



**OFFSHORE**

ENERGY. COMMITTED.

# ANNUAL REPORT 2021

## 4.3.2 OPERATING SEGMENTS AND DIRECTIONAL REPORTING

### OPERATING SEGMENTS

The Company's reportable operating segments as defined by IFRS 8 'Operating segments' are:

- Lease and Operate;
- Turnkey
- Other.

### DIRECTIONAL REPORTING

Strictly for the purposes of this note, the operating segments are measured under Directional reporting, which in essence follows IFRS, but deviates on two main points:

- All lease contracts are classified and accounted for as if they were operating lease contracts under IFRS 16. Some lease and operate contracts may provide for defined invoicing ('upfront payments') to the client occurring during the construction phase or at first-oil (beginning of the lease phase), to cover specific construction work and/or services performed during the construction phase. These 'upfront payments' are recognized as revenues and the costs associated with the construction work and/or services are recognized as 'Cost of sales' with no margin during the construction. As a consequence, these costs are not capitalized in the gross value of the assets under construction.
- All investees related to Lease and Operate contracts are accounted for at the Company's share as if they were classified as joint operations under IFRS 11, whereby all lines of the income statement, statement of financial position and cash flow statement are consolidated based on Company's percentage of ownership (hereafter referred to as 'percentage of ownership consolidation'). Yards and installation vessel related joint ventures remain equity accounted.

In 2021, all other accounting principles remain unchanged compared with applicable IFRS standards.

The above differences to the consolidated financial statements between Directional reporting and IFRS are highlighted in the reconciliations provided in this note on revenue, gross margin, EBIT and EBITDA as required by IFRS 8 'Operating segments'. The Company also provides the reconciliation of the statement of financial position and cash flow statement under IFRS and Directional reporting. The statement of financial position and the cash flow statement under Directional reporting are evaluated regularly by the Management Board in assessing the financial position and cash generation of the Company. The Company believes that these disclosures should enable users of its financial statements to better evaluate the nature and financial effects of the business activities in which it engages, while facilitating the understanding of the Directional reporting by providing a straightforward reconciliation with IFRS for all key financial metrics.

### SEGMENT HIGHLIGHTS

The Lease and Operate Directional Revenue and EBITDA decreased versus the year ago period mainly driven by the Deep Panuke MOPU early redelivery in July 2020. That unit has fully contributed to positive results of the Lease and Operate during the year 2020, including (i) accelerated Revenue and EBITDA recognized for US\$77 million following the final settlement signed with the client and (ii) additional one-off contributions from the demobilization activities, while not contributing to the results in 2021.

The Turnkey Directional Revenue and EBITDA increased versus the year ago period, reflecting the general ramp-up of Turnkey activities with (i) five FPSO's under construction, (ii) the awarded limited scope for the FPSO for the Yellowtail development project and (iii) the increase in Offshore services business in 2021. The 2020 Turnkey EBITDA was also impacted by US\$40 million of restructuring costs following the company decision to reorganize the allocation of activities between centers to become more efficient.

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2021 operating segments (Directional)

	Lease and Operate	Turnkey	Reported segments	Other	Total Directional reporting
<b>Third party revenue</b>	<b>1,509</b>	<b>733</b>	<b>2,242</b>	-	<b>2,242</b>
Cost of sales	(1,032)	(640)	(1,672)	-	(1,672)
<b>Gross margin</b>	<b>477</b>	<b>93</b>	<b>570</b>	-	<b>570</b>
Other operating income/expense	12	(2)	10	(10)	1
Selling and marketing expenses	(1)	(29)	(31)	(0)	(31)
General and administrative expenses	(29)	(41)	(70)	(76)	(146)
Research and development expenses	(5)	(24)	(29)	(0)	(29)
Net impairment gains/(losses) on financial and contract assets	(1)	1	0	2	2
<b>Operating profit/(loss) (EBIT)</b>	<b>452</b>	<b>(1)</b>	<b>451</b>	<b>(85)</b>	<b>366</b>
Net financing costs					(171)
Share of profit of equity-accounted investees					(1)
Income tax expense					(72)
<b>Profit/(Loss)</b>					<b>122</b>
Operating profit/(loss) (EBIT)	452	(1)	451	(85)	366
Depreciation, amortization and impairment	462	20	482	0	483
<b>EBITDA</b>	<b>914</b>	<b>19</b>	<b>933</b>	<b>(84)</b>	<b>849</b>
Other segment information :					
Impairment charge/(reversal)	(0)	(1)	(1)	0	(1)

## Reconciliation of 2021 operating segments (Directional to IFRS)

	Reported segments under Directional reporting	Impact of lease accounting treatment	Impact of consolidation methods	Total Consolidated IFRS
<b>Revenue</b>				
Lease and Operate	1,509	(327)	88	1,270
Turnkey	733	1,786	(42)	2,477
<b>Total revenue</b>	<b>2,242</b>	<b>1,459</b>	<b>46</b>	<b>3,747</b>
<b>Gross margin</b>				
Lease and Operate	477	48	35	560
Turnkey	93	289	(21)	362
<b>Total gross margin</b>	<b>570</b>	<b>337</b>	<b>14</b>	<b>922</b>
<b>EBITDA</b>				
Lease and Operate	914	(320)	42	636
Turnkey	19	271	(18)	271
Other	(84)	-	(0)	(84)
<b>Total EBITDA</b>	<b>849</b>	<b>(49)</b>	<b>23</b>	<b>823</b>
<b>EBIT</b>				
Lease and Operate	452	55	50	557
Turnkey	(1)	282	(20)	261
Other	(85)	-	1	(84)
<b>Total EBIT</b>	<b>366</b>	<b>338</b>	<b>30</b>	<b>734</b>
Net financing costs	(171)	(68)	(63)	(301)
Share of profit of equity-accounted investees	(1)	-	111	110
Income tax expense	(72)	(1)	3	(71)
<b>Profit/(loss)</b>	<b>121</b>	<b>268</b>	<b>82</b>	<b>472</b>
Impairment charge/(reversal)	(1)	(14)	4	(11)

The reconciliation from Directional reporting to IFRS comprises two main steps:

- In the first step, those lease contracts that are classified and accounted for as finance lease contracts under IFRS are restated from an operating lease accounting treatment to a finance lease accounting treatment.
- In the second step, the consolidation method is changed i) from percentage of ownership consolidation to full consolidation for those Lease and Operate related subsidiaries over which the Company has control and ii) from percentage of ownership consolidation to the equity method for those Lease and Operate related investees that are classified as joint ventures in accordance with IFRS 11.

### Impact of lease accounting treatment

For the Lease and Operate segment, the restatement from an operating to a finance lease accounting treatment has the main following impacts for the 2021 period:

- Revenue reduced by US\$(327) million. This primarily resulted from the two following opposite effects:
  - During the lease period, under IFRS, the revenue from finance leases is limited to that portion of charter rates that is recognized as interest using the interest effective method. Under Directional reporting, in accordance with the operating lease treatment, the full charter rate is recognized as revenue, on a straight-line basis. This resulted in a difference of US\$(406) million in 2021.
  - A revenue of US\$155 million (at 100%) was accounted under IFRS following the signature of an agreement for a six years extension for the lease and operate contracts of the *FPSO Kikeh* located in Malaysia. This additional revenue resulted from the qualification of the lease as a finance lease under IFRS and is reported as US\$76 million (the Company's ownership share) within the '*Impact of Lease accounting treatment*' and entirely reclassified to the line item Share of profit/(loss) of equity-accounted investees' within the '*Impact of the consolidation method*' (the *FPSO Kikeh*

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being accounted as per equity method under IFRS). The one-shot impact related to the extension is thus recognized at the Company's ownership share through 'Share of profit/(loss) of equity-accounted investees' under IFRS only.

- Gross margin increased by US\$48 million and EBIT increased by US\$55 million. This again resulted mainly from two opposite effects:
  - Under IFRS, gross margin and EBIT from finance leases equal to the recognized revenue, following the declining profile of the interest recognized using the interest effective method. On the other side, under the operating lease treatment applied under Directional, the gross margin and the EBIT correspond to the revenue and depreciation of the recognized PP&E, both accounted for on a straight-line basis over the lease period. This resulted in a difference of US \$(28) million in 2021.
  - As mentioned above, *FPSO Kikeh* had a positive impact on the IFRS Gross Margin following the extension of the lease and operate contracts, to the same extent as for revenue. This additional Gross margin amounting US\$76 million, recognized only under IFRS, is reported within the '*Impact of lease accounting treatment*' and entirely reclassified to the line item 'Share of profit/(loss) of equity-accounted investees' within the '*Impact of the consolidation method*'.

For the Turnkey segment, the restatement from operating to finance lease accounting treatment had the following impacts over the 2021 period:

- Revenue and gross margin increased by US\$1,786 million and US\$289 million respectively, mainly due to the accounting treatment of *Liza Unity* (FPSO), *Prosperity* (FPSO), *FPSO Sepetiba*, *FPSO Almirante Tamandaré*, *FPSO Alexandre de Gusmão* and the initial limited scope for the FPSO for the Yellowtail development project as finance leases under IFRS. Under IFRS, a finance lease is considered as if it was a sale of the asset leading to recognition of revenue during the construction of the asset corresponding to the present value of the future lease payments. This (mostly non-cash) revenue is recognized within the Turnkey segment.
- The basic impact on Turnkey EBIT is largely in line with the impact on gross margin. EBITDA impact is lower than for EBIT and gross margin due to the exclusion from EBITDA of the impact of the reassessment of residual value of finance lease receivable leading to a reversal of impairment in 2021.

As a result, the restatement from operating to finance lease accounting treatment results in an increase of net profit of US\$268 million under IFRS when compared with Directional reporting.

### Impact of consolidation methods

The impact of consolidation methods in the above table describes the net impact from:

- Percentage of ownership consolidation to full consolidation for those Lease and Operate related subsidiaries over which the Company has control, resulting in an increase of revenue, gross margin, EBIT and EBITDA;
- Percentage of ownership consolidation to the equity accounting method for those Lease and Operate related investees that are classified as joint ventures in accordance with IFRS 11, resulting in a decrease of revenue, gross margin, EBIT and EBITDA.

For the Lease and Operate segment, the impact of the changes in consolidation methods results in a net increase of revenue, gross margin, EBIT, EBITDA and net profit under IFRS when compared with Directional reporting. This reflects the fact that the majority of the Company's FPSOs, that are leased under finance lease contracts, are owned by subsidiaries over which the Company has control and which are consolidated using the full consolidation method under IFRS.

For the Turnkey segment, the impact of the changes in consolidation methods is limited, reflecting the fact that most of the turnkey activities are performed by subsidiaries fully owned by the Company.

2020 operating segments (Directional)

	Lease and Operate	Turnkey	Reported segments	Other	Total Directional reporting
<b>Third party revenue</b>	<b>1,699</b>	<b>669</b>	<b>2,368</b>	-	<b>2,368</b>
Cost of sales	(1,207)	(622)	(1,829)	-	(1,829)
<b>Gross margin</b>	<b>492</b>	<b>48</b>	<b>539</b>	-	<b>540</b>
Other operating income/expense	(8)	(42)	(49)	(4)	(53)
Selling and marketing expenses	(1)	(39)	(40)	(0)	(40)
General and administrative expenses	(24)	(42)	(66)	(77)	(142)
Research and development expenses	(2)	(22)	(24)	(0)	(24)
Net impairment gains/(losses) on financial and contract assets	(20)	(3)	(23)	(2)	(25)
<b>Operating profit/(loss) (EBIT)</b>	<b>438</b>	<b>(100)</b>	<b>337</b>	<b>(83)</b>	<b>254</b>
Net financing costs					(175)
Share of profit of equity-accounted investees					1
Income tax expense					(42)
<b>Profit/(Loss)</b>					<b>39</b>
Operating profit/(loss) (EBIT)	438	(100)	337	(83)	254
Depreciation, amortization and impairment <sup>1</sup>	671	91	762	5	767
<b>EBITDA</b>	<b>1,108</b>	<b>(9)</b>	<b>1,099</b>	<b>(78)</b>	<b>1,021</b>
Other segment information					
Impairment charge/(reversal)	20	61	81	0	81

<sup>1</sup> Includes net impairment losses on financial and contract assets.

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Reconciliation of 2020 operating segments (Directional to IFRS)

	Reported segments under Directional reporting	Impact of lease accounting treatment	Impact of consolidation methods	Total Consolidated IFRS
<b>Revenue</b>				
Lease and Operate	1,699	(241)	303	1,761
Turnkey	669	1,050	16	1,735
<b>Total revenue</b>	<b>2,368</b>	<b>809</b>	<b>319</b>	<b>3,496</b>
<b>Gross margin</b>				
Lease and Operate	492	49	187	728
Turnkey	48	117	(5)	160
<b>Total gross margin</b>	<b>539</b>	<b>167</b>	<b>183</b>	<b>889</b>
<b>EBITDA</b>				
Lease and Operate	1,108	(303)	202	1,007
Turnkey	(9)	134	(11)	114
Other	(78)	-	(0)	(78)
<b>Total EBITDA</b>	<b>1,021</b>	<b>(169)</b>	<b>191</b>	<b>1,043</b>
<b>EBIT</b>				
Lease and Operate	438	55	186	678
Turnkey	(100)	113	(3)	10
Other	(83)	-	0	(83)
<b>Total EBIT</b>	<b>254</b>	<b>168</b>	<b>183</b>	<b>605</b>
Net financing costs	(175)	(31)	(51)	(257)
Share of profit of equity-accounted investees	1	-	15	17
Income tax expense	(42)	(3)	6	(38)
<b>Profit/(loss)</b>	<b>39</b>	<b>134</b>	<b>154</b>	<b>327</b>
Impairment charge/(reversal)	81	20	(8)	94

## Reconciliation of 2021 statement of financial position (Directional to IFRS)

	Reported under Directional reporting	Impact of lease accounting treatment	Impact of consolidation methods	Total Consolidated IFRS
<b>ASSETS</b>				
Property, plant and equipment and Intangible assets <sup>1</sup>	7,234 <sup>2</sup>	(6,750)	(2)	482
Investment in associates and joint ventures	10	-	351	361
Finance lease receivables	0	4,706	1,475	6,182
Other financial assets	281 <sup>3</sup>	(209)	19	91
Construction work-in-progress	109	3,532	498	4,140
Trade receivables and other assets	926	1	(63)	864
Derivative financial instruments	47	-	-	47
Cash and cash equivalents	1,059	-	(38)	1,021
Assets held for sale	25	-	-	25
<b>Total Assets</b>	<b>9,690</b>	<b>1,281</b>	<b>2,241</b>	<b>13,211</b>
<b>EQUITY AND LIABILITIES</b>				
Equity attributable to parent company	603	1,969	7	2,579
Non-controlling interests	2	0	956	957
<b>Equity</b>	<b>604</b>	<b>1,969</b>	<b>963</b>	<b>3,537</b>
Borrowings and lease liabilities	6,460 <sup>4</sup>	-	1,241	7,701
Provisions	590	(213)	6	383
Trade payable and other liabilities	1,479	(168)	(15)	1,295
Deferred income	316	(308)	(2)	7
Derivative financial instruments	240	-	48	288
<b>Total Equity and Liabilities</b>	<b>9,690</b>	<b>1,281</b>	<b>2,241</b>	<b>13,211</b>

1 Under Directional, the cost related to the Brazilian local content penalty is capitalized in line with construction progress of related assets and presented in the Directional statement of financial position under 'Property, plant and equipment and Intangible assets'. Under IFRS the same cost is directly recognized as cost of sales in the IFRS consolidated income statement

2 Includes US\$3,310 million related to units under construction.

3 Includes US\$246 million related to demobilization receivable.

4 Includes US\$2,928 million non-recourse debt and US\$57 million lease liability.

Consistent with the reconciliation of the key income statement line items, the above table details:

- The restatement from the operating lease accounting treatment to the finance lease accounting treatment for those lease contracts that are classified and accounted for as finance lease contracts under IFRS; and
- The change from percentage of ownership consolidation to either full consolidation or equity accounting for investees related to Lease and Operate contracts.

### Impact of lease accounting treatment

For the statement of financial position, the main adjustments from Directional reporting to IFRS as of December 31, 2021 are:

- For those lease contracts that are classified and accounted for as finance lease contracts under IFRS, de-recognition of property, plant and equipment recognized under Directional reporting (US\$(6,750) million) and subsequent recognition of (i) finance lease receivables (US\$4,706 million) and (ii) construction work-in-progress (US\$3,532 million) for those assets still under construction.
- For operating lease contracts with non-linear bareboat day rates, a deferred income provision is recognized to show linear revenues under Directional reporting. The part of the balance (US\$(308) million) is derecognized for the contracts that are classified and accounted for as finance lease contracts under IFRS.
- Restatement of the provisions for demobilization and associated non-current receivable assets, mainly impacting other financial assets (US\$(209) million) and provisions (US\$(213) million).

As a result, the restatement from operating to finance lease accounting treatment gives rise to an increase of equity of US \$1,969 million under IFRS compared with Directional reporting. This primarily reflects the earlier margin recognition on finance lease contracts under IFRS compared to Directional reporting.



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### Impact of consolidation methods

The above table of statement of financial position also describes the net impact of moving from percentage of ownership consolidation to either full consolidation, for those lease related investees in which the Company has control, or equity accounting, for those investees that are classified as joint ventures under IFRS 11. The two main impacts are:

- Full consolidation of asset specific entities that mainly comprise finance lease receivables (representing the net present value of the future lease payments to be received) and non-recourse project debts.
- Derecognition of the individual line items from the statement of financial positions for those entities that are equity accounted under IFRS, rolling up in the line item 'Investment in associates and joint ventures'.

Reconciliation of 2021 cash flow statement (Directional to IFRS)

	Reported under Directional reporting	Impact of lease accounting treatment	Impact of consolidation methods	Total Consolidated IFRS
<b>EBITDA</b>	<b>849</b>	(49)	23	<b>823</b>
Adjustments for non-cash and investing items	41	(28)	51	64
Changes in operating assets and liabilities	(109)	(1,626)	(161)	(1,896)
Reimbursement finance lease assets	(0)	330	(14)	316
Income taxes paid	(66)	(0)	4	(62)
<b>Net cash flows from (used in) operating activities</b>	<b>715</b>	<b>(1,373)</b>	<b>(98)</b>	<b>(755)</b>
Capital expenditures	(1,483)	1,422	-	(61)
Other investing activities	68	2	(4)	66
<b>Net cash flows from (used in) investing activities</b>	<b>(1,415)</b>	<b>1,424</b>	<b>(4)</b>	<b>5</b>
Equity payment from/(repayment to) partners	-	-	80	80
Additions and repayments of borrowings and lease liabilities	1,945	-	90	2,035
Dividends paid to shareholders and non-controlling interests	(165)	-	(127)	(292)
Interest paid	(224)	(51)	(64)	(340)
Share repurchase program	(178)	-	-	(178)
Payments from non-controlling interests for change in ownership	0	0	53	53
<b>Net cash flows from (used in) financing activities</b>	<b>1,377</b>	<b>(51)</b>	<b>32</b>	<b>1,359</b>
Net cash and cash equivalents as at 1 January	383	-	31	414
Net increase/(decrease) in net cash and cash equivalents	678	-	(69)	609
Foreign currency variations	(2)	-	(0)	(2)
<b>Net cash and cash equivalents as at 31 December</b>	<b>1,059</b>	<b>-</b>	<b>(38)</b>	<b>1,021</b>

### Impact of lease accounting treatment

At net cash level, the difference in lease accounting treatment is neutral. The impact of the different lease accounting treatment under Directional reporting versus IFRS is limited to reclassifications between cash flow activities.

A large part of the capital expenditures (US\$1,422 million) are reclassified from investing activities under Directional, to net cash flows from operating activity under IFRS, where finance lease contracts are accounted for as construction contracts. Furthermore, the financing costs incurred during the construction of the FPSOs, which are capitalized under Directional as part of asset under construction (and therefore presented in investing activities) are reclassified to financing activities under IFRS.

The impact of the change of lease accounting treatment at EBITDA level is described in further detail in the earlier reconciliation of the Company's income statement.

### Impact of consolidation methods

The impact of the consolidation method on the cash flow statement is in line with the impact described for the statement of financial position. The full consolidation of asset specific entities, mainly comprising finance lease receivables and the related non-recourse project debts, results in increased additions and repayments of borrowings under IFRS versus Directional.

Reconciliation of 2020 statement of financial position (Directional to IFRS)

	Reported under Directional reporting	Impact of lease accounting treatment	Impact of consolidation methods	Total Consolidated IFRS
<b>ASSETS</b>				
Property, plant and equipment and Intangible assets <sup>1</sup>	6,133 <sup>2</sup>	(5,539)	(2)	592
Investment in associates and joint ventures	4	0	278	282
Finance lease receivables	0	4,941	1,546	6,487
Other financial assets	307 <sup>3</sup>	(209)	25	122
Construction work-in-progress	69	1,862	317	2,248
Trade receivables and other assets	860	(2)	(56)	802
Derivative financial instruments	137	-	(0)	137
Cash and cash equivalents	383	-	31	414
Assets held for sale	0	-	-	0
<b>Total Assets</b>	<b>7,894</b>	<b>1,053</b>	<b>2,138</b>	<b>11,085</b>
<b>EQUITY AND LIABILITIES</b>				
Equity attributable to parent company	858	1,694	4	2,556
Non-controlling interests	1	0	905	905
<b>Equity</b>	<b>858</b>	<b>1,694</b>	<b>909</b>	<b>3,462</b>
Loans and borrowings	4,476 <sup>4</sup>	-	1,147	5,623
Provisions	549	(205)	32	376
Trade payable and other liabilities	1,290	(51)	(32)	1,207
Deferred income	395	(386)	(3)	6
Derivative financial instruments	327	-	84	411
<b>Total Equity and Liabilities</b>	<b>7,894</b>	<b>1,053</b>	<b>2,138</b>	<b>11,085</b>

1 Under Directional, the cost related to the Brazilian local content penalty is capitalized in line with construction progress of related assets and presented in the Directional statement of financial position under 'Property, plant and equipment and Intangible assets'. Under IFRS the same cost is directly recognized as cost of sales in the IFRS consolidated income statement

2 Includes US\$1,759 million related to (i) units under construction (i.e. FPSOs Liza Unity, Prosperity and Sepetiba) and (ii) Gene tanker.

3 Includes US\$273 million related to demobilization receivable.

4 Includes US\$3,150 million non-recourse debt and US\$71 million lease liability.

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### Reconciliation of 2020 cash flow statement (Directional to IFRS)

	Reported under Directional reporting	Impact of lease accounting treatment	Impact of consolidation methods	Total Consolidated IFRS
<b>EBITDA</b>	<b>1,021</b>	(169)	191	<b>1,043</b>
Adjustments for non-cash and investing items	52	4	(34)	23
Changes in operating assets and liabilities	(326)	(912)	(202)	(1,440)
Reimbursement finance lease assets	(0)	300	(13)	288
Income taxes paid	(51)	0	10	(42)
<b>Net cash flows from (used in) operating activities</b>	<b>696</b>	<b>(777)</b>	<b>(48)</b>	<b>(128)</b>
Capital expenditures	(871)	801	0	(70)
Acquisition of shares in co-owned entities	2	(0)	(2)	0
Other investing activities	33	4	16	53
<b>Net cash flows from (used in) investing activities</b>	<b>(837)</b>	<b>805</b>	<b>15</b>	<b>(17)</b>
Equity payment from/repayment to partners	-	-	(23)	(23)
Additions and repayments of borrowings and loans	534	0	139	673
Dividends paid to shareholders non-controlling interests	(150)	-	(83)	(233)
Interest paid	(155)	(24)	(50)	(228)
Share repurchase program	(165)	-	-	(165)
Payments to non-controlling interests for change in ownership	(0)	-	28	28
<b>Net cash flows from (used in) financing activities</b>	<b>62</b>	<b>(24)</b>	<b>12</b>	<b>50</b>
Net cash and cash equivalents as at 1 January	458	-	48	506
Net increase/(decrease) in net cash and cash equivalents	(80)	0	(16)	(95)
Foreign currency variations	5	(0)	(0)	5
<b>Net cash and cash equivalents as at 31 December</b>	<b>383</b>	<b>-</b>	<b>31</b>	<b>414</b>

### Deferred income (Directional)

	31 December 2021	31 December 2020
Within one year	70	82
Between 1 and 2 years	48	67
Between 2 and 5 years	122	133
More than 5 years	77	113
<b>Balance at 31 December</b>	<b>316</b>	<b>395</b>

The Directional deferred income is mainly related to the revenue of those lease contracts, which include a decreasing day-rate schedule. As revenue is recognized in the income statement on a straight-line basis with reference to IFRS 16 'Leases', the difference between the yearly straight-line revenue and the contractual day rates is included as deferred income. The deferral will be released through the income statement over the remaining duration of the relevant lease contracts.

## GEOGRAPHICAL INFORMATION

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

The revenue by country is analyzed as follows:

### 2021 geographical information (revenue by country and segment)

	Directional			IFRS		
	Lease and Operate	Turnkey	Reported segments	Lease and Operate	Turnkey	Reported segments
Brazil	858	246	1,104	983	1,067	2,049
Guyana	237	300	537	159	1,217	1,377
Angola	201	4	205	0	7	8
Equatorial Guinea	102	10	113	96	10	106
Malaysia	79	2	81	1	5	5
The United States of America	31	3	34	31	3	34
France	-	37	37	-	37	37
Mozambique	-	31	31	-	31	31
Nigeria	-	32	32	-	32	32
Norway	-	12	12	-	12	12
Gabon	-	14	14	-	14	14
China	-	11	11	-	11	11
Other	0	32	32	0	32	33
<b>Total revenue</b>	<b>1,509</b>	<b>733</b>	<b>2,242</b>	<b>1,270</b>	<b>2,477</b>	<b>3,747</b>

### 2020 geographical information (revenue by country and segment)

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

## 4 FINANCIAL INFORMATION 2021

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

Geographical information (non-current assets by country)

	31 December 2021		31 December 2020	
	IFRS	DIR	IFRS	DIR
Brazil	5,364	4,526	5,709	3,933
Guyana	716	2,427	791	1,817
Angola	303	211	257	269
Equatorial Guinea	75	115	87	138
Switzerland	40	79	66	79
Monaco	40	40	57	57
Malaysia	92	11	57	43
The United States of America	36	36	50	51
Netherlands	15	15	28	28
Other	113	89	141	114
<b>Total</b>	<b>6,795</b>	<b>7,550</b>	<b>7,243</b>	<b>6,528</b>

### RELIANCE ON MAJOR CUSTOMERS

Under Directional, two customers each represent more than 10% of the consolidated revenue. Total revenue from these two major customers amounts to US\$1,476 million (US\$842 million and US\$634 million, respectively). In 2020, the revenue related to the two major customers was US\$1,469 million (US\$1,023 million and US\$446 million, respectively). In 2021 and 2020, the revenue of these major customers was mainly related to the Lease and Operate segment.

Under IFRS, two customers each represent more than 10% of the consolidated revenue. Total revenue from these major customers amounts to US\$3,406 million (US\$1,998 million, US\$1,408 million respectively). In 2020, three customers accounted for more than 10% of the consolidated revenue (US\$2,879 million), respectively for US\$1,661 million, US\$867 million and US\$352 million.

### 4.3.3 REVENUE

The Company's revenue mainly originates from construction contracts and lease and operate contracts. Revenue originating from construction contracts is presented in the Turnkey segment while revenue from lease and operate contracts is presented in the Lease and Operate segment. Around 51% of the Company's 2021 lease and operate revenue is made of charter rates related to lease contracts while the remaining amount originates from operating contracts. The Company recognizes most of its revenue (i.e. more than 95%) over time.

The Company's policy regarding revenue recognition is described in further detail in note 4.2.7 B. Critical Accounting Policies – (d) Revenue. For the disaggregation of total revenue by country and by segment, please refer to Geographical Information under note 4.3.2 Operating Segments and Directional Reporting .

The Company's construction contracts can last for multiple years depending on the type of product, scope and complexity of the project while the Company's Lease and Operate contracts are generally multiple-year contracts. As a result, the Company has (partially) outstanding performance obligations to its clients (unsatisfied performance obligations) at December 31, 2021. These unsatisfied performance obligations relate to:

- Ongoing construction contracts, including the construction of vessels under finance leases that still need to be completed;
- Ongoing multiple-year operating contracts. Note that for this specific disclosure on unsatisfied performance obligations, the lease component of the Lease and Operate contracts is excluded (this component being described in further detail in notes 4.3.13 Property, Plant and Equipment and 4.3.15 Finance Lease Receivables). As noted, some contracts include (performance) bonuses when earned or penalties incurred under the Company's Lease and Operate contracts. The amount of performance-related payments for 2021 was US\$101 million (2020: US\$68 million).