

2022 ANNUAL REPORT



TRUE.
BLUE.
TRANSITION.

As of December 31, 2022, the units included under leased facilities are *FPSO Cidade de Anchieta* and the semi-submersible production facility *Thunder Hawk*. The book value of the leased facilities included in the vessels and floating equipment has decreased by US\$77 million, mainly due to the impairment on asset *FPSO Cidade de Anchieta*.

The nominal values of the future expected bareboat receipts (undiscounted lease payments) in respect of the remaining operating lease contracts are:

Nominal values of the future expected bareboat receipts

	31 December 2022	31 December 2021
Within 1 year	113	146
2 years	111	109
3 years	104	107
4 years	91	100
5 years	91	90
After 5 years	306	313
Total	816	865

A number of agreements have extension options, which have not been included in the above table.

Outstanding purchase and termination options in operating lease contracts

The operating lease contract of semi-submersible *Thunder Hawk* includes a call option for the client to purchase the underlying asset. The exercise of this call option would have resulted in a gain for the Company as at December 31, 2022.

4.3.14 INTANGIBLE ASSETS

2022

	Development costs	Software	Intangible assets under construction	Patents	Total
Cost	34	25	67	19	145
Accumulated amortization and impairment	(25)	(15)	-	(19)	(59)
Book value at 1 January	9	11	67	0	86
Additions	4	3	34	-	41
Amortization	(3)	(4)	-	-	(7)
(Impairment)/impairment reversal	-	(2)	-	-	(2)
Total movements	1	(3)	34	-	31
Cost	38	28	100	19	185
Accumulated amortization and impairment	(29)	(20)	-	(19)	(68)
Book value at 31 December	9	8	100	0	117

2021

	Development costs	Software	Intangible assets under construction	Patents	Total
Cost	29	24	31	19	103
Accumulated amortization and impairment	(20)	(14)	-	(19)	(54)
Book value at 1 January	8	10	31	0	50
Additions	5	4	36	-	46
Amortization	(5)	(4)	-	-	(9)
Total movements	0	(0)	35	-	36
Cost	34	25	67	19	145
Accumulated amortization and impairment	(25)	(15)	-	(19)	(59)
Book value at 31 December	9	11	67	0	86

4 FINANCIAL INFORMATION 2022

The increase in 'Intangible assets under construction' mainly relates to costs capitalized relating to the design and implementation of the new global ERP system, the capitalization of software licenses and other capital expenditures related to the IT infrastructure upgrade project.

Amortization of development costs is included in 'Research and development expenses' in the income statement in 2022 for US\$3 million (2021: US\$5 million).

Amortization of software is included in 'General and administrative expenses' in the income statement in 2022 for US\$4 million (2021: US\$4 million).

4.3.15 FINANCE LEASE RECEIVABLES

The reconciliation between the total gross investment in the lease and the net investment in the lease at the statement of financial position date is as follows:

Finance lease receivables (reconciliation gross/net investment)

	31 December 2022	31 December 2021
Gross receivable	10,330	9,729
Less: unearned finance income	(3,137)	(3,547)
Total	7,193	6,182
Of which		
Current portion	1,725	339
Non-current portion	5,468	5,843

As of December 31, 2022, finance lease receivables relate to the finance lease of:

- FPSO *Liza Unity*, which started production in February 2022 for a charter of 2 years;
- FPSO *Liza Destiny*, which started production in December 2019 for a charter of 10 years;
- FPSO *Cidade de Marica*, which started production in February 2016 for a charter of 20 years;
- FPSO *Cidade de Saquarema*, which started production in July 2016 for a charter of 20 years;
- FPSO *Cidade de Ilhabela*, which started production in November 2014 for a charter of 20 years;
- FPSO *Cidade de Paraty*, which started production in June 2013 for a charter of 20 years;
- FPSO *Aseng*, which started production in November 2011 for a charter of 15 years;
- FPSO *Espirito Santo*, which started production in January 2009 for a charter of 15 years until December 2023, and which was extended in December 2020 until December 2028.

The increase in finance lease receivable is driven by FPSO *Liza Unity* which started production in February 2022 partially offset by redemptions as per the payment plans.

Unguaranteed residual values

Included in the gross receivable is an amount related to unguaranteed residual values (i.e. scrap value of units). The total amount of unguaranteed residual values at the end of the lease term amounts to US\$53 million as of December 31, 2022, (2021: US\$69 million). The 2022 reassessment of unguaranteed residual values resulted in an impairment increase of US\$9 million due to the decrease of scrap value of units.

As per the contractual terms, gross receivables should be invoiced to the lessee within the following periods:

Finance lease receivables (gross receivables invoiced to the lessee within the following periods)

	31 December 2022	31 December 2021
Less than 1 year	2,221	802
Between 1 and 2 years	804	802
Between 2 and 5 years	2,389	2,415
More than 5 years	4,916	5,711
Total Gross receivable	10,330	9,729