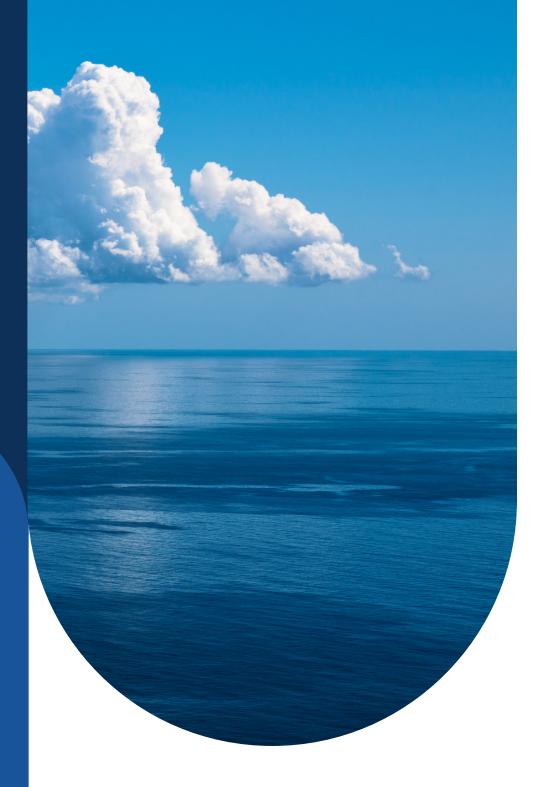
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TRUE.
BLUE.
TRANSITION.

4 FINANCIAL INFORMATION 2022

4.3.24 PROVISIONS

The movement and type of provisions during the year 2022 are summarized as follows:

Provisions (movements)

	Demobilisation	Warranty	Employee benefits	Other	Total
Balance at 1 January 2022	121	54	26	182	383
Arising during the year	42	39	0	96	178
Unwinding of interest	1	-	0	-	1
Utilized	(44)	(2)	(1)	(8)	(55)
Released to profit	(1)	(5)	(2)	(3)	(11)
Other movement	(0)	(O)	(9)	0	(9)
Balance at 31 December 2022	119	86	15	266	487
of which :					
Non-current portion	79	-	15	215	309
Current portion	41	86	-	52	178

Demobilization

The provision for demobilization relates to the costs for demobilization of the vessels and floating equipment at the end of the respective operating lease periods. The obligations are valued at net present value, and a yearly basis interest is added to this provision. The recognized interest is included in the line item 'Financial expenses' of the consolidated income statement (refer to note 4.3.9 Net Financing Costs).

The movement in the provision for demobilization relates mainly to the reassessment of the costs on the ongoing demobilization of *FPSO Capixaba* and the decrease is due to its utilization in relation to the progress of the decommissioning activities.

Expected outflow within one year is US\$41 million and amounts to US\$53 million between one and five years, and US\$26 million after five years.

Warranty

For most Turnkey sales, the Company gives warranties to its clients. Under the terms of the contracts, the Company undertakes to make good, by repair or replacement, defective items that become apparent within an agreed period starting from the final acceptance by the client. The increase of the warranty provision consists of new provisions accrued on projects under construction over the period.

Other

Other provisions mainly relate to claims, regulatory fines related to operations, onerous contracts and planned local content penalty on construction projects. The latter was the main driver of the increase in Other provisions during 2022.