

2022  
ANNUAL  
REPORT



TRUE.  
BLUE.  
TRANSITION.

The significant increase in the gross receivable 'Less than 1 year' relates to the anticipated exercising of a purchase option related to one of the leased units.

The following part of the net investment in the lease is included as part of the current assets within the statement of financial position:

#### Finance lease receivables (part of the net investment included as part of the current assets)

	31 December 2022	31 December 2021
Gross receivable	2,221	802
Less: unearned finance income	(496)	(463)
<b>Current portion of finance lease receivable</b>	<b>1,725</b>	<b>339</b>

The maximum exposure to credit risk at the reporting date is the carrying amount of the finance lease receivables taking into account the risk of recoverability. The Company performed an assessment, which concluded that the credit risk for these receivables has not increased significantly since the initial recognition. The Company does not hold any collateral as security.

#### Outstanding purchase and termination options

The finance lease contracts of *FPSO Aseng*, *FPSO Liza Destiny* and *FPSO Liza Unity*, where the Company is the lessor, include call options for the client to purchase the underlying asset or to terminate the contract early. If the client had exercised the purchase option for *FPSO Aseng* as of December 31, 2022 this would have resulted in a gain for the Company, while the exercise of the early termination option under which the Company would retain the vessel, would have resulted in a near breakeven result. If the client had exercised the purchase option for *FPSO Liza Destiny* as of December 31, 2022 this would have resulted in a near breakeven result for the Company while the exercise of the early termination option under which the Company would retain the vessels would have resulted in a gain. If the client had exercised the purchase option or early termination option for *FPSO Liza Unity* as of December 31, 2022 this would have resulted in a gain for the Company.

The finance lease contract of *FPSO Espirito Santo* includes a call option for the client to terminate the contract early without obtaining the underlying asset. The exercise of the early termination option would have resulted in a loss for the Company as of December 31, 2022.

The finance lease contracts of *FPSO Prosperity* and *FPSO ONE GUYANA* (all under construction as per December 31, 2022) contain options for the client to purchase the underlying asset or terminate the contract early. These options are exercisable at any time starting from the delivery date of the vessel.

### 4.3.16 OTHER FINANCIAL ASSETS

The breakdown of the non-current portion of other financial assets is as follows:

	31 December 2022	31 December 2021
Non-current portion of other receivables	106	38
Sublease receivables	-	2
Non-current portion of loans to joint ventures and associates	45	42
<b>Total</b>	<b>151</b>	<b>82</b>

The increase in non-current portion of other receivables relates to the extension of the lease period for *FPSO Cidade de Anchieta* which is considered as a lease reassessment as per IFRS 16. This leads to an update of the linearized revenue up to the new end date of the contract which led to the recognition of an accrued income of US\$78 million (out of which US\$69 million is classified as non-current).

The current portion of (i) other receivables and sublease receivables and (ii) loans to joint ventures and associates is included within the 'Trade and other receivables' in the statement of financial position.

In relation to the exposure to credit risk at the reporting date on the carrying amount of the interest-bearing loans, non-current portion of other receivables and sublease receivable, please refer to note 4.3.8 Net Impairment Gains/(Losses) on

## 4 FINANCIAL INFORMATION 2022

Financial and Contract Assets and note 4.3.27 Financial Instruments – Fair Values and Risk Management for the risk of recoverability (i.e. for expected credit losses). The Company does not hold any collateral as security.

The breakdown of loans to joint ventures and associates is presented below.

### LOANS TO JOINT VENTURES AND ASSOCIATES

	<i>Notes</i>	31 December 2022	31 December 2021
Current portion of loans to joint ventures and associates	4.3.19	7	9
Non-current portion of loans to joint ventures and associates		45	42
<b>Total</b>	<b>4.3.31</b>	<b>52</b>	<b>51</b>

The balance of loans to joint ventures and associates has remained stable compared with the year-ago period.

The maximum exposure to credit risk at the reporting date is the carrying amount of the loans to joint ventures and associates, taking into account the risk of recoverability. The Company does not hold any collateral as security.

### 4.3.17 DEFERRED TAX ASSETS AND LIABILITIES

The deferred tax assets and liabilities and associated net positions are summarized as follows:

#### Deferred tax positions (summary)

	31 December 2022			31 December 2021		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Property, plant and equipment	0	-	0	-	-	-
Tax losses	6	-	6	6	-	6
Other	6	38	(32)	7	18	(11)
<b>Book value at 31 December</b>	<b>12</b>	<b>38</b>	<b>(26)</b>	<b>13</b>	<b>18</b>	<b>(5)</b>

All movements between the opening and closing balances were recognized in the income statement.

#### Movements in net deferred tax positions

	<i>Note</i>	2022	2021
		Net	Net
<b>Deferred tax at 1 January</b>		<b>(5)</b>	<b>9</b>
Deferred tax recognized in the income statement	4.3.10	(20)	(14)
Foreign currency variations		(1)	(1)
<b>Total movements</b>		<b>(21)</b>	<b>(15)</b>
<b>Deferred tax at 31 December</b>		<b>(26)</b>	<b>(5)</b>

Expected realization and settlement of deferred tax positions is within 8 years. The current portion of the net deferred tax position as of December 31, 2022 amounts to US\$0.4 million. The deferred tax losses are expected to be recovered based on the anticipated profit in the applicable jurisdiction. The Company has US\$27 million (2021: US\$18 million) of deferred tax assets unrecognized in 2022 due to current tax losses not valued. The term in which these unrecognized deferred tax assets could be settled depends on the respective tax jurisdiction and ranges from five years to an unlimited period of time.

The non-current portion of deferred tax assets amounts to US\$9 million (2021: US\$10 million). On a cumulative basis a total amount of US\$220 million at the end of 2022 (2021: US\$257 million) corresponds to deferred tax assets basis unrecognized on temporary differences, unused tax losses and tax credits.