Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	996 687 880
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	CAMERON NORGE HOLDING AS
Forretningsadresse:	Mekjarvik 1 4072 RANDABERG

Regnskapsår

Årsregnskapets periode:	01.01.2020 - 31.12.2020

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	-

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Olav Lien
Dato for fastsettelse av årsregnskapet:	16.07.2021

Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert

År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 04.09.2022

Resultatregnskap

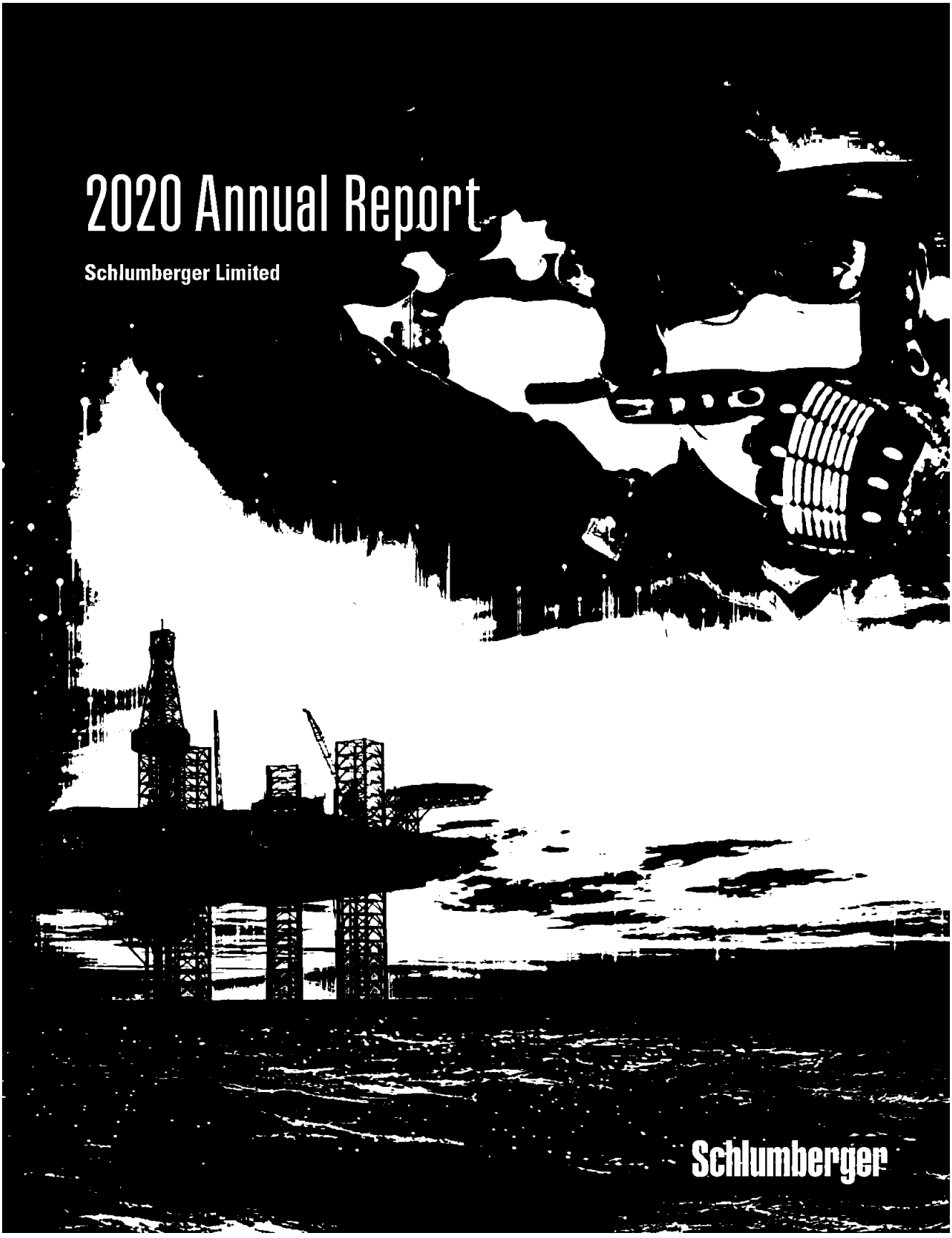
Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Sum inntekter		**0**	
Kostnader			
Annen driftskostnad	2	118 375	103 341
Sum kostnader		**118 375**	**103 341**
Driftsresultat		**-118 375**	**-103 341**
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap	4	225 827 868	
Annen renteinntekt		118 375	22 672
Sum finansinntekter		**225 946 243**	**22 672**
Nedskrivning av finansielle eiendeler	4	88 826 826	
Rentekostnad til foretak i samme konsern	3	9 834 484	11 540 555
Annen rentekostnad		23 282	24 390
Sum finanskostnader		**98 684 592**	**11 564 945**
Netto finans		**127 261 651**	**-11 542 273**
Ordinært resultat før skattekostnad		**127 143 276**	**-11 645 614**
Ordinært resultat etter skattekostnad		**127 143 276**	**-11 645 614**
Årsresultat		**127 143 276**	**-11 645 614**
Overføringer og disponeringer			
Overføring til/fra annen egenkapital	5	-127 143 276	11 645 614
Sum overføringer og disponeringer		**-127 143 276**	**11 645 614**

Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Sum immaterielle eiendeler		**0**	
Finansielle anleggsmidler			
Investering i datterselskap	4	1 241 252 988	1 794 251 946
Sum finansielle anleggsmidler		**1 241 252 988**	**1 794 251 946**
Sum anleggsmidler		**1 241 252 988**	**1 794 251 946**
Omløpsmidler			
Varer			
Fordringer			
Andre fordringer	3	118 375	222 569 562
Sum fordringer		**118 375**	**222 569 562**
Sum omløpsmidler		**118 375**	**222 569 562**
SUM EIENDELER		**1 241 371 363**	**2 016 821 508**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Aksjekapital	5,6	10 000 000	10 000 000
Overkurs	5	687 780 581	687 780 581
Sum innskutt egenkapital		**697 780 581**	**697 780 581**
Opptjent egenkapital			
Annen egenkapital		44 669 869	
Sum opptjent egenkapital		**44 669 869**	
Sum egenkapital		**742 450 450**	**697 780 581**

Balanse

Beløp i: NOK	Note	2020	2019
Øvrig langsiktig gjeld	3		
Sum langsiktig gjeld		**0**	**0**
Kortsiktig gjeld			
Leverandørgjeld			12 500
Annen kortsiktig gjeld	3	498 920 913	1 319 028 427
Sum kortsiktig gjeld		**498 920 913**	**1 319 040 927**
Sum gjeld		**498 920 913**	**1 319 040 927**
SUM EGENKAPITAL OG GJELD		**1 241 371 363**	**2 016 821 508**


2020 Annual Report
Schlumberger Limited
Schlumberger

04.09.2022 kl 01:14

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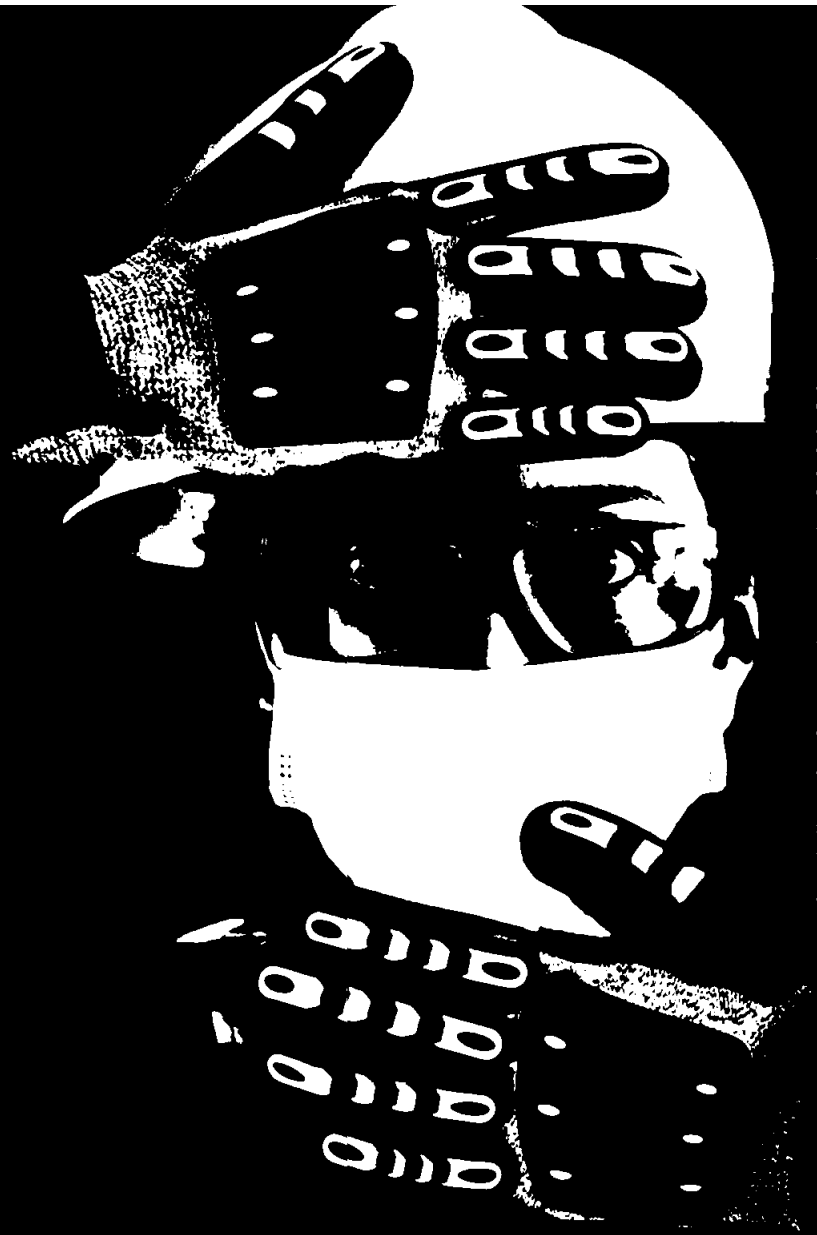
Schlumberger (SLB: NYSE) is a technology company that partners with customers to access energy. Our people, representing over 160 nationalities, are providing leading digital solutions and deploying innovative technologies to enable performance and sustainability for the global energy industry. With expertise in more than 120 countries, we collaborate to create technology that unlocks access to energy for the benefit of all.

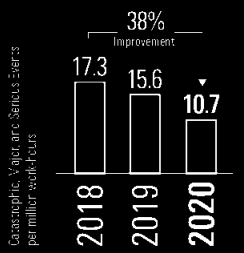
Find out more at slb.com



Safety

TRIF (Total Recordable Injury Frequency)

Service Quality



Sustainability

ESG Rating

Financial

We exited 2020 with adjusted **EBITDA** margins† at the **same level** as Q4 2019 despite a **33%** drop in annual revenue

†For a reconciliation of adjusted EBITDA to loss before taxes on a GAAP basis, see our fourth-quarter and full-year 2020 results earnings press release at investorcenter.slb.com/node/22541/html (pp. 19–20).

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Looking back on 2020, I would like to reflect on what this year meant for Schlumberger—a year that brought incredible challenges, but during which we achieved much and laid a strong foundation for our future success—through resilience and strategic execution. The global pandemic changed our industry, our markets, and the world. The energy mix evolved, and customer needs shifted toward increasing competitiveness.

In response to what will likely be the most severe activity decline in our industry, we acted swiftly to protect the company and the long-term value for our shareholders. First, we significantly reduced our capital spend and prudently adjusted our dividend policy to reflect the reduced activity and uncertain outlook. These actions resulted in very resilient cash flow generation throughout 2020.

Second, we accelerated the execution of our performance strategy, which I unveiled in 2019. In North America, the very timely execution of our scale-to-fit and portfolio high-grading approach led to a unique win-win transaction with our partner, Liberty Oilfield Services. In addition, we initiated the largest restructure in company history, making Schlumberger much leaner and more responsive to customers.

The company is now composed of four Divisions operating in five distinct Basins, aligned with key customer workflows and critical hubs of activity. The restructure permanently removed significant structural costs, resetting our margins and our operating leverage for the future. The effectiveness of this new structure was highlighted during the last few months of the year, which resulted in peer-leading market performance and financial results during the last quarter.

This strategic step was designed to also address the emerging trends in the new landscape, which call for a step change in efficiency and resilience—in particular, by delivering upon the digital transformation imperative and the sustainability and decarbonization mandate for the industry. During the year, we made impressive progress on our Digital platform strategy, with significant expansion of our digital partner ecosystem and several anchor enterprise contracts with our customers, paving the way to our stated ambition of leading the industry and doubling the size of our digital solutions business.

Similarly, our sustainability commitment translated into a 14% reduction of our Scope 1 and 2 greenhouse gas (GHG) emissions intensity within one year—well on the path to our stated 2025 emissions reduction goal. With our customers, we accelerated engagement to provide solutions for the decarbonization of oil and gas operations through our digital solutions and environmental impact-reducing technologies.

To ready the company for the future, we launched Schlumberger New Energy, and are using our strengths to establish market positions and develop differentiated, groundbreaking technology in multiple low- and zero-carbon energy ventures. We are applying our unique knowledge and executional capabilities to develop sustainable technology solutions across several sectors of the energy transition.

As we look toward 2021 and the prospect of demand recovery for our industry, the strategic actions we took this year will prove essential to adapt the company for the new landscape and to create formidable operating leverage as the industry upcycle commences.

This could not have happened without the diversity, unique spirit, and will of the people of Schlumberger. I am very proud of how they responded and what they created. Despite the pandemic, our people demonstrated resilience and delivered record safety and operational integrity results that were differentiating factors for customers. Our people have shown that they are prepared to innovate and drive industry performance across the energy transition and are well positioned to create significant long-term shareholder value.

We opened a new industry chapter during 2020 and exited the year in a leading position as the market shifts to increased international production, digital transformation accelerates, and we prepare to contribute significantly to a more sustainable energy supply. We responded as a team with drive and purpose, reinventing ourselves in a time of crisis for a new future.

In 2021, I look forward to continuing to meet the world's energy challenges with an innovative spirit and a renewed focus on shareholder value and sustainability. Together, we will define and drive high performance in the new landscape for our people, our customers, our shareholders, and our world.

Olivier Le Peuch
Chief Executive Officer

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Our Resilience, Driving Performance

In 2019, Olivier Le Peuch assumed leadership of Schlumberger, presenting a new corporate strategy based on a fresh perspective of the energy industry. This strategy is designed to adapt the company to an evolving industry landscape shaped by emerging drivers, including capital discipline, regionalization of supply and demand, an efficiency imperative, and resilience—defined by sustainability and lower carbon footprint.

The strategy is designed to magnify our ability to improve customer performance. Performance is the differentiating factor that will help our industry adapt to higher stakeholder expectations. Our strategy proved resilient throughout a very challenging year.

The Performance Strategy

Oil and gas will remain critical to economic activity and prosperity —contributing more than 50% to the global energy mix in the next few decades. Our role is twofold: to enable customers to produce these resources efficiently and cost effectively and to support the industry transition as the world diversifies its energy mix.

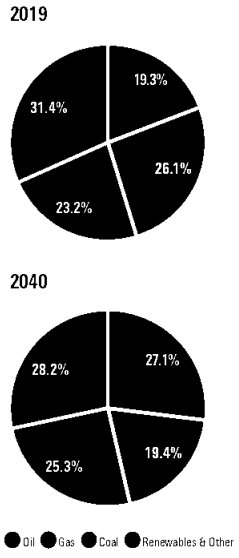
Strengthen the Core

The core of Schlumberger is how we work with customers and execute our business. The elements in this theme—which include Operations Integrity & Efficiency, Customer Collaboration, and Capital Stewardship—are enabled by our people and technology.

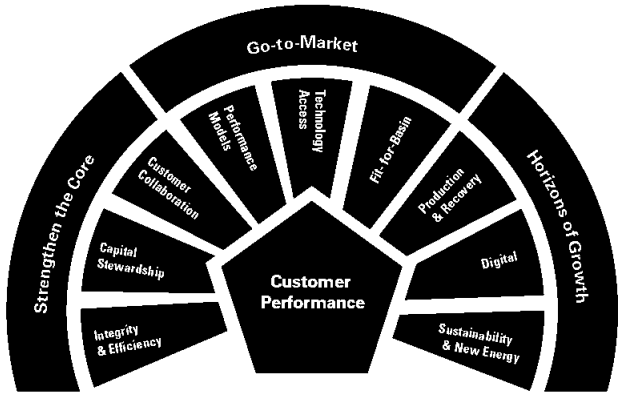
Operations integrity—core to our culture—is enhanced by the digitalization of our operations. Just as Schlumberger is delivering digital solutions to our customers, we are advancing them in our own operations to capture more value from our equipment and services businesses by integrating them into our digital infrastructure.

THE EVOLVING ENERGY MIX, 2019–2040

Oil and gas continue to satisfy a substantial portion of energy demand, while renewables continue to grow, displacing coal.



Source: STEPS scenario, IEA, World Energy Outlook, November 2020



As a service company, we have always worked closely with customers and are exploring new ways to collaborate and help them overcome their challenges and increase performance. This year, we set a new record in safety and service quality performance for a third consecutive year.

Capital Stewardship is a crucial factor for our industry moving forward. Schlumberger implemented a new capital allocation framework that governs all investments, whether those relate to capex, mergers and acquisitions, or research and engineering. The underlying principle behind the framework is that investment opportunities are prioritized on returns and cash flow before any other criteria. Using the framework, we performed a critical assessment of our technology portfolio, which resulted in decisions to rationalize our offering and exit certain commoditized businesses and restructure underperforming business units.

The steps we took this year reduced our capital intensity, while free cash flow generation remained strong, despite severe industry headwinds. We structurally increased our earnings power and margin profile, which position us well to lead in the industry recovery cycle.

OUR PERFORMANCE STRATEGY

The strategy is built around three major themes, all of which are focused on customer performance—a defining attribute in the new industry landscape.

FOCUSING ON CAPITAL STEWARDSHIP

Schlumberger contributed its onshore hydraulic fracturing business in the United States and Canada ("OneStim$^{F.I.T.}$") to Liberty Oilfield Services, including its pressure pumping, pumpdown perforating, and Permian frac sand businesses, in exchange for a 37% equity interest in Liberty. This enables us to participate in the US unconventional market without the high capital burden this business demands.

LIBERTY

Årsregnskap regnskapsåret 2020 for 996687880

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Go-to-Market

Industry markets have evolved into multiple, diverse regional markets that are increasingly in competition with each other to meet global, regional, and domestic oil and gas demand. Each of these regions has a set of resource plays—or basins—with localized economics and operational drivers. This presents Schlumberger with opportunities that can be optimally addressed with a basin-specific approach.

This strategic theme includes Performance Models, Fit-for-Basin, and Technology Access. These elements develop deeper partnerships with our customers, expanding on their needs and challenges from a basin-specific perspective to provide technology and business models tailored to regional or individual customer requirements. These elements help us share in the performance improvement we deliver for customers and partners.

PERFORMED BY SCHLUMBERGER PROGRAM

The Performed by Schlumberger (PbS) program recognizes team members throughout the company who have demonstrated exceptional levels of teamwork, innovation, and business impact for Schlumberger and its customers. The PbS program not only encourages excellence in Schlumberger, but also recognizes and promotes cross-departmental teamwork throughout the company.

The highest honor is the CEO Award, which is presented in three categories: Customer Performance, Operations Excellence, and Innovation. These winning projects have created substantial business impact and strengthen our culture of excellence.

2020 WINNERS

Customer Performance Category:
The Ascent of Subsea Gas Compression
See page 7 for project overview.

Operations Excellence Category:
The Big Shift
See page 17 for project overview.

Innovation Category:
Ora—The Dawn of a New Era
See page 21 for project overview.

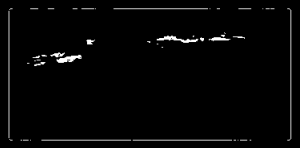
"There were a record 880 PbS submissions this year, a 48% increase over 2019."

From our state-of-the-art OneSubsea facility in Horsøy, Norway, we provide maintenance services for processing systems worldwide.

Performed by Schlumberger:
The Ascent of Subsea Gas Compression

This year, the Performed by Schlumberger CEO Award in the Customer Performance category was presented to the team from *The Ascent of Subsea Gas Compression* project. This category recognizes projects that have driven our customers' performance to new levels. By focusing on the customer, the project has enabled high performance while supporting a better, cleaner, and safer industry. The success of the project also helped solidify subsea multiphase compression as an attractive and robust technology to improve the value of subsea gas fields, generating interest from other operators that were considering the technology.

Team members include Arill Smaaland Hagland (project team leader), Bernt Helge Torkildsen, Simon Kalgraff, John Olav Floisand, and Fredrik Wadel-Andersen.



Multiphase boosting subsea layout.

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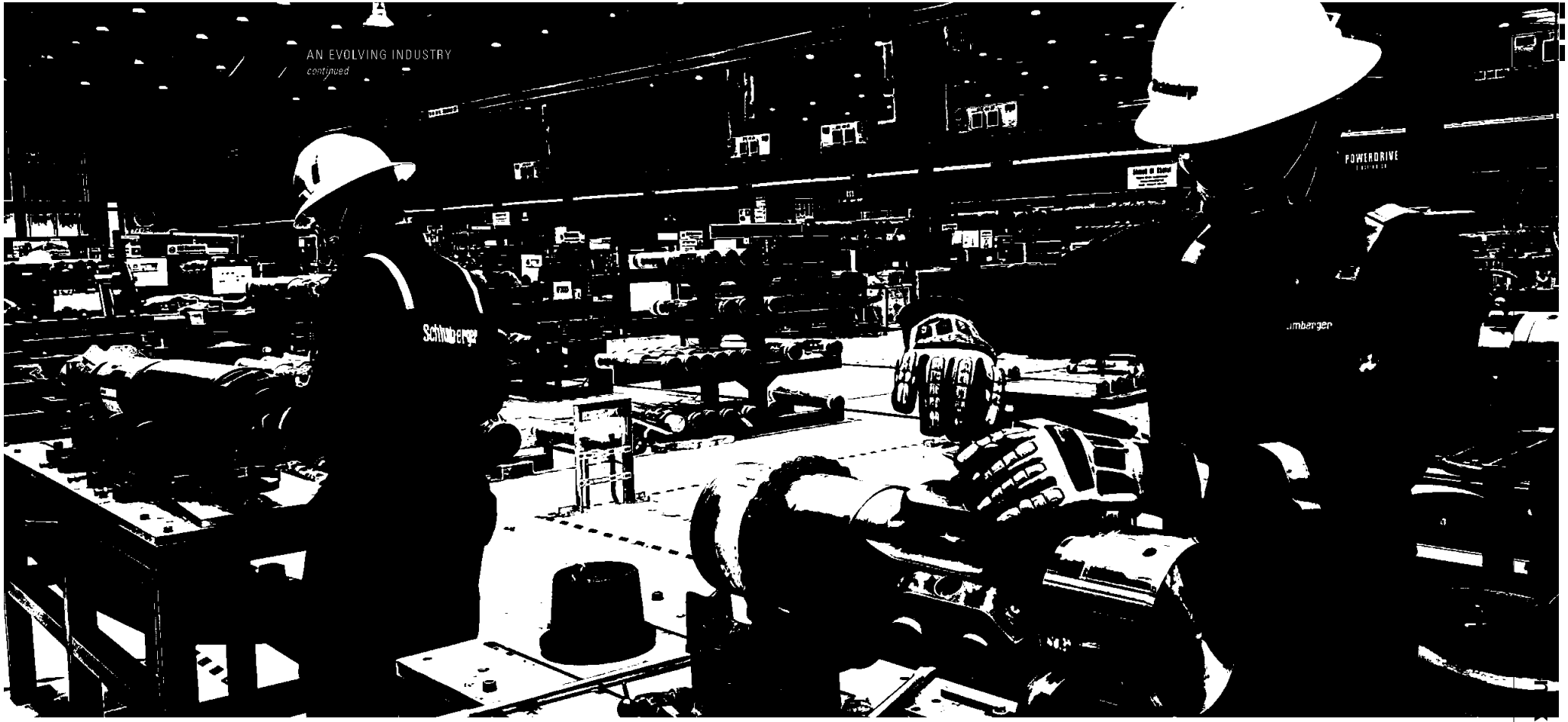

84 Fit-for-basin technologies under development

2 New local manufacturing centers inaugurated

46 Partners globally using technology access models

Fit-for-Basin describes the mindset we adopted toward technology development and deployment, in-country value, and market access. In an increasingly regionalized energy market, we believe these attributes become more customer-specific, and we rely on our long-standing relationships and expertise in more than 120 countries for the insight to deliver technology where we can enhance performance.

In-Country Value: SPARK

Schlumberger opened a world-class manufacturing center in King Salman Energy Park (SPARK) that supports Saudi Aramco's In-Kingdom Total Value Add (IKTVA) program to promote economic growth. The center will manufacture various technologies, including liner hangers and packers, in addition to isolation valve technologies—such as GROVE* valves and ORBIT* rising stem ball valves—to help improve the efficiency of oil and gas operations in Saudi Arabia and neighboring countries.

The Middle East Center for Reliability and Efficiency (CRE) is another example of our commitment to in-country value. Local engineers service PowerDrive rotary steerable systems, supporting the region from Dammam, Saudi Arabia.*

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ACCELERATING DIGITAL ADOPTION
During 2020, our DELFI* cognitive E&P environment saw more intense adoption, with more than

150 contracts signed and

400% user growth since 2019.

CLOUD SOLUTIONS FOR EVERY CUSTOMER IN EVERY BASIN
This year, we reached a unique agreement with IBM and Red Hat® to leverage hybrid digital infrastructure. The collaboration is empowering our customers to overcome data residency constraints—a major barrier to adoption internationally. Using Red Hat OpenShift® and a variety of cloud platforms, including in-country solutions and hybrid cloud architectures, we can now deploy for every customer in every basin. This open technology architecture makes our DELFI environment the first-ever private and public cloud-portable digital environment for all domains across the E&P life cycle.

Schlumberger IBM. Red Hat

Horizons of Growth

The third set of strategic elements positions Schlumberger to build share in current markets and expand into new long-term markets: Digital, Production & Recovery, and Sustainability & New Energy. These elements are now in sharper focus in the context of energy transition. The importance of Production & Recovery and Digital increase with the drive to maximize performance, while Sustainability & New Energy address the need to provide energy with reduced environmental impacts.

Digital capabilities helped the industry navigate the challenges of 2020 and are crucial to long-term performance and resilience. Through our industry digital platform, we are enabling digital transformation at scale, unlocking significant value, and leading innovation across the digital domain in our industry.

In the last five years, we designed and built a highly secure and flexible digital industry platform around differentiated digital technologies—enabled by key partnerships. We have worked closely with Google Cloud™, IBM®, and Microsoft® to provide an open digital platform that takes advantage of on-demand, high-performance computing and makes capabilities like embeded AI or machine learning readily accessible to customers.

In 2020, we made substantial progress on our Digital ambition, accelerating digital adoption by removing barriers and introducing new technologies in a year when digital capabilities became critically important to many customers. We move technical workflows from the desktop to the cloud, creating data structures that enable AI and machine learning to provide insights at scale across operations. The platform provides us with opportunities to create new revenue streams, as our customers execute on their digital journeys to achieve a step change in performance and efficiency.

The Basin Structure
- *Americas Land*
- *Offshore Atlantic*
- *Middle East & North Africa*
- *Russia & Central Asia*
- *Asia*

A Global Reach Equipping Basins for Success
With the elements of the new strategy set, we needed an organization specifically designed to execute and maximize the effectiveness of that strategy. To fully capitalize on a strategy focused on delivering a step change in industry performance, we accelerated the most comprehensive restructure in company history.

This new structure is aligned with our customers' workflows and directly linked to the performance strategy. It consists of four Divisions that combine and integrate Schlumberger's technologies. The Divisions are positioned to capitalize on the recovery cycle and growth drivers in the new industry landscape: digital transformation, sustainable and lower carbon operations, the mandate for production and recovery, maximizing reservoir performance, and well construction integration and efficiency.

The Divisions are deployed around a geographical structure within five highly focused Basin organizations that bring agility, responsiveness, and competitiveness. The Basins were configured around common regional characteristics to deploy fit-for-purpose technologies, operating models, and skills. With a strong focus on regional customers, the Basins identify opportunities for local growth.

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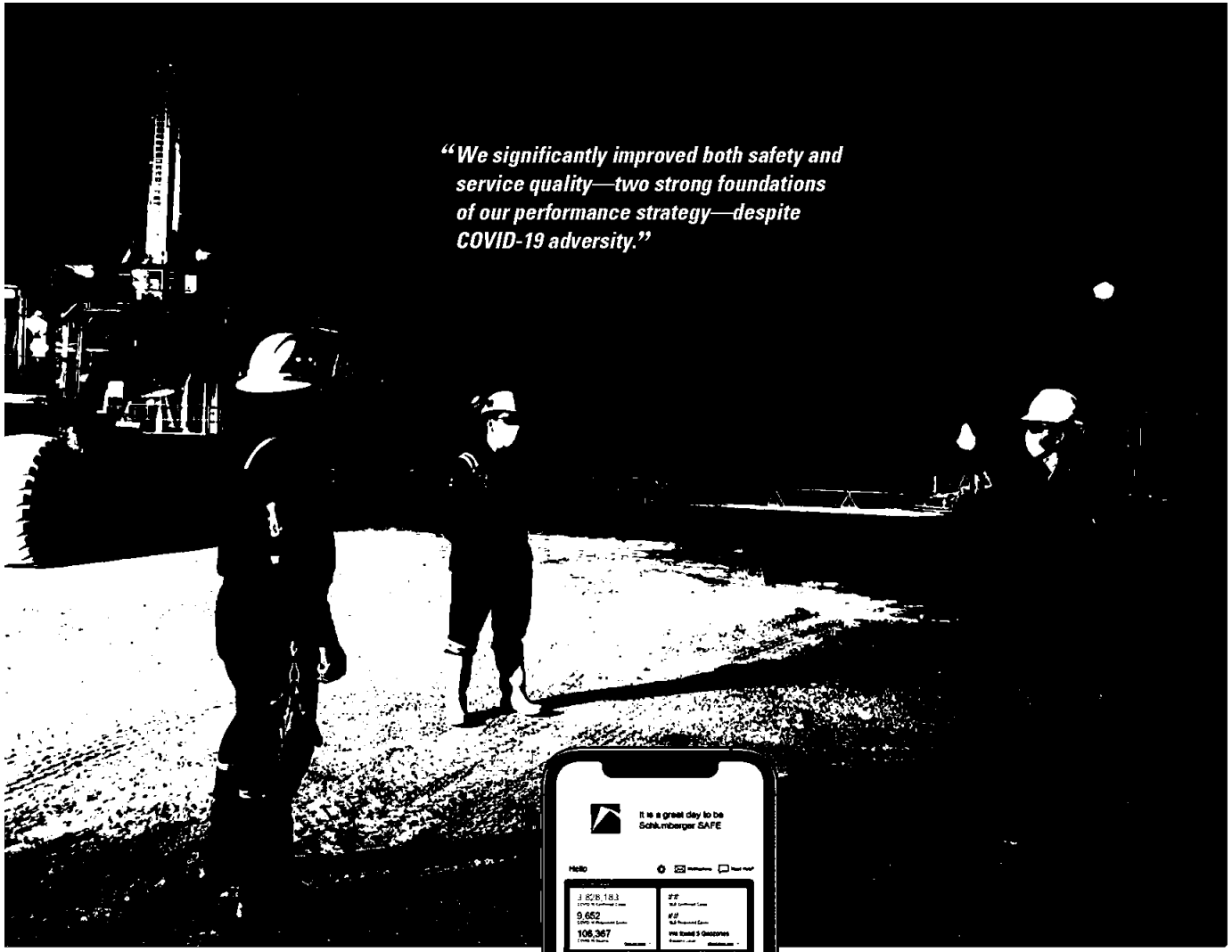

In the early stages of the COVID-19 pandemic, we developed our COVID-19 Schlumberger SAFE app to enable our people to stay connected and informed with the tools and resources they needed. The app became one of the fastest-adopted PowerApps® ever released on the Microsoft platform.

Operators practice social distancing on site in Colombia.

The strategy and structure were designed to empower the people of Schlumberger to perform. Our success has always been built on the spirit of ingenuity and perseverance of our people. In 2020, we witnessed the best embodiment of this spirit.

Our Safety and Service Quality Commitment

Our people rose to the challenge of the coronavirus pandemic, integrating COVID-19 safety into our daily operations, maintaining business continuity, and protecting not only each other, but customers, our families, and our communities. Schlumberger quickly developed standards and practices for COVID-19 safety—which we continue to evolve—and shared them with customers and contractors to contribute to a resilient response across the industry.

We significantly improved both safety and service quality—two strong foundations of our performance strategy. The team achieved record bests in both despite COVID-19 adversity. In fact, this performance proved to be a critical differentiator for our customers, enabling us to strengthen our market position.

Technology helped our people adapt to changing risks across the year, improving safety and results for customers. In a year of restricted travel and logistics, our leadership in digital and remote operations was a differentiating factor.

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REAL-TIME OPERATIONS CONTROL—FROM ANYWHERE AT ANY TIME

Performance Live* digitally connected service is an operating model that evolved over years of expertise, resulting in a safer work environment, higher efficiency operations, and improved customer performance.

Today, more than 60% of our operations are supported by Performance Live service, enabled from 21 Performance Live service centers worldwide covering 84 countries and all environments.

Remote Operations

Connecting people, technology, and expertise has been central to the adaptability of Schlumberger and the collaborative mindset that ignites solutions and delivers performance for our customers. This evolved throughout the years from physical remote operational support centers to live operational support and control from wherever you are—on any device. Remote operations can reduce onsite personnel while improving access to experts, maintaining operation continuity, and reducing environmental impacts—factors which greatly accelerated adoption during the COVID-19 pandemic. Remote operations expanded by 25% in a matter of months across a range of services.

By providing better data access to customers and continuing to engage with them, we were able to help them not just maintain business continuity, but in many cases, increase efficiency and reduce environmental impact in a variety of field operations.

>23 million
Feet drilled and logged

Zero
HSE incidents in Performance Live service supported jobs

>850,000
Hours below rotary table

>60%
Global jobs use Performance Live service

84
Countries with Performance Live service

Drilling and intervention Performance Live service job statistics for 2020.

For example, in the Gulf of Mexico, secure remote capabilities delivered by OneSubsea® helped BP keep the Mad Dog 2 project on schedule. Using a suite of remote solutions, including remote customer-witness factory integration testing (FIT), a remote master control station, and integrated control and safety systems, OneSubsea was able to provide overviews of system functionality without requiring onsite witnessing. BP is now considering conducting all future FITs remotely, which would result in significant cost savings related to travel and further reduce operational risk.

An engineer stands alongside a truck equipped to provide autonomous wireline logging and the Performance Live digitally connected service.

During 2020, use of remote operations averted travel for
>9,000
personnel to hundreds of rigs across 84 countries.

Schlumberger completed
103,000
drilling and measurement **remote shifts**.

Schlumberger completed
>5,600
remote wireline runs.

Focus on People

People are the pulse and spirit of Schlumberger. They bring our culture to life every day through their actions, and their achievement and growth are the cornerstone of our success. The adoption of the new structure and expanded remote capabilities accelerated several long-term people priorities. We piloted new flexible working models, advanced our goals on gender balance, and focused on developing the skills our people need to realize new strategic elements.

OUR PEOPLE VALUE

Exceptional people join us from around the world because of who we are—and then they make us what we are. Committed to customers, constantly learning and growing, we thrive on the world's biggest technical challenges, wherever they are found. This is the pulse and spirit of Schlumberger.

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Flexible Work Models

Almost half the company worked remotely in 2020, and we took that opportunity to explore flexible working at scale. We initiated the BlueFLEX program to examine flexibility around how, when, and where we will work in the future, with the goal of enhancing employee experience and productivity, which will lead to improved business performance. At year end, ten pilot programs were ongoing in a mix of operations bases and technology centers to understand how flexible working will become a standard in the new normal.

Diversity & Inclusion

As we restructured, there was a systematic consideration for Diversity & Inclusion. Among thousands of position changes during the restructure—from executives to operations management—27% were filled by women. This helped improve our gender balance by 8% in 2020. Women now represent 22.6% of Schlumberger salaried employees worldwide.

"Our current gender balance goal is to have women comprise 25% of our exempt workforce by 2025."

People Development

This year did not halt the growth of our employees. Using technology and evolving our capabilities has enabled our employees to continue their career growth, advance their skills, and continuously learn. Trainees who joined us during the pandemic were enrolled in the COVID-19 Protection Plan that enabled them to progress their training virtually while working from home. This is strategically important to our talent pipeline in the context of a dynamic business environment. Those assigned to new positions were also able to access virtual instructor-led training, online modules, and facilitated networking, accelerating their time to performance.

Responding to COVID-19 with Speed and Scale

Moving Our Work Home
6x ↑ 60,000 Users
96 countries in 10 days

Expanding VPN at Scale
3x ↑ Load Increase
Over 2 weeks

Delivering Global IT Support
1.5x ↑ 4,500 per day
Service requests increase in March

Accelerating Collaboration
75x ↑ Users
Migrating to Microsoft Teams® in May and June

Performed by Schlumberger:
The Big Shift

This year, the Performed by Schlumberger CEO Award in the Operations Excellence category went to the team from *The Big Shift* project. The Operations Excellence category recognizes projects that exemplify our agility and resilience in our operations while maintaining our responsibility to all our stakeholders, the environment, and the communities where we live and work. This team rapidly enabled a peak of 60,000 people—six times the normal number of people who worked remotely in Schlumberger—to have fully enabled remote capabilities by the end of March. This achievement enabled business continuity through the initial stages of the pandemic and is now the "new normal" for thousands of Schlumberger employees worldwide.

Team members include Astride Blanchard (project team leader), Maged Elmenshawy, Anton Vydrin, Brett Walton, Terrell Tunnis, and Jean-Loup Bevierre.

Keeping Our Employees Safe
Minimizing exposure and reducing carbon emissions

Aligning to Customer Needs
Increasing remote operations and tele-witnessing capabilities

Enabling Tele-working and the New Normal
Keeping people working and collaborating from anywhere at any time

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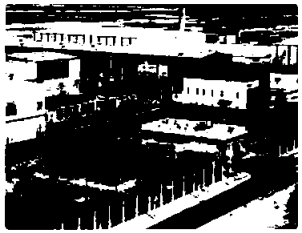
"Our people represent more than 160 nationalities with expertise in over 120 countries."

SCOPE 1 & 2 GHG EMISSIONS

Our Scope 1 emissions largely include fuel used by our light and heavy vehicles, while Scope 2 emissions include electricity used by our facilities.



Installing solar power generation at our Egypt Center of Efficiency saved 400 metric tons of CO_2e.

This year, we reduced our Scope 2 emissions by approximately 13%, which is equivalent to 78,000 metric tons of CO_2.

Social Sustainability

Schlumberger has always recruited where we work, committing to a sustainable presence in each country. Our people actively support and engage with their communities, while we ensure our local social and environmental priorities are aligned with specific United Nations Sustainable Development Goals.

We continued to advance our social priorities as a participating member of the United Nations Global Compact and are committed to implementing its Ten Principles in the areas of human rights, labor, environment, and anticorruption.

Environmental Performance

Our vision is to define and drive high performance, sustainably. We are committed to being at the forefront of our industry's shift toward more sustainable energy production—challenging not only ourselves, but also our customers, suppliers, and peers to partner on delivering measurable social and environmental progress. We are working to reduce our own environmental footprint and believe we are uniquely positioned to help our customers reach their own sustainability goals.

Decarbonizing Oil and Gas Operations

Following our commitment to set a science-based emissions footprint reduction target, the first such commitment among service companies in exploration and production (E&P), work began with the Science Based Targets initiative (SBTi) to define our targets for both our direct emissions and those of key suppliers—including end products and services. This target will be set in 2021 and validated externally by the SBTi.

Meanwhile, we set initial targets to reduce our total GHG emissions from Scope 1 and 2 sources 30% by 2025. In 2020, we delivered a 14% reduction of our Scope 1 and 2 emissions intensity within one year. Emissions intensity accounts for activity fluctuations, providing a more comparable measure of progress. This puts us well on our path to our stated 2025 total emissions reduction goal.

ALIGNING WITH UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

Social Focus

Environmental Focus

PRIORITIZING SUSTAINABILITY IN OUR COMMUNITIES

To support the delivery of our integrated projects with Cairn Oil & Gas, Vedanta Limited, in the Barmer District in Rajasthan, India, Schlumberger established a dedicated community relations team to enhance our social performance capability and integrate sustainable development into project execution. Based on customer and community engagement, Schlumberger is implementing several social performance programs in the district focused on United Nations Sustainable Development Goals (SDGs) that matter locally. In 2020, Schlumberger supported Quality Education (SDG 4) by partnering with the customer and local administration to establish science and technology centers and SMART classrooms in 35 public schools across the Barmer District to increase youth participation in STEM activities. The program has directly impacted over 7,000 students with the long-term objective of improving talent and increasing diversity in our local hiring pool.

IMPACT-REDUCING TECHNOLOGY

To support our customers in addressing their environmental priorities, Schlumberger currently offers a broad technology portfolio of more than 100 solutions with attributes that tie to the six environmental SDGs. Our technologies include a range of environmental impact-reducing options aimed at:

- consuming fewer resources, including energy, water, raw materials, and physical footprint
- generating fewer harmful by-products, including emissions and waste
- leveraging digital
- enabling renewable energy use.

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We progressed on the adoption of both Task Force on Climate-Related Financial Disclosures (TCFD) and Sustainability Accounting Standards Board (SASB) frameworks to increase the transparency of our environmental disclosures, resulting in a high-grading of our rating in the CDP Climate Change assessment, to a peer-leading A minus.

Schlumberger is committed to developing innovative technologies for our customers that enhance oilfield efficiency, reduce E&P costs, improve productivity, maximize reserve recovery, and increase asset value—all in a safe and environmentally sound manner.

Our global network of technology centers positions Schlumberger to accelerate a diverse range of innovative technological approaches to support oil and gas across the energy transition. Our broad portfolio includes more than 100 impact-reducing technologies to help our customers decrease their environmental footprint, use cleaner chemistry, reduce waste, and decarbonize elements of the E&P process.

We are also at the forefront of the rapid transition to digital hardware, artificial intelligence, and the detailed characterization and control of all operations though the proliferation of sensing and actuation devices on edge networks. Through targeted R&D investment, we use advanced cloud and edge computing to rapidly develop and implement technologies for operational efficiency. Significant reductions in operational footprint are being achieved through remote operations and automation and control systems. These systems are also reducing environmental impact and enhancing safety by dramatically lowering the number of field crew visits needed to keep assets at optimal performance.

USING AI AND EDGE SOLUTIONS TO OPTIMIZE PERFORMANCE

In Ecuador, Schlumberger accelerated adoption of digital solutions through its integrated business model by implementing Agora* edge AI and IoT solutions on its own Asset Performance Solutions (APS) project. By combining digital technologies within an integrated environment, production performance was increased while operational and environmental footprint were reduced.

To solve production challenges with high gas/oil ratio wells, Agora solutions were used to deliver an automated electric submersible pump (ESP) gas-handling process. Using a securely connected, solar-powered skid running predictive AI at the edge to optimize well and ESP performance, production was increased 30% in wells connected by the Agora solution, while reducing field crew visits to these wells by 97%—an example of the performance made possible by combining digital and integration.

A domain champion works with the customer during the job, using contextual insights from the Ora platform in real time to update the reservoir model.

Performed by Schlumberger:

Ora—The Dawn of a New Era

This year, the Performed by Schlumberger CEO Award in the Innovation category was awarded to the team submitting the *Ora—The Dawn of a New Era* project. The Innovation category recognizes projects that combine our unique team and technology performance to deliver market outperformance and drive efficiency sustainably while capturing new growth opportunities. Ora® intelligent wireline formation testing platform technology helps characterize reservoirs in much less time than other methods and can confirm reserves offshore without the need to flare or produce hydrocarbons that require disposal.

Team members include Ashers Partouche (project team leader), Simon Edmundson, Keith Nelson, Stephany Siswanto Handoyo, and Chen Tao.

Ora intelligent wireline formation testing platform.

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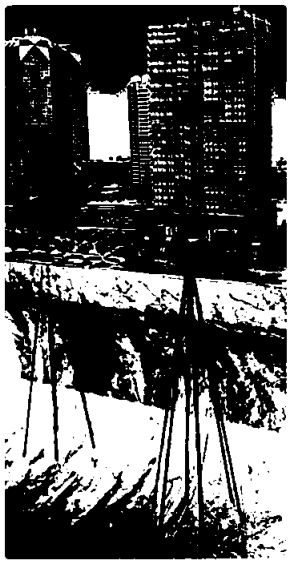


Through a proprietary small-footprint network of shallow wells, combined with a heat exchange system, the Celsius solution heats and cools buildings.

Schlumberger New Energy

We recognize that our future will expand beyond oil and gas with the energy transition and are positioning ourselves for significant long-term growth opportunities. We launched Schlumberger New Energy this year to explore new businesses in low-carbon or carbon-neutral energy technologies. Our approach is to apply our domain expertise in areas adjacent to our existing activities and use our global footprint and execution platform to deliver at scale.

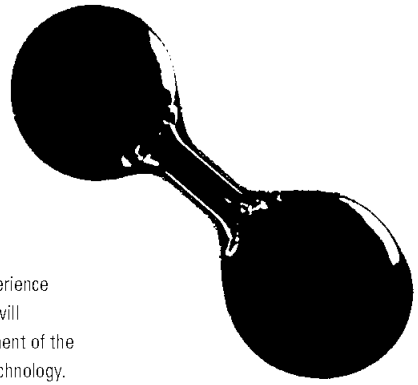
We are using partnership models and our experience in technology industrialization to expand into energy verticals beyond oil and gas. Our diverse New Energy portfolio includes ventures in geothermal and carbon capture and sequestration (CCS)—where we bring decades of project experience to a growing market—and geoenergy, clean hydrogen, and lithium, where we work on breakthrough technologies for new markets.

As examples, this year we made significant progress in the following ventures:

Celsius Energy

Celsius Energy combines in-house technology, proprietary design optimization, and modern digital control systems to offer a fit-for-purpose solution for heating and cooling buildings. Our solution can reduce the associated CO_2 emissions from buildings by as much as 90%. Celsius completed its first project, heating 3,000-square-meters of facilities on the Schlumberger Clamart campus with clean geothermal power.

"The first Celsius installation has already resulted in a 90% reduction of CO_2 emissions and a 40% reduction of operational costs."



Genvia

Genvia is a clean hydrogen production technology venture with the French Alternative Energies and Atomic Energy Commission (CEA) and partners. In a unique private-public partnership model, Genvia combines the expertise and experience of Schlumberger with CEA and partners. The new venture will accelerate the development and the first industrial deployment of the CEA high-temperature reversible solid-oxide electrolyzer technology. The aim of the venture is to deliver the most efficient and cost-effective technology for producing clean hydrogen, a versatile energy carrier and key component of the energy transition.

Genvia technology design aims to reach a 30% higher electricity conversion efficiency per kilogram of hydrogen produced.

GeoFrame Energy

We launched GeoFrame Energy with Thermal Energy Partners (TEP). This venture combines Schlumberger subsurface and drilling expertise with TEP's experience in project development and risk mitigation to develop geothermal power projects. The company's first project is the 10-MW Nevis Geothermal Power Project, which will enable the island of Nevis to transition to zero-emission renewable energy. GeoFrame Energy has additional opportunities to expand production in the Eastern Caribbean and in North and South America.

In the Caribbean, the Federation of Saint Kitts and Nevis is committed to reduce the cost of electricity to its citizens. GeoFrame Energy, in partnership with the Nevis Island Administration, is accompanying the state every step of the way.

The launch of New Energy opens an exciting chapter for the company, a chapter with diversified growth in new market verticals, building on the Schlumberger intellectual capital and unique international franchise.

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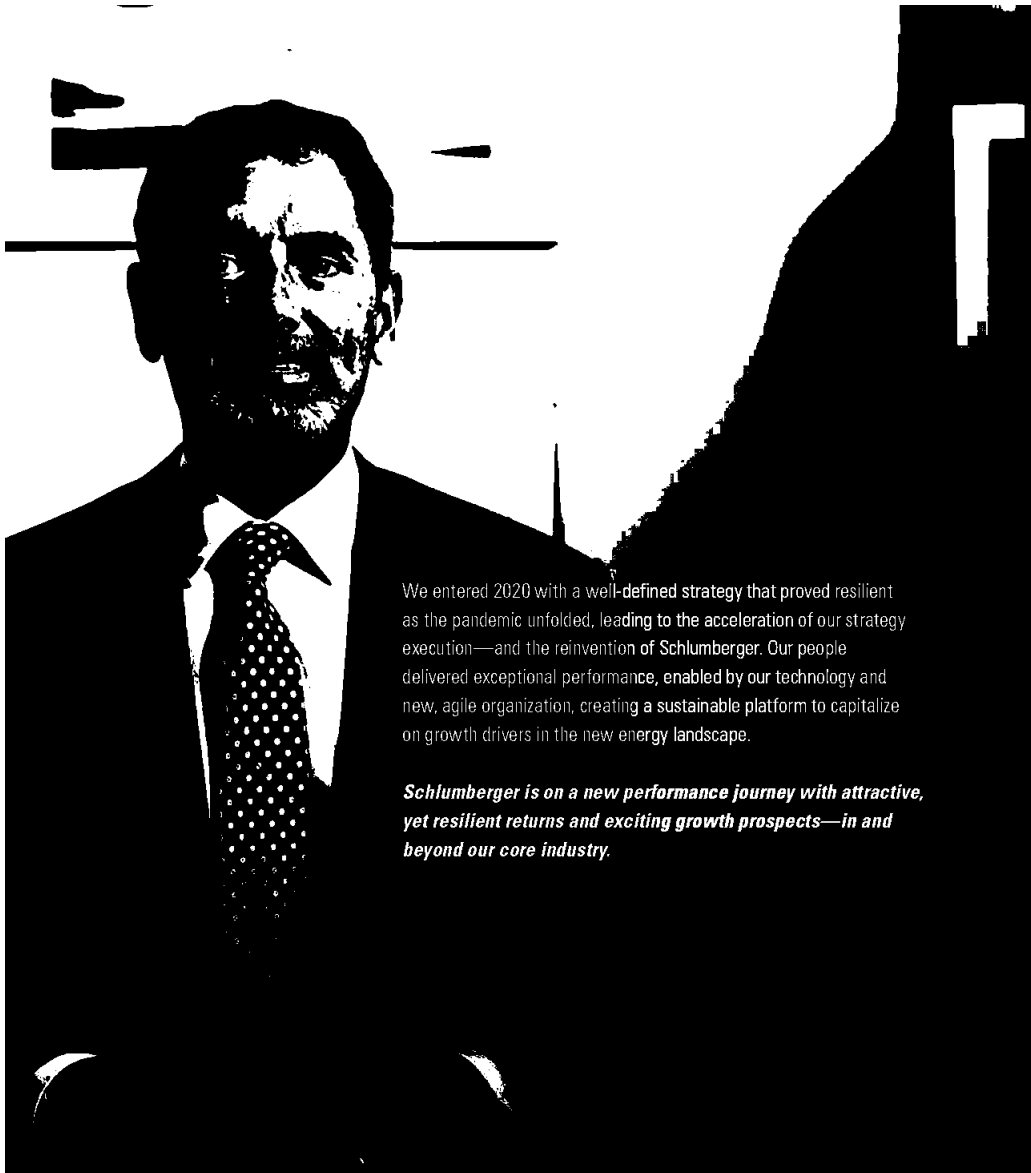

2020 Form 10-K

Schlumberger Limited

We entered 2020 with a well-defined strategy that proved resilient as the pandemic unfolded, leading to the acceleration of our strategy execution—and the reinvention of Schlumberger. Our people delivered exceptional performance, enabled by our technology and new, agile organization, creating a sustainable platform to capitalize on growth drivers in the new energy landscape.

Schlumberger is on a new performance journey with attractive, yet resilient returns and exciting growth prospects—in and beyond our core industry.

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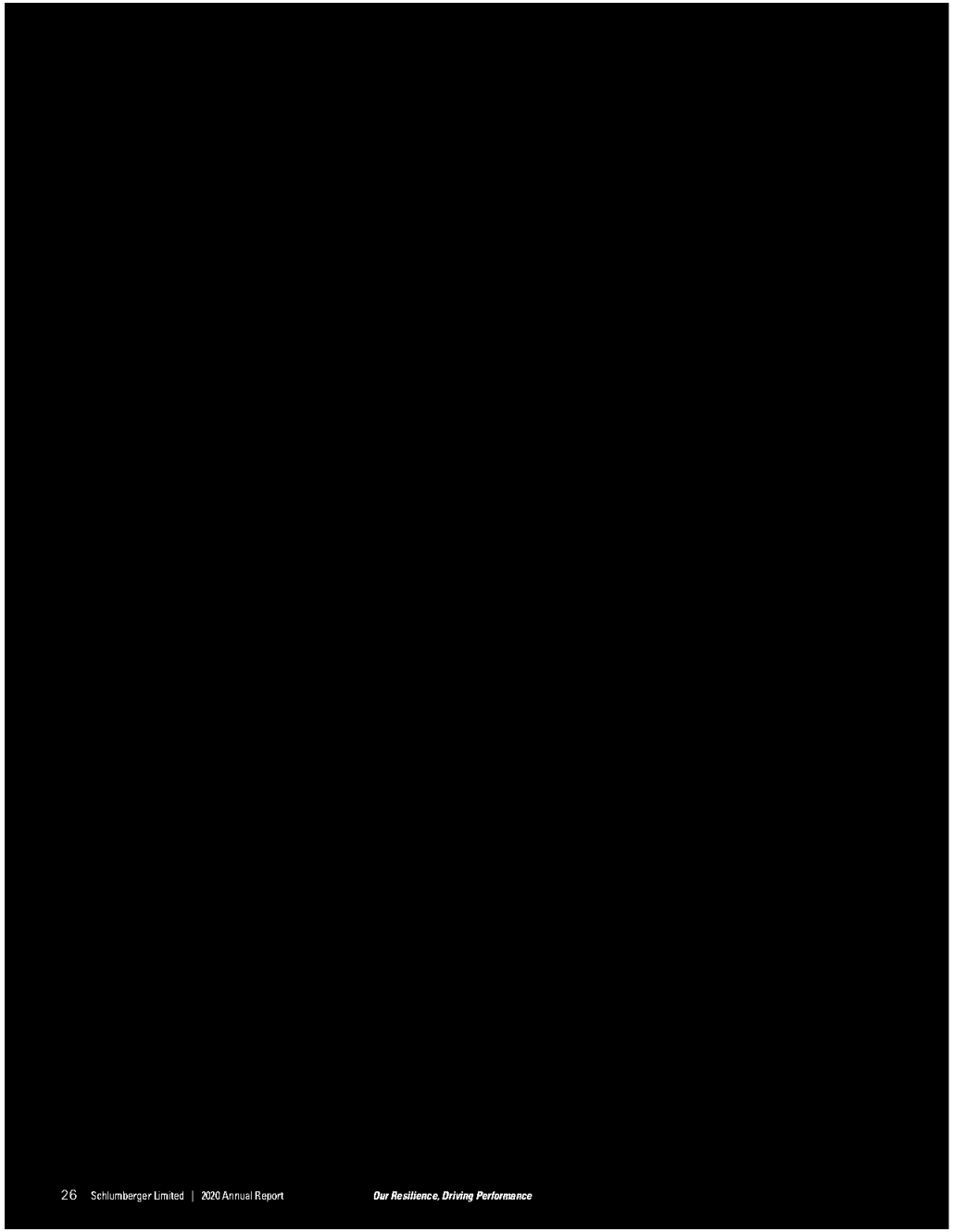

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

(Mark One)

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2020

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number 1-4601

Schlumberger N.V.
(Schlumberger Limited)

(Exact name of registrant as specified in its charter)

Curaçao (State or other jurisdiction of incorporation or organization)	**52-0684746** (IRS Employer Identification No.)
42 rue Saint-Dominique Paris, France	**75007**
5599 San Felipe, 17th Floor Houston, Texas, United States of America	**77056**
62 Buckingham Gate, London, United Kingdom	**SW1E 6AJ**
Parkstraat 83, The Hague, The Netherlands (Addresses of principal executive offices)	**2514 JG** (Zip Codes)

Registrant's telephone number in the United States, including area code, is: (713) 513-2000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.01 per share	SLB	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES ☑ NO ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. YES ☐ NO ☑

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES ☑ NO ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files.) YES ☑ NO ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). YES ☐ NO ☑

As of June 30, 2020, the aggregate market value of the common stock of the registrant held by non-affiliates of the registrant was approximately $25.50 billion.

As of December 31, 2020, the number of shares of common stock outstanding was 1,392,325,960.

DOCUMENTS INCORPORATED BY REFERENCE

Certain information required to be furnished pursuant to Part III of this Form 10-K is set forth in, and is incorporated by reference from, Schlumberger's definitive proxy statement for its 2021 Annual General Meeting of Stockholders, to be filed by Schlumberger with the Securities and Exchange Commission ("SEC") pursuant to Regulation 14A within 120 days after December 31, 2020 (the "2021 Proxy Statement").

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PART I

Item 1. Business.

All references in this report to "Registrant," "Company," "Schlumberger," "we" or "our" are to Schlumberger Limited (Schlumberger N.V.) and its consolidated subsidiaries.

Schlumberger is a technology company that partners with customers to access energy by providing leading digital solutions and deploying innovative technologies to enable performance and sustainability for the global energy industry. Schlumberger collaborates to create technology that unlocks access to energy for the benefit of all.

Organizational Structure

During 2020, Schlumberger restructured its organization in order to prepare for a changing industry future. This new structure is aligned with customer workflows and is directly linked to Schlumberger's corporate strategy, a key element of which is customer collaboration.

The new organization consists of four Divisions that combine and integrate Schlumberger's technologies, enhancing the portfolio of capabilities that support the emerging long-term growth opportunities in each of these market segments.

The four Divisions are:

- Digital & Integration
- Reservoir Performance
- Well Construction
- Production Systems

The role of the Divisions is to support Schlumberger in executing its customer-centric performance strategy and maintaining its industry leadership role in technology development and services integration. The Divisions are collectively responsible for driving performance throughout their respective business lines; overseeing operational processes, resource allocation and personnel; and delivering superior financial results.

Digital & Integration – Combines Schlumberger's software and seismic businesses with its integrated offering of Asset Performance Solutions ("APS"). APS helps develop or redevelop fields while increasing production, improving cash flow, and extending recovery for customers by providing fit-for-purpose solutions. Through digital solutions and technologies, supported by the future of software, digital, infrastructure, connected assets, and data, this Division enhances efficiency to improve asset and enterprise-wide performance for customers.

The primary offerings comprising this Division are:

- *Multiclient seismic surveys and data processing:* WesternGeco® is a leading geophysical services supplier, providing comprehensive worldwide reservoir interpretation and data processing services. It provides a highly efficient and scientifically advanced imaging platform to its customers. Through access to the industry's global marine fleet, it provides innovative and accurate subsurface imagery for multiclient surveys. WesternGeco offers one of the industry's most extensive multiclient libraries.
- *Digital solutions:* Includes proprietary software, an expanding digital ecosystem, consulting services, information management and IT infrastructure services to customers in the energy industry. Offers expert consulting services for reservoir characterization, field development planning and production enhancement, as well as industry-leading petrotechnical data services and training solutions.

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- *Asset Performance Solutions:* APS offers an integrated business model for field production projects. This model combines Schlumberger's services and products with drilling rig management and specialized engineering and project management expertise, to provide a complete solution to well construction and production improvement.

APS creates alignment between Schlumberger and the asset holder and/or the operator by Schlumberger receiving remuneration in line with its value creation. These projects are generally focused on developing and co-managing production of customer assets under long-term agreements. Schlumberger invests its own services and products and, in certain historical cases, cash into the field development activities and operations. Although in certain arrangements Schlumberger is paid for a portion of the services or products it provides, generally Schlumberger will not be paid at the time of providing its services or upon delivery of its products. Instead, Schlumberger is generally compensated based on cash flow generated or on a fee-per-barrel basis. This includes certain arrangements whereby Schlumberger is only compensated based on incremental production that it helps deliver above a mutually agreed baseline.

Reservoir Performance – Consists of reservoir-centric technologies and services that are critical to optimizing reservoir productivity and performance. Reservoir Performance develops and deploys innovative technologies and services to evaluate, intervene, and stimulate reservoirs that help customers understand subsurface assets and maximize their value.

The primary offerings comprising this Division are:

- *Wireline:* Provides the information necessary to evaluate subsurface geology and fluids to plan and monitor well construction and to monitor and evaluate well production. Offers both openhole and cased-hole services, including wireline logging and perforating.
- *Testing:* Provides exploration and production pressure and flow-rate measurement services both at the surface and downhole. Testing has a network of laboratories that conduct formation and fluid characterization.
- *Stimulation and Intervention*: Provides services used during well completions, as well as those used to maintain optimal production throughout the life of a well. Includes pressure pumping, well stimulation, and coiled tubing equipment for downhole mechanical well intervention, reservoir monitoring, and downhole data acquisition.

On December 31, 2020, Schlumberger contributed its onshore hydraulic fracturing business in the United States and Canada ("OneStim®"), including its pressure pumping, pumpdown perforating, and Permian frac sand businesses, to Liberty Oilfield Services Inc. ("Liberty"), in exchange for a 37% equity interest in Liberty. OneStim's historical results were reported as part of the Reservoir Performance Division through the closing of the transaction.

Well Construction – Combines the full portfolio of products and services to optimize well placement and performance, maximize drilling efficiency, and improve wellbore assurance. Well Construction provides operators and drilling rig manufacturers with services and products related to designing and constructing a well.

The primary offerings comprising this Division are:

- *Drilling & Measurements:* Provides mud logging services for geological and drilling surveillance, directional drilling, measurement-while-drilling and logging-while-drilling services for all well profiles as well as engineering support.
- *Drilling Fluids:* Supplies individually engineered drilling fluid systems that improve drilling performance and maintain well control and wellbore stability throughout the drilling operation.
- *Drill Bits:* Designs, manufactures and markets roller cone and fixed cutter drill bits for all environments.

- *Drilling Tools*: Includes a wide variety of bottom-hole-assembly and borehole-enlargement technologies for drilling operations.
- *Well Cementing*: Supports and protects well casings while isolating fluid zones and maximizing wellbore activity.
- *Integrated Well Construction:* Provides integrated solutions to construct or change the architecture (re-entry) of wells, including well planning, well drilling, engineering, supervision, logistics, procurement and contracting of third parties, and drilling rig management.
- *Rigs and Equipment*: Provides drilling equipment and services for shipyards, drilling contractors, energy companies and rental tool companies, as well as land drilling rigs and related services. Drilling equipment falls into two broad categories: pressure control equipment and rotary drilling equipment. These products are designed for either onshore or offshore applications and include drilling equipment packages, blowout preventers ("BOPs"), BOP control systems, connectors, riser systems, valves and choke manifold systems, top drives, mud pumps, pipe handling equipment, rig designs and rig kits.

Production Systems – Develops technologies and provides expertise that enhance production and recovery from subsurface reservoirs to the surface, into pipelines, and to refineries. Production Systems provides a comprehensive portfolio of equipment and services including subsurface production systems, subsea and surface equipment and services, and midstream production systems.

The primary offerings comprising this Division are:

- *Artificial Lift:* Provides production equipment and optimization services using electrical submersible pumps, gas lift equipment, progressing cavity pumps and surface horizontal pumping systems.
- *Completions Equipment:* Supplies well completion services and equipment that include packers, safety valves and sand control technology, as well as a range of intelligent well completions technology and equipment.
- *OneSubsea®:* Provides integrated solutions, products, systems and services for the subsea market, including integrated subsea production systems involving wellheads, subsea trees, manifolds and flowline connectors, control systems, connectors and services designed to maximize reservoir recovery and extend the life of each field.
- *Surface:* Designs and manufactures onshore and offshore platform wellhead systems and processing solutions, including valves, chokes, actuators and Christmas trees, and provides services to operators.
- *Valves:* Serves portions of the upstream, midstream and downstream markets and provides valve products that are primarily used to control and direct the flow of hydrocarbons as they are moved from wellheads through flow lines, gathering lines and transmission systems to refineries, petrochemical plants and industrial centers for processing.
- *Processing:* Enables efficient monetization of subsurface assets using standard and custom-designed onshore, offshore and downstream processing and treatment systems, as well as unique, reservoir-driven, fit for purpose integrated production systems for accelerating first production and maximizing project economics.

Supporting the Divisions is a global network of research and engineering centers, through which Schlumberger advances its technology programs to enhance industry efficiency and sustainability, lower finding and producing costs, improve productivity, maximize reserve recovery and increase asset value, while accomplishing these goals safely.

The Divisions are deployed around a geographical structure of five Basins: Americas Land, Offshore Atlantic, Middle East and North Africa, Asia, and Russia and Central Asia. The Basins are a collection of GeoUnits,

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which consist of a single country to several countries, that each have common themes in terms of strategy, economic and operational drivers, and technology needs. With a strong focus on the customer and growth, the Basins are responsible for defining a Basin strategy in line with Schlumberger's corporate strategy and identifying opportunities for future growth.

Corporate Strategy

Schlumberger's ambition is to be its customers' "performance partner" of choice, by putting the customer at the center of everything it does and by being the company that defines performance in the energy services industry. Schlumberger's strategy is structured around three major themes: (i) strengthen the core; (ii) expand the go-to-market; and (iii) next horizons of growth.

Strengthen the Core

Strengthening the core is focused on developing our people, collaborating with our customers and enhancing our technology performance to enable Schlumberger's vision of customer performance. Maintaining capital discipline is also a key element of strengthening the core—such as evaluating all investment decisions through the lens of return on capital rather than growth and evolving certain businesses into innovative models that are less capital intensive.

Expand the Go-to-Market

Schlumberger believes that a key shift in the industry is the greater prominence and interplay of regional, or basin-specific, supply and demand. The industry is witnessing a decoupling of the activity characteristics of each major region, resulting in a unique set of dynamics for each oil and gas basin across the world.

There are four main regions increasingly competing against each other for market access to meet global, regional and domestic energy demand: North America Land; Middle East; Russia and Central Asia; and offshore. These regions correspond to a different set of resource plays or basins, each facing different economic and operational drivers, which translates into different activity levels and cycles. Current geopolitical uncertainties and trade conflicts will only amplify this trend, resulting in the transition from a global market toward a more localized supply and demand dynamic.

As basins around the world decouple, a key differentiator for Schlumberger will be its "fit-for-basin" approach and ability. Basins have significantly different dynamics, including technological needs, in-country value, and market or technology access. Schlumberger is developing and deploying basin-specific technology that helps its customers overcome the challenges of their respective regions. In-country value enables regional efficiency and performance, while increasing local content and aligning with the strategic priorities of our clients.

Additionally, by employing different business models, Schlumberger will evolve the way it goes to market in certain regions. Schlumberger will seek to monetize its technology advantage by deploying alternative operating models such as selling or leasing selected technologies to regional service providers with a license to operate in these specific markets. Schlumberger expects this approach to expand its total addressable market.

Next Horizons of Growth

Schlumberger's history and culture have been based on leadership, science and innovation since its founders invented wireline logging as a technique for obtaining downhole data in oil and gas wells. Continuing this tradition, Schlumberger will focus its future growth in two areas: digital innovation and new energy.

Schlumberger seeks to define the future of digital technology in the energy industry. The application of digital technology in field operations has the potential to deliver a step-change in operational workflows to significantly

elevate performance. To take the next step in performance that our customers need to deliver energy in today's competitive environment, Schlumberger is developing and using digital solutions, focused on generating richer data and better insights, that will achieve performance not previously possible across the energy industry.

Schlumberger is leveraging its portfolio of proprietary digital technologies as well as technologies that have transformed other industries to enable our customers to make better and faster decisions. Integrating digital technology into exploration and production ("E&P") workflows requires extensive domain expertise in upstream hardware and software technologies and in the management and interpretation of vast amounts of subsurface and production data. Schlumberger will continue to lead the digital transformation of the energy industry by applying its unique data and digital expertise to every facet of the E&P life cycle.

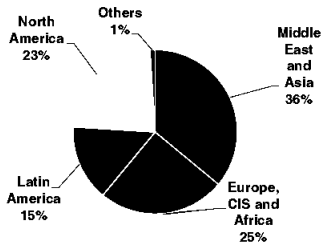
Through its New Energy portfolio, Schlumberger is investing in low carbon and carbon-neutral energy technologies that will provide a platform for future sustainable growth. Schlumberger recognizes that its future will expand beyond oil and gas with the energy transition, and consequently the Company is positioning for significant growth opportunities for the long term. Schlumberger New Energy is taking a business venture approach that will focus on energy efficiency and energy storage as a priority, aimed at developing unique positions in adjacent markets and introducing breakthrough technologies in energy verticals beyond oil and gas. Schlumberger will utilize its domain expertise in areas adjacent to its existing activities where it can deliver at scale with its global footprint and execution platform.

Human Capital

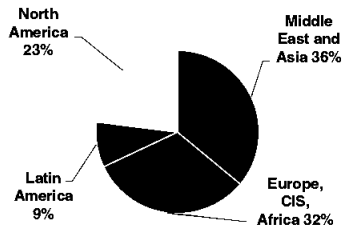
At December 31, 2020, Schlumberger employed approximately 86,000 people representing more than 160 nationalities.

Schlumberger believes that the diversity of its workforce is one of its greatest strengths and aims to maintain its employee population diversity in proportion to the revenue derived from the countries in which it works.

2020 Revenue Contribution



2020 Nationality Mix



Schlumberger recognizes that its ability to attract, develop, motivate and retain a highly competent and diverse workforce has been key to its success for many decades. As a service company, Schlumberger believes it is critical for its people to communicate with its customers in their native languages and to share the values of the people in the countries where it works. Furthermore, Schlumberger's diverse workforce is better able to respond to, and deliver services and products that meet the unique expectations and requirements of, its stakeholders, including customers, suppliers and stockholders. Schlumberger's long-standing commitment to national and cultural diversity fosters a culture that is global in outlook, yet local in practice, which permeates every layer of the Company.

In addition to national and cultural diversity, achieving improved gender balance has been a focus of policy and action in Schlumberger since the late 1970s, when it began recruiting women for field operations roles. Since

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then, Schlumberger has continued to expand opportunities for women across its field operations, technology, business and management roles. Schlumberger believes that these gender diversity initiatives help it maintain its competitive advantage.

Schlumberger set its first gender balance target in 1994, with the goal of having women comprise 15% of its salaried workforce by 2015. This goal was achieved ahead of schedule in 2011. Schlumberger's current gender balance goal is to have women comprise 25% of the Company's salaried workforce by 2025. In 2020, women made up approximately 23% of the Company's salaried employee population. Additionally, approximately 21% of management roles were held by women in 2020.

Schlumberger is proud of its meritocratic culture, its commitment to early responsibility and internal promotion, and its "borderless career" philosophy. Schlumberger strives to identify top talent within the Company, and to provide opportunities for employees who demonstrate exceptional competency and performance to progress to higher levels within the organization. Schlumberger seeks to nurture its talent pool to maximize each employee's developmental potential through a combination of training and experience. Schlumberger's "borderless career" philosophy means it supports flexible career paths, helping employees develop their skills across different functions, businesses and geographies. These opportunities accelerate career development while fostering an agile workforce and the next generation of business leaders.

Competition

The principal methods of competition within the energy services industry are technological innovation, quality of service and price differentiation. These vary geographically with respect to the different services and products that Schlumberger offers. Schlumberger has numerous competitors, both large and small.

Intellectual Property

Schlumberger owns and controls a variety of intellectual property, including but not limited to patents, proprietary information and software tools and applications that, in the aggregate, are material to Schlumberger's business. While Schlumberger seeks and holds numerous patents covering various products and processes, no particular patent or group of patents is material to Schlumberger's business.

Seasonality

Seasonal changes in weather and significant weather events can temporarily affect the delivery of Schlumberger's products and services. For example, the spring thaw in Canada and consequent road restrictions can affect activity levels, while the winter months in the North Sea, Russia and China can produce severe weather conditions that can temporarily reduce levels of activity. In addition, hurricanes and typhoons can disrupt coastal and offshore operations. Furthermore, customer spending patterns for multiclient data, software and other oilfield services and products may result in higher activity in the fourth quarter of each year as clients seek to fully utilize their annual budgets. Conversely, customer budget constraints may lead to lower demand for our services and products in the fourth quarter of each year.

Customers

Schlumberger's primary customers are national oil companies, large integrated oil companies and independent operators. No single customer exceeded 10% of Schlumberger's consolidated revenue during each of 2020, 2019 and 2018.

Governmental Regulations

Schlumberger is subject to numerous environmental, legal and other governmental and regulatory requirements related to its operations worldwide. For additional details, see "Item 1(a). Risk Factors—Legal and Regulatory Risks", which is incorporated by reference in this Item 1.

Corporate Information

Schlumberger was founded in 1926 and is incorporated under the laws of Curaçao. Schlumberger has executive offices in Paris, Houston, London and The Hague.

Available Information

The Schlumberger website is www.slb.com. Schlumberger uses its Investor Relations website, www.slb.com/ir, as a routine channel for distribution of important information, including news releases, analyst presentations, and financial information. Schlumberger makes available free of charge through its Investor Relations website at www.slb.com/ir, access to its Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, proxy statements and Forms 3, 4 and 5 filed on behalf of directors and executive officers, and amendments to each of those reports, as soon as reasonably practicable after such material is filed with or furnished to the SEC. Alternatively, you may access these reports at the SEC's website at www.sec.gov. Copies are also available, without charge, from Schlumberger Investor Relations, 5599 San Felipe, 17th Floor, Houston, Texas 77056. Unless expressly noted, the information on its website or any other website is not incorporated by reference in this Form 10-K and should not be considered part of this Form 10-K or any other filing Schlumberger makes with the SEC.

Information About Our Executive Officers

The following table sets forth, as of January 27, 2021, the names and ages of the executive officers of Schlumberger, including all offices and positions held by each for the past five years.

Name	Age	Current Position and Five-Year Business Experience
Olivier Le Peuch	57	Chief Executive Officer and Director, since August 2019; Chief Operating Officer, February 2019 to July 2019; Executive Vice President, Reservoir and Infrastructure, May 2018 to February 2019; President, Cameron Group, February 2017 to May 2018; and President, Completions, October 2014 to January 2017.
Stephane Biguet	52	Executive Vice President and Chief Financial Officer, since January 2020; Vice President, Finance, December 2017 to January 2020; Vice President, Treasurer, December 2016 to November 2017; Vice President, Controller, November 2013 to December 2016.
Khaled Al Mogharbel	50	Executive Vice President, Geographies, since July 2020; Executive Vice President, Operations, April 2019 to June 2020; Executive Vice President, Eastern Hemisphere, February 2019 to March 2019; President, Eastern Hemisphere, May 2017 to January 2019; and President, Drilling Group, July 2013 to April 2017.
Ashok Belani	62	Executive Vice President, Schlumberger New Energy, since February 2020; and Executive Vice President, Technology, January 2011 to January 2020.

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Name	Age	Current Position and Five-Year Business Experience
Hinda Gharbi	50	Executive Vice President, Services and Equipment, since July 2020; Executive Vice President, Reservoir and Infrastructure, February 2019 to June 2020; Vice President, Human Resources, May 2018 to January 2019; President, Reservoir Characterization Group, June 2017 to May 2018; and President, Wireline, July 2013 to May 2017.
Abdellah Merad	47	Executive Vice President, Performance Management, since May 2019; President NAL Production Group, May 2018 to April 2019; President, Production Group, October 2017 to May 2018; Vice President, Controller, Operations, December 2016 to September 2017; and Vice President, Global Shared Services Organization, November 2013 to December 2016.
Pierre Chereque	66	Vice President and Director of Taxes, since June 2017; and Director of Taxes, Operations, July 2004 to May 2017.
Kevin Fyfe	47	Vice President and Controller, since October 2017; Controller, Cameron Group, April 2016 to October 2017; and Vice President, Finance, OneSubsea, July 2013 to March 2016.
Howard Guild	49	Chief Accounting Officer, since July 2005.
Claudia Jaramillo	48	Vice President and Treasurer, since December 2017; ERM and Treasury Projects Manager, July 2017 to November 2017; and Controller, North America Area, July 2014 to July 2017.
Alexander C. Juden	60	Secretary, since April 2009; and General Counsel, April 2009 to November 2020.
Vijay Kasibhatla	57	Director, Mergers and Acquisitions, since January 2013.
Saul R. Laureles	55	Director, Corporate Legal Affairs, since July 2014; and Assistant Secretary, since April 2007.
Demosthenis Pafitis	53	Chief Technology Officer, since February 2020; Senior Vice President, Schlumberger 4.0 Platforms, from December 2017 to January 2020; and Vice President, Engineering, Manufacturing and Sustaining, September 2014 to December 2017.
Dianne Ralston	54	Chief Legal Officer, since December 2020; Executive Vice President, Chief Legal Officer and Secretary, TechnipFMC plc, January 2017 to October 2020; and Senior Vice President, General Counsel and Secretary, FMC Technologies, Inc., January 2015 to January 2017.
Gavin Rennick	46	Vice President, Human Resources, since February 2019; President, Software Integrated Solutions, January 2017 to February 2019; and M&A/Integration Manager, Cameron International, September 2015 to January 2017.

Item 1A. Risk Factors.

The following discussion of risk factors known to us contains important information for the understanding of our "forward-looking statements," which are discussed immediately following Item 7A. of this Form 10-K and elsewhere. These risk factors should also be read in conjunction with Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, and the *Consolidated Financial Statements* and related notes included in this Form 10-K.

We urge you to consider carefully the risks described below, which discuss the material factors that make an investment in our securities speculative or risky, as well as in other reports and materials that we file with the SEC and the other information included or incorporated by reference in this Form 10-K. Additional risks and uncertainties not currently known to us or that we currently deem immaterial may also materially adversely affect our business, reputation, financial condition, results of operations, cash flows and prospects.

Business and Operational Risks

Demand for our products and services is substantially dependent on the levels of expenditures by our customers. The current significant oil and gas industry downturn has resulted in reduced demand for oilfield services and lower expenditures by our customers, which has had, and may continue to have, a material adverse effect on our financial condition, results of operations and cash flows.

Demand for our products and services depends substantially on expenditures by our customers for the exploration, development and production of oil and natural gas reserves. These expenditures are generally dependent on our customers' views of future oil and natural gas prices, as well as their ability to access capital. These expenditures are also sensitive to our customers' views of future economic growth and the resulting impact on demand for oil and natural gas.

The continued low oil and gas prices have also caused a reduction in cash flows for our customers, which has had a significant adverse effect on the financial condition of some of our customers. This has resulted in, and may continue to result in, lower capital expenditures, project modifications, delays or cancellations, general business disruptions, and delays in payment of, or nonpayment of, amounts that are owed to us. These effects have had, and may continue to have, a material adverse effect on our financial condition, results of operations and cash flows.

Historically, oil and natural gas prices have experienced significant volatility and can be affected by a variety of factors, including:

- changes in the supply of and demand for hydrocarbons, which are affected by general economic and business conditions, as well as increased demand for (and availability of) alternative energy sources and electric vehicles;
- the ability or willingness of the Organization of Petroleum Exporting Countries and 10 other oil producing countries, including Russia, Mexico and Kazakhstan ("OPEC+"), to set and maintain production levels for oil;
- oil and gas production levels in the United States and by other non-OPEC+ countries;
- changes in the level of demand resulting from actual or threatened public health emergencies, such as the COVID-19 pandemic, or from other events affecting the level of economic activity;
- political and economic uncertainty and geopolitical unrest;
- the level of excess production capacity;
- the level of global oil and gas exploration and production activity;
- the level of global oil and natural gas inventories;

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- access to potential resources;
- governmental policies and subsidies;
- the costs of exploring for, producing and delivering oil and gas;
- speculation as to the future price of oil and the speculative trading of oil and natural gas futures contracts;
- government initiatives to promote the use of renewable energy sources and public sentiment regarding alternatives to oil and gas;
- technological advances affecting energy consumption; and
- weather conditions.

The oil and gas industry has historically been extremely cyclical. However, there can be no assurance that the demand or pricing for oil and natural gas or for our products and services will follow historic patterns or recover meaningfully in the near or medium term. Continued or worsening conditions in the oil and gas industry generally may have a further material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

The COVID-19 pandemic has significantly reduced demand for our services, and has had, and is likely to continue to have, a material adverse effect on our financial condition, results of operations and cash flows.

The effects of the COVID-19 pandemic, including actions taken by businesses and governments to contain the spread of the virus, have resulted in a significant and swift reduction in international and US economic activity. In our industry, geopolitical events that increased the supply of low-priced oil to the global market occurred at the same time that demand weakened due to the worldwide effects of the pandemic, leading to a collapse in oil prices in March 2020. These events together adversely affected the demand for oil and natural gas, as well as for our services and products, and caused significant volatility and disruption of the global financial markets. Other effects of the pandemic have included, and may continue to include, adverse revenue and net income effects; disruptions to our operations, including suspension or deferral of drilling activities; customer shutdowns of oil and gas exploration and production; downward revisions to customer budgets; limitations on access to sources of liquidity; employee impacts from illness, school closures and other community response measures; workforce reductions in response to activity declines; and temporary closures of our facilities or the facilities of our customers and suppliers. This period of extreme economic disruption, low oil prices and reduced demand for our products and services has had, and is likely to continue to have, a material adverse effect on our financial condition, results of operations and cash flows.

The extent to which our operating and financial results will continue to be affected by the COVID-19 pandemic will depend on various factors and consequences beyond our control, such as the duration and scope of the pandemic; additional actions by businesses and governments in response to the pandemic; and the speed and effectiveness of responses to combat the virus, including vaccine development and distribution. COVID-19, and the volatile regional and global economic conditions stemming from the pandemic, could also aggravate our other risk factors described in this Form 10-K.

A significant portion of our revenue is derived from our non-US operations, which exposes us to risks inherent in doing business in the more than 120 countries in which we generate revenue.

Our non-US operations accounted for approximately 81% of our consolidated revenue in 2020, 72% in 2019 and 68% in 2018. In addition to the risks addressed elsewhere in this section, our operations in countries other than the United States are subject to various risks, including:

- uncertain or volatile political, social and economic conditions;
- exposure to expropriation, nationalization, deprivation or confiscation of our assets or the assets of our customers, or other governmental actions;

- social unrest, acts of terrorism, war or other armed conflict;
- public health crises and other catastrophic events, such as the COVID-19 pandemic;
- confiscatory taxation or other adverse tax policies;
- theft of, or lack of sufficient legal protection for, proprietary technology and other intellectual property;
- deprivation of contract rights;
- trade and economic sanctions or other restrictions imposed by the European Union, the United States or other regions or countries;
- exposure under the U.S. Foreign Corrupt Practices Act ("FCPA"), the U.K. Bribery Act or similar anti-bribery and anti-corruption legislation;
- unexpected changes in legal and regulatory requirements, including changes in interpretation or enforcement of existing laws;
- restrictions on the repatriation of income or capital;
- currency exchange controls;
- inflation; and
- currency exchange rate fluctuations and devaluations.

Severe weather, including extreme weather conditions associated with climate change, has in the past and may in the future adversely affect our operations and financial results.

Our business has been, and in the future will be, affected by severe weather in areas where we operate, which could materially affect our operations and financial results. Extreme weather conditions such as hurricanes, flooding and landslides have in the past resulted in, and may in the future result in, the evacuation of personnel, stoppage of services and activity disruptions at our facilities, in our supply chain, or at well-sites. Particularly severe weather events affecting platforms or structures may result in a suspension of activities. In addition, impacts of climate change, such as sea level rise, coastal storm surge, inland flooding from intense rainfall and hurricane-strength winds may damage our facilities. Any such extreme weather-related events may result in increased operating costs or decreases in revenue which could adversely affect our financial condition, results of operations and cash flows.

Legal and Regulatory Risks

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

Our operations are subject to international, regional, national, and local 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, data privacy and cybersecurity, intellectual property, immigration, 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 expands in the future, the incremental cost of compliance could adversely affect our financial condition, results of operations, or cash flows.

Our international operations are subject to anti-corruption and anti-bribery laws and regulations, such as the FCPA, the U.K. Bribery Act and other similar laws. We are also subject to trade control regulations and trade sanctions laws that restrict the movement of certain goods to, and certain operations in, various countries or with certain persons. Our ability to transfer people, products and data among certain countries is subject to maintaining required licenses and complying with these laws and regulations.

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The internal controls, policies and procedures, and employee training and compliance programs we have implemented to deter prohibited practices may not be effective in preventing employees, contractors or agents from violating or circumventing such internal policies or from material violations of applicable laws and regulations. Any determination that we have violated or are responsible for violations of anti-bribery, trade control, trade sanctions or anti-corruption laws could have a material adverse effect on our financial condition. Violations of international and US laws and regulations or the loss of any required licenses may result in fines and penalties, criminal sanctions, administrative remedies or restrictions on business conduct, and could have a material adverse effect on our business, operations and financial condition. In addition, any major violations could have a significant effect on our reputation and consequently on our ability to win future business and maintain existing customer and supplier relationships.

Demand for our products and services could be reduced by existing and future legislation, regulations and public sentiment.

Regulatory agencies and environmental advocacy groups in the European Union, the United States and other regions or countries have been focusing considerable attention on the emissions of carbon dioxide, methane and other greenhouse gases and their role in climate change. There is also increased focus, including by governments and our customers, investors and other stakeholders, on these and other sustainability and energy transition matters. Existing or future legislation and regulations related to greenhouse gas emissions and climate change, as well as initiatives by governments, non-governmental organizations, and companies to conserve energy or promote the use of alternative energy sources, and negative attitudes toward or perceptions of fossil fuel products and their relationship to the environment, may significantly curtail demand for and production of oil and gas in areas of the world where our customers operate, and thus reduce future demand for our products and services. This may, in turn, adversely affect our financial condition, results of operations and cash flows. Our business, reputation and demand for our stock could be negatively affected if we do not (or are perceived to not) act responsibly with respect to sustainability matters.

Environmental compliance costs and liabilities arising as a result of environmental laws and regulations could have a material adverse effect on our business, financial condition and results of operations.

We are subject to numerous laws and regulations relating to environmental protection, including those governing air emissions, water discharges and waste management, as well as the importation and use of hazardous materials, radioactive materials, chemicals and explosives. We incur, and expect to continue to incur, significant capital and operating costs to comply with environmental laws and regulations. The technical requirements of these laws and regulations are becoming increasingly complex, stringent and expensive to implement. These laws sometimes provide for "strict liability" for remediation costs, damages to natural resources or threats to public health and safety. Strict liability can render us liable for damages without regard to our degree of care or fault. Some environmental laws provide for joint and several strict liability for remediation of spills and releases of hazardous substances, and, as a result, we could be liable for the actions of others.

We use and generate hazardous substances and wastes in our operations. In addition, many of our current and former properties are, or have been, used for industrial purposes. Accordingly, we could become subject to material liabilities relating to the investigation and cleanup of potentially contaminated properties, and to claims alleging personal injury or property damage as the result of exposures to, or releases of, hazardous substances. In addition, stricter enforcement or changing interpretations of existing laws and regulations, the enactment of new laws and regulations, the discovery of previously unknown contamination or the imposition of new or increased requirements could require us to incur costs or become the basis for new or increased liabilities that could have a material adverse effect on our business, operations and financial condition.

We could be subject to substantial liability claims, including well incidents, which could adversely affect our reputation, financial condition, results of operations and cash flows.

The technical complexities of our operations expose us to a wide range of significant health, safety and environmental risks. Our operations involve production-related activities, radioactive materials, chemicals,

explosives and other equipment and services that are deployed in challenging exploration, development and production environments. Accidents or acts of malfeasance involving these services or equipment, or a failure of a product (including as a result of a cyberattack), could cause personal injury, loss of life, damage to or destruction of property, equipment or the environment, or suspension of operations, which could materially adversely affect us. Any well incidents, including blowouts at a well site, may expose us to additional liabilities, which could be material. Generally, we rely on contractual indemnities, releases, and limitations on liability with our customers and insurance to protect us from potential liability related to such events. However, our insurance may not protect us against liability for certain kinds of events, including events involving pollution, or against losses resulting from business interruption. Moreover, we may not be able to maintain insurance at levels of risk coverage or policy limits that we deem adequate. Any damages caused by our services or products that are not covered by insurance or are in excess of policy limits or subject to substantial deductibles, could adversely affect our financial condition, results of operations and cash flows.

Intellectual Property and Technology Risks

If we are unable to maintain technology leadership, this could adversely affect any competitive advantage we hold.

The oilfield services industry is highly competitive. Our business may be adversely affected if we fail to continue to develop and produce competitive technologies in response to changes in the market, customer requirements and technology trends (including trends in favor of emissions-reducing technologies), or if we fail to deliver such technologies to our customers in a timely and cost-competitive manner in the various markets we serve. If we are unable to maintain technology leadership in our industry, our ability to maintain market share, defend, maintain or increase prices for our products and services, and negotiate acceptable contract terms with our customers could be adversely affected. Furthermore, if our equipment or proprietary technologies become obsolete, the value of our intellectual property may be reduced, which could adversely affect our financial condition, results of operations and cash flows.

Limitations on our ability to obtain, maintain, protect or enforce our intellectual property rights, including our trade secrets, could cause a loss in revenue and any competitive advantage we hold.

There can be no assurance that the steps we take to obtain, maintain, protect and enforce our intellectual property rights will be adequate. Some of our products or services, and the processes we use to produce or provide them, have been granted patent protection, have patent applications pending, or are trade secrets. Our business may be adversely affected when our patents are unenforceable, the claims allowed under our patents are not sufficient to protect our technology, our patent applications are denied, or our trade secrets are not adequately protected. Patent protection on some types of technology, such as software or machine learning processes, may not be available in certain countries in which we operate. Our competitors may also be able to develop technology independently that is similar to ours without infringing on our patents or gaining access to our trade secrets, which could adversely affect our financial condition, results of operations and cash flows.

Third parties may claim that we have infringed upon, misappropriated or otherwise violated their intellectual property rights.

The tools, techniques, methodologies, programs and components we use to provide our services and products may infringe upon, misappropriate or otherwise violate the intellectual property rights of others or be challenged on that basis. Regardless of the merits, any such claims generally result in significant legal and other costs, including reputational harm, and may distract management from running our business. Resolving such claims could increase our costs, including through royalty payments to acquire licenses, if available, from third parties and through the development of replacement technologies. If a license to resolve a claim were not available, we might not be able to continue providing a particular service or product, which could adversely affect our financial condition, results of operations and cash flows.

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Failure to obtain and retain skilled technical personnel could impede our operations.

We require highly skilled personnel to operate and provide technical services and support for our business. Competition for the personnel required for our businesses intensifies as activity increases and technology evolves. In periods of high utilization, it is often more difficult to find and retain qualified individuals. This could increase our costs or have other material adverse effects on our operations.

Our operations are subject to cyber incidents that could have a material adverse effect on our business, financial condition and results of operations.

We are increasingly dependent on digital technologies and services to conduct our business. We use these technologies for internal purposes, including data storage, processing and transmissions, as well as in our interactions with our business associates, such as customers and suppliers. In addition, we develop software and other digital products and services that store, retrieve, manipulate and manage our customers' information and data, external data, and our own data. Our digital technologies and services, and those of our business associates, are subject to the risk of cyberattacks and, given the nature of such attacks, some incidents can remain undetected for a period of time despite efforts to detect and respond to them in a timely manner. There can be no assurance that the systems we have designed to prevent or limit the effects of cyber incidents or attacks will be sufficient to prevent or detect material consequences arising from such incidents or attacks, or to avoid a material adverse impact on our systems after such incidents or attacks do occur. We have experienced and will continue to experience varying degrees of cyber incidents in the normal conduct of our business, including attacks resulting from phishing emails and ransomware infections. Even if we successfully defend our own digital technologies and services, we also rely on third-party business associates, with whom we may share data and services, to defend their digital technologies and services against attack.

We could suffer significant damage to our reputation if a cyber incident or attack were to allow unauthorized access to or modification of our customers' data, other external data, or our own data, or if the services we provide to our customers were disrupted, or if our digital products or services were reported to have or were perceived as having security vulnerabilities. This could lead to fewer customers using our digital products and services, which could have a material adverse impact on our financial condition and results of operations. In addition, if our systems, or our third-party business associates' systems, for protecting against cybersecurity risks prove to be insufficient, we could be adversely affected by, among other things, loss of or damage to intellectual property, proprietary or confidential information, or customer, supplier, or employee data; interruption of our business operations; increased legal and regulatory exposure and costs; and increased costs required to prevent, respond to, or mitigate cybersecurity attacks. These risks could harm our reputation and our relationships with our employees, business associates and other third parties, and may result in claims against us. The occurrence of any of these risks could have a material adverse effect on our business, financial condition and results of operations.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

Schlumberger owns or leases numerous manufacturing facilities, administrative offices, service centers, research centers, data processing centers, mines, and other facilities throughout the world, none of which are individually material.

Item 3. Legal Proceedings.

The information with respect to this Item 3. Legal Proceedings is set forth in Note 15—*Contingencies*, in the accompanying *Consolidated Financial Statements*.

Item 4. Mine Safety Disclosures.

Information concerning mine safety violations or other regulatory matters required by section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K is included in Exhibit 95 to this Form 10-K.

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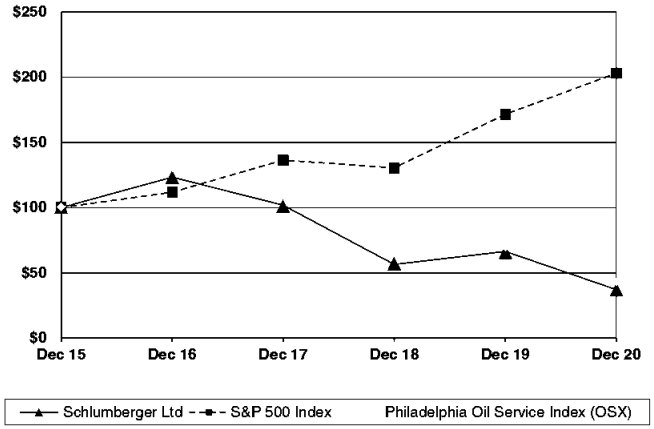
PART II

Item 5. Market for Schlumberger's Common Stock, Related Stockholder Matters and Issuer Purchases of Equity Securities.

As of December 31, 2020, there were 24,592 stockholders of record. The principal US market for Schlumberger's common stock is the New York Stock Exchange ("NYSE"), where it is traded under the symbol "SLB."

The following graph compares the cumulative total stockholder return on Schlumberger common stock with the cumulative total return on the Standard & Poor's 500 Index ("S&P 500 Index") and the cumulative total return on the Philadelphia Oil Service Index. It assumes $100 was invested on December 31, 2015 in Schlumberger common stock, in the S&P 500 Index and in the Philadelphia Oil Service Index, as well as the reinvestment of dividends on the last day of the month of payment. The stockholder return set forth below is not necessarily indicative of future performance. The following graph and related information shall not be deemed "soliciting material" or to be "filed" with the SEC, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent that Schlumberger specifically incorporates it by reference into such filing.

Comparison of Five-Year Cumulative Total Return Among Schlumberger Common Stock, the S&P 500 Index and the Philadelphia Oil Service Index



Share Repurchases

On January 21, 2016, the Schlumberger Board of Directors approved a $10 billion share repurchase program for Schlumberger common stock. Schlumberger had repurchased $1.0 billion of its common stock under this program as of December 31, 2020 but did not repurchase any of its common stock during the three months ended December 31, 2020.

Unregistered Sales of Equity Securities

None.

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Item 6. Selected Financial Data.

The following selected consolidated financial data should be read in conjunction with both "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Item 8. Financial Statements and Supplementary Data" of this Form 10-K in order to understand factors, such as business combinations and charges and credits, which may affect the comparability of the Selected Financial Data.

(Stated in millions, except per share amounts)

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Revenue	**$ 23,601**	$ 32,917	$ 32,815	$ 30,440	$ 27,810
Net income (loss) attributable to Schlumberger	**$ (10,518)**	$ (10,137)	$ 2,138	$ (1,505)	$ (1,687)
Diluted earnings (loss) per share of Schlumberger	**$ (7.57)**	$ (7.32)	$ 1.53	$ (1.08)	$ (1.24)
Cash	**$ 844**	$ 1,137	$ 1,433	$ 1,799	$ 2,929
Short-term investments	**$ 2,162**	$ 1,030	$ 1,344	$ 3,290	$ 6,328
Working capital	**$ 2,428**	$ 2,432	$ 2,245	$ 3,215	$ 8,868
Fixed income investments, held to maturity	**$ -**	$ -	$ -	$ -	$ 238
Total assets	**$ 42,434**	$ 56,312	$ 70,507	$ 71,987	$ 77,956
Long-term debt	**$ 16,036**	$ 14,770	$ 14,644	$ 14,875	$ 16,463
Total debt	**$ 16,886**	$ 15,294	$ 16,051	$ 18,199	$ 19,616
Schlumberger stockholders' equity	**$ 12,071**	$ 23,760	$ 36,162	$ 36,842	$ 41,078
Cash dividends declared per share	**$ 0.88**	$ 2.00	$ 2.00	$ 2.00	$ 2.00

During 2018, Schlumberger adopted ASU No. 2016-02, *Leases*, which requires lessees to recognize an operating lease asset and a lease liability on the balance sheet, with the exception of short-term leases. Prior year amounts reflected in the table above have not been adjusted and continue to be reflected in accordance with Schlumberger's historical accounting.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis contains forward-looking statements, including, without limitation, statements relating to our plans, strategies, objectives, expectations, intentions and resources. Such forward-looking statements should be read in conjunction with our disclosures under "Item 1A. Risk Factors" of this Form 10-K.

2020 Executive Overview

Global demand for oil dropped precipitously from January through April of 2020, in parallel with the expansion of the COVID-19 coronavirus outbreak, as governments around the world responded with lockdowns and travel decreased significantly. Global stocks of crude and refined products increased as oil supply could not respond quickly enough to balance the market.

As a result, Brent crude oil experienced its highest price of the year—$70 per barrel—in January, with a low of $9 per barrel in mid-April. Collaboration between OPEC and non-OPEC suppliers, including Russia, led to extraordinary supply intervention, resulting in the removal of more than eight million barrels per day ("bbl/d") of oil supply from the markets between April and June. This eased pressure on oil storage capacity and allowed the Brent price to stabilize in the $40 range until gaining strength in December, where it closed at $52 per barrel.

The OPEC-led supply alliance maintained production within an agreed quota and helped to maintain a relatively stable oil price, despite oil demand in the second half of 2020 being more than five million bbl/d lower than same period of 2019. Demand for refined products, other than jet fuel, returned to within two million bbl/d of pre-crisis levels by end of 2020.

Oil price volatility in the first half of the year, compounded by uncertainty over the pace of COVID-19 recovery, caused producers to lay down more than 40% of the world's drilling rigs in just six months. This suggests that $40 oil is insufficient to stimulate meaningful drilling activity growth. However, even with massive demand reduction, the drilling activity necessary to maintain supply is still significant.

In the US, operators laid down nearly 70% of active rigs between the first and third quarters of 2020, before adding a modest number of rigs in the fourth quarter. As a result, US crude production fell by nearly two million bbl/d by the end of 2020. However, the remaining rigs continued to drill in the highest quality reservoirs, which resulted in supply remaining flat over the second half of the year.

Though global gas demand also suffered in response to the pandemic's effect on economic activity, its use for power generation, heating, and as a chemical feedstock made it more resilient than oil demand as the pandemic spread. Gas demand for 2020 was down only approximately 5% as compared to 2019.

US Henry Hub natural gas price averaged $2.03 per million British thermal units ("mmbtu") for the year, having also fallen in the first half of 2020. Prices recovered in the second half on decreased tight-oil associated production in line with the reduction of active rigs. International gas hub prices were more volatile.

Against this backdrop, Schlumberger's full-year 2020 revenue of $23.6 billion declined 28% year-on-year. North American revenue fell sharply by 48% to $5.5 billion. This decrease was largely driven by weakness in the land market as operators reacted to oversupplied markets by making deep cuts to activity. North America operators dropped drilling and pressure pumping activity quickly in the first quarter due to the effects of the pandemic on demand, adding a modest volume of completion activity toward the end of the year. International revenue was more resilient, declining only 19% year-on-year. This decline was most prominent in Latin America, Europe, and Africa due to downward revisions to customer budgets and COVID-19 disruptions.

Additionally, during the fourth quarter of 2020, Schlumberger completed two transactions: the contribution of its OneStim business in North America to Liberty Oilfield Services ("Liberty") in exchange for a 37% stake in

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Liberty, and the divestiture of the North America low-flow rod-lift business in a cash transaction. These businesses accounted for approximately 25% of Schlumberger's North America revenue in 2020. Consequently, the percentage of Schlumberger's revenue that it generates in the international markets will increase significantly going forward. The combination of Schlumberger's fit-for-basin strategy, digital technology innovation, and scale puts the company in the best position to leverage the anticipated shift of spending growth toward the international markets.

From a macro perspective, oil prices have risen, buoyed by recent supply-led OPEC+ policy, the ongoing COVID-19 vaccine rollout, and multinational economic stimulus actions—driving optimism for a meaningful oil demand recovery throughout 2021. We believe that this sets the stage for oil demand to recover to 2019 levels no later than 2023, or earlier as per recent industry analysts' reports, reinforcing a multiyear cycle recovery as the global economy strengthens. Absent a change to these macro assumptions, this will translate into meaningful activity increases both in North America and internationally.

In North America, spending and activity momentum is expected to continue in the first half of 2021 towards maintenance levels, albeit moderated by capital discipline and industry consolidation. Internationally, following the seasonal effects of the first quarter of 2021, and as OPEC+ responds to strengthening oil demand, higher spending is expected from the second quarter onwards. Accelerated activity is not expected to extend beyond the short-cycle markets and will be broad, including offshore, as witnessed during the fourth quarter.

The quality of Schlumberger's results in the fourth quarter of 2020 validates the progress of our performance strategy and the reinvention of Schlumberger in this new chapter for the industry. Building from the swift execution and scale of our cost-out program, we exited the year with quarterly margins reset to 2019 levels as the upcycle begins. Leveraging our high-graded and restructured business portfolio, we see a clear path to achieve double-digit margins in North America and visible international margin improvement in 2021. Given the depth, diversity, and executional capability of our international business, we believe we are uniquely positioned to benefit as international spending accelerates in the near- and mid-term.

By leveraging our new structure, Schlumberger is fully prepared to capitalize on the growth drivers of the future of our industry, particularly as we accelerate our digital growth ambition and lead in the production and recovery market. Finally, to meet our long-term ambition to bring lower carbon and carbon-neutral energy sources and technology to market, we are visibly expanding our New Energy portfolio, to contribute to the transformation of a more resilient, sustainable, and investable energy services industry.

Fourth Quarter 2020 Results

(Stated in millions)

	Fourth Quarter 2020		Third Quarter 2020	
	Revenue	Income Before Taxes	Revenue	Income (Loss) Before Taxes
Digital & Integration	**$ 833**	**$ 270**	$ 740	$ 202
Reservoir Performance	**1,247**	**95**	1,215	103
Well Construction	**1,866**	**183**	1,835	172
Production Systems	**1,649**	**155**	1,532	132
Eliminations & other	**(63)**	**(49)**	(64)	(34)
		654		575
Corporate & other [1]		**(132)**		**(151)**
Interest income [2]		**5**		3
Interest expense [3]		**(137)**		**(131)**
Charges & credits [4]		**81**		(350)
	$ 5,532	**$ 471**	$ 5,258	$ (54)

(1) Comprised principally of certain corporate expenses not allocated to the segments, stock-based compensation costs, amortization expense associated with certain intangible assets, certain centrally managed initiatives and other nonoperating items.

(2) Excludes interest income included in the segments' income (fourth quarter 2020: $- million; third quarter 2020: $- million).

(3) Excludes interest expense included in the segments' income (fourth quarter 2020: $7 million; third quarter 2020: $7 million).

(4) Charges and credits are described in detail in Note 3 to the *Consolidated Financial Statements*.

Fourth-quarter revenue grew 5% sequentially, driven by strong activity and solid execution both in North America and in the international markets. International revenue of $4.3 billion grew 3% while North America revenue of $1.2 billion increased 13%. Despite seasonality, revenue grew sequentially in all four Divisions for the first time since the third quarter of 2019.

Sequentially, international revenue growth outpaced rig count and was led by Latin America and by a global rebound of activity in most offshore deepwater markets. In the Middle East & Asia, growth was mostly in China, India, and Oman while Saudi Arabia remained resilient. In Europe/CIS/Africa, activity increased significantly in the offshore markets of Africa and several countries in Europe, offset by the seasonal winter slowdown in Russia. In North America, offshore activity in the US Gulf of Mexico grew, and on land, increased horizontal drilling and pressure pumping activity contributed to the higher revenue.

Digital & Integration

Fourth-quarter revenue of $833 million, 83% of which came from the international markets, increased 13% sequentially. International revenue increased by 14% and North America revenue increased by 6% sequentially. The Digital & Integration revenue increase was primarily driven by APS projects.

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Digital & Integration pretax operating margin of 32% expanded by 507 basis points ("bps") sequentially. The margin expansion was primarily in the international markets and was largely driven by improved profitability across APS projects.

Reservoir Performance

Fourth-quarter revenue of $1.2 billion, 73% of which came from the international markets, increased 3% sequentially. International revenue declined 3% while North America revenue increased 23% sequentially. The revenue increase was primarily driven by higher OneStim activity in North America. OneStim fourth-quarter revenue of $274 million increased 25% sequentially. This increase, however, was partially offset by seasonality in Russia and reduced activity in the Middle East & Asia.

Reservoir Performance pretax operating margin of 8% decreased 84 bps sequentially driven by seasonality in Russia, despite improved North American activity.

Well Construction

Fourth-quarter revenue of $1.9 billion, 84% of which came from the international markets, increased 2% sequentially. International and North America revenue increased 1% and 7%, respectively. The revenue increase was due to higher activity in North America, Latin America, and the Middle East & Asia, partially offset by seasonality in Russia.

Well Construction pretax operating margin of 10% improved by 42 bps sequentially. North America margin improved due to higher drilling activity on land while international margin was essentially flat.

Production Systems

Fourth-quarter revenue of $1.6 billion, 74% of which came from the international markets, increased 8% sequentially. International and North America revenue increased 7% and 11%, respectively, due to higher activity across all areas.

Production Systems pretax operating margin of 9% increased by 82 bps sequentially due to a higher contribution from the long-cycle business of subsea, and improved profitability in surface production systems due to cost reduction measures and higher activity.

Full-Year 2020 Results

(Stated in millions)

	2020		2019	
	Revenue	Income (Loss) Before Taxes	Revenue	Income (Loss) Before Taxes
Digital & Integration	$ 3,076	$ 731	$ 4,145	$ 882
Reservoir Performance	5,602	353	9,299	992
Well Construction	8,605	866	11,880	1,429
Production Systems	6,650	623	8,167	847
Eliminations & other	(332)	(172)	(574)	(172)
		2,401		3,978
Corporate & other [1]		(681)		(957)
Interest income [2]		31		33
Interest expense [3]		(534)		(571)
Charges & credits [4]		(12,515)		(12,901)
	$ 23,601	$ (11,298)	$ 32,917	$ (10,418)

[1] Comprised principally of certain corporate expenses not allocated to the segments, stock-based compensation costs, amortization expense associated with certain intangible assets, certain centrally managed initiatives and other nonoperating items.

[2] Excludes interest income included in the segments' income (2020: $2 million; 2019: $8 million).

[3] Excludes interest expense included in the segments' income (2020: $28 million; 2019: $38 million).

[4] Charges and credits are described in detail in Note 3 to the *Consolidated Financial Statements*.

Full-year 2020 revenue of $23.6 billion decreased 28% year-on-year. North America revenue declined 48% year-on-year reflecting the continued capital discipline of North America operators, who reduced drilling and hydraulic fracturing activity due to the pandemic. International revenue decreased 19% year-on-year, due to COVID-19-related disruptions, the drop in offshore activity, and reduced customer discretionary spending.

Digital & Integration

Full-year 2020 revenue of $3.1 billion decreased 26% year-on-year primarily due to lower multiclient and software sales as customers reduced activity due to COVID-19 and cut discretionary spending.

Year-on-year pretax operating margin increased 249 bps to 24% largely due to improved APS margins as a result of reduced amortization expense following the asset impairment charges that were recorded in the second quarter of 2020 and the effects of cost cutting efforts.

Reservoir Performance

Full-year 2020 revenue of $5.6 billion decreased 40% year-on-year. A little more than half of this revenue decrease was attributable to the sharp drop in OneStim pressure pumping activity in North America land. The remaining portion of the revenue decline resulted from COVID-19 disruptions that caused international activity to be cancelled or suspended.

Year-on-year pretax operating margin decreased 435 bps to 6% due to the steep revenue decline.

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Well Construction

Full-year 2020 revenue of $8.6 billion decreased 28% year-on-year primarily due to the activity decline in US land as the rig count decreased significantly, while COVID-19 disruptions caused drilling activities to be cancelled or suspended in several international markets.

Year-on-year pretax operating margin only decreased 196 bps to 10% as the effects of the revenue decline were partially mitigated by prompt cost cutting measures.

Production Systems

Full-year 2020 revenue of $6.7 billion decreased 19% year-on-year primarily driven by lower sales of valves and surface systems in North America.

Year-on-year pretax operating margin decreased 101 bps to 9% due to the revenue decline.

Full-Year 2019 Results

(Stated in millions)

	2019		2018	
	Revenue	**Income (Loss) Before Taxes**	Revenue	Income Before Taxes
Digital & Integration	**$ 4,145**	**$ 882**	$ 3,820	$ 882
Reservoir Performance	**9,299**	**992**	10,050	1,169
Well Construction	**11,880**	**1,429**	11,310	1,465
Production Systems	**8,167**	**847**	8,168	843
Eliminations & other	**(574)**	**(172)**	(533)	(172)
		3,978		4,187
Corporate & other [1]		**(957)**		(937)
Interest income [2]		**33**		52
Interest expense [3]		**(571)**		(537)
Charges & credits [4]		**(12,901)**		(141)
	$ 32,917	**$ (10,418)**	$ 32,815	$ 2,624

[1] Comprised principally of certain corporate expenses not allocated to the segments, stock-based compensation costs, amortization expense associated with certain intangible assets, certain centrally managed initiatives and other nonoperating items.

[2] Excludes interest income included in the segments' income (2019: $8 million; 2018: $8 million).

[3] Excludes interest expense included in the segments' income (2019: $38 million; 2018: $38 million).

[4] Charges and credits are described in detail in Note 3 to the *Consolidated Financial Statements*.

Full-year 2019 revenue of $32.9 billion was essentially flat year-on-year with North America revenue decreasing 11% and international revenue increasing 7%. The international results were underpinned by increased investment levels. In contrast, the North America result reflected a slowing production growth rate on land as operators maintained capital discipline and reduced drilling and hydraulic fracturing activity.

Digital & Integration

Full-year 2019 revenue of $4.1 billion increased 9% year-on-year primarily driven by increased APS activity.

Year-on-year pretax operating margin decreased 181 bps to 21% primarily as a result of a less favorable revenue mix.

Reservoir Performance

Full-year 2019 revenue of $9.3 billion decreased 7% year-on-year primarily driven by lower OneStim activity in North America as customers reduced spending due to higher cost of capital, lower borrowing capacity and expectations of better return from their shareholders.

Year-on-year pretax operating margin decreased 97 bps to 11% primarily due to reduced profitability in OneStim in North America.

Well Construction

Full-year 2019 revenue of $11.9 billion increased 5% year-on-year primarily due to higher demand for drilling services, largely in the international markets.

Year-on-year pretax operating margin decreased 93 bps to 12% despite higher revenue as margins were affected by competitive pricing and higher costs associated with a number of integrated drilling contracts internationally.

Production Systems

Full-year 2019 revenue of $8.2 billion was essentially flat year-on-year as lower revenue for OneSubsea and valves and process systems was offset by higher surface system and completion sales.

Year-on-year pretax operating margin was essentially unchanged at 10.4%.

Interest and Other Income

Interest & other income consisted of the following:

(Stated in millions)

	2020	2019	2018
Earnings of equity method investments	**$ 91**	$ 45	$ 89
Interest income	**33**	41	60
Unrealized gain on marketable securities	**39**	-	-
	$ 163	$ 86	$ 149

The increase in earnings of equity method investments in 2020 as compared to 2019 is primarily related to higher income associated with Schlumberger's equity investments in rig- and seismic-related businesses, while the decrease in 2019 as compared to 2018 was primarily related to lower income from those same businesses.

The decrease in interest income in 2019 compared to 2018 is primarily attributable to lower cash and short-term investment balances.

The unrealized gain on marketable securities in 2020 relates to an investment in a start-up company that Schlumberger previously invested in that completed an initial public offering during the fourth quarter of 2020.

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As a result, Schlumberger recognized an unrealized gain of $39 million to increase the carrying value of this investment to its fair value of $43 million as of December 31, 2020. See Note 3 to the *Consolidated Financial Statements*.

Interest Expense

Interest expense of $563 million in 2020 decreased $46 million compared to 2019. This decrease was primarily due to certain debt being refinanced with lower interest rate debt. Interest expense of $609 million in 2019 increased $34 million compared to 2018. This increase is primarily due to an increase in the weighted average debt balance during 2019 as compared to 2018.

Other

Research & engineering and *General & administrative* expenses, as a percentage of *Revenue*, were as follows:

	2020	2019	2018
Research & engineering	**2.5%**	2.2%	2.1%
General & administrative	**1.5%**	1.4%	1.4%

Income Taxes

The Schlumberger effective tax rate is sensitive to the geographic mix of earnings. When the percentage of pretax earnings generated outside of North America increases, the Schlumberger effective tax rate generally decreases. Conversely, when the percentage of pretax earnings generated outside of North America decreases, the Schlumberger effective tax rate generally increases.

The Schlumberger effective tax rate was 7% in 2020 as compared to 3% in 2019. The charges and credits described in Note 3 to the *Consolidated Financial Statements*, reduced the effective tax rate by approximately 12 and 13 points in 2020 and 2019, respectively, as a significant portion of these charges were not tax effective. Changes in the geographic mix of pretax earnings accounted for the remaining increase in the effective tax rate in 2020 as compared to 2019.

The Schlumberger effective tax rate was 3% in 2019 as compared to 17% in 2018. The lower effective tax rate was almost entirely due to the 2019 charges and credits described in Note 3 to the *Consolidated Financial Statements*, which primarily related to non-deductible goodwill.

Charges and Credits

Schlumberger recorded significant charges and credits during 2020, 2019 and 2018. These charges and credits, which are summarized below, are more fully described in Note 3 to the *Consolidated Financial Statements*.

The following is a summary of the 2020 charges and credits.

(Stated in millions)

	Pretax	Tax	Net
First quarter:			
Goodwill	$ 3,070	$ -	$ 3,070
Intangible assets impairments	3,321	815	2,506
Asset Performance Solutions investments	1,264	(4)	1,268
North America pressure pumping impairment	587	133	454
Workforce reductions	202	7	195
Other	79	9	70
Valuation allowance	-	(164)	164
Second quarter:			
Workforce reductions	1,021	71	950
Asset Performance Solutions investments	730	15	715
Fixed asset impairments	666	52	614
Inventory write-downs	603	49	554
Right-of-use asset impairments	311	67	244
Costs associated with exiting certain activities	205	(25)	230
Multiclient seismic data impairment	156	2	154
Repurchase of bonds	40	2	38
Postretirement benefits curtailment gain	(69)	(16)	(53)
Other	60	4	56
Third quarter:			
Facility exit charges	254	39	215
Workforce reductions	63	-	63
Other	33	1	32
Fourth quarter:			
Gain on sale of OneStim	(104)	(11)	(93)
Unrealized gain on marketable securities	(39)	(9)	(30)
Other	62	4	58
	$ 12,515	$ 1,041	$ 11,474

As a result of the first quarter 2020 impairment charges, commencing with the second quarter of 2020, depreciation and amortization expense was reduced by approximately $95 million on a quarterly basis. Approximately $33 million of this quarterly reduction is reflected in the Digital & Integration Division and $12 million is reflected in the Reservoir Performance Division. The remaining $50 million is reflected in the "Corporate & other" line item.

As a result of the second quarter 2020 restructuring and impairment charges, commencing with the third quarter of 2020, depreciation and amortization expense was reduced by approximately $80 million and lease expense was reduced by $25 million on a quarterly basis. Approximately $51 million of this quarterly reduction is reflected in the Digital & Integration Division and $31 million is reflected in the Reservoir Performance Division, with the remaining $23 million reflected among the Well Construction Division and Production Systems Division.

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As a result of the third quarter 2020 restructuring charges, commencing with the fourth quarter of 2020, depreciation and lease expense was reduced by $15 million on a quarterly basis. This quarterly reduction is reflected among all of the Divisions.

The following is a summary of the 2019 charges and credits.

(Stated in millions)

	Pretax	Tax	Net
Third quarter:			
Goodwill impairment	$ 8,828	$ 43	$ 8,785
Intangible assets impairment	1,085	248	837
North America pressure pumping	1,575	344	1,231
Other North America-related	310	53	257
Argentina	127	-	127
Equity-method investments	231	12	219
Asset Performance Solutions investments	294	-	294
Other	242	13	229
Fourth quarter:			
North America restructuring	225	51	174
Other restructuring	104	(33)	137
Workforce reductions	68	8	60
Pension settlement accounting	37	8	29
Repurchase of bonds	22	5	17
Gain on formation of Sensia joint venture	(247)	(42)	(205)
	$ 12,901	$ 710	$ 12,191

A significant portion of the third-quarter impairment charges were recorded effective August 31, 2019. Accordingly, the 2019 results reflect a $108 million reduction in depreciation and amortization expense for the last four months of 2019. Approximately $64 million of this amount is reflected in the Reservoir Performance Division and $20 million is reflected in the Production Systems Division. The remaining $24 million is reflected in the "Corporate & other" line item.

The following is a summary of the 2018 charges and credits. The $215 million gain on the sale of the marine seismic acquisition business is classified in *Gains on sale of businesses* in the *Consolidated Statement of Income (Loss)*, while the $356 million of charges are classified in *Impairments & other*.

(Stated in millions)

	Pretax	Tax	Net
Gain on sale of marine seismic acquisition business	$ (215)	$ (19)	$ (196)
Workforce reductions	184	20	164
Asset impairments	172	16	156
	$ 141	$ 17	$ 124

Liquidity and Capital Resources

The effects of the COVID-19 pandemic have resulted in a significant and swift reduction in international and US economic activity. These effects have adversely affected the demand for oil and natural gas, as well as for

Schlumberger's products and services, and caused significant volatility and disruption of the financial markets. This period of extreme economic disruption, low oil prices and reduced demand for Schlumberger's products and services has had, and is likely to continue to have, a material adverse impact on Schlumberger's business, results of operations, financial condition and, at times, access to sources of liquidity.

In view of the uncertainty of the depth and extent of the contraction in oil demand due to the COVID-19 pandemic combined with the weaker commodity price environment, Schlumberger turned its strategic focus to cash conservation and protecting its balance sheet. As a result, in April 2020 Schlumberger announced a 75% reduction to its quarterly cash dividend. The revised dividend supports Schlumberger's value proposition through a balanced approach of shareholder distributions and organic investment, while providing flexibility to address the uncertain environment. This decision reflects the Company's focus on its capital stewardship program as well as its commitment to maintain both a strong liquidity position and a strong investment grade credit rating that provides privileged access to the financial markets.

Details of the components of liquidity as well as changes in liquidity follow:

(Stated in millions)

Components of Liquidity:	**Dec. 31, 2020**	Dec. 31, 2019	Dec. 31, 2018
Cash	**$ 844**	$ 1,137	$ 1,433
Short-term investments	**2,162**	1,030	1,344
Short-term borrowings and current portion of long-term debt	**(850)**	(524)	(1,407)
Long-term debt	**(16,036)**	(14,770)	(14,644)
Net debt [1]	**$ (13,880)**	$ (13,127)	$ (13,274)

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Changes in Liquidity:	**2020**	2019	2018
Net income (loss)	**$ (10,486)**	$ (10,107)	$ 2,177
Impairments and other charges and credits	**12,515**	12,901	141
Depreciation and amortization [2]	**2,566**	3,589	3,556
Deferred taxes	**(1,248)**	(1,011)	(245)
Earnings of equity method investments, less dividends received	**(28)**	6	(48)
Stock-based compensation expense	**397**	405	345
Pension and other postretirement benefits funding	**(16)**	(25)	(83)
Increase in working capital and other [3]	**(756)**	(327)	(130)
Cash flow from operations	**2,944**	5,431	5,713
Capital expenditures	**(1,116)**	(1,724)	(2,160)
APS investments	**(303)**	(781)	(981)
Multiclient seismic data capitalized	**(101)**	(231)	(100)
Free cash flow [4]	**1,424**	2,695	2,472
Dividends paid	**(1,734)**	(2,769)	(2,770)
Stock repurchase program	**(26)**	(278)	(400)
Proceeds from employee stock plans	**146**	219	261
Net proceeds from divestitures	**434**	348	-
Proceeds from formation of Sensia joint venture	**-**	238	-
Proceeds from sale of WesternGeco marine seismic business, net of cash divested	**-**	-	579
Business acquisitions and investments, net of cash acquired plus debt assumed	**(33)**	(23)	(292)
Repayment of finance lease obligations	**(188)**	-	-
Other	**(181)**	(204)	(93)
Change in net debt before impact of changes in foreign exchange rates on net debt	**(158)**	226	(243)
Impact of changes in foreign exchange rates on net debt	**(595)**	(79)	79
(Increase) decrease in Net Debt	**(753)**	147	(164)
Net Debt, Beginning of period	**(13,127)**	(13,274)	(13,110)
Net Debt, End of period	**$ (13,880)**	$ (13,127)	$ (13,274)

[1] "Net Debt" represents gross debt less cash, short-term investments and fixed income investments, held to maturity. Management believes that Net Debt provides useful information regarding the level of Schlumberger's indebtedness by reflecting cash and investments that could be used to repay debt. Net Debt is a non-GAAP financial measure that should be considered in addition to, not as a substitute for or superior to, total debt.

[2] Includes depreciation of property, plant and equipment and amortization of intangible assets, multiclient seismic data costs and APS investments.

[3] Includes severance payments of approximately $843 million, $128 million and $340 million during 2020, 2019 and 2018, respectively.

[4] "Free cash flow" represents cash flow from operations less capital expenditures, APS investments and multiclient seismic data costs capitalized. Management believes that free cash flow is an important liquidity measure for the Company and that it is useful to investors and management as a measure of the ability of our business to generate cash. Once business needs and obligations are met, this cash can be used to reinvest in the Company for future growth or to return to shareholders through dividend payments or share repurchases. Free cash flow does not represent the residual cash flow available for discretionary expenditures. Free cash flow is a non-GAAP financial measure that should be considered in addition to, not as substitute for or superior to, cash flow from operations.

Key liquidity events during 2020, 2019 and 2018 included:

- Cash flow from operations was $2.9 billion in 2020, $5.4 billion in 2019 and $5.7 billion in 2018. The decrease in cash flow from operations in 2020 as compared to 2019 was driven by the sharp reduction in earnings excluding non-cash charges and credits and depreciation and amortization expense as a result of the challenging business conditions in 2020.
- On January 21, 2016, the Schlumberger Board of Directors approved a $10 billion share repurchase program for Schlumberger common stock. Schlumberger had repurchased $1.0 billion of Schlumberger common stock under this program as of December 31, 2020.

  The following table summarizes the activity under this share repurchase program during 2020, 2019 and 2018:

(Stated in thousands, except per share amounts)

	Total Cost of Shares Purchased	Total Number of Shares Purchased	Average Price Paid per Share
2020	**$ 26,244**	**776.2**	**$ 33.81**
2019	$ 278,162	6,968.3	$ 39.92
2018	**$ 399,786**	**6,495.1**	**$ 61.55**

- Dividends paid during 2020, 2019 and 2018 were $1.7 billion, $2.8 billion and $2.8 billion, respectively.
- Capital investments (consisting of capital expenditures, APS investments and multiclient seismic data capitalized) were $1.5 billion in 2020, $2.7 billion in 2019 and $3.2 billion in 2018. Capital investments during 2021 are expected to be between $1.5 billion and $1.7 billion.
- During the fourth quarter of 2020, Schlumberger repaid certain finance lease obligations totaling $188 million as a result of the OneStim transaction.
- During the third quarter of 2020, Schlumberger issued $500 million of 1.40% Senior Notes due 2025 and $350 million of 2.65% Senior Notes due 2030.
- During the second quarter of 2020, Schlumberger issued €1.0 billion of 1.375% Guaranteed Notes due 2026, $900 million of 2.650% Senior Notes due 2030 and €1.0 billion of 2.00% Guaranteed Notes due 2032.
- During the second quarter of 2020, Schlumberger repurchased all $600 million of its 4.20% Senior Notes due 2021 and $935 million of its 3.30% Senior Notes due 2021. Schlumberger paid a premium of approximately $40 million in connection with these repurchases. This premium was classified in *Impairments & other* in the *Consolidated Statement of Income (Loss)*. See Note 3 – *Charges and Credits*.
- During the second quarter of 2020, Schlumberger established a €5.0 billion Guaranteed Euro Medium Term Note program that provides for the issuance of various types of debt instruments such as fixed or floating rate notes in euro, US dollar or other currencies. Schlumberger has not issued any debt under this program.
- During the first quarter of 2020, Schlumberger issued €400 million of 0.25% Notes due 2027 and €400 million of 0.50% Notes due 2031.

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- During the first quarter of 2020, Schlumberger completed the sale of its 49% interest in the Bandurria Sur Block in Argentina. The net cash proceeds from this transaction, combined with the proceeds received from the divestiture of a smaller APS project, amounted to $298 million.
- During the fourth quarter of 2019, Schlumberger repurchased the remaining $416 million of its 3.00% Senior Notes due 2020; $126 million of its 4.50% Senior Notes due 2021; $500 million of its 4.20% Senior Notes due 2021; and $106 million of its 3.60% Senior Notes due 2022.
- During the fourth quarter of 2019, Schlumberger completed the sale of the businesses and associated assets of DRILCO, Thomas Tools and Fishing and Remedial Services and received net cash proceeds of $348 million. These businesses represented less than 1% of Schlumberger's consolidated 2019 revenue.
- During the fourth quarter of 2019, Schlumberger and Rockwell Automation closed their Sensia joint venture. Rockwell Automation owns 53% of the joint venture and Schlumberger owns 47%. At closing, Rockwell Automation made a $238 million cash payment, net of working capital adjustments, to Schlumberger.
- During the third quarter of 2019, Schlumberger issued €500 million of 0.00% Notes due 2024, €500 million of 0.25% Notes due 2027 and €500 million of 0.50% Notes due 2031.
- During the third quarter of 2019, Schlumberger repurchased $783 million of its 3.00% Senior Notes due 2020 and $321 million of its 3.625% Senior Notes due 2022.
- During the second quarter of 2019, Schlumberger completed a debt exchange offer, pursuant to which it issued $1.5 billion in principal of 3.90% Senior Notes due 2028 in exchange for $401 million of 3.00% Senior Notes due 2020, $234 million of 3.63% Senior Notes due 2022 and $817 million of 4.00% Senior Notes due 2025.
- During the first quarter of 2019, Schlumberger issued $750 million of 3.75% Senior Notes due 2024 and $850 million of 4.30% Senior Notes due 2029.
- During the fourth quarter of 2018, Schlumberger issued €600 million of 1.00% Guaranteed Notes due 2026.
- During the fourth quarter of 2018, Schlumberger completed the divestiture of its marine seismic acquisition business for net proceeds of $579 million (after considering $21 million of cash divested).

Schlumberger expects to receive an income tax refund of approximately $0.5 billion in 2021. This receivable is included in *Other current assets* in the *Consolidated Balance Sheet* as of December 31, 2020.

Schlumberger has a provision of $0.5 billion relating to severance recorded in its *Consolidated Balance Sheet* as of December 31, 2020. The majority of this balance is expected to be paid during the first half of 2021.

As of December 31, 2020, Schlumberger had $3.0 billion of cash and short-term investments on hand. Schlumberger had committed credit facility agreements with commercial banks aggregating $6.3 billion that support commercial paper programs, of which $5.9 billion was available and unused as of December 31, 2020. Schlumberger also has a €1.54 billion committed revolving credit facility that expires in the second quarter of 2021 but can be extended at Schlumberger's option for up to an additional year. At December 31, 2020, no amounts have been drawn under this facility. Schlumberger believes these amounts are sufficient to meet future business requirements for at least the next 12 months.

The total outstanding commercial paper borrowings were $0.4 billion as of December 31, 2020 and $2.2 billion as of December 31, 2019.

Summary of Contractual Obligations

(Stated in millions)

	Total	Payment Period 2021	2022-2023	2024-2025	After 2025
Debt [1]	$ 16,886	$ 850	$ 3,761	$ 2,940	$ 9,335
Interest on fixed rate debt obligations [2]	3,202	486	874	655	1,187
Operating leases	1,154	256	360	220	318
Purchase obligations [3]	3,014	2,693	199	75	47
	$ 24,256	$ 4,285	$ 5,194	$ 3,890	$ 10,887

(1) Excludes future payments for interest.

(2) Excludes interest on $0.6 billion of variable rate debt, which had a weighted average interest rate of 1.0% as of December 31, 2020.

(3) Represents an estimate of contractual obligations in the ordinary course of business. Although these contractual obligations are considered enforceable and legally binding, the terms generally allow Schlumberger the option to reschedule and adjust its requirements based on business needs prior to the delivery of goods.

Refer to Note 17, *Pension and Other Benefit Plans,* of the *Consolidated Financial Statements* for details regarding Schlumberger's pension and other postretirement benefit obligations.

As discussed in Note 13, *Income Taxes,* of the *Consolidated Financial Statements*, included in the Schlumberger *Consolidated Balance Sheet* at December 31, 2020 is approximately $1.3 billion of liabilities associated with uncertain tax positions in the over 100 tax jurisdictions in which Schlumberger conducts business. Due to the uncertain and complex application of tax regulations, combined with the difficulty in predicting when tax audits throughout the world may be concluded, Schlumberger cannot make reliable estimates of the timing of cash outflows relating to these liabilities.

Schlumberger has outstanding letters of credit/guarantees that relate to business performance bonds, custom/ excise tax commitments, facility lease/rental obligations, etc. These were entered into in the ordinary course of business and are customary practices in the various countries where Schlumberger operates.

Critical Accounting Policies and Estimates

The preparation of financial statements and related disclosures in conformity with accounting principles generally accepted in the United States requires Schlumberger to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities and the reported amounts of revenue and expenses. The following accounting policies involve "critical accounting estimates" because they are particularly dependent on estimates and assumptions made by Schlumberger about matters that are inherently uncertain.

Schlumberger bases its estimates on historical experience and on various assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

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Allowance for Doubtful Accounts

Schlumberger maintains an allowance for doubtful accounts in order to record accounts receivable at their net realizable value. Judgment is involved in recording and making adjustments to this reserve. Allowances have been recorded for receivables believed to be uncollectible, including amounts for the resolution of potential credit and other collection issues such as disputed invoices. Adjustments to the allowance may be required in future periods depending on how such potential issues are resolved, or if the financial condition of Schlumberger's customers were to deteriorate resulting in an impairment of their ability to make payments.

As a large multinational company with a long history of operating in a cyclical industry, Schlumberger has extensive experience in working with its customers during difficult times to manage its accounts receivable. During weak economic environments or when there is an extended period of weakness in oil and gas prices, Schlumberger typically experiences delays in the payment of its receivables. However, except for a $469 million accounts receivable write-off during the fourth quarter of 2017 as a result of the political and economic condition in Venezuela, Schlumberger has not had material write-offs due to uncollectible accounts receivable over the recent industry downturn. Schlumberger generates revenue in more than 120 countries. As of December 31, 2020, only five of those countries individually accounted for greater than 5% of Schlumberger's net accounts receivable balance, of which only one (Mexico) accounted for greater than 10% of such receivables.

Goodwill, Intangible Assets and Long-Lived Assets

Schlumberger records the excess of purchase price over the fair value of the tangible and identifiable intangible assets acquired and liabilities assumed as goodwill. The goodwill relating to each of Schlumberger's reporting units is tested for impairment annually as well as when an event, or change in circumstances, indicates an impairment may have occurred.

Under generally accepted accounting principles, Schlumberger has the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of one or more of its reporting units is greater than its carrying amount. If, after assessing the totality of events or circumstances, Schlumberger determines it is more likely than not that the fair value of a reporting unit is greater than its carrying amount, there is no need to perform any further testing. However, if Schlumberger concludes otherwise, then it is required to perform a quantitative impairment test by calculating the fair value of the reporting unit and comparing the fair value with the carrying amount of the reporting unit. If the fair value of the reporting unit is less than its carrying value, an impairment loss is recorded based on that difference.

Schlumberger has the option to bypass the qualitative assessment for any reporting unit in any period and proceed directly to performing the quantitative goodwill impairment test.

During 2020 and 2019, Schlumberger recorded goodwill impairment charges of $3.1 billion and $8.8 billion, respectively. Refer to Note 3 to the *Consolidated Financial Statements* for details regarding the facts and circumstances that led to this impairment and how the fair value of each reporting unit was estimated, including the significant assumptions used and other details.

Long-lived assets, including fixed assets, intangible assets and investments in APS projects, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. In reviewing for impairment, the carrying value of such assets is compared to the estimated undiscounted future cash flows expected from the use of the assets and their eventual disposition. If such cash flows are not sufficient to support the asset's recorded value, an impairment charge is recognized to reduce the carrying value of the long-lived asset to its estimated fair value. The determination of future cash flows as well as the estimated fair value of long-lived assets involves significant estimates on the part of management. If there is a material change in economic conditions or other circumstances influencing the estimate of future cash flows or fair value, Schlumberger could be required to recognize impairment charges in the future.

Income Taxes

Schlumberger conducts business in more than 100 tax jurisdictions, a number of which have tax laws that are not fully defined and are evolving. Schlumberger's tax filings are subject to regular audits by the tax authorities. These audits may result in assessments for additional taxes that are resolved with the authorities or, potentially, through the courts. Schlumberger recognizes the impact of a tax position in its financial statements if that position is more likely than not of being sustained on audit, based on the technical merits of the position. Tax liabilities are recorded based on estimates of additional taxes that will be due upon the conclusion of these audits. Estimates of these tax liabilities are made based upon prior experience and are updated in light of changes in facts and circumstances. However, due to the uncertain and complex application of tax regulations, the ultimate resolution of audits may result in liabilities that could be materially different from these estimates. In such an event, Schlumberger will record additional tax expense or tax benefit in the period in which such resolution occurs.

Revenue Recognition for Certain Long-term Construction-type Contracts

Schlumberger recognizes revenue for certain long-term construction-type contracts over time. These contracts involve significant design and engineering efforts in order to satisfy custom designs for customer-specific applications. Under this method, revenue is recognized as work progresses on each contract. Progress is measured by the ratio of actual costs incurred to date on the project in relation to total estimated project costs. Approximately 5% of Schlumberger's revenue in each of 2020, 2019 and 2018, respectively, was recognized under this method.

The estimate of total project costs has a significant impact on both the amount of revenue recognized as well as the related profit on a project. Revenue and profits on contracts can also be significantly affected by change orders and claims. Profits are recognized based on the estimated project profit multiplied by the percentage complete. Due to the nature of these projects, adjustments to estimates of contract revenue and total contract costs are often required as work progresses. Any expected losses on a project are recorded in full in the period in which they become probable.

Multiclient Seismic Data

Schlumberger capitalizes the costs associated with obtaining multiclient seismic data. The carrying value of the multiclient seismic data library at December 31, 2020 and 2019 was $317 million and $568 million, respectively. Such costs are charged to *Cost of services* based on the percentage of the total costs to the estimated total revenue that Schlumberger expects to receive from the sales of such data. However, an individual survey generally will not carry a net book value greater than a 4-year, straight-line amortized value.

The carrying value of surveys is reviewed for impairment annually as well as when an event or change in circumstance indicates an impairment may have occurred. Adjustments to the carrying value are recorded when it is determined that estimated future revenues, which involve significant judgment on the part of Schlumberger, would not be sufficient to recover the carrying value of the surveys. Significant adverse changes in Schlumberger's estimated future cash flows could result in impairment charges in a future period. For purposes of performing the annual impairment test of the multiclient library, surveys are primarily analyzed for impairment on a survey-by-survey basis.

Pension and Postretirement Benefits

Schlumberger's pension and postretirement benefit obligations are described in detail in Note 17 to the *Consolidated Financial Statements*. The obligations and related costs are calculated using actuarial concepts, which include critical assumptions related to the discount rate, expected rate of return on plan assets and medical cost trend rates. These assumptions are important elements of expense and/or liability measurement and are updated on an annual basis, or upon the occurrence of significant events.

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The discount rate that Schlumberger uses reflects the prevailing market rate of a portfolio of high-quality debt instruments with maturities matching the expected timing of payment of the related benefit obligations. The following summarizes the discount rates utilized by Schlumberger for its various pension and postretirement benefit plans:

- The discount rate utilized to determine the liability for Schlumberger's United States pension plans and postretirement medical plan was 2.60% at December 31, 2020 and 3.30% at December 31, 2019.
- The weighted-average discount rate utilized to determine the liability for Schlumberger's international pension plans was 2.38% at December 31, 2020 and 3.27% at December 31, 2019.
- The weighted-average discount rate utilized to determine expense for Schlumberger's United States pension plans and postretirement medical plan decreased from 4.30% in 2019 to 3.30% in 2020.
- The weighted-average discount rate utilized to determine expense for Schlumberger's international pension plans decreased from 4.00% in 2019 to 3.27% in 2020.

The expected rate of return for Schlumberger's retirement benefit plans represents the average rate of return expected to be earned on plan assets over the period that benefits included in the benefit obligation are expected to be paid, with consideration given to the distribution of investments by asset class and historical rates of return for each individual asset class. The weighted average expected rate of return on plan assets for the United States pension plans was 6.60% in both 2020 and 2019. The weighted average expected rate of return on plan assets for the international pension plans was 6.71% in 2020 and 7.22% in 2019. A lower expected rate of return would increase pension expense.

Schlumberger's medical cost trend rate assumptions are developed based on historical cost data, the near-term outlook and an assessment of likely long-term trends. The overall medical cost trend rate assumption utilized to determine the 2020 postretirement medical expense and the postretirement medical liability at December 31, 2020 was 7.25%, graded to 4.5% over the next eleven years.

The following illustrates the sensitivity to changes in certain assumptions, holding all other assumptions constant, for Schlumberger's United States and international pension plans:

(Stated in millions)

Change in Assumption	Effect on 2020 Pretax Expense	Effect on Dec. 31, 2020 Liability
25 basis point decrease in discount rate	+$42	+$664
25 basis point increase in discount rate	-$40	-$625
25 basis point decrease in expected return on plan assets	+$31	-
25 basis point increase in expected return on plan assets	-$31	-

The following illustrates the sensitivity to changes in certain assumptions, holding all other assumptions constant, for Schlumberger's United States postretirement medical plans:

(Stated in millions)

Change in Assumption	Effect on 2020 Pretax Expense	Effect on Dec. 31, 2020 Liability
25 basis point decrease in discount rate	-	+$46
25 basis point increase in discount rate	-	-$42

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Schlumberger is subject to market risks primarily associated with changes in foreign currency exchange rates and interest rates.

As a multinational company, Schlumberger generates revenue in more than 120 countries. Schlumberger's functional currency is primarily the US dollar. Approximately 73% of Schlumberger's revenue in 2020 was denominated in US dollars. However, outside the United States, a significant portion of Schlumberger's expenses is incurred in foreign currencies. Therefore, when the US dollar weakens in relation to the foreign currencies of the countries in which Schlumberger conducts business, the US dollar-reported expenses will increase.

Schlumberger maintains a foreign-currency risk management strategy that uses derivative instruments to manage the impact of changes in foreign exchange rates on its earnings. Schlumberger enters into foreign currency forward contracts to provide a hedge against currency fluctuations on certain monetary assets and liabilities, and certain expenses denominated in currencies other than the functional currency.

A 10% appreciation in the US dollar from the December 31, 2020 market rates would increase the unrealized value of Schlumberger's forward contracts by $2 million. Conversely, a 10% depreciation in the US dollar from the December 31, 2020 market rates would decrease the unrealized value of Schlumberger's forward contracts by $5 million. In either scenario, the gain or loss on the forward contract would be offset by the gain or loss on the underlying transaction, and therefore, would have no impact on future earnings.

At December 31, 2020, contracts were outstanding for the US dollar equivalent of $8.6 billion in various foreign currencies, of which $6.4 billion related to hedges of debt balances denominated in currencies other than the functional currency.

Schlumberger is subject to interest rate risk on its debt and its investment portfolio. Schlumberger maintains an interest rate risk management strategy that uses a mix of variable and fixed rate debt combined with its investment portfolio and occasionally interest rate swaps to mitigate the exposure to changes in interest rates. At December 31, 2020, Schlumberger had fixed rate debt aggregating approximately $16.3 billion and variable rate debt aggregating approximately $0.6 billion.

Schlumberger's exposure to interest rate risk associated with its debt is also partially mitigated by its investment portfolio. *Short-term investments*, which totaled approximately $2.2 billion at December 31, 2020, are comprised primarily of money market funds, time deposits, certificates of deposit, commercial paper, bonds and notes, substantially all of which are denominated in US dollars. The average return on investments was 1.5% in 2020.

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The following table reflects the carrying amounts of Schlumberger's debt at December 31, 2020 by year of maturity:

(Stated in millions)

	2021	2022	2023	2024	2025	2026	2027	2028	Thereafter	Total
Fixed rate debt										
3.30% Senior Notes	$664									$ 664
2.65% Senior Notes		$ 598								598
3.63% Senior Notes		295								295
2.40% Senior Notes		999								999
3.65% Senior Notes			$1,496							1,496
4.00% Notes			80							80
3.70% Notes				$ 55						55
3.75% Senior Notes				746						746
0.00% Notes				611						611
1.40% Senior Notes					$ 498					498
4.00% Senior Notes					930					930
1.375% Guaranteed Notes						**$1,221**				**1,221**
1.00% Guaranteed Notes						736				736
0.25% Notes							**$1,100**			**1,100**
3.90% Senior Notes								$1,450		1,450
4.30% Senior Notes									$ 846	846
2.65% Senior Notes									1,250	1,250
0.50% Notes									**1,099**	**1,099**
2.00% Guaranteed Notes									1,214	1,214
7.00% Notes									**206**	**206**
5.95% Notes									114	114
5.13% Notes									**99**	**99**
Total fixed rate debt	$664	$1,892	$1,576	$1,412	$1,428	$1,957	$1,100	$1,450	$ 4,828	$16,307
Variable rate debt	**186**	**-**	**293**	**-**	**100**	**-**	**-**	**-**	**-**	**579**
Total	$850	$1,892	$1,869	$1,412	$1,528	$1,957	$1,100	$1,450	$ 4,828	$16,886

The fair value of the outstanding fixed rate debt was approximately $17.6 billion as of December 31, 2020. The weighted average interest rate on the variable rate debt as of December 31, 2020 was 1.0%.

Schlumberger does not enter into derivatives for speculative purposes.

Forward-looking Statements

This Form 10-K, as well as other statements we make, contains "forward-looking statements" within the meaning of the federal securities laws, which include any statements that are not historical facts, such as our forecasts or expectations regarding business outlook; growth for Schlumberger as a whole and for each of its Divisions (and for specified business lines or geographic areas within each Division); oil and natural gas demand and production growth; oil and natural gas prices; pricing; Schlumberger's response to, and preparedness for, the COVID-19 pandemic and other widespread health emergencies; improvements in operating procedures and technology;

capital expenditures by Schlumberger and the oil and gas industry; the business strategies of Schlumberger, including digital and "fit for basin," as well as the strategies of Schlumberger's customers; Schlumberger's restructuring efforts and charges recorded as a result of such efforts; access to raw materials; Schlumberger's effective tax rate; Schlumberger's APS projects, joint ventures, and other alliances; future global economic and geopolitical conditions; future liquidity; and future results of operations, such as margin levels. These statements are subject to risks and uncertainties, including, but not limited to, changing global economic conditions; changes in exploration and production spending by Schlumberger's customers and changes in the level of oil and natural gas exploration and development; the results of operations and financial condition of Schlumberger's customers and suppliers, particularly during extended periods of low prices for crude oil and natural gas; Schlumberger's inability to achieve its financial and performance targets and other forecasts and expectations; Schlumberger's inability to sufficiently monetize assets; the extent of future charges; general economic, geopolitical and business conditions in key regions of the world; foreign currency risk; pricing pressure; weather and seasonal factors; unfavorable effects of health pandemics; availability and cost of raw materials; operational modifications, delays or cancellations; challenges in Schlumberger's supply chain; production declines; Schlumberger's inability to recognize intended benefits from its business strategies and initiatives, such as digital or Schlumberger New Energy, as well as its restructuring and structural cost reduction plans; changes in government regulations and regulatory requirements, including those related to offshore oil and gas exploration, radioactive sources, explosives, chemicals, hydraulic fracturing services and climate-related initiatives; the inability of technology to meet new challenges in exploration; the competitiveness of alternative energy sources or product substitutes; and other risks and uncertainties detailed in this Form 10-K and other filings that we make with the SEC. If one or more of these or other risks or uncertainties materialize (or the consequences of any such development changes), or should our underlying assumptions prove incorrect, actual outcomes may vary materially from those reflected in our forward-looking statements. Statements in this Form 10-K are made as of January 27, 2021, and Schlumberger disclaims any intention or obligation to update publicly or revise such statements, whether as a result of new information, future events or otherwise.

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Item 8. Financial Statements and Supplementary Data.

SCHLUMBERGER LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF INCOME (LOSS)

(Stated in millions, except per share amounts)

Year Ended December 31,	2020	2019	2018
Revenue			
Services	$ 16,533	$ 24,358	$ 24,296
Product sales	7,068	8,559	8,519
Total Revenue	23,601	32,917	32,815
Interest & other income	163	86	149
Gains on sales of businesses	104	247	215
Expenses			
Cost of services	14,675	20,828	20,618
Cost of sales	6,325	7,892	7,860
Research & engineering	580	717	702
General & administrative	365	474	444
Impairments & other	12,658	13,148	356
Interest	563	609	575
Income (loss) before taxes	(11,298)	(10,418)	2,624
Tax expense (benefit)	(812)	(311)	447
Net income (loss)	(10,486)	(10,107)	2,177
Net income attributable to noncontrolling interests	32	30	39
Net income (loss) attributable to Schlumberger	$ (10,518)	$ (10,137)	$ 2,138
Basic earnings (loss) per share of Schlumberger	$ (7.57)	$ (7.32)	$ 1.54
Diluted earnings (loss) per share of Schlumberger	$ (7.57)	$ (7.32)	$ 1.53
Average shares outstanding:			
Basic	1,390	1,385	1,385
Assuming dilution	1,390	1,385	1,393

See the Notes to Consolidated Financial Statements

SCHLUMBERGER LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (LOSS)

(Stated in millions)

Year Ended December 31,	2020	2019	2018
Net income (loss)	$ (10,486)	$ (10,107)	$ 2,177
Currency translation adjustments			
Net change arising during the period	(239)	67	(191)
Marketable securities			
Unrealized loss arising during the period	-	-	(11)
Cash flow hedges			
Net loss on cash flow hedges	(90)	(32)	(16)
Reclassification to net income (loss) of net realized loss	54	10	1
Pension and other postretirement benefit plans			
Actuarial gain (loss) arising during the period	(247)	127	(186)
Amortization to net income (loss) of net actuarial loss	200	94	187
Amortization to net income (loss) of net prior service (credit) cost	(17)	(11)	(5)
Impact of curtailment	(69)	-	-
Income taxes on pension and other postretirement benefit plans	(38)	(71)	(18)
Comprehensive income (loss)	(10,932)	(9,923)	1,938
Comprehensive income attributable to noncontrolling interests	32	30	39
Comprehensive income (loss) attributable to Schlumberger	$ (10,964)	$ (9,953)	$ 1,899

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SCHLUMBERGER LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET

(Stated in millions)

December 31,	2020	2019
ASSETS		
Current Assets		
Cash	$ 844	$ 1,137
Short-term investments	2,162	1,030
Receivables less allowance for doubtful accounts (2020—$301; 2019—$255)	5,247	7,747
Inventories	3,354	4,130
Other current assets	1,312	1,486
	12,919	15,530
Investments in Affiliated Companies	2,061	1,565
Fixed Assets less accumulated depreciation	6,826	9,270
Multiclient Seismic Data	317	568
Goodwill	12,980	16,042
Intangible Assets	3,455	7,089
Other Assets	3,876	6,248
	$ 42,434	$ 56,312
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	8,442	10,663
Estimated liability for taxes on income	1,015	1,209
Short-term borrowings and current portion of long-term debt	850	524
Dividends payable	184	702
	10,491	13,098
Long-term Debt	16,036	14,770
Postretirement Benefits	1,049	967
Deferred Taxes	19	491
Other Liabilities	2,350	2,810
	29,945	32,136
Equity		
Common stock	12,970	13,078
Treasury stock	(3,033)	(3,631)
Retained earnings	7,018	18,751
Accumulated other comprehensive loss	(4,884)	(4,438)
Schlumberger stockholders' equity	12,071	23,760
Noncontrolling interests	418	416
	12,489	24,176
	$ 42,434	$ 56,312

See the Notes to Consolidated Financial Statements

SCHLUMBERGER LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS

(Stated in millions)

Year Ended December 31,	2020	2019	2018
Cash flows from operating activities:			
Net income (loss)	$ (10,486)	$ (10,107)	$ 2,177
Adjustments to reconcile net income (loss) to cash provided by operating activities:			
Impairments and other charges and credits	12,515	12,901	141
Depreciation and amortization [1]	2,566	3,589	3,556
Deferred taxes	(1,248)	(1,011)	(245)
Stock-based compensation expense	397	405	345
Pension and other postretirement benefits funding	(16)	(25)	(83)
Earnings of equity method investments, less dividends received	(28)	6	(48)
Change in assets and liabilities: [2]			
Decrease in receivables	2,345	142	430
Decrease (increase) in inventories	86	(314)	(10)
Decrease (increase) in other current assets	267	(68)	121
(Increase) decrease in other assets	(25)	22	(58)
Decrease in accounts payable and accrued liabilities	(3,330)	(161)	(824)
(Decrease) increase in estimated liability for taxes on income	(201)	6	(103)
Increase (decrease) in other liabilities	19	(52)	69
Other	83	98	245
NET CASH PROVIDED BY OPERATING ACTIVITIES	2,944	5,431	5,713
Cash flows from investing activities:			
Capital expenditures	(1,116)	(1,724)	(2,160)
APS investments	(303)	(781)	(981)
Multiclient seismic data capitalized	(101)	(231)	(100)
Net proceeds from divestitures	434	348	-
Proceeds from formation of Sensia joint venture	-	238	-
Proceeds from sale of WesternGeco marine seismic business, net of cash divested	-	-	579
Business acquisitions and investments, net of cash acquired	(33)	(23)	(292)
(Purchase) sale of investments, net	(1,141)	317	1,943
Other	(93)	(155)	(29)
NET CASH USED IN INVESTING ACTIVITIES	(2,353)	(2,011)	(1,040)
Cash flows from financing activities:			
Dividends paid	(1,734)	(2,769)	(2,770)
Proceeds from employee stock purchase plan	146	196	227
Proceeds from exercise of stock options	-	23	34
Stock repurchase program	(26)	(278)	(400)
Proceeds from issuance of long-term debt	5,837	4,004	898
Repayment of long-term debt	(4,975)	(4,799)	(2,861)
Net increase (decrease) in short-term borrowings	156	(44)	(85)
Repayment of finance lease-related obligations	(188)	-	-
Other	(89)	(51)	(63)
NET CASH USED IN FINANCING ACTIVITIES	(873)	(3,718)	(5,020)
Net decrease in cash before translation effect	(282)	(298)	(347)
Translation effect on cash	(11)	2	(19)
Cash, beginning of period	1,137	1,433	1,799
Cash, end of period	$ 844	$ 1,137	$ 1,433

[1] Includes depreciation of property, plant and equipment and amortization of intangible assets, multiclient seismic data costs and APS investments.
[2] Net of the effect of business acquisitions and divestitures.

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SCHLUMBERGER LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

(Stated in millions)

	Common Stock		Retained	Accumulated Other Comprehensive	Noncontrolling	
	Issued	In Treasury	Earnings	Loss	Interests	Total
Balance, January 1, 2018	$ 12,975	$ (4,049)	$ 32,190	$ (4,274)	$ 419	$ 37,261
Net income			2,138		39	2,177
Currency translation adjustments				(191)	(5)	(196)
Changes in unrealized gain on marketable securities				(11)		(11)
Changes in fair value of cash flow hedges				(15)		(15)
Pension and other postretirement benefit plans				(22)		(22)
Shares sold to optionees, less shares exchanged	(41)	75				34
Vesting of restricted stock	(72)	72				-
Shares issued under employee stock purchase plan	(67)	294				227
Stock repurchase program		(400)				(400)
Stock-based compensation expense	345					345
Dividends declared ($2.00 per share)			(2,770)			(2,770)
Stranded tax related to US pension			109	(109)		-
Other	(8)	2	(9)		(29)	(44)
Balance, December 31, 2018	13,132	(4,006)	31,658	(4,622)	424	36,586
Net loss			(10,137)		30	(10,107)
Currency translation adjustments				67	(1)	66
Changes in fair value of cash flow hedges				(22)		(22)
Pension and other postretirement benefit plans				139		139
Shares sold to optionees, less shares exchanged	(26)	49				23
Vesting of restricted stock	(155)	155				-
Shares issued under employee stock purchase plan	(249)	445				196
Stock repurchase program		(278)				(278)
Stock-based compensation expense	405					405
Dividends declared ($2.00 per share)			(2,770)			(2,770)
Other	(29)	4			(37)	(62)
Balance, December 31, 2019	13,078	(3,631)	18,751	(4,438)	416	24,176
Net loss			(10,518)		32	(10,486)
Currency translation adjustments				(239)	7	(232)
Changes in fair value of cash flow hedges				(36)		(36)
Pension and other postretirement benefit plans				(171)		(171)
Vesting of restricted stock	(173)	173				-
Shares issued under employee stock purchase plan	(298)	444				146
Stock repurchase program		(26)				(26)
Stock-based compensation expense	397					397
Dividends declared ($0.875 per share)			(1,215)			(1,215)
Other	(34)	7			(37)	(64)
Balance, December 31, 2020	$ 12,970	$ (3,033)	$ 7,018	$ (4,884)	$ 418	$ 12,489

See the Notes to Consolidated Financial Statements

SCHLUMBERGER LIMITED AND SUBSIDIARIES

SHARES OF COMMON STOCK

(Stated in millions)

	Issued	In Treasury	Shares Outstanding
Balance, January 1, 2018	1,434	(50)	1,384
Shares sold to optionees, less shares exchanged	-	1	1
Vesting of restricted stock	-	1	1
Shares issued under employee stock purchase plan	-	3	3
Stock repurchase program	-	(6)	(6)
Balance, December 31, 2018	1,434	(51)	1,383
Shares sold to optionees, less shares exchanged	-	1	1
Vesting of restricted stock	-	2	2
Shares issued under employee stock purchase plan	-	6	6
Stock repurchase program	-	(7)	(7)
Balance, December 31, 2019	1,434	(49)	1,385
Shares sold to optionees, less shares exchanged	-	6	6
Vesting of restricted stock	-	2	2
Stock repurchase program	-	(1)	(1)
Balance, December 31, 2020	1,434	(42)	1,392

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Notes to Consolidated Financial Statements

1. Business Description

Schlumberger Limited (Schlumberger N.V., incorporated in Curaçao) and its consolidated subsidiaries (collectively, "Schlumberger") form a technology company that partners with customers to access energy. Schlumberger provides leading digital solutions and deploys innovative technologies to enable performance and sustainability for the global energy industry. Schlumberger collaborates to create technology that unlocks access to energy for the benefit of all.

2. Summary of Accounting Policies

The *Consolidated Financial Statements* of Schlumberger have been prepared in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. On an ongoing basis, Schlumberger evaluates its estimates, including those related to collectibility of accounts receivable; revenue recognized for certain long-term construction-type contracts over time; recoverability of fixed assets, goodwill, intangible assets, Asset Performance Solutions investments and investments in affiliates; income taxes; multiclient seismic data; contingencies and actuarial assumptions for employee benefit plans. Schlumberger bases its estimates on historical experience and other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Revenue Recognition

Schlumberger adopted Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers* on January 1, 2018. This ASU amended the existing accounting standards for revenue recognition and requires companies to recognize revenue when control of the promised goods or services is transferred to a customer at an amount that reflects the consideration a company expects to receive in exchange for those goods or services. Under the transition method selected by Schlumberger, this ASU was applied only to those contracts which were not completed as of January 1, 2018. Prior period amounts were not adjusted and were reflected in accordance with Schlumberger's historical accounting. The adoption of this ASU did not have a material impact on Schlumberger's *Consolidated Financial Statements*.

Schlumberger recognizes revenue upon the transfer of control of promised products or services to customers at an amount that reflects the consideration it expects to receive in exchange for these products or services. The vast majority of Schlumberger's services and product offerings are short-term in nature. The time between invoicing and when payment is due under these arrangements is generally between 30 to 60 days.

Revenue is occasionally generated from contractual arrangements that include multiple performance obligations. Revenue from these arrangements is allocated to each performance obligation based on its relative standalone selling price. Standalone selling prices are generally determined based on the prices charged to customers or using expected costs plus margin.

Revenue is recognized for certain long-term construction-type contracts over time. These contracts involve significant design and engineering efforts in order to satisfy custom designs for customer-specific applications.

Revenue is recognized as work progresses on each contract. Progress is measured by the ratio of actual costs incurred to date on the project in relation to total estimated project costs. The estimate of total project costs has a significant impact on both the amount of revenue recognized as well as the related profit on a project. Revenue and profits on contracts can also be significantly affected by change orders and claims. Due to the nature of these projects, adjustments to estimates of contract revenue and total contract costs may be required as work progresses. Progress billings are generally issued upon completion of certain phases of work as stipulated in the contract. Any expected losses on a project are recorded in full in the period in which they become probable.

Due to the nature of its businesses, Schlumberger does not have significant backlog. Total backlog was $2.6 billion at December 31, 2020, of which approximately 60% is expected to be recognized as revenue during 2021.

Short-term Investments

Short-term investments are comprised primarily of money market funds, time deposits, certificates of deposit, commercial paper, bonds and notes, substantially all of which are denominated in US dollars and are stated at cost plus accrued interest, which approximates fair value.

For purposes of the *Consolidated Statement of Cash Flows*, Schlumberger does not consider *Short-term investments* to be cash equivalents.

Investments in Affiliated Companies

Investments in companies in which Schlumberger does not have a controlling financial interest, but over which it has significant influence, are accounted for using the equity method. Schlumberger's share of the after-tax earnings of equity method investees is included in *Interest and other income*. Investments in privately held companies in which Schlumberger does not have the ability to exercise significant influence are accounted for using the cost method. Investments in publicly traded companies in which Schlumberger does not have the ability to exercise significant influence are reported at fair value, with unrealized gains and losses reported as a component of *Interest and other income*.

Multiclient Seismic Data

Schlumberger's multiclient library consists of completed and in-process seismic surveys that are licensed on a nonexclusive basis. Schlumberger capitalizes costs directly incurred in acquiring and processing the multiclient seismic data. Such costs are charged to *Cost of services* based on the percentage of the total costs to the estimated total revenue that Schlumberger expects to receive from the sales of such data. However, an individual survey generally will not carry a net book value greater than a 4-year, straight-line amortized value.

The carrying value of the multiclient library is reviewed for impairment annually as well as when an event or change in circumstance indicating impairment may have occurred. Adjustments to the carrying value are recorded when it is determined that estimated future cash flows, which involve significant judgment on the part of Schlumberger, would not be sufficient to recover the carrying value of the surveys. Significant adverse changes in Schlumberger's estimated future cash flows could result in impairment charges in a future period.

Asset Performance Solutions

Asset Performance Solutions ("APS") projects are focused on developing and co-managing production of customers' assets under long-term agreements. Schlumberger invests its own services and products, and in certain historical cases, cash into the field development activities and operations. Although in certain arrangements Schlumberger is paid for a portion of the services or products it provides, generally Schlumberger will not be paid at the time of providing its services or upon delivery of its products. Instead, Schlumberger is

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generally compensated based on cash flow generated or on a fee-per-barrel basis. This includes certain arrangements whereby Schlumberger is only compensated based on incremental production it helps deliver above a mutually agreed baseline.

Schlumberger capitalizes its cash investments in a project as well as the direct costs associated with providing services or products for which Schlumberger will be compensated when the related production is achieved. These capitalized investments are amortized to the *Consolidated Statement of Income (Loss)* as the related production is achieved based on the units of production method, whereby each unit produced is assigned a pro-rata portion of the unamortized costs based on estimated total production, resulting in a matching of revenue with the applicable costs. Amortization expense relating to these capitalized investments was $396 million, $731 million and $568 million in 2020, 2019 and 2018, respectively.

The unamortized portion of Schlumberger's investments in APS projects was $1.713 billion and $3.724 billion at December 31, 2020 and 2019, respectively. These amounts are included within *Other Assets* in Schlumberger's *Consolidated Balance Sheet*.

Concentration of Credit Risk

Schlumberger's assets that are exposed to concentrations of credit risk consist primarily of cash, short-term investments, receivables from clients and derivative financial instruments. Schlumberger places its cash and short-term investments with financial institutions and corporations and limits the amount of credit exposure with any one of them. Schlumberger regularly evaluates the creditworthiness of the issuers in which it invests. By using derivative financial instruments to hedge certain exposures, Schlumberger exposes itself to some credit risk. Schlumberger minimizes this credit risk by entering into transactions with high-quality counterparties, limiting the exposure to each counterparty and monitoring the financial condition of its counterparties.

Schlumberger generates revenue in more than 120 countries and as such, its accounts receivable are spread over many countries and customers. Mexico represented approximately 14% of Schlumberger's net accounts receivable balance at December 31, 2020. No other country accounted for greater than 10% of Schlumberger's accounts receivable balance. Schlumberger maintains an allowance for uncollectible accounts receivable based on expected collectability and performs ongoing credit evaluations of its customers' financial condition. If the financial condition of Schlumberger's customers were to deteriorate resulting in an impairment of their ability to make payments, adjustments to the allowance may be required.

Earnings per Share

The following is a reconciliation from basic to diluted earnings (loss) per share of Schlumberger for each of the last three years:

(Stated in millions, except per share amounts)

	Net Income (Loss) Attributable to Schlumberger	Average Shares Outstanding	Earnings (Loss) per Share
2020:			
Basic	**$ (10,518)**	**1,390**	**$ (7.57)**
Assumed exercise of stock options	**-**	**-**	
Unvested restricted stock	**-**	**-**	
Diluted	**$ (10,518)**	**1,390**	**$ (7.57)**
2019:			
Basic	$ (10,137)	1,385	$ (7.32)
Assumed exercise of stock options	-	-	
Unvested restricted stock	-	-	
Diluted	$ (10,137)	1,385	$ (7.32)
2018:			
Basic	$ 2,138	1,385	$ 1.54
Assumed exercise of stock options	-	-	
Unvested restricted stock	-	8	
Diluted	**$ 2,138**	**1,393**	**$ 1.53**

The number of outstanding employee stock options to purchase shares of Schlumberger common stock and unvested restricted stock units that were not included in the computation of diluted earnings/loss per share, because to do so would have had an anti-dilutive effect, were as follows:

(Stated in millions)

	2020	2019	2018
Employee stock options	**48**	46	40
Unvested restricted stock	**19**	12	-

Reclassifications

Certain prior period amounts have been reclassified to conform to the current period presentation.

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3. Charges and Credits

2020

Schlumberger recorded the following charges and credits during 2020, all of which, unless otherwise noted, are classified in *Impairments & other* in the *Consolidated Statement of Income (Loss)*:

(Stated in millions)

	Pretax	Tax	Net
First quarter:			
Goodwill	$ 3,070	$ -	$ 3,070
Intangible assets impairments	3,321	815	2,506
Asset Performance Solutions investments	1,264	(4)	1,268
North America pressure pumping impairment	587	133	454
Workforce reductions	202	7	195
Other	79	9	70
Valuation allowance	-	(164)	164
Second quarter:			
Workforce reductions	1,021	71	950
Asset Performance Solutions investments	730	15	715
Fixed asset impairments	666	52	614
Inventory write-downs	603	49	554
Right-of-use asset impairments	311	67	244
Costs associated with exiting certain activities	205	(25)	230
Multiclient seismic data impairment	156	2	154
Repurchase of bonds	40	2	38
Postretirement benefits curtailment gain	(69)	(16)	(53)
Other	60	4	56
Third quarter:			
Facility exit charges	254	39	215
Workforce reductions	63	-	63
Other	33	1	32
Fourth quarter:			
Gain on sale of OneStim	(104)	(11)	(93)
Unrealized gain on marketable securities	(39)	(9)	(30)
Other	62	4	58
	$ 12,515	$ 1,041	$ 11,474

First quarter 2020:

- Geopolitical events that increased the supply of low-priced oil to the global market occurred at the same time that demand weakened due to the worldwide effects of the COVID-19 pandemic, leading to a collapse in oil prices during March 2020. As a result, Schlumberger's market capitalization deteriorated significantly compared to the end of 2019. Schlumberger's stock price reached a low during the first quarter of 2020 not seen since 1995. Additionally, the Philadelphia Oil Services Sector index, which is comprised of companies involved in the oil services sector, reached an all-time low. As a result of these facts, Schlumberger determined that it was more likely than not that the fair value of certain of its reporting units was less than their carrying value. Therefore, Schlumberger performed an interim goodwill impairment test.

  Schlumberger had 11 reporting units with goodwill balances aggregating $16.0 billion. Schlumberger determined that the fair value of four of its reporting units, representing $4.5 billion of goodwill, was substantially in excess of their carrying value. Schlumberger performed a detailed quantitative impairment assessment of the remaining seven reporting units, which represented $11.5 billion of goodwill. As a result of this assessment, Schlumberger concluded that the goodwill associated with each of these seven reporting units was impaired, resulting in a $3.1 billion goodwill impairment charge.

  Following the $3.1 billion goodwill impairment charge relating to these seven reporting units, six of these reporting units had a remaining goodwill balance. These goodwill balances ranged between $0.2 billion and $5.0 billion and aggregated to $8.4 billion as of March 31, 2020.

  Schlumberger used the income approach to estimate the fair value of its reporting units, but also considered the market approach to validate the results. The income approach estimates the fair value by discounting each reporting unit's estimated future cash flows using Schlumberger's estimate of the discount rate, or expected return, that a marketplace participant would have required as of the valuation date. The market approach includes the use of comparative multiples to corroborate the discounted cash flow results. The market approach involves significant judgement involved in the selection of the appropriate peer group companies and valuation multiples.

  Some of the more significant assumptions inherent in the income approach include the estimated future net annual cash flows for each reporting unit and the discount rate. Schlumberger selected the assumptions used in the discounted cash flow projections using historical data supplemented by current and anticipated market conditions and estimated growth rates. Schlumberger's estimates are based upon assumptions believed to be reasonable. However, given the inherent uncertainty in determining the assumptions underlying a discounted cash flow analysis, particularly in a volatile market, actual results may differ from those used in Schlumberger's valuations which could result in additional impairment charges in the future.

  The discount rates utilized to value Schlumberger's reporting units were between 12.0% and 13.5%, depending on the risks and uncertainty inherent in the respective reporting unit as well as the size of the reporting unit. Assuming all other assumptions and inputs used in each of the respective discounted cash flow analysis were held constant, a 50-basis point increase or decrease in the discount rate assumptions would have changed the fair value of the seven reporting units, on average, by less than 5%.

- The negative market indicators described above were triggering events that indicated that certain of Schlumberger's long-lived intangible and tangible assets may have been impaired. Recoverability testing indicated that certain long-lived assets were impaired. The estimated fair value of these assets was determined to be below their carrying value. As a result, Schlumberger recorded the following impairment charges:
  - $3.3 billion relating to intangible assets, of which $2.2 billion relates to Schlumberger's 2016 acquisition of Cameron International Corporation and $1.1 billion relates to Schlumberger's 2010 acquisition of Smith International, Inc. Following this impairment charge, the carrying value of the impaired intangible assets was approximately $0.9 billion.
  - $1.3 billion relating to the carrying value of certain APS projects in North America.
  - $0.6 billion of fixed assets associated with the pressure pumping business in North America.
- $202 million of severance.
- $79 million of other restructuring charges, primarily consisting of the impairment of an equity method investment that was determined to be other-than-temporarily impaired.
- $164 million relating to a valuation allowance against certain deferred tax assets.

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Second quarter 2020:

- As previously noted, late in the first quarter of 2020 geopolitical events that increased the supply of low-priced oil to the global market occurred at the same time as demand weakened due to the worldwide effects of the COVID-19 pandemic, which led to a collapse in oil prices. As a result, the second quarter of 2020 was the most challenging quarter in decades. Schlumberger responded to these market conditions by taking actions to restructure its business and rationalize its asset base during the second quarter of 2020. These actions included reducing headcount, closing facilities and exiting business lines in certain countries. Additionally, due to the resulting activity decline, Schlumberger had assets that would no longer be utilized. As a consequence of these circumstances and decisions, Schlumberger recorded the following restructuring and asset impairment charges:
  - $1.021 billion of severance associated with reducing its workforce by more than 21,000 employees.
  - $730 million relating to the carrying value of certain APS projects in Latin America.
  - $666 million of fixed asset impairments primarily relating to equipment that would no longer be utilized and facilities it exited.
  - $603 million write-down of the carrying value of inventory to its net realizable value.
  - $311 million write-down of right-of-use assets under operating leases associated with leased facilities Schlumberger exited and excess equipment.
  - $205 million of costs associated with exiting certain activities.
  - $156 million impairment of certain multiclient seismic data.
  - $60 million of other costs, including a $42 million increase in the allowance for the doubtful accounts.
- During the second quarter of 2020, Schlumberger repurchased certain Senior Notes (see Note 9 – *Long-term Debt*), which resulted in a $40 million charge.
- As a consequence of the workforce reductions described above, Schlumberger recorded a curtailment gain of $69 million relating to its US postretirement medical plan. See Note 17 – *Pension and Other Postretirement Benefit Plans* for further details.

The fair value of the impaired intangible assets, fixed assets, APS investments, right-of-use assets and multiclient seismic data was estimated based on the present value of projected future cash flows that the underlying assets are expected to generate. Such estimates included unobservable inputs that required significant judgement.

Third quarter 2020:

- During the third quarter of 2020, Schlumberger recorded the following restructuring charges:
  - $254 million of facility exit charges as Schlumberger continued to rationalize its real estate footprint relating to both leased and owned facilities.
  - $63 million of severance.
  - $33 million of other charges.

Fourth quarter 2020:

- On December 31, 2020, Schlumberger contributed its onshore hydraulic fracturing business in the United States and Canada ("OneStim"), including its pressure pumping, pumpdown perforating and Permian frac sand business to Liberty Oilfield Services Inc. ("Liberty") in exchange for a 37% equity interest in Liberty. As a result of this transaction, Schlumberger recognized a gain of $104 million during the fourth quarter of 2020. This gain is classified in *Gains on sales of businesses* in the *Consolidated Statement of Income (Loss)*.

Schlumberger will account for its investment in Liberty under the equity method of accounting and will record its share of Liberty's net income on a one-quarter lag. Based on the quoted market price of Liberty's shares as of December 31, 2020, the value of Schlumberger's investment is approximately $0.7 billion.

- During the fourth quarter of 2020, a start-up company that Schlumberger previously invested in completed an initial public offering. As a result, Schlumberger recognized an unrealized gain of $39 million to increase the carrying value of this investment to its fair value of approximately $43 million. This unrealized gain is reflected in *Interest and other income* in the *Consolidated Statement of Income (Loss)*.
- During the fourth quarter of 2020, Schlumberger entered into an agreement to purchase new software licenses. This transaction rendered certain previously purchased licenses obsolete. As a result, Schlumberger wrote off the remaining $62 million of net book value associated with the obsolete software licenses.

As market conditions evolve and Schlumberger continues to develop its strategy to deal with such conditions, it may result in further restructuring and/or impairment charges in future periods.

2019

Schlumberger recorded the following charges and credits during 2019, all of which are classified as *Impairments & other* in the *Consolidated Statement of Income (Loss)*, except for the gain on the formation of the Sensia joint venture:

(Stated in millions)

	Pretax	Tax	Net
Third quarter:			
Goodwill impairment	$ 8,828	$ 43	$ 8,785
Intangible assets impairment	1,085	248	837
North America pressure pumping	1,575	344	1,231
Other North America-related	310	53	257
Argentina	127	-	127
Equity-method investments	231	12	219
Asset Performance Solutions investments	294	-	294
Other	242	13	229
Fourth quarter:			
North America restructuring	225	51	174
Other restructuring	104	(33)	137
Workforce reductions	68	8	60
Pension settlement accounting	37	8	29
Repurchase of bonds	22	5	17
Gain on formation of Sensia joint venture	(247)	(42)	(205)
	$ 12,901	$ 710	$ 12,191

Third quarter of 2019:

- During August 2019, Schlumberger's market capitalization deteriorated significantly compared to the end of the second quarter of 2019. Schlumberger's stock price reached a low not seen since 2005.

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Additionally, the Philadelphia Oil Services Sector Index, which is comprised of companies in the oil services sector, reached an 18-year low.

As a result of these facts, Schlumberger determined that it was more likely than not that the fair value of certain of its reporting units was less than their carrying value. Therefore, Schlumberger performed an interim goodwill impairment test as of August 31, 2019.

As of August 31, 2019, Schlumberger had 17 reporting units with goodwill balances aggregating $25.0 billion. Schlumberger determined that the fair value of seven of its reporting units, representing approximately $13.8 billion of the goodwill, was substantially in excess of their carrying value. Schlumberger performed a detailed quantitative impairment assessment of the remaining 10 reporting units, which represented $11.2 billion of goodwill. As a result of this assessment, Schlumberger concluded that the goodwill associated with nine of the 10 reporting units was impaired, resulting in an $8.8 billion goodwill impairment charge.

Schlumberger primarily used the income approach to estimate the fair value of its reporting units, but also considered the market approach to validate the results. The income approach estimates the fair value by discounting each reporting unit's estimated future cash flows using Schlumberger's estimate of the discount rate, or expected return, that a marketplace participant would have required as of the valuation date. The market approach includes the use of comparative multiples to corroborate the discounted cash flow results. The market approach involves significant judgement involved in the selection of the appropriate peer group companies and valuation multiples.

Some of the more significant assumptions inherent in the income approach include the estimated future net annual cash flows for each reporting unit and the discount rate. Schlumberger selected the assumptions used in the discounted cash flow projections using historical data supplemented by current and anticipated market conditions and estimated growth rates. Schlumberger's estimates are based upon assumptions believed to be reasonable.

The discount rates utilized to value Schlumberger's reporting units were between 12.5% and 14.0%, depending on the risks and uncertainty inherent in the respective reporting unit. Assuming all other assumptions and inputs used in each of the respective discounted cash flow analysis were held constant, a 50 basis point increase in the discount rate assumption would have increased the goodwill impairment charge by approximately $0.3 billion. Conversely, assuming all other assumptions and inputs used in each of the respective discounted cash flow analysis were held constant, a 50 basis point decrease in the discount rate assumption would have decreased the goodwill impairment charge by approximately $0.4 billion.

- The negative market indicators described above combined with deteriorating market conditions in North America, as well as the results of the previously mentioned fair value determinations of certain of Schlumberger's reporting units and the appointment of a new Chief Executive Officer, were all triggering events that indicated that certain of Schlumberger's long-lived tangible and intangible assets may be impaired.

  Recoverability testing, which was performed as of August 31, 2019, indicated that long-lived assets associated with certain asset groups were impaired. The estimated fair value of these asset groups was determined to be below their carrying value. As a result, Schlumberger recorded the following impairment and related charges:

  - $1.085 billion of intangible assets, of which $842 million relates to Schlumberger's 2010 acquisition of Smith International, Inc. The remaining $243 million primarily relates to other acquisitions in North America.
  - $1.575 billion of charges relating to Schlumberger's pressure pumping business in North America. This amount consists of $1.324 billion of pressure pumping equipment and related assets; $98 million of right-of-use assets under operating leases; $121 million relating to a supply contract; $19 million of inventory; and $13 million of severance.

  - $310 million of charges primarily relating to other businesses in North America, consisting of $230 million of fixed asset impairments, $70 million of inventory write-downs and $10 million of severance.
- As a result of the economic challenges in Argentina, Schlumberger recorded $127 million of charges during the third quarter of 2019. This consists of $72 million of asset impairments, a $26 million devaluation charge and $29 million of severance.
- Schlumberger also recorded the following impairment and restructuring charges during the third quarter of 2019:
  - $231 million relating to certain equity method investments that were determined to be other-than-temporarily impaired.
  - $294 million impairment relating to the carrying value of certain smaller APS projects.
  - $242 million of restructuring charges consisting of: $62 million of severance; $57 million relating to the acceleration of stock-based compensation expense associated with certain individuals; $49 million of business divestiture costs; $29 million relating to the repurchase of certain Senior Notes (see Note 9 – *Long-term Debt*); and $45 million of other provisions.

The fair value of certain of the assets impaired during the fourth quarter of 2019 was estimated based on the present value of projected future cash flows that the underlying assets are expected to generate. Such estimates included unobservable inputs that required significant judgment.

Fourth quarter of 2019:

- Schlumberger recorded the following restructuring charges during the fourth quarter of 2019:
  - $225 million associated with facility closures and costs to exit certain activities in North America. These charges included $123 million relating to fixed assets; $55 million of right-of-use assets under operating leases; and $47 million of other exit costs.
  - $104 million primarily relating to restructuring certain activities outside of North America, which included $68 million associated with assets to be divested and $36 million of facility closure costs.
  - $68 million of severance associated with streamlining its operations and exiting certain activities.
- Certain of Schlumberger's defined benefit pension plans offered former Schlumberger employees, who had not yet commenced receiving their pension benefits, an opportunity to receive a lump sum payout of their vested pension benefit which resulted in Schlumberger recording a pension settlement charge of $37 million in the fourth quarter of 2019. See Note 17 – *Pension and Other Postretirement Benefit Plans* for further details.
- During the fourth quarter of 2019, Schlumberger repurchased certain Senior Notes (see Note 9 – *Long-term Debt*), which resulted in a $22 million charge.
- On October 1, 2019, Schlumberger and Rockwell completed the formation of Sensia, a joint venture that is the oil and gas industry's first digitally enabled integrated automation solutions provider. Rockwell Automation owns 53% of the joint venture and Schlumberger owns 47%. In connection with this transaction, Schlumberger received a cash payment of $238 million. Schlumberger will account for its investment under the equity method of accounting. During the fourth quarter of 2019, Schlumberger recorded a $247 million gain as a result of the deconsolidation of certain of its businesses in connection with the formation of the joint venture. This gain, which is equal to the sum of the $238 million of cash proceeds received and the fair value of Schlumberger's retained noncontrolling investment in the businesses it contributed less the carrying amount of the assets and liabilities of such businesses at the time of the closing, is classified as *Gains on sale of businesses* in the *Consolidated Statement of Income (Loss)*.

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2018

During 2018, Schlumberger recorded the following charges and credits:

(Stated in millions)

	Pretax	Tax	Net
Gain on sale of marine seismic acquisition business	$ (215)	$ (19)	$ (196)
Workforce reductions	184	20	164
Asset impairments	172	16	156
	$ 141	$ 17	$ 124

- During the fourth quarter of 2018, Schlumberger completed the divestiture of its marine seismic acquisition business to Shearwater GeoServices ("Shearwater") for $600 million of cash and a 15% equity interest in Shearwater. As a result of this transaction, Schlumberger recognized a $215 million gain. This gain is classified in *Gain on sale of business* in the *Consolidated Statement of Income (Loss)*.
- During the fourth quarter of 2018, Schlumberger recorded $172 million of charges to fully impair certain long-lived assets. This amount is classified in *Impairments & other* in the *Consolidated Statement of Income (Loss)*.
- During the second quarter of 2018, Schlumberger recorded a $184 million charge associated with workforce reductions, primarily to further streamline its support cost structure. This charge is classified in *Impairment & other* in the *Consolidated Statement of Income (Loss)*.

4. Inventories

Inventories, which are stated at the lower of average cost or net realizable value, consist of the following:

(Stated in millions)

	2020	2019
Raw materials & field materials	$ 1,573	$ 1,857
Work in progress	464	515
Finished goods	1,317	1,758
	$ 3,354	$ 4,130

5. Fixed Assets

Fixed assets consist of the following:

(Stated in millions)

	2020	2019
Land	$ 362	$ 483
Buildings & improvements	3,757	5,156
Machinery & equipment	25,625	29,370
	29,744	35,009
Less: Accumulated depreciation	22,918	25,739
	$ 6,826	$ 9,270

The estimated useful lives of Buildings & improvements are primarily 25 to 30 years. The estimated useful lives of Machinery & equipment are primarily 5 to 10 years.

Depreciation expense, which is recorded on a straight-line basis, was $1.6 billion, $2.0 billion and $2.1 billion in 2020, 2019 and 2018, respectively.

6. Multiclient Seismic Data

The change in the carrying amount of multiclient seismic data is as follows:

(Stated in millions)

	2020	2019
Balance at beginning of year	$ 568	$ 601
Capitalized in period	101	231
Charged to expense	(174)	(264)
Impairment charge (see Note 3)	(156)	-
Other	(22)	-
	$ 317	$ 568

7. Goodwill

The changes in the carrying amount of goodwill by segment were as follows:

(Stated in millions)

	Reservoir Characterization	Drilling	Production	Cameron	Total
Balance, January 1, 2019	$ 4,703	$ 10,111	$ 4,678	$ 5,439	$ 24,931
Impairment (see Note 3)	(97)	(3,025)	(705)	(5,001)	(8,828)
Impact of changes in exchange rates and other	(46)	6	(24)	3	(61)
Balance, December 31, 2019	4,560	7,092	3,949	441	16,042
Impairment (see Note 3)	-	(1,659)	(1,228)	(183)	(3,070)
Impact of changes in exchange rates and other	-	10	(17)	3	(4)
Balance, September 30, 2020	$ 4,560	$ 5,443	$ 2,704	$ 261	$ 12,968

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In connection with the change in reportable segments discussed in Note 16 – *Segment Information*, Schlumberger reallocated goodwill that existed as of September 30, 2020 to the new reporting units on a relative fair value basis as follows:

(Stated in millions)

	Digital & Integration	Reservoir Performance	Well Construction	Production Systems	Total
Balance, October 1, 2020	$ 2,041	$ 3,806	$ 6,267	$ 854	$ 12,968
Impact of changes in exchange rates and other	6	(4)	11	(1)	12
Balance, December 31, 2020	$ 2,047	$ 3,802	$ 6,278	$ 853	$ 12,980

8. Intangible Assets

Intangible assets consist of the following:

(Stated in millions)

	2020			2019		
	Gross Book Value	Accumulated Amortization	Net Book Value	Gross Book Value	Accumulated Amortization	Net Book Value
Customer Relationships	$ 1,744	$ 485	$ 1,259	$ 3,779	$ 868	$ 2,911
Technology/Technical Know-How	1,284	488	796	2,498	779	1,719
Tradenames	767	166	601	1,885	264	1,621
Other	1,488	689	799	1,514	676	838
	$ 5,283	$ 1,828	$ 3,455	$ 9,676	$ 2,587	$ 7,089

Customer relationships are generally amortized over periods ranging from 18 to 28 years, technology/technical know-how are generally amortized over periods ranging from 10 to 18 years, and tradenames are generally amortized over periods ranging from 15 to 30 years.

Amortization expense was $371 million in 2020, $618 million in 2019 and $673 million in 2018.

Based on the carrying value of intangible assets at December 31, 2020, amortization expense for the subsequent five years is estimated to be as follows: 2021: $307 million, 2022: $304 million, 2023: $293 million, 2024: $269 million and 2025: $259 million.

9. Long-term Debt and Debt Facility Agreements

Long-term Debt consists of the following:

(Stated in millions)

	2020	2019
3.65% Senior Notes due 2023	$ 1,496	$ 1,495
3.90% Senior Notes due 2028	1,450	1,444
2.65% Senior Notes due 2030	1,250	-
1.375% Guaranteed Notes due 2026	1,221	-
2.00% Guaranteed Notes due 2032	1,214	-
0.25% Notes due 2027	1,100	550
0.50% Notes due 2031	1,099	544
2.40% Senior Notes due 2022	999	998
4.00% Senior Notes due 2025	930	929
4.30% Senior Notes due 2029	846	845
3.75% Senior Notes due 2024	746	746
1.00% Guaranteed Notes due 2026	736	665
0.00% Notes due 2024	611	551
2.65% Senior Notes due 2022	598	598
1.40% Senior Notes due 2025	498	-
3.63% Senior Notes due 2022	295	294
7.00% Notes due 2038	206	208
5.95% Notes due 2041	114	114
5.13% Notes due 2043	99	99
4.00% Notes due 2023	80	81
3.70% Notes due 2024	55	55
3.30% Senior Notes due 2021	-	1,597
4.20% Senior Notes due 2021	-	600
Commercial paper borrowings	393	2,222
Other	-	135
	$ 16,036	$ 14,770

During the third quarter of 2020, Schlumberger issued $500 million of 1.40% Senior Notes due 2025 and $350 million of 2.65% Senior Notes due 2030.

During the second quarter of 2020, Schlumberger issued €1.0 billion of 1.375% Guaranteed Notes due 2026, $900 million of 2.65% Senior Notes due 2030 and €1.0 billion of 2.00% Guaranteed Notes due 2032.

During the second quarter of 2020, Schlumberger repurchased all $600 million of its 4.20% Senior Notes due 2021 and $935 million of its 3.30% Senior Notes due 2021. Schlumberger paid a premium of approximately $40 million in connection with these repurchases. This premium was classified in *Impairments & other* in the *Consolidated Statement of Income (Loss)*. (See Note 3 – *Charges and Credits*.)

During the second quarter of 2020, Schlumberger established a €5.0 billion Guaranteed Euro Medium Term Note program that provides for the issuance of various types of debt instruments such as fixed or floating rate notes in

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euro, US dollar or other currencies. At December 31, 2020, Schlumberger had not issued any debt under this program.

During the first quarter of 2020, Schlumberger issued €400 million of 0.25% Notes due 2027 and €400 million of 0.50% Notes due 2031.

During the fourth quarter of 2019, Schlumberger repurchased the remaining $416 million of its 3.00% Senior Notes due 2020; $126 million of its 4.50% Senior Notes due 2021; $500 million of its 4.20% Senior Notes due 2021; and $106 million of its 3.60% Senior Notes due 2022. Schlumberger paid a premium of $28 million in connection with these repurchases. This premium, net of related credits, was classified as *Impairments & other* in the *Consolidated Statement of Income (Loss)*. (See Note 3 – *Charges and Credits*.)

During the third quarter of 2019, Schlumberger issued €500 million of 0.00% Notes due 2024, €500 million of 0.25% Notes due 2027 and €500 million of 0.50% Notes due 2031.

During the third quarter of 2019, Schlumberger repurchased $783 million of its 3.00% Senior Notes due 2020 and $321 million of its 3.625% Senior Notes due 2022. Schlumberger paid a premium of $29 million in connection with these repurchases. This premium was classified as *Impairments & other* in the *Consolidated Statement of Income (Loss)*. (See Note 3 – *Charges and Credits*.)

During the second quarter of 2019, Schlumberger completed a debt exchange offer, pursuant to which it issued $1.500 billion in principal of 3.90% Senior Notes due 2028 (the "New Notes") in exchange for $401 million of 3.00% Senior Notes due 2020, $234 million of 3.63% Senior Notes due 2022 and $817 million of 4.00% Senior Notes due 2025. In connection with the exchange of principal, Schlumberger paid a premium of $48 million, substantially all of which was in the form of New Notes. This premium is being amortized as additional interest expense over the term of the New Notes.

During the first quarter of 2019 Schlumberger issued $750 million of 3.75% Senior Notes due 2024 and $850 million of 4.30% Senior Notes due 2029.

At December 31, 2020, Schlumberger had committed credit facility agreements with commercial banks aggregating $6.25 billion, of which $5.86 billion was available and unused. These committed facilities support commercial paper programs in the United States and Europe, of which $2.75 billion matures in February 2023, $2.0 billion matures in February 2025 and $1.5 billion matures in July 2025. Schlumberger also has a €1.54 billion committed revolving credit facility that expires in the second quarter of 2021 but can be extended at Schlumberger's option for up to an additional year. At December 31, 2020, no amounts had been drawn under this facility. Interest rates and other terms of borrowing under these lines of credit vary by facility.

Commercial paper borrowings are classified as long-term debt to the extent they are backed up by available and unused committed credit facilities maturing in more than one year and to the extent it is Schlumberger's intent to maintain these obligations for longer than one year. Borrowings under the commercial paper programs at December 31, 2020 were $0.4 billion, all of which was classified in *Long-term debt* in the *Consolidated Balance Sheet*. At December 31, 2019, borrowings under the commercial paper programs were $2.2 billion, all of which was classified in *Long-term debt* in the *Consolidated Balance Sheet*.

The weighted average interest rate on variable rate debt as of December 31, 2020 was 1.0%.

Long-term Debt as of December 31, 2020 is due as follows: $1.9 billion in 2022, $1.9 billion in 2023, $1.4 billion in 2024, $1.5 billion in 2025, $2.0 billion in 2026, $1.1 billion in 2027 and $6.3 billion thereafter.

The fair value of Schlumberger's *Long-term Debt* at December 31, 2020 and December 31, 2019 was $17.3 billion and $15.3 billion, respectively, and was estimated based on quoted market prices.

Schlumberger Limited fully and unconditionally guarantees the securities issued by certain of its subsidiaries, including securities issued by Schlumberger Investment SA and Schlumberger Finance Canada Ltd., both wholly-owned subsidiaries of Schlumberger Limited.

10. Derivative Instruments and Hedging Activities

As a multinational company, Schlumberger conducts its business in over 120 countries. Schlumberger's functional currency is primarily the US dollar. Approximately 73% of Schlumberger's revenues in 2020 were denominated in US dollars. However, outside the United States, a significant portion of Schlumberger's expenses is incurred in foreign currencies. Therefore, when the US dollar weakens (strengthens) in relation to the foreign currencies of the countries in which Schlumberger conducts business, the US dollar–reported expenses will increase (decrease).

Schlumberger is exposed to risks on future cash flows to the extent that the local currency is not the functional currency and expenses denominated in local currency are not equal to revenues denominated in local currency. Schlumberger uses foreign currency forward contracts to provide a hedge against a portion of these cash flow risks. These contracts are accounted for as cash flow hedges, with the changes in the fair value of the hedge recorded on the *Consolidated Balance Sheet* and in *Accumulated Other Comprehensive Loss*. Amounts recorded in *Accumulated Other Comprehensive Loss* are reclassified into earnings in the same period or periods that the hedged item is recognized in earnings.

Schlumberger is also exposed to risks on future cash flows relating to certain of its fixed rate debt denominated in currencies other than the functional currency. Schlumberger uses cross-currency swaps to provide a hedge against these cash flow risks. Included in *Other Assets* was $427 million at December 31, 2020 ($41 million at December 31, 2019) and included in *Other Liabilities* was $13 million at December 31, 2020 ($38 million at December 31, 2019) relating to the fair value of outstanding cross-currency swap derivatives. The fair value was determined using a model with inputs that are observable in the market or can be derived or collaborated by observable data.

During 2019, a US-dollar functional currency subsidiary of Schlumberger issued €1.5 billion of Euro-denominated debt. Schlumberger entered into cross-currency swaps for an aggregate notional amount of €1.5 billion in order to hedge changes in the fair value of its €0.5 billion 0.00% Notes due 2024, €0.5 billion 0.25% Notes due 2027 and €0.5 billion 0.50% Notes due 2031. These cross-currency swaps effectively convert the Euro-denominated notes to US-dollar denominated debt with fixed annual interest rates of 2.29%, 2.51% and 2.76%, respectively.

During the first quarter of 2020, a US-dollar functional currency subsidiary of Schlumberger issued €0.8 billion of Euro-denominated debt. Schlumberger entered into cross-currency swaps for an aggregate notional amount of €0.8 billion in order to hedge changes in the fair value of its €0.4 billion of 0.25% Notes due 2027 and €0.4 billion of 0.50% Notes due 2031. These cross-currency swaps effectively convert the Euro-denominated notes to US-dollar denominated debt with fixed annual interest rates of 1.87% and 2.20%, respectively.

During the second quarter of 2020, a US-dollar functional currency subsidiary of Schlumberger issued €2.0 billion of Euro-denominated debt. Schlumberger entered into cross-currency swaps for an aggregate notional amount of €2.0 billion in order to hedge changes in the fair value of its €1.0 billion of 1.375% Guaranteed Notes due 2026 and €1.0 billion of 2.00% Guaranteed Notes due 2032. These cross-currency swaps effectively convert the swapped portion of the Euro-denominated notes to US-dollar denominated debt with fixed annual interest rates of 2.77% and 3.49%, respectively.

During the third quarter of 2020, a Canadian dollar functional currency subsidiary of Schlumberger issued $0.5 billion of US dollar denominated debt. Schlumberger entered into cross-currency swaps for an aggregate notional amount of $0.5 billion in order to hedge changes in the fair value of its $0.5 billion 1.40% Senior Notes

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due 2025. These cross-currency swaps effectively convert the US dollar notes to Canadian dollar denominated debt with a fixed annual interest rate of 1.73%.

Schlumberger is exposed to changes in the fair value of assets and liabilities denominated in currencies other than the functional currency. While Schlumberger uses foreign currency forward contracts to economically hedge this exposure as it relates to certain currencies, these contracts are not designated as hedges for accounting purposes. Instead, the fair value of the contracts is recorded on the *Consolidated Balance Sheet* and changes in the fair value are recognized in the *Consolidated Statement of Income (Loss)*, as are changes in the fair value of the hedged item. Transaction losses of $21 million in 2020 and transaction gains of $2 million in 2019 and $1 million in 2018 were recognized in the *Consolidated Statement of Income (Loss)* net of related hedging activities.

At December 31, 2020, contracts were outstanding for the US dollar equivalent of $8.6 billion in various foreign currencies, of which $6.4 billion relates to hedges of debt denominated in currencies other than the functional currency.

Other than the previously mentioned cross-currency swaps, the fair value of the other outstanding derivatives was not material at December 31, 2020 and 2019.

The effect of derivative instruments designated as hedges and those not designated as hedges on the *Consolidated Statement of Income (Loss)* was as follows:

	(Stated in millions) Gain (Loss) Recognized in Income (Loss)			
	2020	2019	2018	Consolidated Statement of Income (Loss) Classification
Derivatives designated as cash flow hedges:				
Cross currency swap	**$ 493**	$ (35)	$ 55	*Cost of services/sales*
Foreign exchange contracts	**(5)**	(10)	(1)	*Cost of services/sales*
	$ 488	$ (45)	$ 54	
Derivatives not designated as hedges:				
Foreign exchange contracts	**$ (29)**	$ (5)	$ 40	*Cost of services/sales*

Schlumberger does not enter into derivative transactions for speculative purposes.

11. Stockholders' Equity

Schlumberger is authorized to issue 4,500,000,000 shares of common stock, par value $0.01 per share, of which 1,392,325,960 and 1,384,515,345 shares were outstanding on December 31, 2020 and 2019, respectively. Holders of common stock are entitled to one vote for each share of stock held. Schlumberger is also authorized to issue 200,000,000 shares of preferred stock, par value $0.01 per share, which may be issued in series with terms and conditions determined by the Schlumberger Board of Directors. No shares of preferred stock have been issued.

Accumulated Other Comprehensive Loss consists of the following:

(Stated in millions)

	Currency Translation Adjustments	**Marketable Securities**	**Cash Flow Hedges**	**Pension and Other Postretirement Benefit Plans**	**Total**
Balance, January 1, 2018	$ (2,139)	$ 13	$ 3	$ (2,151)	$ (4,274)
Reclassification to *Retained Earnings* of stranded tax effects resulting from US tax reform	-	–	-	(109)	(109)
Other comprehensive loss before reclassifications	**(191)**	**(11)**	**(16)**	**(186)**	**(404)**
Amounts reclassified from accumulated other comprehensive loss	-	-	1	182	183
Income taxes	-	-	-	(18)	(18)
Balance, December 31, 2018	(2,330)	2	**(12)**	(2,282)	(4,622)
Other comprehensive loss before reclassifications	67	-	(32)	127	162
Amounts reclassified from accumulated other comprehensive loss	-	-	**10**	83	93
Income taxes	-	-	-	(71)	(71)
Balance, December 31, 2019	(2,263)	2	(34)	(2,143)	(4,438)
Other comprehensive loss before reclassifications	(239)	-	(90)	(247)	(576)
Amounts reclassified from accumulated other comprehensive loss	-	-	54	**114**	**168**
Income taxes	-	-	-	(38)	(38)
Balance, December 31, 2020	$ (2,502)	$ 2	$ (70)	$ (2,314)	$ (4,884)

Other comprehensive loss was $447 million in 2020 and $239 million in 2018. Other comprehensive income was $184 million in 2019.

12. Stock-based Compensation Plans

Schlumberger has three types of stock-based compensation programs: (i) stock options, (ii) a restricted stock, restricted stock unit and performance share unit program (collectively referred to as "restricted stock"), and (iii) a discounted stock purchase plan ("DSPP").

Stock Options

Key employees may be granted stock options under Schlumberger stock option plans. The exercise price equals the average of the high and low sales prices of Schlumberger stock on the date of grant. The maximum term is 10 years, and the options generally vest in increments over five years.

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The fair value of each stock option grant was estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions and resulting weighted-average fair value per share:

	2020	2019	2018
Dividend yield	**5.2%**	4.8%	2.6%
Expected volatility	**26%**	25%	26%
Risk-free interest rate	**1.7%**	2.7%	2.6%
Expected option life in years	**7.0**	7.0	7.0
Weighted-average fair value per share	**$ 5.07**	$ 6.21	$ 17.37

The following table summarizes information related to options outstanding and options exercisable as of December 31, 2020:

(Shares stated in thousands)

	Options Outstanding			Options Exercisable	
Exercise prices range	Options Outstanding	Weighted-Average Remaining Contractual Life (in years)	Weighted-Average Exercise Price	Options Exercisable	Weighted-Average Exercise Price
$38.75 - $69.98	15,562	7.7	$ 44.48	3,846	$ 56.69
$70.31 - $76.74	9,462	2.1	$ 72.10	9,399	$ 72.06
$77.10 - $83.15	7,303	5.4	$ 79.29	5,425	$ 79.52
$83.89 - $88.77	8,549	3.0	$ 85.96	7,097	$ 85.66
$90.00 - $114.83	7,396	3.4	$ 95.79	7,396	$ 95.79
	48,272	4.8	$ 70.37	33,163	$ 79.70

The weighted-average remaining contractual life of stock options exercisable as of December 31, 2020 was 3.3 years.

The following table summarizes stock option activity during the years ended December 31, 2020, 2019 and 2018:

(Shares stated in thousands)

	2020		2019		2018	
	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price
Outstanding at beginning of year	**46,269**	**$ 75.65**	43,529	$ 79.36	47,210	$ 79.13
Granted	**7,468**	**$ 38.75**	5,604	$ 41.50	2,121	$ 76.95
Exercised	**-**	**$ -**	(1,045)	$ 38.50	(936)	$ 54.20
Forfeited	**(5,465)**	**$ 71.86**	(1,819)	$ 74.69	(4,866)	$ 84.19
Outstanding at year-end	**48,272**	**$ 70.37**	46,269	$ 75.65	43,529	$ 79.36

Stock options outstanding and stock options exercisable as of December 31, 2020 had no intrinsic value.

The total intrinsic value of options exercised during the years ended December 31, 2019 and 2018 was $4 million and $15 million, respectively. There were no stock options exercised during the year ended December 31, 2020.

Restricted Stock

Schlumberger grants performance share units to its executive officers. The number of shares earned is determined at the end of each performance period based on Schlumberger's achievement of certain predefined targets as defined in the underlying performance share unit agreement. In the event Schlumberger exceeds the predefined target, shares for up to the maximum of 250% of the target award may be awarded. In the event Schlumberger falls below the predefined target, a reduced number of shares may be awarded. If Schlumberger falls below the threshold award performance level, no shares will be awarded. As of December 31, 2020, 3.8 million performance share units were outstanding assuming the achievement of 100% of target.

All other restricted stock awards generally vest at the end of three years or vest ratably in equal tranches over a three-year period.

Restricted stock awards do not pay dividends or have voting rights prior to vesting. Accordingly, the fair value of a restricted stock award is the quoted market price of Schlumberger's stock on the date of grant less the present value of the expected dividends not received prior to vesting.

The following table summarizes information related to restricted stock transactions:

(Shares stated in thousands)

	2020		2019		2018	
	Restricted Stock	Weighted-Average Grant Date Fair Value	Restricted Stock	Weighted-Average Grant Date Fair Value	Restricted Stock	Weighted-Average Grant Date Fair Value
Unvested at beginning of year	**11,822**	**$ 49.86**	6,951	$ 70.13	5,428	$ 72.33
Granted	**10,637**	**$ 26.53**	7,888	$ 35.56	3,204	$ 70.54
Vested	**(3,059)**	**$ 71.56**	(2,722)	$ 72.09	(982)	$ 77.62
Forfeited	**(637)**	**$ 45.95**	(295)	$ 57.41	(699)	$ 70.67
Unvested at year-end	**18,763**	**$ 35.24**	11,822	$ 49.86	6,951	$ 70.13

Discounted Stock Purchase Plan

Under the terms of the DSPP, employees can choose to have a portion of their earnings withheld, subject to certain restrictions, to purchase Schlumberger common stock. The purchase price of the stock is 92.5% of the lower of the stock price at the beginning or end of the plan period at six-month intervals.

The fair value of the employees' purchase rights under the DSPP was estimated using the Black-Scholes model with the following assumptions and resulting weighted-average fair value per share:

	2020	2019	2018
Dividend yield	**4.0%**	5.3%	2.9%
Expected volatility	**43%**	30%	22%
Risk-free interest rate	**0.88%**	2.3%	1.6%
Weighted-average fair value per share	**$ 5.38**	$ 5.81	$ 9.01

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Total Stock-based Compensation Expense

The following summarizes stock-based compensation expense recognized in income:

(Stated in millions)

	2020	2019	2018
Stock options	**$ 75**	$ 99	$ 134
Restricted stock	**293**	274	179
DSPP	**29**	32	32
	$ 397	$ 405	$ 345

At December 31, 2020, there was $335 million of total unrecognized compensation cost related to nonvested stock-based compensation arrangements, of which $198 million is expected to be recognized in 2021, $102 million in 2022, $26 million in 2023, and $9 million in 2024.

As of December 31, 2020, approximately 16 million shares of Schlumberger common stock were available for future grants under Schlumberger's stock-based compensation programs.

13. Income Taxes

Schlumberger operates in more than 100 tax jurisdictions, where statutory tax rates generally vary from 0% to 35%.

Income (loss) before taxes subject to United States and non-United States income taxes was as follows:

(Stated in millions)

	2020	2019	2018
United States	**$ (4,394)**	$ (8,991)	$ (55)
Outside United States	**(6,904)**	(1,427)	2,679
	$ (11,298)	$ (10,418)	$ 2,624

Schlumberger recorded net pretax charges of $12.515 billion in 2020 ($3.961 billion in the US and $8.554 billion outside the US); $12.901 billion in 2019 ($8.769 billion in the US and $4.132 billion outside the US); and $141 million in 2018 ($102 million in the US and $39 million outside the US). These charges and credits are included in the table above and are more fully described in Note 3 – *Charges and Credits*.

The components of net deferred tax assets (liabilities) were as follows:

(Stated in millions)

	2020	2019
Intangible assets	**$ (881)**	$ (1,790)
Net operating losses	**421**	144
Fixed assets, net	**151**	434
Inventories	**59**	155
Investments in non-US subsidiaries	**(171)**	(220)
Foreign tax credits	**—**	312
Other, net	**402**	474
	$ (19)	$ (491)

The deferred tax balances at December 31, 2020 and 2019 were net of valuation allowances relating to net operating losses in certain countries of $127 million and $82 million, respectively. Additionally, the deferred tax balances at December 31, 2020 were net of valuation allowances relating to foreign tax credits and capital losses of $106 million and $54 million, respectively.

Approximately $353 million of the $421 million deferred tax asset relating to net operating losses at December 31, 2020 can be carried forward indefinitely. The vast majority of the remaining balance expires at various dates between 2030 and 2040.

Schlumberger generally does not provide for taxes related to the undistributed earnings of its subsidiaries because such earnings either would not be taxable when remitted or they are considered to be indefinitely reinvested.

The components of *Tax expense (benefit)* were as follows:

(Stated in millions)

	2020	2019	2018
Current:			
United States-Federal	**$ 21**	$ (81)	$ 124
United States-State	**5**	**11**	(50)
Outside United States	**410**	770	618
	436	700	692
Deferred:			
United States-Federal	**$ (824)**	$ (660)	$ (143)
United States-State	**(67)**	(93)	(4)
Outside United States	**(563)**	(257)	(69)
Valuation allowance	**206**	(1)	(29)
	(1,248)	**(1,011)**	(245)
	$ (812)	$ (311)	$ 447

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A reconciliation of the United States statutory federal tax rate to the consolidated effective tax rate follows:

	2020	2019	2018
US federal statutory rate	21%	21%	21%
State tax	-	-	(2)
Non-US income taxed at different rates	-	-	(2)
Charges and credits (See Note 3)	(14)	(19)	-
Other	-	1	-
	7%	3%	17%

A number of the jurisdictions in which Schlumberger operates have tax laws that are not fully defined and are evolving. Schlumberger's tax filings are subject to regular audit by the tax authorities. These audits may result in assessments for additional taxes that are resolved with the tax authorities or, potentially, through the courts. Tax liabilities are recorded based on estimates of additional taxes that will be due upon the conclusion of these audits. Due to the uncertain and complex application of tax regulations, the ultimate resolution of audits may result in liabilities which could be materially different from these estimates.

A reconciliation of the beginning and ending amount of liabilities associated with uncertain tax positions for the years ended December 31, 2020, 2019 and 2018 is as follows:

(Stated in millions)

	2020	2019	2018
Balance at beginning of year	$ 1,301	$ 1,433	$ 1,393
Additions based on tax positions related to the current year	76	86	88
Additions for tax positions of prior years	78	65	145
Impact of changes in exchange rates	(3)	2	(41)
Settlements with tax authorities	(15)	(50)	(22)
Reductions for tax positions of prior years	(87)	(176)	(57)
Reductions due to the lapse of the applicable statute of limitations	(79)	(59)	(73)
	$ 1,271	$ 1,301	$ 1,433

The amounts above exclude accrued interest and penalties of $184 million, $188 million and $205 million at December 31, 2020, 2019 and 2018, respectively. Schlumberger classifies interest and penalties relating to uncertain tax positions within *Tax expense (benefit)* in the *Consolidated Statement of Income (Loss)*.

The following table summarizes the tax years that are either currently under audit or remain open and subject to examination by the tax authorities in the most significant jurisdictions in which Schlumberger operates:

Canada	2013 - 2020
Ecuador	2016 - 2020
Mexico	2012 - 2020
Norway	2015 - 2020
Russia	2016 - 2020
Saudi Arabia	2015 - 2020
United Kingdom	2017 - 2020
United States	2017 - 2020

In certain of the jurisdictions noted above, Schlumberger operates through more than one legal entity, each of which may have different open years subject to examination. The table above presents the open years subject to examination for the most material of the legal entities in each jurisdiction. Additionally, it is important to note that tax years are technically not closed until the statute of limitations in each jurisdiction expires. In the jurisdictions noted above, the statute of limitations can extend beyond the open years subject to examination.

14. Leases and Lease Commitments

Schlumberger's leasing activities primarily consist of operating leases for administrative offices, manufacturing facilities, research centers, service centers, sales offices and certain equipment. Total operating lease expense, which approximates cash paid and includes short-term leases, was $1.4 billion in 2020 and $1.7 billion in each of 2019 and 2018.

Maturities of operating lease liabilities as of December 31, 2020 were as follows:

(Stated in millions)

2021	$ 256
2022	200
2023	160
2024	128
2025	92
Thereafter	318
Total lease payments	$ 1,154
Less: Interest	(143)
	$ 1,011
Amounts recognized in balance sheet	
Accounts payable and accrued liabilities	$ 248
Other Liabilities	763
	$ 1,011

Operating lease assets of $0.8 billion and $1.3 billion as of December 31, 2020 and 2019, respectively, were included in *Other Assets* in the *Consolidated Balance Sheet*. Operating lease liabilities as of December 31, 2019 were $1.0 billion, of which $0.2 billion was classified in *Accounts payable and accrued liabilities* and $0.8 billion was classified in *Other Liabilities* in the *Consolidated Balance Sheet*.

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The weighted-average remaining lease term as of December 31, 2020 was 8 years. The weighted-average discount rate used to determine the operating lease liability as of December 31, 2020 was 3.2%.

15. Contingencies

Schlumberger is party to various legal proceedings from time to time. A liability is accrued when a loss is both probable and can be reasonably estimated. Management believes that the probability of a material loss with respect to any currently pending legal proceeding is remote. However, litigation is inherently uncertain, and it is not possible to predict the ultimate disposition of any of these proceedings.

16. Segment Information

During 2020, Schlumberger restructured its organization in order to prepare for a changing industry future. This new structure is aligned with customer workflows and is directly linked to Schlumberger's corporate strategy, a key element of which is customer collaboration.

The new organization consists of four Divisions that combine and integrate Schlumberger's technologies, enhancing the portfolio of capabilities that support the emerging long-term growth opportunities in each of these market segments.

The four Divisions, representing Schlumberger's segments, are:

- ***Digital & Integration*** – Combines Schlumberger's software and seismic businesses with its integrated offering of Asset Performance Solutions.
- ***Reservoir Performance*** – Consists of reservoir-centric technologies and services that are critical to optimizing reservoir productivity and performance.
- ***Well Construction*** – Combines the full portfolio of products and services to optimize well placement and performance, maximize drilling efficiency, and improve wellbore assurance.
- ***Production Systems*** – Develops technologies and provides expertise that enhance production and recovery from subsurface reservoirs to the surface, into pipelines, and to refineries.

Financial information for the years ended December 31, 2020, 2019 and 2018, by segment, is as follows:

(Stated in millions)

	2020				
	Revenue	Income (Loss) Before Taxes	Assets	Depreciation and Amortization	Capital Investments
Digital & Integration	**$ 3,076**	**$ 731**	**$ 3,595**	**$ 615**	**$ 413**
Reservoir Performance	**5,602**	**353**	**3,489**	**549**	**384**
Well Construction	**8,605**	**866**	**4,768**	**580**	**420**
Production Systems	**6,650**	**623**	**4,665**	**338**	**240**
Eliminations & other	**(332)**	**(172)**	**940**	**276**	**63**
		2,401			
Goodwill and intangible assets			**16,436**		
Cash and short-term investments			**3,006**		
All other assets			**5,535**		
Corporate & other [1]		**(681)**		**208**	
Interest income [2]		**31**			
Interest expense [3]		**(534)**			
Charges & credits [4]		**(12,515)**			
	$ 23,601	**$ (11,298)**	**$ 42,434**	**$ 2,566**	**$ 1,520**

(Stated in millions)

	2019				
	Revenue	Income (Loss) Before Taxes	Assets	Depreciation and Amortization	Capital Investments
Digital & Integration	$ 4,145	$ 882	$ 6,388	$ 1,069	$ 1,020
Reservoir Performance	9,299	992	5,198	807	569
Well Construction	11,880	1,429	6,913	656	650
Production Systems	8,167	847	5,625	390	384
Eliminations & other	(574)	(172)	1,314	250	113
		3,978			
Goodwill and intangible assets			23,130		
Cash and short-term investments			2,167		
All other assets			5,577		
Corporate & other [1]		(957)		417	
Interest income [2]		33			
Interest expense [3]		(571)			
Charges & credits [4]		(12,901)			
	$ 32,917	$ (10,418)	$ 56,312	$ 3,589	$ 2,736

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(Stated in millions)

	2018				
	Revenue	Income Before Taxes	Assets	Depreciation and Amortization	Capital Investments
Digital & Integration	$ 3,820	$ 882	$ 6,784	$ 894	$ 1,091
Reservoir Performance	10,050	1,169	7,396	850	899
Well Construction	11,310	1,465	7,112	713	769
Production Systems	8,168	843	5,632	423	343
Eliminations & other	(533)	(172)	1,448	237	139
		4,187			
Goodwill and intangible assets			33,658		
Cash and short-term investments			2,777		
All other assets			5,700		
Corporate & other [1]		(937)		439	
Interest income [2]		52			
Interest expense [3]		(537)			
Charges & credits [4]		(141)			
	$ 32,815	$ 2,624	$ 70,507	$ 3,556	$ 3,241

[1] Comprised principally of certain corporate expenses not allocated to the segments, stock-based compensation costs, amortization expense associated with certain intangible assets, certain centrally managed initiatives and other nonoperating items.

[2] Interest income excludes amounts which are included in the segments' income (2020: $2 million; 2019: $8 million; 2018: $8 million).

[3] Interest expense excludes amounts which are included in the segments' income (2020: $28 million; 2019: $38 million; 2018: $38 million).

[4] See Note 3 – *Charges and Credits.*

Segment assets consist of receivables, inventories, fixed assets, multiclient seismic data and APS investments.

Capital investments includes capital expenditures, APS investments and multiclient seismic data cost capitalized.

Depreciation and amortization includes depreciation of property, plant and equipment and amortization of intangible assets, multiclient seismic data costs and APS investments.

Revenue by geographic area for the years ended December 31, 2020, 2019 and 2018 is as follows:

(Stated in millions)

	2020	2019	2018
North America	$ 5,478	$ 10,446	$ 11,730
Latin America	3,472	4,544	4,013
Europe/CIS/Africa	5,963	7,682	7,113
Middle East & Asia	8,567	10,016	9,582
Eliminations & other	121	229	377
	$ 23,601	$ 32,917	$ 32,815

Revenue is based on the location where services are provided and products are sold.

During each of the three years ended December 31, 2020, 2019 and 2018, no single customer exceeded 10% of consolidated revenue.

Schlumberger did not have revenue from third-party customers in its country of domicile during the last three years. Revenue in the United States in 2020, 2019 and 2018 was $4.5 billion, $9.3 billion and $10.1 billion, respectively.

North America and International revenue disaggregated by segment was as follows:

(Stated in millions)

	2020			
	North America	International	Eliminations & other	Total
Digital & Integration	$ 573	$ 2,496	$ 7	$ 3,076
Reservoir Performance	1,547	4,043	12	5,602
Well Construction	1,453	6,956	196	8,605
Production Systems	1,921	4,702	27	6,650
Eliminations & other	(16)	(195)	(121)	(332)
	$ 5,478	$ 18,002	$ 121	$ 23,601

(Stated in millions)

	2019			
	North America	International	Eliminations & other	Total
Digital & Integration	$ 865	$ 3,272	$ 8	$ 4,145
Reservoir Performance	3,779	5,509	11	9,299
Well Construction	2,814	8,809	257	11,880
Production Systems	3,053	5,059	55	8,167
Eliminations & other	(65)	(407)	(102)	(574)
	$ 10,446	$ 22,242	$ 229	$ 32,917

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(Stated in millions)

	2018			
	North America	International	Eliminations & other	Total
Digital & Integration	$ 786	$ 2,894	$ 140	$ 3,820
Reservoir Performance	4,975	5,066	9	10,050
Well Construction	2,911	8,083	316	11,310
Production Systems	3,139	4,966	63	8,168
Eliminations & other	(81)	(301)	(151)	(533)
	$ 11,730	$ 20,708	$ 377	$ 32,815

Fixed Assets less accumulated depreciation by geographic area are as follows:

(Stated in millions)

	2020	2019
North America	$ 1,588	$ 3,326
Latin America	841	912
Europe/CIS/Africa	1,840	2,309
Middle East & Asia	2,353	2,502
Unallocated	204	221
	$ 6,826	$ 9,270

17. Pension and Other Benefit Plans

Pension Plans

Schlumberger sponsors several defined benefit pension plans that cover substantially all US employees hired prior to October 1, 2004. The benefits are based on years of service and compensation, on a career-average pay basis.

In addition to the US defined benefit pension plans, Schlumberger sponsors several other international defined benefit pension plans. The most significant of these international plans are the International Staff Pension Plan and the UK pension plan (collectively, the "International plans"). The International Staff Pension Plan covers certain international employees hired prior to July 1, 2014 and is based on years of service and compensation on a career-average pay basis. The UK plan covers employees hired prior to April 1, 1999, and is based on years of service and compensation, on a final salary basis.

The weighted-average assumed discount rate, compensation increases and expected long-term rate of return on plan assets used to determine the net pension cost for the US and International plans were as follows:

	US			International		
	2020	2019	2018	2020	2019	2018
Discount rate	3.30%	4.30%	3.70%	3.27%	4.00%	3.55%
Compensation increases	4.00%	4.00%	4.00%	4.82%	4.83%	4.81%
Return on plan assets	6.60%	6.60%	7.25%	6.71%	7.22%	7.40%

Net pension cost (credit) for 2020, 2019 and 2018 included the following components:

(Stated in millions)

	US			International		
	2020	2019	2018	2020	2019	2018
Service cost - benefits earned during the period	$ 55	$ 49	$ 59	$ 140	$ 112	$ 138
Interest cost on projected benefit obligation	148	180	167	301	333	304
Expected return on plan assets	(233)	(232)	(248)	(591)	(592)	(584)
Amortization of prior service cost	8	10	13	-	7	10
Amortization of net loss	41	29	47	159	70	140
Settlement charge	-	37	-	-	-	-
	$ 19	$ 73	$ 38	$ 9	$ (70)	$ 8

Certain of Schlumberger's deferred benefit pension plans offered former Schlumberger employees, who had not yet commenced receiving their pension benefits, an opportunity to receive a lump sum payout of their vested pension benefit. Schlumberger's pension plans paid $257 million from pension plan assets to those who accepted this offer, thereby reducing its pension benefit obligations. These transactions resulted in a non-cash pension settlement charge of $37 million, representing the immediate recognition of the related deferred actuarial losses in *Accumulated Other Comprehensive Loss*, in the fourth quarter of 2019. See Note 3 – *Charges and Credits*.

The weighted-average assumed discount rate and compensation increases used to determine the projected benefit obligations for the US and International plans were as follows:

	US		International	
	2020	2019	2020	2019
Discount rate	2.60%	3.30%	2.38%	3.27%
Compensation increases	4.00%	4.00%	4.82%	4.83%

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The changes in the projected benefit obligation, plan assets and funded status of the plans were as follows:

(Stated in millions)

	US		International	
	2020	2019	**2020**	2019
Change in Projected Benefit Obligations				
Projected benefit obligation at beginning of year	**$ 4,593**	$ 4,278	**$ 9,647**	$ 8,111
Service cost	**55**	49	**140**	**112**
Interest cost	**148**	180	**301**	333
Contribution by plan participants	**-**	-	**94**	63
Actuarial losses	**370**	535	**1,233**	1,304
Currency effect	**-**	-	**68**	50
Settlement	**-**	(240)	**(5)**	(17)
Benefits paid	**(226)**	(209)	**(338)**	(309)
Projected benefit obligation at end of year	**$ 4,940**	$ 4,593	**$ 11,140**	$ 9,647
Change in Plan Assets				
Plan assets at fair value at beginning of year	**$ 4,236**	$ 3,748	**$ 9,363**	$ 7,872
Actual return on plan assets	**760**	931	**1,282**	1,676
Currency effect	**-**	-	**72**	59
Company contributions	**6**	6	**20**	19
Contributions by plan participants	**-**	-	**94**	63
Settlement	**-**	(240)	**-**	(17)
Benefits paid	**(226)**	(209)	**(338)**	(309)
Plan assets at fair value at end of year	**$ 4,776**	$ 4,236	**$ 10,493**	$ 9,363
Unfunded Liability	**$ (164)**	$ (357)	**$ (647)**	$ (284)
Amounts Recognized in Balance Sheet				
Postretirement Benefits	**$ (199)**	$ (357)	**$ (849)**	$ (602)
Other Assets	**35**	-	**202**	318
	$ (164)	$ (357)	**$ (647)**	$ (284)
Amounts Recognized in Accumulated Other Comprehensive Loss				
Actuarial losses	**$ 423**	$ 622	**$ 1,981**	$ 1,638
Prior service cost	**1**	9	**-**	-
	$ 424	$ 631	**$ 1,981**	$ 1,638
Accumulated benefit obligation	**$ 4,739**	$ 4,345	**$ 10,844**	$ 9,376

The unfunded liability represents the difference between the plan assets and the projected benefit obligation ("PBO"). The PBO represents the actuarial present value of benefits based on employee service and compensation and includes an assumption about future compensation levels. The accumulated benefit obligation ("ABO") represents the actuarial present value of benefits based on employee service and compensation but does not include an assumption about future compensation levels.

Actuarial losses arising during 2020 and 2019 were primarily attributable to decreases in the discount rate used to determine the PBO. As of December 31, 2020, the PBO and fair value of plan assets for plans with PBOs in excess of plan assets were $9.4 billion and $8.3 billion, respectively. The related ABO for these plans was $9.1 billion at December 31, 2020.

The weighted-average allocation of plan assets and the target allocations by asset category are as follows:

	US			International		
	Target	**2020**	2019	Target	**2020**	2019
Equity securities	**11 - 20%**	**15%**	22%	40 - 54%	**43%**	50
Debt securities	70 - 83	**76**	70	28 - 43	**36**	31
Cash and cash equivalents	0 - 3	**3**	2	0 - 5	**4**	4
Alternative investments	5 - 10	**6**	6	15 - 22	**17**	15
	100%	**100%**	100%	100%	**100%**	100

Asset performance is monitored frequently with an overall expectation that plan assets will meet or exceed the weighted index of its target asset allocation and component benchmark over rolling five-year periods.

The expected rate of return on assets assumptions reflect the long-term average rate of earnings expected on funds invested or to be invested. The assumptions have been determined based on expectations regarding future rates of return for the portfolio considering the asset allocation and related historical rates of return. The appropriateness of the assumptions is reviewed annually.

The fair value of Schlumberger's pension plan assets at December 31, 2020 and 2019, by asset category, is presented below and was determined based on valuation techniques categorized as follows:

- Level One: The use of quoted prices in active markets for identical instruments.
- Level Two: The use of quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active or other inputs that are observable in the market or can be corroborated by observable market data.

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- Level Three: The use of significant unobservable inputs that typically require the use of management's estimates of assumptions that market participants would use in pricing.

(Stated in millions)

	US Plan Assets							
	2020				2019			
	Total	**Level One**	**Level Two**	**Level Three**	Total	Level One	Level Two	Level Three
Asset Category:								
Cash and Cash Equivalents	**$ 140**	**$ 127**	**$ 13**	**$ -**	$ 73	$ 59	$ 14	$ -
Equity Securities:								
US [a]	**527**	**441**	**86**	**-**	605	500	105	-
International [b]	**186**	**182**	**4**	**-**	320	315	5	-
Debt Securities								
Corporate bonds [c]	**1,945**	**-**	**1,945**	**-**	1,687	-	1,687	-
Government and government-related debt securities [d]	**1,658**	**180**	**1,478**	**-**	1,256	74	1,182	-
Collateralized mortgage obligations and mortgage backed securities [e]	**21**	**-**	**21**	**-**	21	-	21	-
Alternative Investments:								
Private equity [f]	**204**	**-**	**-**	**204**	181	-	-	181
Real estate [g]	**95**	**-**	**-**	**95**	93	-	-	93
Total	**$ 4,776**	**$ 930**	**$ 3,547**	**$ 299**	$ 4,236	$ 948	$ 3,014	$ 274

(Stated in millions)

	International Plan Assets							
	2020				2019			
	Total	**Level One**	**Level Two**	**Level Three**	Total	Level One	Level Two	Level Three
Asset Category:								
Cash and Cash Equivalents	**$ 457**	**$ 215**	**$ 242**	**$ -**	$ 351	$ 166	$ 185	$ -
Equity Securities:								
US [a]	**2,797**	**2,393**	**404**	**-**	2,834	2,347	487	-
International [b]	**1,711**	**1,615**	**96**	**-**	1,871	1,723	148	-
Debt Securities								
Corporate bonds [c]	**1,260**	**-**	**1,260**	**-**	1,105	-	1,105	-
Government and government-related debt securities [d]	**2,405**	**213**	**2,192**	**-**	1,602	5	1,597	-
Collateralized mortgage obligations and mortgage backed securities [e]	**122**	**-**	**122**	**-**	161	-	161	-
Alternative Investments:								
Private equity [f]	**851**	**-**	**-**	**851**	623	-	-	623
Real estate [g]	**200**	**-**	**-**	**200**	183	-	-	183
Other	**690**	**-**	**-**	**690**	633	-	-	633
Total	**$ 10,493**	**$ 4,436**	**$ 4,316**	**$ 1,741**	$ 9,363	$ 4,241	$ 3,683	$ 1,439

[a] US equities include companies that are well-diversified by industry sector and equity style (i.e., growth and value strategies). Active and passive management strategies are employed. Investments are primarily in large capitalization stocks and, to a lesser extent, mid- and small-cap stocks.

[b] International equities are invested in companies that are traded on exchanges outside the US and are well-diversified by industry sector, country and equity style. Active and passive strategies are employed. The vast majority of the investments are made in companies in developed markets, with a small percentage in emerging markets.

[c] Corporate bonds consist primarily of investment grade bonds from diversified industries.

[d] Government and government-related debt securities are comprised primarily of inflation-protected US treasuries and, to a lesser extent, other government-related securities.

[e] Collateralized mortgage obligations and mortgage backed-securities are debt obligations that represent claims to the cash flows from pools of mortgage loans, which are purchased from banks, mortgage companies, and other originators and then assembled into pools by governmental, quasi-governmental and private entities.

[f] Private equity includes investments in several funds of funds.

[g] Real estate primarily includes investments in real estate limited partnerships, concentrated in commercial real estate.

Schlumberger's funding policy is to annually contribute amounts that are based upon a number of factors including the actuarial accrued liability, amounts that are deductible for income tax purposes, legal funding requirements and available cash flow. Schlumberger expects to contribute approximately $20 million to its postretirement benefit plans in 2021, subject to market and business conditions.

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Postretirement Benefits Other Than Pensions

Schlumberger provides certain healthcare benefits to certain former US employees who have retired. Effective April 1, 2015, Schlumberger changed the way it provides healthcare coverage to certain retirees who are age 65 and over. Under the amended plan, these retirees transferred to individual coverage under the Medicare Exchange. Schlumberger subsidizes the cost of the program by providing these retirees with a Health Reimbursement Account. The annual subsidy may be increased based on medical cost inflation, but it will not be increased by more than 5% in any given year.

The actuarial assumptions used to determine the accumulated postretirement benefit obligation and net periodic benefit cost for the US postretirement medical plan were as follows:

	Benefit Obligations At December 31,		Net Periodic Benefit Cost for the Year		
	2020	2019	**2020**	2019	2018
Discount rate	**2.60%**	3.30%	**3.30%**	4.30%	3.70%
Return on plan assets	-	-	**7.00%**	7.00%	7.00%
Current medical cost trend rate	**7.25%**	7.50%	**7.25%**	7.50%	7.00%
Ultimate medical cost trend rate	**4.50%**	4.50%	**4.50%**	4.50%	5.00%
Year that the rate reaches the ultimate trend rate	**2031**	2031	**2031**	2031	2026

The net periodic benefit credit for the US postretirement medical plan included the following components:

(Stated in millions)

	2020	2019	2018
Service cost	**$ 31**	**$ 29**	**$ 32**
Interest cost	**36**	45	43
Expected return on plan assets	**(70)**	(64)	(63)
Amortization of prior service credit	**(25)**	(28)	(28)
Curtailment gain	**(69)**	-	-
	$ (97)	$ (18)	$ (16)

Due to the actions taken by Schlumberger to reduce its global workforce during 2020, Schlumberger experienced a significant reduction in the expected aggregate years of future service of its employees in its US postretirement medical plan. Accordingly, Schlumberger recorded a curtailment gain of $69 million during the second quarter of 2020 relating to this plan. The curtailment gain includes recognition of the decrease in the benefit obligation as well as a portion of the previously unrecognized prior service credit, reflecting the reduction in expected years of future service. As a result of the curtailment, Schlumberger performed a remeasurement of the plan, which had an immaterial impact. This gain was classified in *Impairments & other* in the *Consolidated Statement of Loss*. See Note 3 – *Charges and Credits*.

The changes in the accumulated postretirement benefit obligation, plan assets and funded status were as follows:

(Stated in millions)

	2020	2019
Change in Projected Benefit Obligations		
Benefit obligation at beginning of year	**$ 1,193**	$ 1,106
Service cost	**31**	29
Interest cost	**36**	45
Contribution by plan participants	**8**	8
Actuarial (gains) losses	**64**	65
Benefits paid	**(58)**	(60)
Curtailment	**(40)**	-
Benefit obligation at end of year	**$ 1,234**	**$ 1,193**
Change in Plan Assets		
Plan assets at fair value at beginning of year	**$ 1,185**	**$ 997**
Actual return on plan assets	**221**	240
Contributions by plan participants	**8**	8
Benefits paid	**(58)**	(60)
Plan assets at fair value at end of year	**$ 1,356**	**$ 1,185**
Asset (Unfunded Liability)	**$ 122**	$ (8)
Amounts Recognized in Accumulated Other Comprehensive Loss		
Actuarial (gains) losses	**$ (186)**	$ (98)
Prior service credit	**(104)**	(158)
	$ (290)	$ (256)

The $122 million asset relating to this plan at December 31, 2020 was included in *Other Assets* while the $8 million unfunded liability at December 31, 2019 was included in *Postretirement Benefits* in the *Consolidated Balance Sheet*.

The assets of the US postretirement medical plan are invested 61% in equity securities and 39% in debt securities at December 31, 2020. The fair value of these assets was primarily determined based on Level Two valuation techniques.

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Other Information

The expected benefits to be paid under the US and International pension plans as well as the postretirement medical plan are as follows:

(Stated in millions)

	Pension Benefits		Postretirement
	US	International	Medical Plan
2021	$ 235	$ 349	$ 56
2022	$ 235	$ 359	$ 56
2023	$ 236	$ 370	$ 56
2024	$ 237	$ 381	$ 56
2025	$ 237	$ 385	$ 57
2026-2030	$ 1,193	$ 2,146	$ 297

18. Supplementary Information

Cash paid for interest and income taxes was as follows:

(Stated in millions)

	2020	2019	2018
Interest	$ 598	$ 558	$ 592
Income tax	$ 582	$ 739	$ 628

Interest and other income includes the following:

(Stated in millions)

	2020	2019	2018
Earnings of equity method investments	$ 91	$ 45	$ 89
Interest income	33	41	60
Unrealized gain on marketable securities (see Note 3)	39	—	—
	$ 163	$ 86	$ 149

The change in *Allowance for doubtful accounts* is as follows:

(Stated in millions)

	2020	2019	2018
Balance at beginning of year	$ 255	$ 249	$ 241
Additions	58	5	15
Amounts written off	(12)	1	(7)
Balance at end of year	$ 301	$ 255	$ 249

Revenue in excess of billings related to contracts where revenue is recognized over time was $0.2 billion at both December 31, 2020 and 2019. Such amounts are included within *Receivables less allowance for doubtful accounts* in the *Consolidated Balance Sheet*.

Accounts payable and accrued liabilities consist of the following:

(Stated in millions)

	2020	2019
Trade	$ 2,937	$ 4,790
Payroll, vacation and employee benefits	1,524	1,445
Billings and cash collections in excess of revenue	941	910
Other	3,040	3,518
	$ 8,442	$ 10,663

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Management's Report on Internal Control Over Financial Reporting

Schlumberger management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a–15(f) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Schlumberger's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Schlumberger management assessed the effectiveness of its internal control over financial reporting as of December 31, 2020. In making this assessment, it used the criteria set forth in 2013 by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control—Integrated Framework.* Based on this assessment Schlumberger's management has concluded that, as of December 31, 2020, its internal control over financial reporting is effective based on those criteria.

The effectiveness of Schlumberger's internal control over financial reporting as of December 31, 2020 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears herein.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders
of Schlumberger Limited

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheet of Schlumberger Limited and its subsidiaries (the "Company") as of December 31, 2020 and 2019, and the related consolidated statements of income (loss), comprehensive income (loss), stockholders' equity and cash flows for each of the three years in the period ended December 31, 2020, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control – Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019 and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control – Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in

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accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (i) relate to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Goodwill & Intangible Asset Impairment

As described in Note 3 to the consolidated financial statements, the Company recorded charges to goodwill associated with certain reporting units and certain intangible assets during the first quarter of 2020. As described by management, the goodwill relating to each of the Company's reporting units is tested for impairment annually as well as when an event, or change in circumstances, indicates an impairment may have occurred. Intangible assets are assessed for impairment whenever events or changes in circumstances indicate their carrying values may not be recoverable. Management determined that it was more likely than not that the fair value of certain of its reporting units and asset groups were less than their carrying value. Therefore, management performed interim impairment tests as of March 31, 2020. Management primarily used the income approach to estimate the fair value of its reporting units and asset groups, but also considered the market approach to validate the results. The market approach involves significant judgment in the selection of the appropriate peer group companies and valuation multiples. Some of the more significant assumptions inherent in the income approach include the estimated future net annual cash flows and the discount rate.

The principal considerations for our determination that performing procedures related to goodwill and intangible asset impairment is a critical audit matter are the significant judgment by management in determining the fair value of the reporting units and asset groups, which in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating significant assumptions related to cash flows to be derived from each reporting unit and asset group, the discount rate and valuation multiples.

Addressing the matter involved performing subjective procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's goodwill and intangible asset impairment tests. These procedures also included, among others, testing management's process for developing fair value estimates; which included (i) evaluating the appropriateness of the income and market approaches; (ii) testing the completeness, accuracy, and relevance of underlying data used in the approaches; and (iii) evaluating the significant assumptions used by management to develop the cash flows to be derived from each reporting unit and asset

group. Evaluating management's assumptions related to the cash flows to be derived from each reporting unit and asset group involved evaluating the reasonableness of the assumptions used considering the Company's past and anticipated performance, external market and industry data, and evidence obtained through other areas of the audit. Professionals with specialized skill and knowledge were used to assist in the evaluation of the appropriateness of the Company's valuation approaches and reasonableness of the discount rate and valuation multiples assumptions.

Uncertain Tax Positions

As described in Note 13 to the consolidated financial statements, the Company's tax filings are subject to regular audit by tax authorities, and those audits may result in assessments for additional taxes that are resolved with the authorities, or potentially through the courts. Tax liabilities are recorded based on estimates of additional taxes that will be due upon the conclusion of these audits.

The principal considerations for our determination that performing procedures related to uncertain tax positions is a critical audit matter are the high degree of estimation uncertainty related to these liabilities due to the uncertain and complex application of tax regulations and management applied significant judgment in determining these liabilities, which in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate management's estimates.

Addressing the matter involved performing subjective procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the identification and recognition of uncertain tax positions. These procedures also included, among others, (i) evaluating management's process for developing the estimated liabilities for uncertain tax positions, (ii) testing the completeness and reasonableness of uncertain tax positions recorded in the consolidated financial statements, and (iii) evaluating material assessments received from the relevant tax authorities. Professionals with specialized skill and knowledge were used to assist in evaluating the reasonableness of assumptions used by management, including the reasonableness of management's more-likely-than-not determination under relevant tax laws and regulations in applicable jurisdictions.

/s/ PricewaterhouseCoopers LLP

Houston, Texas
January 27, 2021

We have served as the Company's auditor since 1952.

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Quarterly Results
(Unaudited)

The following table summarizes Schlumberger's results by quarter for the years ended December 31, 2020 and 2019.

(Stated in millions, except per share amounts)

	Revenue [2]	Gross Margin [1], [2]	Net Income (Loss) Attributable to Schlumberger [2]	Earnings (Loss) per Share of Schlumberger [2] Basic	Earnings (Loss) per Share of Schlumberger [2] Diluted
Quarters 2020					
First [3]	**$ 7,455**	**$ 831**	**$ (7,376)**	**$ (5.32)**	**$ (5.32)**
Second [4]	**5,356**	**431**	**(3,434)**	**(2.47)**	**(2.47)**
Third [5]	**5,258**	**634**	**(82)**	**(0.06)**	**(0.06)**
Fourth [6]	**5,532**	**704**	**374**	**0.27**	**0.27**
	$ 23,601	**$ 2,601**	**$ (10,518)**	**$ (7.57)**	**$ (7.57)**
Quarters 2019					
First	$ 7,879	$ 925	$ 421	$ 0.30	$ 0.30
Second	8,269	1,016	492	0.36	0.35
Third [7]	8,541	1,155	(11,383)	(8.22)	(8.22)
Fourth [8]	8,228	1,101	333	0.24	0.24
	$ 32,917	$ 4,197	$ (10,137)	$ (7.32)	$ (7.32)

(1) Gross margin equals *Total Revenue* less *Cost of services* and *Cost of sales*.
(2) Amounts may not add due to rounding.
(3) Net income (loss) attributable to Schlumberger in the first quarter of 2020 includes after-tax charges of $7.727 billion.
(4) Net income (loss) attributable to Schlumberger in the second quarter of 2020 includes after-tax charges of $3.502 billion.
(5) Net income (loss) attributable to Schlumberger in the third quarter of 2020 includes after-tax charges of $310 million.
(6) Net income (loss) attributable to Schlumberger in the fourth quarter of 2020 includes after-tax credits of $65 million.
(7) Net income (loss) attributable to Schlumberger in the third quarter of 2019 includes after-tax charges of $11.979 billion.
(8) Net income (loss) attributable to Schlumberger in the fourth quarter of 2019 includes net after-tax charges of $212 million.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Schlumberger has carried out an evaluation under the supervision and with the participation of Schlumberger's management, including the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), of the effectiveness of Schlumberger's "disclosure controls and procedures" (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this report. Based on this evaluation, the CEO and the CFO have concluded that, as of the end of the period covered by this report, Schlumberger's disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the reports that Schlumberger files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange

Commission's rules and forms. Schlumberger's disclosure controls and procedures include controls and procedures designed so that information required to be disclosed in reports filed or submitted under the Exchange Act is accumulated and communicated to its management, including the CEO and the CFO, as appropriate, to allow timely decisions regarding required disclosure. There has been no change in Schlumberger's internal control over financial reporting that occurred during the fourth quarter of 2020 that has materially affected, or is reasonably likely to materially affect, Schlumberger's internal control over financial reporting.

Item 9B. Other Information.

In 2013, Schlumberger completed the wind-down of its service operations in Iran. Prior to this, certain non-US subsidiaries provided oilfield services to the National Iranian Oil Company and certain of its affiliates ("NIOC").

Schlumberger's residual transactions or dealings with the government of Iran in 2020 consisted of payments of taxes and other typical governmental charges. Certain non-US subsidiaries of Schlumberger maintained depository accounts at the Dubai branch of Bank Saderat Iran ("Saderat"), and at Bank Tejarat ("Tejarat") in Tehran and in Kish for the deposit by NIOC of amounts owed to non-US subsidiaries of Schlumberger for services rendered in Iran prior to the wind-down and for the maintenance of such amounts previously received. One non-US subsidiary also maintained an account at Tejarat for payment of local expenses such as taxes. Schlumberger anticipates that it will discontinue dealings with Saderat and Tejarat following the receipt of all amounts owed to Schlumberger for prior services rendered in Iran.

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PART III

Item 10. Directors, Executive Officers and Corporate Governance of Schlumberger.

See "Item 1. Business — Information About Our Executive Officers" of this Report for Item 10 information regarding executive officers of Schlumberger. The information set forth under the captions "Election of Directors," "Stock Ownership Information — Delinquent Section 16(a) Reports," "Corporate Governance — Identifying Candidates for Director Nominations" and "Corporate Governance — Board Responsibilities, Committees and Attendance — Committees — Audit Committee" in Schlumberger's 2021 Proxy Statement is incorporated herein by reference.

Schlumberger has a Code of Conduct that applies to all of its directors, officers and employees, including its principal executive, financial and accounting officers, or persons performing similar functions. Schlumberger's Code of Conduct is posted on its website at https://www.slb.com/who-we-are/guiding-principles/our-code-of-conduct. Schlumberger intends to disclose future amendments to the Code of Conduct and any grant of a waiver from a provision of the Code of Conduct requiring disclosure under applicable SEC rules at https://www.slb.com/who-we-are/guiding-principles/our-code-of-conduct.

Item 11. Executive Compensation.

The information set forth under the captions "Compensation Discussion and Analysis," "Executive Compensation Tables and Accompanying Narrative," "Compensation Discussion and Analysis — Compensation Committee Report" and "Director Compensation in Fiscal Year 2020" in Schlumberger's 2021 Proxy Statement is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The information under the captions "Stock Ownership Information — Security Ownership by Certain Beneficial Owners," "Stock Ownership Information — Security Ownership by Management" and "Equity Compensation Plan Information" in Schlumberger's 2021 Proxy Statement is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

The information under the captions "Corporate Governance — Director Independence" and "Corporate Governance — Other Key Governance Policies and Practices — Policies and Procedures for Approval of Related Person Transactions" in Schlumberger's 2021 Proxy Statement is incorporated herein by reference.

Item 14. Principal Accounting Fees and Services.

The information under the caption "Ratification of Appointment of Independent Auditors for 2021" in Schlumberger's 2021 Proxy Statement is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

(a) The following documents are filed as part of this Report:

	Page(s)
(1) Financial Statements	
Consolidated Statement of Income (Loss) for the three years ended December 31, 2020	42
Consolidated Statement of Comprehensive Income (Loss) for the three years ended December 31, 2020	43
Consolidated Balance Sheet at December 31, 2020 and 2019	44
Consolidated Statement of Cash Flows for the three years ended December 31, 2020	45
Consolidated Statement of Stockholders' Equity for the three years ended December 31, 2020	46 and 47
Notes to Consolidated Financial Statements	48 to 85
Report of Independent Registered Public Accounting Firm	87
Quarterly Results (Unaudited)	90

Financial statements of companies accounted for under the equity method and unconsolidated subsidiaries have been omitted because they do not meet the materiality tests for assets or income.

(2) Financial Statement Schedules not required
(3) Exhibits: See exhibits listed under Part (b) below.

(b) Exhibits

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INDEX TO EXHIBITS

	Exhibit
Articles of Incorporation of Schlumberger Limited (Schlumberger N.V.) (incorporated by reference to Exhibit 3.1 to Schlumberger's Current Report on Form 8-K filed on April 6, 2016)	3.1
Amended and Restated By-Laws of Schlumberger Limited (Schlumberger N.V.) (incorporated by reference to Exhibit 3 to Schlumberger's Current Report on Form 8-K filed on July 22, 2019)	3.2
Description of Common Stock of Schlumberger Limited (*)	4.1
Indenture dated as of December 3, 2013, by and among Schlumberger Investment SA, as issuer, Schlumberger Limited, as guarantor, and The Bank of New York Mellon, as trustee (incorporated by reference to Exhibit 4.1 to Schlumberger's Current Report on Form 8-K filed on December 3, 2013)	4.2
First Supplemental Indenture dated as of December 3, 2013, by and among Schlumberger Investment SA, as issuer, Schlumberger Limited, as guarantor, and The Bank of New York Mellon, as trustee (including form of global notes representing 3.650% Senior Notes due 2023) (incorporated by reference to Exhibit 4.2 to Schlumberger's Current Report on Form 8-K filed on December 3, 2013)	4.3
Second Supplemental Indenture dated as of June 26, 2020, by and among Schlumberger Investment SA, as issuer, Schlumberger Limited, as guarantor, and The Bank of New York Mellon, as trustee (including form of global notes representing 2.650% Senior Notes due 2030) (incorporated by reference to Exhibit 4.1 to Schlumberger's Current Report on Form 8-K filed on June 26, 2020)	4.4
Officers' Certificate dated as of August 11, 2020, executed by Schlumberger Investment SA, as issuer, and Schlumberger Limited, as guarantor (including form of global notes representing 2.650% Senior Notes due 2030) (incorporated by reference to Exhibit 4.1 to Schlumberger's Current Report on Form 8-K filed on August 11, 2020)	4.5
Indenture dated as of September 18, 2020, by and among Schlumberger Finance Canada Ltd., as issuer, Schlumberger Limited, as guarantor, and The Bank of New York Mellon, as trustee (incorporated by reference to Exhibit 4.1 to Schlumberger's Current Report on Form 8-K filed on September 18, 2020)	4.6
First Supplemental Indenture dated as of September 18, 2020, by and among Schlumberger Finance Canada Ltd., as issuer, Schlumberger Limited, as guarantor, and The Bank of New York Mellon, as trustee (including form of global notes representing 1.400% Senior Notes due 2025) (incorporated by reference to Exhibit 4.2 to Schlumberger's Current Report on Form 8-K filed on September 18, 2020)	4.7
Indenture dated as of December 21, 2015, by and between Schlumberger Holdings Corporation, as issuer, and The Bank of New York Mellon, as trustee (*)	4.8
First Supplemental Indenture dated as of December 21, 2015, by and between Schlumberger Holdings Corporation, as issuer, and The Bank of New York Mellon, as trustee (including forms of global notes representing 3.625% Senior Notes due 2022 and 4.000% Senior Notes due 2025) (*)	4.9
Second Supplemental Indenture dated as of February 4, 2019, by and between Schlumberger Holdings Corporation, as issuer, and The Bank of New York Mellon, as trustee (including forms of global notes representing 3.750% Senior Notes due 2024 and 4.300% Senior Notes due 2029) (*)	4.10
Third Supplemental Indenture dated as of April 11, 2019, by and between Schlumberger Holdings Corporation, as issuer, and The Bank of New York Mellon, as trustee (including form of global notes representing 3.750% Senior Notes due 2028) (*)	4.11

	Exhibit
Schlumberger Limited Supplementary Benefit Plan, as established effective June 1, 1995 and conformed to include amendments through January 1, 2019 (incorporated by reference to Exhibit 10.1 to Schlumberger's Annual Report on Form 10-K for the year ended December 31, 2018) (+)	10.1
Schlumberger Limited Restoration Savings Plan, as established effective June 1, 1995 and conformed to include amendments through January 1, 2019 (incorporated by reference to Exhibit 10.2 to Schlumberger's Annual Report on Form 10-K for the year ended December 31, 2018) (+)	10.2
Schlumberger Technology Corporation Supplementary Benefit Plan, as established effective January 1, 1995 and conformed to include amendments through January 1, 2019 (incorporated by reference to Exhibit 10.3 to Schlumberger's Annual Report on Form 10-K for the year ended December 31, 2018) (+)	10.3
Schlumberger Limited 2004 Stock and Deferral Plan for Non-Employee Directors, as amended and restated effective January 17, 2019 (incorporated by reference to Exhibit 10.1 to Schlumberger's Current Report on Form 8-K filed on April 3, 2019) (+)	10.4
Schlumberger 2005 Stock Incentive Plan, as amended and restated as of July 19, 2017 (incorporated by reference to Exhibit 10.6 to Schlumberger's Annual Report on Form 10-K for the year ended December 31, 2018) (+)	10.5
Schlumberger 2008 Stock Incentive Plan, as amended and restated as of July 19, 2017 (incorporated by reference to Exhibit 10.7 to Schlumberger's Annual Report on Form 10-K for the year ended December 31, 2018) (+)	10.6
Schlumberger 2010 Omnibus Stock Incentive Plan, as amended and restated as of July 19, 2017 (incorporated by reference to Exhibit 10.8 to Schlumberger's Annual Report on Form 10-K for the year ended December 31, 2018) (+)	10.7
Cameron International Corporation Equity Incentive Plan, as amended and restated as of January 1, 2013 (incorporated by reference to Exhibit 10.16 to Schlumberger's Annual Report on Form 10-K for the year ended December 31, 2016) (+)	10.8
2018 Rules of the Schlumberger 2010, 2013 and 2017 Omnibus Incentive Plans for Employees in France (incorporated by reference to Appendix B to Schlumberger's Definitive Proxy Statement on Schedule 14A filed with the SEC on March 2, 2018) (+)	10.9
Form of Option Agreement (Employees in France), Incentive Stock Option, under Schlumberger 2010 Omnibus Stock Incentive Plan (incorporated by reference to Exhibit 10.10 to Schlumberger's Quarterly Report on Form 10-Q for the quarter ended June 30, 2013) (+)	10.10
Form of Option Agreement (Employees in France), Non-Qualified Stock Option, under Schlumberger 2010 Omnibus Stock Incentive Plan (incorporated by reference to Exhibit 10.11 to Schlumberger's Quarterly Report on Form 10-Q for the quarter ended June 30, 2013) (+)	10.11
Schlumberger 2013 Omnibus Stock Incentive Plan, as amended and restated as of July 19, 2017 (incorporated by reference to Exhibit 10.15 to Schlumberger's Annual Report on Form 10-K for the year ended December 31, 2018) (+)	10.12
Form of Option Agreement, Incentive Stock Option, under Schlumberger 2013 Omnibus Stock Incentive Plan (incorporated by reference to Exhibit 10.1 to the Schlumberger's Quarterly Report on Form 10-Q for the quarter ended June 30, 2015) (+)	10.13

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	Exhibit
Form of Restricted Stock Unit Award Agreement under Schlumberger 2013 Omnibus Stock Incentive Plan (three-year vesting) (incorporated by reference to Exhibit 10.2 to Schlumberger's Quarterly Report on Form 10-Q for the quarter ended June 30, 2015) (+)	10.14
Form of Restricted Stock Unit Award Agreement under Schlumberger 2013 Omnibus Stock Incentive Plan (ratable vesting) (*)(+)	10.15
Schlumberger Discounted Stock Purchase Plan, as amended and restated effective as of January 19, 2017 (incorporated by reference to Appendix C to Schlumberger's Definitive Proxy Statement on Schedule 14A filed on February 21, 2017) (+)	10.16
Schlumberger 2017 Omnibus Stock Incentive Plan, as amended and restated as of July 19, 2017 (incorporated by reference to Exhibit 10.20 to Schlumberger's Annual Report on Form 10-K for the year ended December 31, 2018) (+)	10.17
Form of Incentive Stock Option Agreement under 2017 Schlumberger Omnibus Stock Incentive Plan (incorporated by reference to Exhibit 10.6 to Schlumberger's Quarterly Report on Form 10-Q for the quarter ended March 31, 2017) (+)	10.18
Form of Restricted Stock Unit Award Agreement under Schlumberger 2017 Omnibus Stock Incentive Plan (incorporated by reference to Exhibit 10.4 to Schlumberger's Quarterly Report on Form 10-Q for the quarter ended March 31, 2017) (+)	10.19
Form of Non-Qualified Stock Option Agreement under Schlumberger 2017 Omnibus Stock Incentive Plan (incorporated by reference to Exhibit 10.5 to Schlumberger's Quarterly Report on Form 10-Q for the quarter ended March 31, 2017) (+)	10.20
Form of 2017 Two-Year Performance Share Unit Award Agreement under Schlumberger 2013 Omnibus Stock Incentive Plan (incorporated by reference to Exhibit 10.1 to Schlumberger's Quarterly Report on Form 10-Q for the quarter ended March 31, 2017) (+)	10.21
Form of 2017 Three-Year Performance Share Unit Award Agreement under Schlumberger 2013 Omnibus Stock Incentive Plan (incorporated by reference to Exhibit 10.2 to Schlumberger's Quarterly Report on Form 10-Q for the quarter ended March 31, 2017) (+)	10.22
Addendum to Restricted Stock Unit Award Agreements, Performance Share Unit Agreements, Incentive Stock Option Agreements, and Non-Qualified Stock Option Agreements Issued Prior to July 19, 2017 (incorporated by reference to Exhibit 10.27 to Schlumberger's Annual Report on Form 10-K for the year ended December 31, 2018) (+)	10.23
Form of 2019 Two-Year Performance Share Unit Award Agreement (with relative TSR modifier) under Schlumberger 2017 Omnibus Stock Incentive Plan (incorporated by reference to Exhibit 10.1 to Schlumberger's Quarterly Report on Form 10-Q for the quarter ended March 31, 2019) (+)	10.24
Form of 2019 Three-Year Performance Share Unit Award Agreement (with relative TSR modifier) under Schlumberger 2017 Omnibus Stock Incentive Plan (incorporated by reference to Exhibit 10.2 to Schlumberger's Quarterly Report on Form 10-Q for the quarter ended March 31, 2019) (+)	10.25
Form of 2020 Two-Year Performance Share Unit Award Agreement (with relative TSR modifier) under Schlumberger 2017 Omnibus Stock Incentive Plan (incorporated by reference to Exhibit 10.2 to Schlumberger's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020) (+)	10.26

	Exhibit
Form of 2020 Three-Year Performance Share Unit Award Agreement (with relative TSR modifier) under Schlumberger 2017 Omnibus Stock Incentive Plan (incorporated by reference to Exhibit 10.1 to Schlumberger's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020) (+)	10.27
Employment, Non-Competition and Non-Solicitation Agreement effective as of August 1, 2019, by and between Schlumberger Limited and Paal Kibsgaard (incorporated by reference to Exhibit 10.1 to Schlumberger's Quarterly Report on Form 10-Q for the quarter ended September 30, 2019) (+)	10.28
Employment, Non-Competition and Non-Solicitation Agreement effective as of January 22, 2020, by and between Schlumberger Limited and Simon Ayat (incorporated by reference to Exhibit 10.30 to Schlumberger's Annual Report on Form 10-K for the year ended December 31, 2019) (+)	10.29
Employment, Non-Competition and Non-Solicitation Agreement effective as of September 1, 2020, by and between Schlumberger Limited and Patrick Schorn (incorporated by reference to Exhibit 10.3 to Schlumberger's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020) (+)	10.30
Form of Indemnification Agreement (incorporated by reference to Exhibit 10 to Schlumberger's Current Report on Form 8-K filed on October 21, 2013)	10.31
Significant Subsidiaries (*)	21
Issuers of Registered Guaranteed Debt Securities (*)	22
Consent of Independent Registered Public Accounting Firm (*)	23
Powers of Attorney (*)	24
Certification of Chief Executive Officer pursuant to Rule 13a-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (*)	31.1
Certification of Chief Financial Officer pursuant to Rule 13a-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (*)	31.2
Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (**)	32.1
Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (**)	32.2
Mine Safety Disclosure (*)	95
Inline XBRL Instance Document (*)	101.INS
Inline XBRL Taxonomy Extension Schema Document (*)	101.SCH
Inline XBRL Taxonomy Extension Calculation Linkbase Document (*)	101.CAL
Inline XBRL Taxonomy Extension Definition Linkbase Document (*)	101.DEF
Inline XBRL Taxonomy Extension Label Linkbase Document (*)	101.LAB

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	Exhibit
Inline XBRL Taxonomy Extension Presentation Linkbase Document (*)	101.PRE
Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)	104

(*) Filed with this Form 10-K.

(**) Furnished with this Form 10-K

(+) Management contracts or compensatory plans or arrangements.

The Exhibits filed herewith do not include certain instruments with respect to long-term debt of Schlumberger Limited and its subsidiaries, inasmuch as the total amount of debt authorized under any such instrument does not exceed 10 percent of the total assets of Schlumberger Limited and its subsidiaries on a consolidated basis. Schlumberger agrees, pursuant to Item 601(b)(4)(iii) of Regulation S-K, that it will furnish a copy of any such instrument to the SEC upon request.

Item 16. Form 10-K Summary.

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: January 27, 2021

SCHLUMBERGER LIMITED

By: /s/ HOWARD GUILD
Howard Guild
Chief Accounting Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Name	Title
* Olivier Le Peuch	Chief Executive Officer and Director (Principal Executive Officer)
/s/ STEPHANE BIGUET Stephane Biguet	Executive Vice President and Chief Financial Officer (Principal Financial Officer)
/s/ HOWARD GUILD Howard Guild	Chief Accounting Officer (Principal Accounting Officer)
* Patrick de La Chevardière	Director
* Miguel M. Galuccio	Director
* Tatiana A. Mitrova	Director
* Maria Moræus Hanssen	Director
* Lubna S. Olayan	Director
* Mark G. Papa	Chairman of the Board
* Leo Rafael Reif	Director
* Henri Seydoux	Director

Brønnøysundregistrene

Årsregnskap regnskapsåret 2020 for 996687880

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Name	Title
*	Director
Jeff W. Sheets	
/s/ DIANNE B. RALSTON	January 27, 2021
*By Dianne B. Ralston, Attorney-in-Fact	

Exhibit 21

Significant Subsidiaries

Listed below are the significant subsidiaries of the Registrant as of December 31, 2020, and the states or jurisdictions in which they are incorporated or organized. The indentation reflects the principal parenting of each subsidiary. The names of other subsidiaries have been omitted from the list below, since they would not constitute, in the aggregate, a significant subsidiary as of December 31, 2020.

Schlumberger B.V., Netherlands
- Schlumberger Canada Limited, Canada
- Schlumberger Holdings Corporation, Delaware
  - Cameron International Corporation, Delaware
    - Cameron Lux Global Finance S.à r.l., Luxembourg
  - Schlumberger Technology Corporation, Texas
  - Smith International Inc., Delaware
- Schlumberger Norge AS, Norway
- Schlumberger SA, France
  - Services Petroliers Schlumberger, France
- Schlumberger UK Limited, UK
  - Schlumberger Plc, UK
    - Schlumberger Oilfield UK Plc, UK

Schlumberger Oilfield Holdings Limited, BVI
- Schlumberger Holdings II Limited, BVI
  - Dowell Schlumberger Corporation, BVI
  - Schlumberger Logelco, Inc., Panama
  - Schlumberger Middle East SA., Panama
  - Schlumberger Offshore Services Limited, BVI
  - Schlumberger Oilfield Eastern Ltd., BVI
  - Schlumberger Overseas, SA, Panama
  - Schlumberger Seaco, Inc., Panama

Årsregnskap regnskapsåret 2020 for 996687880

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Brønnøysundregistrene

Exhibit 22

Issuers of Registered Guaranteed Debt Securities

Schlumberger Investment SA, a *société anonyme* incorporated under the laws of the Grand Duchy of Luxembourg ("SISA"), and Schlumberger Finance Canada Ltd., a corporation incorporated under the laws of the Province of Alberta, Canada ("SFCL"), are both indirect wholly-owned subsidiaries of Schlumberger Limited (the "Guarantor").

As of December 31, 2020, (i) SISA was the issuer of its 3.650% Senior Notes due 2023 and 2.650% Senior Notes due 2030 (together, the "SISA Notes"), and (ii) SFCL was the issuer of its 1.400% Senior Notes due 2025 (the "SFCL Notes"). The Guarantor fully and unconditionally guarantees the SISA Notes and the SFCL Notes on a senior unsecured basis.

Exhibit 23

Consent of Independent Registered Public Accounting Firm

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-104225; 333-115277; 333-124534; 333-151920; 333-173055, as amended by post-effective amendment on Form S-8; 333-188589; 333-188590; 333-218181; 333-218182; and 333-231025); on Form S-3 (Nos. 333-231029; 333-248675; and 333-249669); on Form S-4 (No. 333-97899); and on Form S-4 as amended by post-effective amendment on Form S-8 (Nos. 333-207260 and 333-166326) of Schlumberger Limited of our report dated January 27, 2021 relating to the consolidated financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

Houston, Texas
January 27, 2021

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Brønnøysundregistrene

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Exhibit 24

Powers of Attorney

Each of the undersigned, in the capacity or capacities set forth below his or her signature as a member of the Board of Directors and/or an officer of Schlumberger Limited, a Curaçao company, hereby appoints Howard Guild and Alexander C. Juden, or either of them, the attorney or attorneys of the undersigned, with full power of substitution and revocation, for and in the name, place and stead of the undersigned, to execute and file with the Securities and Exchange Commission the Annual Report on Form 10-K under the Securities Exchange Act of 1934 (the "Exchange Act") for the fiscal year ending December 31, 2020, and any amendment or amendments to any such Annual Report on Form 10-K, and any agreements, consents or waivers related thereto, and to take any and all such other action for and in the name and place and stead of the undersigned as may be necessary or desirable in order to comply with the Exchange Act or the rules and regulations thereunder.

/s/ Patrick de La Chevardière
Patrick de La Chevardière Director

/s/ Lubna S. Olayan
Lubna S. Olayan Director

/s/ Miguel M. Galuccio
Miguel M. Galuccio
Director

/s/ Mark G. Papa
Mark G. Papa
Chairman of the Board

/s/ Olivier Le Peuch
Olivier Le Peuch
Chief Executive Officer and Director

/s/ Leo Rafael Reif
Leo Rafael Reif
Director

/s/ Tatiana A. Mitrova
Tatiana A. Mitrova
Director

/s/ Henri Seydoux
Henri Seydoux
Director

/s/ Maria Moræus Hanssen
Maria Moræus Hanssen
Director

/s/ Jeff W. Sheets
Jeff W. Sheets
Director

Date: January 21, 2021

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Olivier Le Peuch, certify that:

1. I have reviewed this Annual Report on Form 10-K of Schlumberger N.V. (Schlumberger Limited);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and **I** are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and **I** have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 27, 2021

/s/ Olivier Le Peuch
Olivier Le Peuch
Chief Executive Officer

Årsregnskap regnskapsåret 2020 for 996687880

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Brønnøysundregistrene

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Stephane Biguet, certify that:

1. I have reviewed this Annual Report on Form 10-K of Schlumberger N.V. (Schlumberger Limited);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 27, 2021

/s/ Stephane Biguet

Stephane Biguet
Executive Vice President and Chief Financial Officer

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K of Schlumberger N.V. (Schlumberger Limited) (the "Company") for the year ended December 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Olivier Le Peuch, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: January 27, 2021

/s/ Olivier Le Peuch

Olivier Le Peuch
Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to Schlumberger Limited and will be retained by Schlumberger Limited and furnished to the Securities and Exchange Commission or its staff upon request.

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of Section 18 of the Exchange Act.

Årsregnskap regnskapsåret 2020 for 996687880

04.09.2022 kl 01:14

Brønnøysundregistrene

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K of Schlumberger N.V. (Schlumberger Limited) (the "Company") for the year ended December 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Simon Ayat, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: January 27, 2021

/s/ Stephane Biguet
Stephane Biguet
Executive Vice President and Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Schlumberger Limited and will be retained by Schlumberger Limited and furnished to the Securities and Exchange Commission or its staff upon request.

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of Section 18 of the Exchange Act.

Exhibit 95

Mine Safety Disclosure

The following disclosure is provided pursuant to Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, which requires certain disclosures by companies required to file periodic reports under the Securities Exchange Act of 1934, as amended, that operate mines regulated under the Federal Mine Safety and Health Act of 1977.

The table that follows reflects citations, orders, violations and proposed assessments issued by the Mine Safety and Health Administration (the "MSHA") to indirect subsidiaries of Schlumberger. The disclosure is with respect to the full year ended December 31, 2020. Due to timing and other factors, the data may not agree with the mine data retrieval system maintained by the MSHA at www.MSHA.gov.

Full Year 2020
(whole dollars)

Mine or Operating Name/MSHA Identification Number	Section 104 S&S Citations	Section 104(b) Orders	Section 104(d) Citations and Orders	Section 110(b)(2) Violations	Section 107(a) Orders	Total Dollar Value of MSHA Assessments Proposed[1]	Mining Related Fatalities	Received Notice of Pattern of Violations Under Section 104(e) (yes/no)	Received Notice of Potential to Have Pattern Under Section 104(e) (yes/no)	Legal Actions Pending as of Last Day of Period	Legal Actions Initiated During Period	Legal Actions Resolved During Period
Amelia Barite Plant/1600825	-	-	-	-	-	$492	-	N	N	-	-	-
Battle Mountain Grinding Plant/ 2600828	-	-	-	-	-	-	-	N	N	-	-	-
Galveston GBT Barite Grinding Plant/ 4104675	-	-	-	-	-	-	-	N	N	-	-	-
Greybull Milling Operation/4800602	4	-	-	-	-	$2,580	-	N	N	-	-	-
Greybull Mining Operation/4800603	4	-	-	-	-	$2,952	-	N	N	-	-	-
Greystone Mine/2600411	-	-	-	-	-	-	-	N	N	-	-	-
Mountain Springs Beneficiation Plant/ 2601390	-	-	-	-	-	-	-	N	N	-	-	-
Wisconsin Proppants Hixton Mine/ 4703742	-	-	-	-	-	$123	-	N	N	-	-	-
Wisconsin Proppants Alma Mine/ 4703823	-	-	-	-	-	-	-	N	N	-	-	-
Wisconsin Proppants Monahans Mine/ 4105336	1	-	-	-	-	$5,462	-	N	N	-	-	-
Wisconsin Proppants High Roller Sand Mine/4105321	4	-	-	-	-	$9,131	-	N	N	-	-	-

(1) Amounts included are the total dollar value of proposed assessments received from MSHA on or before December 31, 2020, regardless of whether the assessment has been challenged or appealed, for citations and orders occurring during the full year 2020. Citations and orders can be contested and appealed, and as part of that process, are sometimes reduced in severity and amount, and sometimes dismissed. The number of citations, orders, and proposed assessments vary by inspector and vary depending on the size and type of the operation.

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Board of Directors

Patrick de La Chevardière[1,3]
Former Chief Financial Officer
Total S.A.
London, United Kingdom

Miguel M. Galuccio[3,5]
Chairman and
Chief Executive Officer
Vista Oil & Gas
Mexico City, Mexico

Olivier Le Peuch
Chief Executive Officer
Schlumberger

Tatiana A. Mitrova[1,3]
Director of the Energy Centre
Moscow School of Management
SKOLKOVO
Moscow, Russia

Lubna S. Olayan[3,4]
Deputy Chairperson and
Former Chief Executive Officer
Olayan Financing Company
Riyadh, Saudi Arabia

Maria Moræus Hanssen[2,4]
Former Deputy Chief Executive
Officer & COO
Wintershall Dea GmbH
Oslo, Norway

Mark G. Papa[2,5]
Former Chairman and
Chief Executive Officer
Centennial Resource Development, Inc.
Houston, Texas

Leo Rafael Reif[2,4,5]
President
Massachusetts Institute of Technology
Cambridge, Massachusetts

Henri Seydoux[2,4,5]
Chairman and Chief Executive Officer
Parrot S.A.
Paris, France

Jeffrey W. Sheets[1,2]
Former Chief Financial Officer
ConocoPhillips
Houston, Texas

1 Member, Audit Committee
2 Member, Compensation Committee
3 Member, Finance Committee
4 Member, Nominating and Governance Committee
5 Member, Science and Technology Committee

Corporate Officers

Olivier Le Peuch
Chief Executive Officer

Stéphane Biguet
Executive Vice President and
Chief Financial Officer

Khaled Al Mogharbel
Executive Vice President,
Geographies

Ashok Belani
Executive Vice President,
Schlumberger New Energy

Hinda Gharbi
Executive Vice President,
Services and Equipment

Abdellah Merad
Executive Vice President,
Performance Management

Pierre Chéréque
Vice President and Director of Taxes

Kevin Fyfe
Vice President and Controller

Howard Guild
Chief Accounting Officer

Claudia Jaramillo
Vice President and Treasurer

Alexander C. Juden
Secretary

Vijay Kasibhatla
Director, Mergers and Acquisitions

Saul R. Laureles
Director, Corporate Legal Affairs,
and Assistant Secretary

Demosthenis Pafitis
Chief Technology Officer

Dianne Ralston
Chief Legal Officer

Gavin Rennick
Vice President, Human Resources

Corporate Information

Stockholder Information
Schlumberger's common stock is listed on the New York Stock Exchange, trading symbol "SLB," and on the Euronext Paris.

For quarterly earnings dividend announcements and other information, please call +1 (713) 375-3535 or email investor-relations@slb.com. You may also visit investorcenter.slb.com.

Stock Transfer Agent and Registrar
Computershare Trust Company, N.A.
P.O. Box 505000
Louisville, KY 40233
+1 (877) 745-9341
+1 (781) 575-2707

For Overnight Delivery
Computershare Trust Company, N.A.
462 South 4th Street, Suite 1600
Louisville, KY 40202
+1 (877) 745-9341
+1 (781) 575-2707

General stockholder information is available on the Computershare website at computershare.com.

E-mail Alerts
To receive Schlumberger press releases and daily news, sign up at investorcenter.slb.com.

Form 10-K
The Schlumberger 2020 annual report on Form 10-K filed with the Securities and Exchange Commission is available without charge. To obtain a copy, please call +1 (713) 375-3535, or email investor-relations@slb.com. You may also visit investorcenter.slb.com.

Duplicate Mailings
When a stockholder owns shares in more than one account, or when stockholders live at the same address, duplicate mailings may result. If you receive duplicate reports, you can help eliminate the added expense by requesting that only one copy be sent. To eliminate duplicate mailings, contact Computershare Trust Company, N.A., Stock Transfer Agent and Registrar.

Working with Communities
Schlumberger supports and encourages a range of social investment programs—many of which are supported by employee volunteers—in line with our commitment to contributing to the UN Sustainable Development Goals. Among these is our global focus on science, technology, engineering, and mathematics (STEM) education and community health and safety. To learn more about these programs, please see the latest edition of the Schlumberger Global Stewardship Report at slb.com/globalstewardship/index.html.

Internet
For information on Schlumberger technology, services, and solutions, visit slb.com. For information on career and job opportunities at Schlumberger, visit careers.slb.com.

*Mark of Schlumberger or Schlumberger companies.

Other company, product, and service names are the properties of their respective owners.

Årsregnskap regnskapsåret 2020 for 996687880

Schlumberger Limited
42 rue Saint-Dominique
75007 Paris
France
5599 San Felipe
Houston, Texas 77056
United States
62 Buckingham Gate
London SW1E 6AJ
United Kingdom
Parkstraat 83
2514 JG The Hague
The Netherlands
slb.com
Schlumberger

DocuSign Envelope ID: 3060F697-6D9C-43FD-91FC-32DD22D45914

REPORT OF THE BOARD OF DIRECTORS

CAMERON NORGE HOLDING AS

2020

The operation

Cameron Norge Holding AS ('the Company') holds ownership positions in Cameron Norge AS, Cameron Sense AS and Cameron Systems AS and performs related activities.

Cameron Sense AS is 100% owned by Schlumberger Norge AS, with an ultimate Parent Company, Schlumberger Limited. Schlumberger is the world's leading provider of technology for reservoir characterization, drilling, production, and processing to the oil and gas industry delivered by a team consisting of 140 nationalities working in more than 85 countries.

Going concern

In accordance with the Accounting Act § 3-3a the Board of Directors confirms that the annual accounts are based on a going concern assumption.

Annual Accounts

Net profit (loss) for the year was NOK 127 143 276.

In the Board of Director's view, the presented income statement, balance sheet and cash flow statement give complementary information about the operation and the year-end financial. position.

The Company's equity by the end of the year is satisfactory.

The Company did not employ any persons. The board of directors consists of 2 persons.

Future development

The company has a long-term perspective for its business.

COVID-19

The operations in 2020 have not been materially impacted by the COVID-19 pandemic.

Quality, Health, Safety, Environment

The Company's operations do not pollute the external environment.

Schlumberger-Private

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Appropriations

The Board of Directors proposes that the 2020 result should be allocated as follows:

Other Equity NOK 127 143 276

Olav Lien
Chairman

DocuSigned by:
639FA60D51BA403...

Randaberg, July 16th , 2021

Torbjørn Kristoffersen
Board Member

DocuSigned by:
Torbjørn kristoffersen
70724A91C5E94E4...

Schlumberger-Private

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Cameron Norge Holding AS

Annual report 2020

Board of directors' report

Annual accounts
- Income statement
- Balance sheet
- Cash flow statement
- Notes

Auditors' report

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Cameron Norge Holding AS

Income statement

	Note	2020	2019
Operating expenses			
Other operating expenses	2	118 375	103 341
Operating result		-118 375	-103 341
Financial income and expenses			
Income from investments in subsidiaries and assosiated companies	4	225 827 868	0
Other financial income		118 375	22 672
Write-down on other financial assets	4	88 826 826	0
Interest paid to group companies	3	9 834 484	11 540 555
Other financial expenses		23 282	24 390
Net financial items		127 261 651	-11 542 273
Ordinary result before tax		127 143 276	-11 645 614
Net profit or loss for the year		127 143 276	-11 645 614
Allocated as follows			
Transferred to other equity	5	127 143 276	-11 645 614

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Cameron Norge Holding AS

Balance sheet as of December 31

	Note	2020	2019
Fixed assets			
Financial assets			
Investments in subsidiaries	4	1 241 252 988	1 794 251 946
Total financial assets		1 241 252 988	1 794 251 946
Total fixed assets		1 241 252 988	1 794 251 946
Current assets			
Receivables			
Other receivables	3	118 375	222 569 562
Total accounts receivable		118 375	222 569 562
Total current assets		118 375	222 569 562
Total assets		1 241 371 363	2 016 821 508

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Cameron Norge Holding AS

Balance sheet as of December 31

	Note	2020	2019
Equity			
Paid-in capital			
Share capital	5, 6	10 000 000	10 000 000
Share premium reserve	5	687 780 581	687 780 581
Total paid-in capital		697 780 581	697 780 581
Retained earnings			
Other equity	5	44 669 869	0
Total retained earnings		44 669 869	0
Total equity		742 450 450	697 780 581
Liabilities			
Current liabilities			
Trade creditors		0	12 500
Other short-term liabilities	3	498 920 913	1 319 028 427
Total current liabilities		498 920 913	1 319 040 927
Total liabilities		498 920 913	1 319 040 927
Total equity and liabilities		1 241 371 363	2 016 821 508

Randaberg,

DocuSigned by:

Olav Lien
Chairman

DocuSigned by:
Torbjørn Kristoffersen

Torbjørn Kristoffersen
Board member

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Cameron Norge Holding AS

Cash flow statement

	Note	2020	2019
Cash flow from operating activities			
Result before tax		127 143 276	-11 645 615
Changes in trade receivables and trade payables		-12 500	12 500
Change in intercompany accounts		-817 130 776	461 633 115
Net cash flow from operating activities		-690 000 000	450 000 000
Cash flow from investing activities			
Net cash flow from investing activities		0	0
Cash flow from financing activities			
Payback of share premium		0	-450 000 000
Repayment of paid in capital		690 000 000	0
Net cash flow from financing activities		690 000 000	-450 000 000
Cash and cash equivalents at 01.01		0	0
Cash and cash equivalents at 31.12		0	0

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Cameron Norge Holding AS

Notes to the accounts for 2020

Note - 1 Accounting Principles

The annual accounts are prepared according to the Norwegian Accounting Act and Norwegian generally accepted accounting principles.

Subsidiaries and investment in associate
Subsidiaries and investments in associate are valued by the cost method in the company accounts. The investment is valued as cost of acquiring shares in the subsidiary, providing that write down is not required. Write down to fair value will be carried out if the reduction in value is caused by circumstances which may not be regarded as incidental, and deemed necessary by generally accepted accounting principles. Write downs are reversed when the cause of the initial write down are no longer present.

Dividends and other distributions are recognized in the same year as appropriated in the subsidiary accounts. If dividends exceed withheld profits after acquisition, the exceeding amount represents reimbursement of invested capital, and the distribution will be subtracted from the value of the acquisition in the balance sheet.

Balance sheet classification
Net current assets comprise creditors due within one year, and entries related to goods circulation. Other entries are classified as fixed assets and/or long term creditors.

Current assets are valued at the lower of acquisition cost and fair value. Short term creditors are recognized at nominal value.

Fixed assets are valued by the cost of acquisition, in the case of non incidental reduction in value the asset will be written down to the fair value amount. Long term creditors are recognized at nominal value.

Trade and other receivables
Trade receivables and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful debts. Provisions for doubtful debts are calculated on the basis of individual assessments. In addition, for the remainder of accounts receivables outstanding balances, a general provision is carried out based on expected loss.

Foreign currency translation
Foreign currency transactions are translated using the year end exchange rates.

Income tax
Tax expenses in the profit and loss account comprise both tax payable for the accounting period and changes in deferred tax. Deferred tax is calculated at 22 percent on the basis of existing temporary differences between accounting profit and taxable profit together with tax deductible deficits at the year end. Temporary differences both positive and negative, are balance out within the same period. Deferred tax assets are recorded in the balance sheet to the extent it is more likely than not that the tax assets will be utilized.

To what extent group contribution not is registered in the profit and loss, the tax effect of group contribution is posted directly against the investment in the balance.

Cash flow statement
The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term higly liquid placement with original maturities of three months or less.

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Cameron Norge Holding AS

Notes to the accounts for 2020

Note 2 - Wage costs, number of employees, remuneration, loans to employees and auditor's fee

The company has no employees pr. 31.12.20 and the members of the Board received no compensation this year.

Auditor fee has been divided as follows	**2020**
Audit fee	66 950
Other services	46 350
Total	113 300

VAT is not included in the figures of auditor's fee.

Note 3 - Intercompany balance group company and associate

Receivables	**2020**	**2019**
Group contribution	118 375	0
Net cash pool balance	0	222 569 562
Total	118 375	222 569 562

Payables	**2020**	**2019**
Loan from OSSP, principal amount	0	500 000 000
Loan from OSSP, accrued interests	0	29 270 369
Group contribution	82 473 407	789 758 057
Net cash pool balance	411 189 688	0
Total	493 663 095	1 319 028 426

Total interest of debt to OneSubsea Processing AS (OSSP) is NOK 11 540 555 for 2019. The loan from OneSubsea Processing AS has a fixed rate at 3 month NIBOR plus a margin of 80 basis points per year. The loan was repaid in full on 20 May 2020, hence the loan is classified as short-term liability in 2019.

Note 4 - Investment in subsidiaries and associate

Company	Location	Share owners	Voting rights	Net profit 2020	Equity 31.12	Book value 31.12
Cameron Systems AS	Trondheim	100 %	100 %	12 485 188	16 911 135	13 329 117
Cameron Norge AS	Randaberg	100 %	100 %	203 999 612	104 859 615	1 223 922 871
Cameron Sense AS	Kristiansand	100 %	100 %	-354 811 000	4 001 000	4 001 000
Total				-138 326 200	125 771 750	1 241 252 988

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Cameron Norge Holding AS

Notes to the accounts for 2020

Note 5 - Owners equity

	Share capital	Share premium reserve	Other equity	Total
Owners equity 01.01.	10 000 000	687 780 581	0	697 780 581
Profit for the year	0	0	127 143 276	127 143 276
Group contribution	0	0	-82 473 407	-82 473 407
Owners equity 31.12.	10 000 000	687 780 581	44 669 869	742 450 450

The reason for the reduction in book value of Cameron Sense AS is the significant repayment of capital by Cameron Sense AS that took place in 2020, which significantly reduced the value of the company combined with the uncertainty regarding the award of new projects by the end of the financial year 2020.

Note 6 - Share capital and shareholder information

Share capital:

	Number of shares	Face value	Book value
Ordinary shares	100 000	100	10 000 000

The company is 100 % owned by Schlumberger Norge AS.

Note 7 - Income taxes

Tax base estimation	2020	2019
Ordinary result before tax	127 143 276	-11 645 614
Gain on realized investments in subsiduaries	-225 827 868	0
Write-down on shares and other security expensed this year	88 826 826	0
Non-deductable interests (§6-41)	9 857 766	11 542 272
Tax base	0	-103 342

Temporary differences outlined	2020	2019
Carried forward loss	235 669	235 669
Interest limitation carry forward	133 090 670	123 232 904
Basis for deferred tax	133 326 339	123 468 573
Deferred income tax asset (22%)*	29 331 795	27 163 086

* Deferred tax asset not recognized in the balance sheet.

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Statsautoriserte revisorer
Ernst & Young AS

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Medlemmer av Den norske revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Cameron Norge Holding AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Cameron Norge Holding AS, which comprise the balance sheet as at 31 December 2020, the income statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2020 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Other information consists of the information included in the Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors and Chief Executive Officer (management) are responsible for the other information. Our opinion on the audit of the financial statements does not cover the other information, and we do not express any form of assurance conclusion 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, 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 in this regard.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines 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, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's 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 auditor's report that

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includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs) 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.

As part of an audit in accordance with law, regulations and generally accepted auditing principles in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption, and proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

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A member firm of Ernst & Young Global Limited

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Stavanger, 18 August 2021
ERNST & YOUNG AS

The auditor's report is signed electronically

Tor Inge Skjellevik
State Authorised Public Accountant (Norway)

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"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Tor Inge Skjellevik
Statsautorisert revisor
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IP: 92.221.xxx.xxx
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Skattedirektoratet

Saksbehandler
Torstein Kinden Helleland

Telefon
22078139

Deres dato
04.06.2012

Deres referanse
Helen Øveland Nilsen

Vår dato
13.06.2012

Vår referanse
2012/389820

CAMERON NORGE AS
Mekjarvik 1
4070 RANDABERG

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk.

Det vises til deres brev av 4. juni 2012 samt telefonsamtale i sakens anledning. Det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper.

Cameron Holding (Norway) AS	org. nr. 985 277 893
Cameron Norge AS	org. nr. 971 644 281
Cameron Norge Holding AS	org. nr. 996 687 880
TS-Technology AS	org. nr. 893 229 922
Cameron AS	org. nr. 991 851 631
Cameron Systems AS	org. nr. 981 213 696

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering de overnevnte selskaper dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Bakgrunn
Selskapene er 100 % eide datterselskap i Cameron International Corporation konsernet som er hjemmehørende i USA. Konsernet er en av lederne i det globale markedet for leveranser av petroleum produksjonsutstyr. I Norge består dets virksomhet hovedsakelig av å selge utstyr benyttet til å kontrollere trykk og dirigere olje- og gasstrømmer. I tillegg utføres vedlikehold og drift av slikt utstyr, både onshore og offshore. Konsernet har også datterselskaper og betydelige virksomheter lokalisert i Tyskland, Frankrike, Italia, Romania, Storbritannia og USA. Selskapene opererer i en bransje av sterk internasjonal karakter. Alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk. Selskapene benytter engelsk som arbeidsspråk. En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

Skattedirektoratets vurdering
Etter regnskapsloven § 3-4 tredje ledd skal "*årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk.*"

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I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

> *"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon."*

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *"informative regnskaper for ulike grupper av regnskapsbrukere"*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at selskapene er 100 % eiet fra USA og inngår i et internasjonalt konsern. Selskapets arbeidsspråk er engelsk og all kommunikasjon skjer på engelsk. Videre er det vektlagt at selskapet driver virksomhet i en internasjonal bransje der alle aktører behersker og benytter engelsk språk.

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen

Rune Tystad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland