



2023 ANNUAL REPORT

BM
OFFSHORE



2022

	Buildings	Other fixed assets	Total
Book value at 1 January	44	1	45
Additions	12	1	13
Disposals	-	(0)	(0)
Depreciation	(14)	(1)	(15)
(Impairment)/impairment reversal	-	-	-
Foreign currency variations	(2)	(0)	(2)
Other movements	(1)	(0)	(1)
Total movements	(5)	0	(4)
Cost	72	3	75
Accumulated depreciation and impairment	(33)	(2)	(35)
Book value at 31 December	39	1	40

During the year 2023, the main movements regarding right-of-use assets related to US\$55 million of capitalization of lease extensions and new lease office contracts, partially offset by US\$14 million of depreciation charges. In March 2023, the Company extended the lease agreement of one of its office buildings until 2037. This resulted in an increase of US\$43 million to right-of-use assets and a similar increase in lease liabilities (refer to note 4.3.23 Borrowings and Lease Liabilities).

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 and ten years and most of the contracts include extension options between three and fourteen 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 2025 and 2031. Leased facilities included in the 'Vessels and floating equipment' amount to:

Leased facilities included in the vessels and floating equipment

	31 December 2023	31 December 2022
Cost	1,821	1,813
Accumulated depreciation and impairment	(1,637)	(1,596)
Book value at 31 December	185	217

As of December 31, 2023, the units included under leased facilities are *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\$32 million, mainly due to depreciation.

4 FINANCIAL INFORMATION 2023

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 2023	31 December 2022
Within 1 year	105	113
2 years	99	111
3 years	91	104
4 years	91	91
5 years	91	91
After 5 years	214	306
Total	693	816

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

Outstanding 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 at December 31, 2023.

4.3.14 INTANGIBLE ASSETS

2023

	Development costs	Software	Intangible assets under construction	Patents	Total
Cost	38	28	100	19	185
Accumulated amortization and impairment	(29)	(20)	-	(19)	(68)
Book value at 1 January	9	8	100	0	117
Additions	6	7	31	-	45
Amortization	(5)	(4)	-	-	(9)
(Impairment)/impairment reversal	-	-	-	-	-
Total movements	1	3	31	-	36
Cost	44	29	132	19	224
Accumulated amortization and impairment	(33)	(18)	-	(19)	(71)
Book value at 31 December	11	11	132	0	153

2022

	Development costs	Software	Intangible assets under construction	Patents	Total
Cost	34	25	67	19	145
Accumulated amortization and impairment	(25)	(15)	-	(19)	(59)
Book value at 1 January	9	11	67	0	86
Additions	4	3	34	-	41
Amortization	(3)	(4)	-	-	(7)
(Impairment)/impairment reversal	-	(2)	-	-	(2)
Total movements	1	(3)	34	-	31
Cost	38	28	100	19	185
Accumulated amortization and impairment	(29)	(20)	-	(19)	(68)
Book value at 31 December	9	8	100	0	117

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