



2023 ANNUAL REPORT

BM
OFFSHORE



4 FINANCIAL INFORMATION 2023

LEASE LIABILITIES

The lease liabilities mostly relate to the leasing of office buildings as of December 31, 2023.

The movement in the lease liabilities is as follows:

	2023	2022
Principal recognized at 1 January	46	56
Additions	55	13
Redemptions	(18)	(20)
Foreign currency variations	2	(3)
Other	-	-
Total movements	39	(10)
Remaining principal at 31 December	85	46
Of which		
Current portion	11	13
Non-current portion	74	33

The movements in lease liabilities over the period were mainly related to an increase due to the extension of some lease contracts for offices and the regular redemptions and foreign currency translations.

The maturity of the lease liabilities is analyzed in section 4.3.27 financial instruments - fair values and risk management (liquidity risk).

The total cash outflow for leases in 2023 was US\$22 million, which includes redemptions of principal and interest payments. Total interest for the period amounted to US\$4 million.

4.3.24 PROVISIONS

The movement and type of provisions during the year 2023 are summarized as follows:

Provisions (movements)

	Demobilisation	Warranty	Restructuring	Employee benefits	Other	Total
Balance at 1 January 2023	119	86	2	15	264	487
Arising during the year	40	44	11	4	72	170
Unwinding of interest	1	-	-	1	-	2
Utilized	(31)	(5)	(1)	(1)	(5)	(43)
Released to profit	(0)	(20)	-	(1)	(7)	(30)
Other movement	(0)	-	(5)	4	0	(1)
Balance at 31 December 2023	129	104	7	21	324	586
of which :						
Non-current portion	97	-	-	21	265	383
Current portion	32	104	7	-	59	203

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 increase in the provision for demobilization mainly relates to an increase following the reassessment of the expected decommissioning and green recycling costs of *FPSO Capixaba*, following the final selection of a scrapping yard in Denmark,