



ANNUAL REPORT 2021

4 FINANCIAL INFORMATION 2021

Office leases

Significant contracts under buildings relate to the lease of offices. The remaining contract periods of the Company's office rentals vary between one to ten years and most of the contracts include extension options between three to five years. The extension options have been taken into account in the measurement of lease liabilities when the Company is reasonably certain to exercise these options. The lease agreements do not impose any covenants.

OPERATING LEASES AS A LESSOR

The category 'Vessels and floating equipment' mainly relates to facilities leased to third parties under various operating lease agreements which terminate between 2022 and 2030. Leased facilities included in the 'Vessels and floating equipment' amount to:

Leased facilities included in the vessels and floating equipment

	31 December 2021	31 December 2020
Cost	1,741	2,683
Accumulated depreciation and impairment	(1,447)	(2,317)
Book value at 31 December	294	367

In December 2021, the units included under leased facilities are *FPSO Capixaba*, *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\$73 million mainly due to depreciation.

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 2021	31 December 2020
Within 1 year	146	277
2 years	109	145
3 years	107	95
4 years	100	94
5 years	90	92
After 5 years	313	399
Total	865	1,103

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

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 of December 31, 2021.

4.3.14 INTANGIBLE ASSETS

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

2020

	Development costs	Software	Intangible assets under construction	Patents	Total
Cost	34	16	-	19	69
Accumulated amortization and impairment	(16)	(11)	-	(19)	(46)
Book value at 1 January	18	5	-	0	23
Additions	4	8	18	-	30
Amortization	(4)	(3)	-	-	(7)
Other movements	(9)	0	13	-	4
Total movements	(9)	5	31	-	27
Cost	29	24	31	19	103
Accumulated amortization and impairment	(20)	(14)	-	(19)	(53)
Book value at 31 December	9	10	31	0	50

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

In 2021, the Company did not recognize any impairment related to intangible assets.

Amortization of development costs is included in 'Research and development expenses' in the income statement in 2021 for US\$5 million (2020: US\$4 million).

Amortization of software is included in 'General and administrative expenses' in the income statement in 2021 for US\$4 million (2020: US\$3 million).