Strategic report, Directors' report and Financial statements

For the year ended 31 December 2018

TechnipFMC Holdings Limited

Registered No: 10436099

TechnipFMC Holdings Limited

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Strategic report
for the year ended 31 December 2018

The directors of TechnipFMC Holdings Limited ("the Company") present their strategic report for the year ended 31 December 2018.

Review of the business

The Company is a holding company which holds investments in subsidiaries. The Company's majority shareholder is TechnipFMC Plc.

At 31 December 2018, the Company had net assets of USD 6.9 billion. Further information regarding the financial position of the Company at the period-end is provided in the Directors' Report.

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of TechnipFMC Plc consolidated group (the "Group") and are not managed separately. Accordingly, the principal risks and uncertainties of the Group are discussed within the Group's annual report, which does not form part of this report.

Key performance indicators ('KPIs')

The directors believe that analysis using KPIs for the Company, such as valuation of the investments, and dividends received from subsidiaries, is appropriate for an understanding of the development, performance or position of the Company.

Approved by the Board of Directors on 11 November 2019 and signed on its behalf by:

Jose Cadena
Director

TechnipFMC Holdings Limited
Registered No: 10436099
One St. Paul's Churchyard
London EC4M 8AP

TechnipFMC Holdings Limited
Directors' report
for the year ended 31 December 2018

The directors present their report and the audited financial statements for the year ended 31 December 2018.

Directors of the Company

The directors who were in office for the year ended 31 December 2018 and up to the date of signing these financial statements were:

Jose S. Cadena (appointed 15 December 2017)
Barry Glickman (appointed 15 December 2017)
Charles-Henri Prou (appointed 15 December 2017 and resigned on 31 May 2018)
Stephen Siegel (appointed 26 July 2019)

In addition, Brenda Mennie was appointed as Company Secretary on 26 July 2019.

Principal activities

The Company's principal activity during the period and at the period end was that of an investment company. During the period no management services were provided.

Results and dividends

The Company's loss for the financial period is USD 2.6 billion. No interim dividends were paid during the period. The directors do not recommend the payment of a final dividend.

Post balance sheet events

No significant events since 31 December 2018 are reported.

Future developments

There are no planned future developments.

Financial risk management

Objectives and Policies

The Company's ultimate controlling party is TechnipFMC Plc and in common with other TechnipFMC Plc subsidiaries, the Company must comply with the Group's policies, processes and systems that set out the principles and framework for managing group-wide risk. Further information on TechnipFMC Plc group policies are available in the annual report of TechnipFMC Plc.

Price risk, credit risk, liquidity risk and cash flow risk

Foreign exchange risk management

The Company operates within the framework of the Group's policies for foreign exchange risk management.

Credit risk management

The Company is subject to the Group's policy, which sets a credit limit for each financial institution with which the Company does a significant amount of business. Credit risk assessment involves quantitative and qualitative criteria including ratings by external credit rating services where these are available.

United Kingdom's proposed withdrawal from the European Union

The Company is based in the United Kingdom and has worldwide operations including Europe. In June 2016, a majority of voters in the United Kingdom elected to withdraw from the European Union in a national referendum ("Brexit"). Brexit has created significant uncertainty about the future relationship between the United Kingdom and the European Union and has given rise to calls for certain regions within the United Kingdom to preserve their place in the European Union by separating from the United Kingdom. These developments, or the perception that any of them could occur, 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. These factors could have a material adverse effect on our business, financial condition, and results of operations.

Price risk, credit risk, liquidity risk and cash flow risk

Liquidity risk management

The Company has sufficient committed funding to meet planned liquidity needs with headroom through funding provided by its majority shareholder, TechnipFMC Plc.

Political donations

No political donations were made during the period.

Directors' indemnities

The Company maintains liability insurance for its directors. This is a qualifying third-party indemnity provision for the purposes of the Companies Act 2006. This insurance coverage was in force during the period and is still in force at the date of approving these financial statements.

Going concern

Notwithstanding the fact that the Company has net current liabilities but overall net assets, the directors have a reasonable expectation that funding will continue to be provided by other Group companies, such that the Company can meet its obligations as they fall due for a period of at least twelve months from the date of the auditors' approval of these financial statements.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the 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 the directors must not approve these financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. The

directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and,
- they have 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 auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

Approved by the Board of Directors on 11 November 2019 and signed on its behalf by:

Jose S Cadena

Jose Cadena
Director

TechnipFMC Holdings Limited
Registered No: 10436099
One St. Paul's Churchyard
London EC4M 8AP

Independent auditors' report to the members of TechnipFMC Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion, TechnipFMC Holdings Limited 's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- 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
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Strategic report, Directors' report and Financial statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2018; the income statement, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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 company 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

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 the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require 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 2018 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 company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities set out on page 4-5, 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 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 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.

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 received 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 financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Richard Spilsbury (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Aberdeen
11 November 2019

TechnipFMC Holdings Limited
Income statement

	Note	1 January 2018 to 31 December 2018 USD	19 October 2016 to 31 December 2017 USD
Administrative expenses	4	(32,001)	(35,327)
Impairment loss	7	(6,154,050,656)	(522,974,942)
Operating loss		**(6,154,082,657)**	**(523,010,269)**
Dividend income	7	3,513,535,180	-
Other income	7	2,539,981	-
Interest income		120,275,826	3,949,151
Interest expense		(86,668,076)	(3,949,151)
Other expense	9	(7,541,989)	(13)
Loss before taxation		**(2,611,941,735)**	**(523,010,282)**
Income tax expense	8	-	-
Loss for the financial period		**(2,611,941,735)**	**(523,010,282)**

As the Company has no other comprehensive income for the period, a separate statement of comprehensive income has not been presented.

All activities are continuing.

The notes on pages 12 to 21 form part of these financial statements

TechnipFMC Holdings Limited
Statement of financial position

	Note	As at 31 December 2018 USD	As at 31 December 2017 USD
Other financial assets at amortized costs			
Shares in group undertakings	7	5,198,438,281	9,516,250,000
Loans receivable - related entities, net	9	2,423,661,889	2,803,949,151
Other receivables	10	119,855,252	-
		7,741,955,422	**12,320,199,151**
Current assets			
Cash		463,421	-
Trade and other receivables	11	421,821	3,950,404
		885,242	**3,950,404**
Trade and other payables	12	(86,668,076)	(3,949,157)
Creditors – amounts falling due within one year	13	(67,350)	(35,349)
Current tax liabilities	8	-	-
Net current liabilities		**(85,850,184)**	**(34,102)**
Total assets less current liabilities		**7,656,105,238**	**12,320,165,049**
Loans payable – related entities	14	(751,831,075)	(2,803,949,151)
Net assets		**6,904,274,163**	**9,516,215,898**
Capital and reserves	15		
Called up share capital		1,238	1,238
Share premium account		1,193,250,000	1,193,250,000
Merger reserve		2,168,949,344	8,323,000,000
Retained income (loss)		3,542,073,581	(35,340)
Total shareholders' funds		**6,904,274,163**	**9,516,215,898**

The financial statements on pages 9 to 21 were approved by the Board of Directors on 11 November 2019 and were signed on its behalf by:

Jose Cadena
Director

Jose S Caden

TechnipFMC Holdings Limited
Registered No: 10436099
One St. Paul's Churchyard
London EC4M 8AP

The notes on pages 12 to 21 form part of these financial statements

TechnipFMC Holdings Limited
Statement of changes in equity

	Called up share capital USD	Share premium account USD	Merger reserve USD	Retained income (losses) USD	Total Shareholders' funds USD
Balance as at 19 October 2016	**1**	**-**	**-**	**-**	**1**
Loss for the financial period	-	-	-	(523,010,282)	(523,010,282)
Total comprehensive loss for the period	**-**	**-**	**-**	**(523,010,282)**	**(523,010,282)**
Issuance of ordinary shares	1,237	1,193,250,000	8,845,974,942	-	10,039,226,179
Transfer of impairment losses	-	-	(522,974,942)	522,974,942	-
Total transactions with owners, recognized directly in equity	**1,237**	**1,193,250,000**	**8,323,000,000**	**(35,340)**	**9,516,215,898**
Balance as at 31 December 2017	**1,238**	**1,193,250,000**	**8,323,000,000**	**(35,340)**	**9,516,215,898**
Loss for the financial period	-	-	-	(2,611,941,735)	(2,611,941,734)
Transfer of impairment losses			(6,154,050,656)	6,154,050,656	
Total transactions with owners, recognized directly in equity	**1,238**	**1,193,250,000**	**2,168,949,344**	**3,542,073,581**	**6,904,274,163**

Profits which were previously regarded as unrealized can become realized as a result of a realized loss recognized on the impairment of the investment.

The notes on pages 12 to 21 form part of these financial statements

TechnipFMC Holdings Limited
Notes to the financial statements

NOTE 1 – GENERAL INFORMATION

TechnipFMC Holdings Limited's (hereafter the "Company") principal activity is that of an investment company.

The Company is a private limited by shares company and is incorporated and domiciled in the United Kingdom ("UK"). The address of the Company's registered office is One St. Paul's Churchyard, London EC4M 8AP.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

2.1 Basis of preparation

The Company has prepared these financial statements in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' ("FRS 101"). These financial statements have been prepared under the going concern basis, historical cost convention and in accordance with the Companies Act 2006 as applicable to companies using FRS 101. The principal accounting policies, which have been applied consistently throughout the period, are set out below.

The following exemptions from the requirements of International Financial Reporting Standards ("IFRS") have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial Instruments: Disclosures'.
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d), (statement of cash flows)
  - 16 (statement of compliance with all IFRS),
  - 38A (requirement for minimum of two primary statements, including cash flow statements),
  - 111 (cash flow statement information), and
  - 134-136 (capital management disclosures)
- IAS 7, 'Statement of cash flows'
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group
- No statement regarding the potential impact for forthcoming changes in financial reporting standards.

2.1.1 Going concern

Notwithstanding the fact that the Company has net current liabilities, the directors have prepared these financial statements on the going concern basis. The directors have a reasonable expectation that funding will continue to be provided by the Company's majority shareholder TechnipFMC Plc, such that the Company can meet its obligations as they fall due for a period of at least twelve months from the date of the auditors' approval of these financial statements.

2.2 Consolidation

The Company is a subsidiary of TechnipFMC Plc. It is included in the consolidated financial statements of the ultimate parent TechnipFMC Plc. The company is exempt by virtue of section 400 (exemption for company included in EEA group financial statements of larger group) of the Companies Act 2006 from the requirement to prepare consolidated financial statements. The address of TechnipFMC Plc is One St. Paul's Churchyard, London EC4M 8AP and it is registered with Companies House under number 09909709. The consolidated financial statements as prepared by TechnipFMC Plc are available at its registered address and are available on the following website: http://investors.Technipfmc.com.

2.3 Foreign currency translation

These financial statements are presented in United States Dollars ("USD") which is the Company's functional currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. All other foreign exchange gains and losses are presented in the income statement within 'Other operating income'.

2.4 Investment in subsidiaries

Investments in subsidiaries are held at cost less accumulated impairment losses.

At each balance sheet date, the Company reviews the carrying amount 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 cost 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.

2.5 Financial instruments

Loans and receivables (including trade receivables and prepayments) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Company's loans and receivables comprise receivables and cash in the balance sheet. Initial measurement takes place at fair value plus transaction costs. They are subsequently measured at amortised cost, using the effective interest method. Valuation allowances are provided for identifiable individual risks. If the loss of a certain part of the receivables is probable, valuation allowances are provided to cover the expected loss.

Financial liabilities (including trade payables and borrowings) are measured at amortised cost, using the effective interest method. Initial measurement takes place at fair value net of transaction costs incurred.

In subsequent periods, the amortisation and accretion of any premium or discount is included in finance costs/income. Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

2.6 Trade receivables and loans issued to related parties

Recognition and measurement

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. Financial assets at amortised cost (debt instruments) is the most relevant category to the Company. The Company measures trade receivable and loans issued to related parties at amortised cost when 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 five rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Loans receivable (debt instruments) are initially measured at their fair values plus transaction costs.

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Impairment

The company has applied IFRS 9 from incorporation and an allowance for expected credit losses ("ECL") is recognised for all financial assets not held at fair value through profit or loss. 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 the Company expects to receive, discounted at the original effective interest rate. The expected cash flows will include consideration of collaterals or other credit enhancements that are integral to the contractual terms.

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).

2.7 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

2.8 Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholder's funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholder's funds, respectively.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting, nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.9 Dividend income

Dividend income is recognised when the right to receive payment is established.

2.10 Dividend distribution

Final dividends to the Company's shareholder are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders. Interim dividends are recognised when paid.

NOTE 3 - JUDGEMENT IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions, which affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of these financial statements, and the reported amounts of revenues and expenses during the reporting period. These judgements are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experience, but actual results may differ from the amounts included in these financial statements. The key area is discussed below:

Impairment of Shares in Group Undertakings

The main assessment and key source of estimation uncertainty relates to the valuation of Shares in group undertakings which is tested for impairment at least annually and whenever a trigger event is identified. A sensitivity analysis is also performed on key assumptions used for the impairment test, in order to ensure no reasonable change of an assumption on which the Company has based its recoverable value jeopardizes the conclusions of the impairment test.

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 estimates on provision for expected credit losses on trade receivable and loans issued to related parties and are described below.

The assessment of the correlation between the historical observed loss rate statistic, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. 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.

NOTE 4 – ADMINISTRATIVE EXPENSES

Fees payable to the Company's auditors for the reporting period were USD 32,001 and USD 33,757 as of 31 December 2018 and 2017, respectively.

NOTE 5 – DIRECTORS' REMUNERATION

For the reporting period the directors of the Company did not receive any remuneration.

NOTE 6 - EMPLOYEES

For the reporting period the Company did not employ any employees.

NOTE 7 – SHARES IN GROUP UNDERTAKINGS

	Subsidiary Undertakings USD	Subsidiary Undertakings USD
As at 1 January 2018 / 19 October 2016	9,516,250,000	-
Additions	4,515,152,847	10,039,224,942
Disposals	(2,678,913,910)	-
Impairment loss	(6,154,050,656)	(522,974,942)
As at 31 December 2018/2017	**5,198,438,281**	**9,516,250,000**

During the period, the Company made a restructuring of its business resulting in a reallocation of the investment in the underlying subsidiaries which triggered an impairment loss of USD 6.2 billion, with a corresponding dividend income of USD 3.5 billion. During 2017, the Company recorded an impairment on investment of USD 523.0 million.

In 2018, the Company purchased 31.4% of FMC Technologies Global B.V and 19.5% of TechnipFMC International Holdings B.V. for net USD 1.2 billion and USD 633.0 million, respectively. The Company also purchased direct interest in FMC Australia, FMC Argentina, FMC Brazil, FMC Switzerland and FMC Technologies B.V. for a total amount of USD 2.7 billion and then subsequently disposed of all of the acquired interest with the exception of a 2.0% remaining holding in FMC Argentina amounting to USD 345.0 thousand. The Company recorded a gain of USD 2.5 million on the sale of its interest in subsidiaries during 2018. The gain is recognized as 'Other income' in the Income statement.

The Company's direct and indirect subsidiaries at 31 December 2018 are listed below. Ownership interests noted in the table reflect holdings of ordinary shares.

Directly owned subsidiaries of the Company as of 31 December 2018

Company Name	Address	Share Class	Interest held in %
ARGENTINA			
FMC Technologies Argentina S.R.L.	Manzana 3 - Lote 19 Parque Industrial Neuquen Neuquén CP 8300	Ordinary shares	2.0
NETHERLANDS			
FMC Technologies Global, B.V.	Zuidplein 126, WTC Amsterdam 1077XV	Ordinary shares	31.4
TechnipFMC International Holdings B.V.	Zuidplein 126, WTC, Tower H, 15è Amsterdam 1077XV	Preferred shares and Ordinary shares	19.5
UNITED STATES			
TechnipFMC US Holdings Inc	1209 Orange Street 19801 Wilmington	Ordinary shares	100.0

Indirectly owned subsidiaries of the Company as of 31 December 2018

Company Name	Address	Share Class	Interest held in %
MALAYSIA			
Technip Geoproduction Sdn Bhd	Suite 13.03, 13th Floor 207 Jalan Tun Razak Kuala Lumpur 50400	Ordinary shares	6.1
NORWAY			
Inocean AS	Bryggegata 3 0250 Oslo	Ordinary shares	21.3
Technip Norge AS	Philip Pedersens vei 7 1366 LYSAKER	Ordinary	19.5
Kanfa AS	Nye Vaka Vei 80 1395 Hvalstad	Ordinary shares	24.8
PORTUGAL			
Lusotechnip Engenharia Sociedade Ltda	5th Floor Tower Ocidete Rua Galileu Galilei 2 1500-92 Lisbon	Ordinary shares	19.5
SINGAPORE			
Technip-NPV Singapore Pte Ltd	41, Science Park Road #03-24/28 The Gemini - Singapore Science Park II 117610 Singapore	Ordinary	19.5
Coflexip Singapore Pte Ltd	149 Gul Circle 629605 Singapore	Ordinary	19.5
UNITED KINGDOM			
Technip UK Limited	One St Paul's Churchyard London EC4M 8AP	Ordinary	19.5
TechnipFMC International Finance Ltd	One St Paul's Churchyard London EC4M 8AP	Ordinary	19.5
TechnipFMC International UK Limited	One St Paul's Churchyard London EC4M 8AP	Ordinary	31.4
TechnipFMC Europe Limited	One St Paul's Churchyard London EC4M 8AP	Ordinary	19.5
UNITED STATES			
FMC Technologies, Inc.	1209 Orange Street 19801 Wilmington	Ordinary shares	35.8
Technip USA, Inc.	1209 Orange Street	Ordinary shares	100.0

NOTE 8 – CURRENT TAX LIABILITIES

	1 January 2018 to 31 December 2018 USD	19 October 2016 to 31 December 2017 USD
Current tax:		
UK Corporation tax on income for the period	-	-
Total current tax expense	-	-
Income tax expense	-	-

The tax in the income statement for the period is the same as (2017; varied from) the average standard rate of corporation tax in the UK due to the following factors:

	1 January 2018 to 31 December 2018 USD	19 October 2016 to 31 December 2017 USD
2017 Loss before taxation of USD 523,010,282 at UK standard rate of corporation tax of 19.37%		(101,307,092)
2018 Loss before taxation of USD 2,611,941,735 at UK standard rate of corporation tax of 19.01%	(496,530,124)	
Tax losses carried forward	496,530,124	101,307,092
Total tax for the period	-	-

The tax rate for the current period is the standard rate of corporation tax in the UK for the period ended 31 December 2018 of 19.01% and 19.37% as of 31 December 2017.

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2015 (on 26 October 2015) and Finance Bill 2016 (on 7 September 2016). These include reductions to the main rate to reduce the rate to 19.01% from 1 April 2017 and to 17.00% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

NOTE 9 – LOANS RECEIVABLE - RELATED ENTITIES

	31 December 2018 USD	31 December 2017 USD
TechnipFMC Plc	2,423,661,889	2,803,949,151
Total	**2,423,661,889**	**2,803,949,151**

On 20 December 2017 the Company granted a loan of USD 2.8 billion to TechnipFMC Plc at a fixed rate of 4.68% repayable before 21 December 2022. In 2018, the Company settled USD 2.0 billion in exchange for interest in TechnipFMC International Holdings, B.V. In 2018, the Company granted additional loans to TechnipFMC Plc totalling USD 1.7 billion. These loans are repayable in 5 years and bear interest at fixed rates ranging from 2.69% to 4.83%.

The Company's loan receivables from related parties are unsecured and are stated net of impairment allowance of USD 7.5 million at 31 December 2018 which was calculated using the expected credit loss approach.

NOTE 10 – OTHER RECEIVABLES

	31 December 2018 USD	31 December 2017 USD
Interest on loans to related entities	119,855,252	-
Total	**119,855,252**	**-**

NOTE 11 – TRADE AND OTHER RECEIVABLES

	31 December 2018 USD	31 December 2017 USD
Interest on loans to related entities – short-term	420,574	3,949,151
Other	1,247	1,253
Total	**421,821**	**3,950,404**

NOTE 12 – TRADE AND OTHER PAYABLES

	31 December 2018 USD	31 December 2017 USD
Interest on loans from related entities	(86,668,076)	(3,949,157)
Total	**(86,668,076)**	**(3,949,157)**

NOTE 13 - CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2018 USD	31 December 2017 USD
Bank overdraft	-	(1,582)
Creditors	(67,350)	(33,757)
Other payables	-	(10)
Total	**(67,350)**	**(35,349)**

NOTE 14 – LOANS PAYABLE – RELATED ENTITIES

	31 December 2018 USD	31 December 2017 USD
TechnipFMC International Finance Ltd	(751,831,075)	(2,803,949,151)
Total	**(751,831,075)**	**(2,803,949,151)**

On 20 December 2017, the Company received a loan of USD 2.8 billion from TechnipFMC International Finance Ltd at a fixed rate of 4.68% payable before 21 December 2022. In 2018 the loan payable balance was reduced by USD 2.1 billion for transfer of shares in subsidiary interests.

NOTE 15 – CALLED UP SHARE CAPITAL

Ordinary shares of GBP 1 each

Allotted, called-up and fully paid	No.
As at 31 December 2017	1,238
Issued during the period	-
As at 31 December 2018	**1,238**

NOTE 16 – CONTROLLING PARTIES

The majority shareholder and ultimate parent undertaking is TechnipFMC Plc.

The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is TechnipFMC Plc, registered with Companies House under number 09909709. The consolidated financial statements are available at its registered address, One St. Paul's Churchyard, London EC4M 8AP and are available on the following website: http://investors.TechnipFMC.com.

NOTE 17 – EVENTS AFTER THE END OF REPORTING PERIOD

No significant events since 31 December 2018 are reported.