



OFFSHORE

ENERGY. COMMITTED.

ANNUAL REPORT 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).

4 FINANCIAL INFORMATION 2021

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 2021	31 December 2020
Gross receivable	9,729	10,511
Less: unearned finance income	(3,547)	(4,023)
Total	6,182	6,488
Of which		
Current portion	339	317
Non-current portion	5,843	6,171

As of December 31, 2021, finance lease receivables relate to the finance lease of:

- *Liza Destiny* (FPSO), 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 Aseg*, 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 decrease in finance lease receivable is driven by the regular redemptions as per the payment plans of lease contracts.

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\$69 million as of December 31, 2021 (2020: US\$49 million). The 2021 reassessment of unguaranteed residual values resulted in an impairment reversal of US\$10 million due to the increase 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 2021	31 December 2020
Less than 1 year	802	803
Between 1 and 2 years	802	802
Between 2 and 5 years	2,415	2,408
More than 5 years	5,711	6,498
Total Gross receivable	9,729	10,511

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 2021	31 December 2020
Gross receivable	802	803
Less: unearned finance income	(463)	(486)
Current portion of finance lease receivable	339	317