



OFFSHORE

ENERGY. COMMITTED.

ANNUAL REPORT 2021

4 FINANCIAL INFORMATION 2021

PROPERTY, PLANT AND EQUIPMENT OWNED BY THE COMPANY

The movement of the Property, plant and equipment during the year 2021 is summarized as follows:

2021

	Land and buildings	Vessels and floating equipment	Other fixed assets	Assets under construction	Total
Cost	67	2,751	93	11	2,922
Accumulated depreciation and impairment	(35)	(2,335)	(61)	(0)	(2,431)
Book value at 1 January	32	416	32	11	490
Additions	0	0	4	(0)	4
Disposals	0	(23) ¹	0	0	(23)
Depreciation	(6)	(74)	(11)	-	(91)
Impairment	-	(0)	-	0	0
Foreign currency variations	(2)	(0)	(2)	0	(3)
Other movements	1	(23) ²	4	(6)	(24)
Total movements	(6)	(121)	(4)	(6)	(138)
Cost	63	1,741	83	4	1,891
Accumulated depreciation and impairment	(38)	(1,446)	(55)	-	(1,540)
Book value at 31 December	25	295	28	4	351

1 Disposals mainly relate to the sale of the Gene vessel

2 Other movements mainly relate to the reclassification of the DSCV Installer as Asset Held For Sale

2020

	Land and buildings	Vessels and floating equipment	Other fixed assets	Assets under construction	Total
Cost	57	3,299	82	22	3,460
Accumulated depreciation and impairment	(28)	(2,490)	(52)	-	(2,570)
Book value at 1 January	29	809	30	22	890
Additions	4	35	10	(3)	46
Disposals	-	(126) ¹	(0)	-	(126)
Depreciation	(5)	(279)	(10)	-	(294)
Impairment	-	(24)	-	(0)	(24)
Foreign currency variations	2	-	1	0	3
Other movements	1	-	2	(8)	(5)
Total movements	2	(394)	3	(11)	(400)
Cost	67	2,751	93	11	2,921
Accumulated depreciation and impairment	(35)	(2,335)	(61)	(0)	(2,431)
Book value at 31 December	32	416	32	11	490

1 The net disposal amount for FPSO Espirito Santo of US\$126 million consists of historical cost of US\$584 million less accumulated depreciation of US\$458 million.

During the 2021 period, the following main events occurred regarding owned property, plant and equipment:

- US\$91 million of annual depreciation charges, following the normal depreciation schedule;
- A decrease in net book value in Vessels and floating equipment of US\$23 million due to the disposal of the Gene vessel;
- A reclassification of US\$25 million due to the recognition of DSCV SBM Installer as asset held for sale. As announced on August 21, 2020, the Company had the intention to sell DSCV SBM Installer. Following this announcement, the Company successfully signed a memorandum of understanding with a suitable buyer on November 12, 2021. As agreed upon with the buyer the vessel had to undergo maintenance prior to the handover, which occurred in January 2022. The Company sold the vessel for US\$34 million (net of costs to sell) and related gain on sale of US\$8 million shall be recognized in 2022.

Property, plant and equipment at year-end comprises of:

- Two (2020: two) integrated floating production, storage and offloading systems (FPSOs) (namely *FPSO Capixaba* and *FPSO Cidade de Anchieta*) each consisting of a converted tanker, a processing plant and one mooring system. These two FPSOs are leased to third parties under an operating lease contract;
- One semi-submersible production platform, the *Thunder Hawk* (2020: one), leased to third parties under an operating lease contract;

The depreciation charge for the semi-submersible production facility *Thunder Hawk* is calculated based on its future anticipated economic benefits, resulting in a depreciation plan based on the unit of production method. All other property, plant and equipment is depreciated on a straight-line basis.

Company-owned property, plant and equipment with a carrying amount of US\$253 million (2020: US\$282 million) has been pledged as security for liabilities, mainly for external financing.

No interest has been capitalized during the financial year as part of the additions to property, plant and equipment (2020: nil).

RIGHT-OF-USE ASSETS

As of December 31, 2021, the Company leases buildings and cars. The movement of the right-of-use assets during the year 2021 is summarized as follows:

2021

	Buildings	Other fixed assets	Total
Book value at 1 January	52	1	52
Additions	9	1	10
Disposals	(1)	0	(1)
Depreciation	(12)	(1)	(12)
Impairment	(0)	-	(0)
Foreign currency variations	(3)	(0)	(3)
Other movements	(1)	-	(1)
Total movements	(8)	0	(8)
Cost	86	2	88
Accumulated depreciation and impairment	(42)	(1)	(43)
Book value at 31 December	44	1	45

2020

	Buildings	Vessels and floating equipment	Other fixed assets	Total
Book value at 1 January	59	55	1	115
Additions	11	-	1	12
Depreciation	(14)	(4)	(1)	(19)
(Impairment)/impairment reversal	(6)	(51)	-	(57)
Foreign currency variations	2	-	0	2
Other movements	0	-	(1)	(1)
Total movements	(7)	(55)	(1)	(63)
Cost	93	20	3	116
Accumulated depreciation and impairment	(41)	(20)	(2)	(64)
Book value at 31 December	52	-	1	52

During the year 2021, the main movements regarding right-of-use assets related to US\$12 million of depreciation charges.