7 - TRADE AND OTHER RECEIVABLES

	December 31,	
(In millions)	**2020**	**2019**
Trade receivables - related parties	$ 188.4	$ 182.7
Prepaid expenses	16.5	11.9
Advances paid to suppliers	0.1	0.4
Trade and other receivables	$ 205.0	$ 195.0

The Company's trade receivables from related parties are stated net of loss allowance of $0.0 million and $6.3 million as of December 31, 2020 and 2019, respectively.

NOTE 8 - INCOME TAX RECEIVABLE / INCOME TAX PAYABLE

The Company is a tax resident of both the United Kingdom (the "U.K.") and France.

The Company maintains a permanent establishment in France which carries out the activities that were previously carried out by Technip. For tax purposes, this permanent establishment is the head of the French tax consolidated group. As such, the Company's French branch is liable for tax at the French statutory rate of 31.0% on French consolidated income.

In turn, the Company's French branch receives from the French affiliates members of the French tax consolidated group the income tax that these affiliates would have paid on a standalone basis if they had not been a member of the French tax consolidated group.

The current income tax credit booked by the Company's French branch is the difference between the income tax due on the consolidated income to the French tax authorities and the income tax received from the affiliates members of the French tax consolidated group.

NOTE 9 - STOCKHOLDERS' EQUITY

9.1 Changes in the Company's ordinary shares

On November 27, 2019, TechnipFMC redeemed 50,000 redeemable shares of £1 each and cancelled one deferred ordinary share of £1 in the capital of TechnipFMC. As of December 31, 2020, the Company's share capital was 449,466,233. As of December 31, 2019, TechnipFMC's share capital was 447,064,767 ordinary shares. The movements in share capital were as follows:

(In millions of shares)	**Ordinary Shares**
December 31, 2018	450.5
Stock awards	0.6
Treasury stock cancellations	(4.0)
December 31, 2019	447.1
Stock awards	2.4
Treasury stock cancellations	—
December 31, 2020	449.5

As an English public limited company, we are required under U.K. law to have available "distributable reserves" to conduct share repurchases or pay dividends to shareholders. Distributable reserves are a statutory requirement and are not linked to a IFRS reported amount (e.g. retained earnings, net income and other reserves). The declaration and payment of dividends require the authorization of our Board of Directors, provided that such dividends on issued share capital may be paid only out of our "distributable reserves" on our statutory balance sheet. Therefore, we are not permitted to pay dividends out of share capital, which includes share premium

The Company's articles of association permit by ordinary resolution of the shareholders to declare dividends, provided that the directors have made a recommendation as to its amount. The dividend shall not exceed the amount recommended by the directors. The directors may also decide to pay interim dividends if it appears to them that the profits available for distribution justify the payment. When recommending or declaring payment of a dividend, the directors are required under English law to comply with their duties, including considering its future financial requirements.

The additional information required in relation to shareholder's equity is given in Note 17 to TechnipFMC consolidated financial statements.

9.2 Dividends

Dividends declared and paid during the year ended December 31, 2020 and 2019 were $59.2 million and $232.8 million, respectively. We made a dividend payment of $0.13 per share in April 2020, which fulfills our annual dividend under our revised dividend policy announced on April 21, 2020.

The additional information required in relation to dividends is given in Note 17 to TechnipFMC consolidated financial statements.

9.3 Share-based compensation

See Note 18 of TechnipFMC consolidated financial statements for details of share-based payment schemes. Details of the directors' remuneration is provided in the Directors' Remuneration Report in the Company's Annual Report.

NOTE 10 - DEBT (SHORT-TERM AND LONG-TERM)

Debt consisted of the following:

	December 31, 2020		December 31, 2019	
(In millions)	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
Synthetic bonds due 2021	$ —	$ —	$ 491.6	$ 513.1
3.45% Senior Notes due 2022	459.9	459.2	459.9	459.2
3.40% Notes due 2022	184.0	180.6	168.4	180.6
3.15% Notes due 2023	159.5	156.8	145.4	156.8
3.15% Notes due 2023	153.3	150.5	140.2	150.5
4.50% Notes due 2025	241.0	241.0	—	—
4.00% Notes due 2027	92.0	96.4	84.2	96.4
4.00% Notes due 2032	122.7	127.8	108.6	127.8
3.75% Notes due 2033	122.7	123.8	109.2	123.8
Total Long-term debt	1,535.1	1,536.1	1,707.5	1,808.2
5.00% Notes due 2020	—	—	224.4	230.0
Synthetic bonds due 2021	543.6	513.1	—	—
UK Commercial paper	817.3	817.3	—	—
Other	26.1	26.1	20.2	20.2
Total short-term debt and current portion of long-term debt	1,387.0	1,356.5	244.6	250.2
Total debt	$ 2,922.1	$ 2,892.6	$ 1,952.1	$ 2,058.4

For details of long and short term debt included in the table above, see Note 19 of TechnipFMC consolidated financial statements.

NOTE 11 – DERIVATIVE FINANCIAL INSTRUMENTS

For purposes of mitigating the effect of changes in exchange rates, we hold derivative financial instruments to hedge the risks of certain identifiable and anticipated transactions and recorded assets and liabilities in our statement of financial position. The types of risks hedged are those relating to the variability of future earnings and cash flows caused by movements in foreign currency exchange rates. Our policy is to hold derivatives only for the purpose of hedging risks associated with anticipated foreign currency purchases and sales created in the normal course of business and not for trading purposes where the objective is solely or partially to generate profit. There are no derivatives designated for hedge accounting.

The derivative instrument we hold is designated in USD. The instrument is related to commercial paper borrowings that were repaid during the first quarter of 2021.

The analysis of derivative financial instruments by category is as follows:

	December 31, 2020		
(In millions)	Carrying Amount	At Fair Value through Profit or Loss	At Fair Value through OCI
Current assets			
Derivative financial instruments	$ 69.9	$ 69.9	$ —
Total	$ 69.9	$ 69.9	$ —
Non-current liabilities			
Derivative financial instruments	$ 1.1	$ 1.1	$ —
Total	$ 1.1	$ 1.1	$ —

	December 31, 2019		
(In millions)	Carrying Amount	At Fair Value through Profit or Loss	At Fair Value through OCI
Current assets			
Derivative financial instruments	$ 4.3	$ 4.3	$ —
Total	$ 4.3	$ 4.3	$ —
Non-current liabilities			
Derivative financial instruments	$ 4.3	$ 4.3	$ —
Total	$ 4.3	$ 4.3	$ —

NOTE 12 - LOAN PAYABLES - RELATED PARTIES

Loan payables - related parties consists of the following:

	December 31,	
(In millions)	2020	2019
Borrowings from TechnipFMC Holdings ltd (UK)	$ 2,735.0	$ 2,657.6
Borrowings from TechnipFMC International (UK) ltd	2,189.1	2,131.0
Borrowings from TechnipFMC Finance ULC	—	446.7
Borrowing from TechnipFMC (Europe) Ltd	374.2	364.2
Borrowings from TechnipFMC International Holdings BV	26.9	—
Borrowing from Technip Holding Benelux BV	267.3	—
Borrowing from Cofri SAS	109.2	—
Loan payables - related parties	$ 5,701.7	$ 5,599.5

Loan payables to related parties are unsecured and consist of borrowings from TechnipFMC Holdings Ltd (UK) (“Holdings Ltd”), TechnipFMC International (UK) Ltd (“International Ltd”), TechnipFMC Finance ULC (“Finance ULC”), and TechnipFMC (Europe) Ltd (“Europe Ltd”). The terms and interest rates for significant loans are detailed below.

(i) Loans from Holdings Ltd primarily consist of three loans in the amount of $1,008.1 million, $838.5 million and $545.8 million respectively with 5 year terms and interest rates of 4.83%, 4.68% and 2.69% respectively.

(ii) Loan from International Ltd is in the amount of $2,048.2 million with a 5 year term and interest rate of 2.69%.

(iii) The loan from Finance ULC was repaid in 2020.

(iv) Loan from Europe Ltd is in the amount of $350.0 million with a 5 year term and interest rate of 2.69%.

(v) A new loan from Technip Holding Benelux BV was executed in 2020 in the amount of $267.3 million with a 5 year term and interest rate of 3.22%.

NOTE 13 - TRADE AND OTHER PAYABLES

Trade and other payables consists of the following:

	December 31,	
(In millions)	**2020**	**2019**
Overdraft with Technip Eurocash (Related party Cash Pooling)	$ 1,675.2	$ 2,176.6
Borrowings from TechnipFMC Holdings ltd (UK)	36.7	—
Trade payables - related parties	93.1	131.5
Other current liabilities	112.6	19.1
Trade and other payables	$ 1,917.6	$ 2,327.2

NOTE 14 - SUBSEQUENT EVENTS

On February 16, 2021, we completed the Spin-off. In connection with the Spin-off, on January 7, 2021, Bpifrance Participations SA (“BPI”), which has been one of our substantial shareholders since 2009, entered into a share purchase agreement with us (the “Share Purchase Agreement”) pursuant to which BPI agreed to purchase a portion of our retained stake in Technip Energies N.V. (the “BPI Investment”) for $200.0 million (the “Purchase Price”). On February 25, 2021, BPI paid $200.0 million in connection with the Share Purchase Agreement. The Purchase Price was subject to adjustment, and BPI’s ownership stake was determined based upon a thirty day volume-weighted average price of Technip Energies N.V.’s shares (with BPI’s ownership collared between an 11.82 percentage floor and a 17.25 percentage cap), less a six percent discount. The BPI Investment was subject to customary conditions and regulatory approval. On March 31, 2021 pursuant to the Share Purchase Agreement BPI exercised its right and purchased from TechnipFMC 7.5 million shares in Technip Energies N.V. for $100.0 million. On April 8, 2021 we refunded $100.0 million to BPI as a result of their revised level of investment. We intend to significantly reduce our shareholding in Technip Energies N.V. over the 18 months following the Spin-off.

Pursuant to the Separation and Distribution Agreement, signed between TechnipFMC and Technip Energies in connection with the Spin-off, we and Technip Energies each agreed to cross-indemnities principally designed to allocate financial responsibility for the obligations and liabilities of our business to us and those of Technip Energies’ business to it.

In connection with the Spin-off, we executed a series of refinancing transactions, in order to provide a capital structure with sufficient cash resources to support future operating and investment plans.

On February 16, 2021, we entered into a new senior secured revolving credit facility (the “Revolving Credit Facility”) that provides for aggregate revolving capacity of up to $1.0 billion. Availability of borrowings under the Revolving Credit Facility is reduced by any outstanding letters of credit issued against the facility.

On January 29, 2021, we issued $1.0 billion of 6.5% senior notes due 2026 (the “2021 Notes”). The interest on the 2021 Notes is paid semi-annually on February 1 and August 1 of each year, beginning on August 1, 2021. The 2021 Notes are senior unsecured obligations and are guaranteed on a senior unsecured basis by substantially all of our wholly-owned U.S. subsidiaries and non-U.S. subsidiaries in Brazil, the Netherlands, Norway, Singapore and the United Kingdom.

The proceeds from the debt issuance described above along with the available cash on hand were used to fund the repayment of all $522.8 million of the outstanding Synthetic Convertible Bonds that matured in January 2021 and the repayment of all $500.0 million aggregate principal amount of outstanding 3.45% Senior Notes due 2022.

In addition, we terminated the $2.5 billion senior unsecured revolving credit facility we entered into on January 17, 2017 and terminated the €500.0 million Euro Facility and CCFF Program we entered into on May 19, 2020. In connection with the termination of these credit facilities, we repaid most of the outstanding commercial paper borrowings, which were $1,525.2 million as of December 31, 2020.