20240625131857

Styrelsen och verkställande direktören för

Primagaz Sverige AB

Org nr 556708-5948

upprättar härmed

Årsredovisning

för räkenskapsåret 1 januari - 31 december 2023

Innehåll:	sida
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Fastställelseintyg

Undertecknad styrelseledamot i Primagaz Sverige AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma den 2024-06-17. Årsstämman beslutade att godkänna styrelsens förslag till hur vinsten ska fördelas.

Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överens med originalen.

Malmö 2024-06-17

Maarten Jan Oskam

20240625318S8

Styrelsen och verkställande direktören för

Primagaz Sverige AB

Org nr 556708-5948

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Årsredovisning

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Penneo document key: J0IWO-UB4S-EINOA-ZWDLA-ZFO8P-T2OMH

20240625131859

Förvaltningsberättelse

Styrelsen och verkställande direktören för Primagaz Sverige AB avger årsredovisning för räkenskapsåret 2023.

Årsredovisningen är upprättad i svenska kronor, SEK. Om inte annat anges, redovisas alla belopp i tusentals kronor (Tkr). Uppgifter inom parentes avser föregående år.

Allmänt om verksamheten
Primagaz Sverige AB ägs til 100% av det holländska värdsledeande LPG bolaget, SHV- Energy N.V med org.nr. 30098428.

SHV Energy är en familjeägd multinationell koncern som består av en grupp specialiserade energiföretag. Dessa företag förser människor och företag med decentraliserade och personliga energilösninger och service. Koncernens kunder bor och verkar ofta i områden som ligger utanför gasnät och förlitar sig på våra företag som sina viktigaste energikällor.

Bolagets huvudsakliga verksamhet är inköp och försäljning av gasol samt gasolförbrukande utrustning och därmed förenlig verksamhet.

Primagaz Sverige AB bildar tilsammans med Primagaz Danmark A/S och Primagaz Gasol Sverige AB SHV Energys Skandinaviska LPG-verksamhet, vilka har sitt huvudkontor och shared service center i Köge, Danmark.

Företaget har sitt säte i Stenungsund.

Utveckling av företagets verksamhet, resultat och ställning

Ekonomisk översikt	*2023*	*2022*	*2021*	*2020*
Nettoomsättning	214,612	219,052	201,160	193,050
Resultat efter finansiella poster	22,810	28,612	-38,101	8,816
Balansomslutning	392,195	322,906	298,728	330,870
Avkastning på sysselsatt kapital %	-1.6	10.6	3.9	4.5
Avkastning på eget kapital %	neg	21.9	neg	5.9
Soliditet %	39.2	41.9	34.3	45.2

För definitioner av nyckeltal, se Not 1 Redovisnings- och värderingsprinciper.

Väsentliga händelser under räkenskapsåret
Den övergripande osäkra geopolitiska situationen är fortfarande osäker. Vi följer situationen noggrant, analyserar och utvärderar konsekvenserna kontinuerligt. En rad strategiska beslut för att förbättra företagets ställning började betala sig delvis uppvägt av engångskostnader.

Förväntad framtida utveckling
Primagaz Sverige AB vill behålla och stärka sin position på den svenska energimarknaden främst utifrån en långsiktig strategi. Den starka konkurrensen på gasolmarknaden förväntas fortsätta. Den store osäkerhet gällande den ekonomiska återhämtningen kopplat till kriget i Ukrania väntes at påverka gasol/propanmarknaden under 2024. Men med tanke på den starka presentation som gjordes förra året är företaget övertygat om att det framgångsrikt kommer att navigera
sig genom dessa utmanande och osäkra tider och förväntar sig en positiv utveckling av det operativa resultatet under 2024.

Väsentliga risker och osäkerhetsfaktorer
Det råder fortfarande stor osäkerhet gällande den ekonomiska återhämtningen kopplat till kriget i Ukrania vilket kan påverka företaget och de globala gaspriserna vilket är väldigt volatila.

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20240625131860

Händelser efter balansdagen
Den 28 februari 2024 överläts delar av verksamheten i det helägda dotterbolaget, Primagaz Gasol Sverige AB till ett nybildat koncernföretag; Primagaz Karlshamn Terminal AB.
Under februari 2024 har bolaget erhållit aktieutdelning från dotterbolaget Primagaz Gasol Sverige AB om 25 000 00 kronor
Under februari 2024 har bolaget erhållit ett aktieägartillskott om 90 000 000 kronor från ägarbolaget SHV Energy N.V, genom kvittering av en koncernintern skuld.

Efterlevnad av aktuella regler
Primagaz Sverige AB:s policy är at fatta egna kommersiella beslut baserat på bolages övergripande interesse att vara helt oberoende från konkurrenter.

Bolagets kommersiella beslut sker i överenstämmelse med principerna om en öppen marknad och fri konkurrens. Det innebär att bolaget undviker att vidta åtgärder som strider mot EU:s och nationella lagar samt konkurrenslagstiftning.

Alla anställda är utbildade i, och tränas fortlöpande i, bolagets interna regelverk.

Miljö och säkerhet
SHV Energy har säkerhet som sin viktigaste fråga och Primagaz Sverige AB lägger regelbundet ner stora resurser till att ytterligare förbättra arbetsmiljö och säkerhet både på bolagets påfyllnadsstationer och genom hela distributionskedjan.

Eget kapital

2022-12-31	Bundet eget kapital			Fritt eget kapital			
	Aktiekapital, Pågående nyemission	*Uppskriv-ningsfond*	*Reservfond, Fond för utv.-utgifter*	*Över-kursfond*	*Fond för verkligt värde*	*Bal.res. inkl årets resultat*	*Summa eget kapital*
Ingående balans	300	–	–	51,700	–	50,585	102,585
Årets resultat						32,674	32,674
Vid årets utgång	300	–	–	51,700	–	83,259	135,259

2023-12-31	Bundet eget kapital			Fritt eget kapital			
	Aktiekapital, Pågående nyemission	*Uppskriv-ningsfond*	*Reservfond & Fond för utv.-utgifter*	*Över-kursfond*	*Fond för verkligt värde*	*Bal.res. inkl årets resultat*	*Summa eget kapital*
Ingående balans	300	–	–	51,700	–	83,259	135,259
Årets resultat						18,395	18,395
Vid årets utgång	300	–	–	51,700	–	101,654	153,654

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20240625131861

Resultatdisposition

Styrelsen föreslår att till förfogande stående vinstmedel:

Balanserad vinst	134,959
Årets vinst	18,395
	153,354

Disponeras så att

Till aktieägara utdelas (8,333 kronor per aktie)	25,000
I ny räkning överföres	128,354
	153,354

Styrelsen föreslås bemyndigas att besluta om tidpunkt då utdelningen skall betalas.

Styrelsen anser att förslaget är förenligt med försiktighetsregeln i 17 kap. 3 § aktiebolagslagen enligt följande redogörelse: Styrelsens uppfatning är att vinstutdelningen är försvarlig med hänsyn till de krav verksamhetens art, omfattning och risk ställer på storleken på det egna kapitalet, bolagets konsolideringsbehov, likviditet och ställning i övrigt.

Företagets resultat och ställning i övrigt framgår av efterföljande resultat- och balansräkning med noter.

Penneo document key: J0WWO-T2OMH-U84S-EINOA-ZIWDLA-ZFQ8P

Primagaz Sverige AB

Org nr 556708-5948

20240625131862

Resultaträkning

Belopp i Tkr	*Not*	*2023-12-31*	*2022-12-31*
Nettoomsättning	2	214,612	219,052
Kostnad för sålda varor		-167,103	-171,509
Bruttoresultat	3	47,509	47,543
Försäljningskostnader		-24,541	-24,284
Administrationskostnader	7	-29,607	-35,113
Rörelseresultat	4,5,6	-6,639	-11,854
Resultat från finansiella poster			
Resultat från andelar i koncernföretag	8	–	45,291
Övriga ränteintäkter och liknande resultatposter	9	420	631
Räntekostnader och liknande resultatposter	10	-9,911	-5,456
Resultat efter finansiella poster		-16,130	28,612
Bokslutsdispositioner			
Koncernbidrag, erhållna	11	38,940	–
Resultat före skatt		22,810	28,612
Skatt på årets resultat	12	-4,415	4,062
Årets resultat		18,395	32,674

Penneo document key: J0WWO-U845-EINOA-ZWDLA-ZFO8P-T2OWH

Primagaz Sverige AB

Org nr 556708-5948

20240625131863

Balansräkning

Belopp i Tkr	*Not*	*2023-12-31*	*2022-12-31*
TILLGÅNGAR			
Anläggningstillgångar			
Immateriella anläggningstillgångar			
Koncessioner, patent, licenser, varumärken samt liknande rättigheter	13	138	250
Goodwill	14	666	801
		804	1,051
Materiella anläggningstillgångar			
Byggnader och mark	15	7,167	7,437
Inventarier, verktyg och installationer	16	24,769	23,681
		31,936	31,118
Finansiella anläggningstillgångar			
Andelar i koncernföretag	17	199,848	199,848
Fordringar hos koncernföretag	19	–	–
Uppskjuten skattefordran	20	2,979	4,456
Andra långfristiga fordringar	21	37	37
		202,864	204,341
Summa anläggningstillgångar		235,604	236,510
Omsättningstillgångar			
Varulager m m			
Råvaror och förnödenheter		53,552	34,672
		53,552	34,672
Kortfristiga fordringar			
Kundfordringar		31,723	29,553
Fordringar hos koncernföretag	19	39,473	46
Aktuell skattefordran		2,338	2,288
Övriga fordringar		1	772
Förutbetalda kostnader och upplupna intäkter		1,416	1,202
		74,951	33,861
Kassa och bank			
Kassa och bank		28,088	17,863
		28,088	17,863
Summa omsättningstillgångar		156,591	86,396
SUMMA TILLGÅNGAR		392,195	322,906

Penneo document key: J0WWO-1U84S-EIWOA-ZWDLA-ZFQ8P-T2OMH

Primagaz Sverige AB

Org nr 556708-5948

20240625131864

Balansräkning

Belopp i Tkr	*Not*	*2023-12-31*	*2022-12-31*
EGET KAPITAL OCH SKULDER			
Eget kapital	22, 23		
Bundet eget kapital			
Aktiekapital		300	300
		300	300
Fritt eget kapital			
Fri överkursfond		51,700	51,700
Balanserat resultat		83,259	50,585
Årets resultat		18,395	32,674
		153,354	134,959
		153,654	135,259
Avsättningar			
Övriga avsättningar	24	660	1,460
		660	1,460
Långfristiga skulder			
Skulder till koncernföretag		115,000	115,000
		115,000	115,000
Kortfristiga skulder			
Leverantörsskulder		16,264	13,048
Skulder till koncernföretag		87,303	45,523
Aktuell skatteskuld		2,937	–
Övriga skulder	25	5,610	2,420
Upplupna kostnader och förutbetalda intäkter	26	10,767	10,196
		122,881	71,187
SUMMA EGET KAPITAL OCH SKULDER		392,195	322,906

Penneo document key: J0WWO-1U845-EINOA-ZWDLA-ZFO8P-TZOWH

Primagaz Sverige AB

Org nr 556708-5948

20240625131865

Kassaflödesanalys

Belopp i Tkr		2023-12-31	2022-12-31
Den löpande verksamheten			
Resultat efter finansiella poster	28	-16,130	28,612
Justering för poster som inte ingår i kassaflödet	29	41,817	-41,829
		25,687	-13,217
Betald inkomstskatt		-50	-48
Kassaflöde från den löpande verksamheten före förändringar av rörelsekapital		25,637	-13,265
Förändringar i rörelsekapital			
Ökning(-)/Minskning(+) av varulager		-18,880	10,887
Ökning(-)/Minskning(+) av rörelsefordringar		-41,041	18,990
Ökning(+)/Minskning(-) av rörelseskulder		6,977	-1,372
Kassaflöde från den löpande verksamheten		-27,307	15,240
Investeringsverksamheten			
Förvärv av materiella anläggningstillgångar		-4,217	-5,750
Förvärv av immateriella anläggningstillgångar		-31	-54
Avyttring av finansiella tillgångar		–	–
Kassaflöde från investeringsverksamheten		-4,248	-5,804
Finansieringsverksamheten			
Upptagna lån		41,780	-7,103
Lämnade koncernbidrag		–	–
Kassaflöde från finansieringsverksamheten		41,780	-7,103
Årets kassaflöde		10,225	2,333
Likvida medel vid årets början		17,863	15,530
Kursdifferens i likvida medel		–	–
Likvida medel vid årets slut		28,088	17,863

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20240625131866

Noter

Belopp i Tkr om inget annat anges

Not 1 Redovisningsprinciper

Årsredovisningen har upprättats i enlighet med årsredovisningslagen och Bokföringsnämndens allmänna råd BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Redovisningsprinciperna är oförändrade jämfört med tidigare år.

Tillgångar, avsättningar och skulder har värderats till anskaffningsvärden om inget annat anges nedan.

Immateriella tillgångar
Immateriella anläggningstillgångar är redovisade till anskaffningsvärde minskat med ackumulerade avskrivningar enligt plan och eventuella nedskrivningar.

Avskrivningar
Avskrivning sker linjärt över tillgångens beräknade nyttjandeperiod. Avskrivningen redovisas som kostnad i resultaträkningen.

Immateriella tillgångar	*Nyttjandeperiod*
Dataprogram, licens	3-5 år
Goodwill	10 år

Avskrivningstiden på goodwill med 10 år är baserat med styrelsens erfarenhet av bolagets verksamhetsinriktning. Det är styrelsens bedömning att avskrivningstiden ger en rättvisande bild över tillgångarnas förväntande nyttjandetid.

Materiella anläggningstillgångar
Materiella anläggningstillgångar redovisas till anskaffningsvärde minskat med ackumulerade avskrivningar enligt plan och eventuella nedskrivningar.

Avskrivningar
Avskrivning sker linjärt över tillgångens beräknade nyttjandeperiod eftersom det återspeglar den förväntade förbrukningen av tillgångens framtida ekonomiska fördelar. Avskrivningen redovisas som kostnad i resultaträkningen.

	Nyttjandeperiod
Byggnader	40 år
Inventarier, verktyg och installationer	3-15 år

Nedskrivningar - materiella och immateriella anläggningstillgångar samt andelar i koncernföretag
Vid varje balansdag bedöms om det finns någon indikation på att en tillgångs värde är lägre än dess redovisade värde. Om en sådan indikation finns, beräknas tillgångens återvinningsvärde.

Återvinningsvärdet är det högsta av verkligt värde med avdrag för försäljningskostnader och nyttjandevärde. Vid beräkning av nyttjandevärdet beräknas nuvärdet av de framtida kassaflöden som tillgången väntas ge upphov till i den löpande verksamheten samt när den avyttras eller utrangeras. Den diskonteringsränta som används är före skatt och återspeglar marknadsmässiga bedömningar av pengars tidsvärde och de risker som avser tillgången. En tidigare nedskrivning återförs endast om de skäl som låg till grund för beräkningen av återvinningsvärdet vid den senaste nedskrivningen har förändrats.

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Leasingavtal
Alla leasingavtal redovisas som operationella leasingavtal.

Utländsk valuta
För poster som ingår i en säkringsrelation - se under rubriken "Säkringsredovisning".

Poster i utländsk valuta
Monetära poster i utländsk valuta räknas om till balansdagens kurs. Icke-monetära poster räknas inte om utan redovisas till kursen vid anskaffningstillfället.

Valutakursdifferenser som uppkommer vid reglering eller omräkning av monetära poster redovisas i resultaträkningen det räkenskapsår de uppkommer.

Varulager
Varulagret är upptaget till det lägsta av anskaffningsvärdet och nettoförsäljningsvärdet. Därvid har inkuransrisk beaktats. Anskaffningsvärdet beräknas enligt först in- först ut- principen.
I anskaffningsvärdet ingår förutom utgifter för inköp även utgifter för att bringa varorna till deras aktuella plats och skick.

Finansiella tillgångar och skulder
Finansiella tillgångar och skulder redovisas i enlighet med kapitel 11 (Finansiella instrument värderade utifrån anskaffningsvärdet) i BFNAR 2012:1.

Finansiella instrument värderas utifrån anskaffningsvärdet. Instrumentet redovisas i balansräkningen när bolaget bliver part i instrumentets avtalsmässiga villkor. Finansiella tillgångar tas bort från balansräkningen när rätten att erhålla kassaflöden från instrumentet har löpt ut eller överförts och bolaget har överfört i stort sett alla risker och förmåner som är förknippade med äganderätten. Finansiella skulder tas bort från balansräkningen när förpliktelserna har reglerats eller på annat sätt upphört.

Derivatinstrument
Bolaget använder olika typer av drivatinstrument (terminskontrakt och swappar) för att säkra olika finansiella risker och då framförallt valutarisker och råvaruprisrisker.

Säkringsredovisning
Säkringsredovisning tillämpas endast då det finns en ekonomisk relation mellan säkrings-instrumentet och den säkrade posten som överensstämmer med företagets mål för riskhantering. Dessutom krävs att säkringsförhållandet förväntas vara mycket effektivt under den period för vilken säkringen har identifierats samt att säkringsförhållandet och företagets mål för riskhantering och riskhanteringsstrategi avseende säkringen är dokumenterade senast när säkringen ingås.

Derivatinstrument där kritier for säkringsredovisning inte är uppfylda
Bolaget innehar och genomför derivattransaktioner enbart i syfte att hantera risk genom ekonomisk säkring med hjälp av standardiserade derivatinstrument.

Bolagets innehav och transaktioner med valutaderivat sker enbart i syfta att hantera risk och handlas på en aktiv marknad med standardiserade instrument. De redovisas och värderas därför konsekvent i en värdepappersportföjl i enlighet med K3.

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Derivatinstrument med negativt värde och för vilka säkringsredovisning inte tillämpats (se ovan) redovisas som finansiella skulder och värderas till det belopp som för företaget är mest förmånligt om förpliktelsen regleras eller överlåts på balansdagen.

Kundfordringer/kortfristiga fordringar
Kundfordringar och kortfristiga fordringar redovisas som omsättningstilgångar till det belopp som förväntas bli inbetalt efter avdrag för individuellt bedömda osäkra fordringar.

Låneskulder och leverantörsskulder
Låneskulder och leverantörsskulder redovisas initialt till anskaffningsvärde efter avdrag för transaktionskostnader. Skiljer sig det redovisade beloppet från det belopp som ska återbetalas vid förfallotidpunkter periodiseras mellanskillnaden som räntekostnad över lånets löptid med hjälp av instrumentets effektivränta. Härigenom överensstämmer vid förfallotidpunkten det redovisade beloppet och det belopp som ska återbetalas.

Andelar i dotterföretag
Andelar i dotterföretag, intresseföretag, gemensamt styrda företag och företag det finns ägarintresse i redovisas till anskaffningsvärde minskat med ackumulerade nedskrivningar.
I anskaffningsvärdet ingår förutom inköpspriset även utgifter som är direkt hänförliga till förvärvet.

Ersättningar till anställda
Ersättningar till anställda avser alla former av ersättninger som företaget lämnar till de anställda. Kortfristiga ersättningar utgörs av bland annat löner, betald semester, betald frånvaro, bonus och ersättning efter avslutad anställning (pension). Kortfristiga ersättningar redovisas som kostnad och en skuld då det finns en legal eller informell förpliktelse att betala ut en ersättning til följd av en tidigare händelse och en tillförlitlig uppskattning av beloppet kan göras.

Skatt
Skatt på årets resultat i resultaträkningen består av aktuell skatt och uppskjuten skatt. Aktuell skatt är inkomstskatt för innevarande räkenskapsår som avser årets skattepliktiga resultat och den del av tidigare räkenskapsårs inkomstskatt som ännu inte har redovisats. Uppskjuten skatt är inkomstskatt för skattepliktigt resultat avseende framtida räkenskapsår till följd av tidigare transaktioner eller händelser.

Uppskjuten skatteskuld redovisas för alla skattepliktiga temporära skillnader, dock särredovisas inte uppskjuten skatt hänförlig till obeskattade reserver eftersom obeskattade reserver redovisas som en egen post i balansräkningen. Uppskjuten skattefordran redovisas för avdragsgilla temporära skillnader och för möjligheten att i framtiden använda skattemässiga underskottsavdrag. Värderingen baseras på hur det redovisade värdet för motsvarande tillgång eller skuld förväntas återvinnas respektive regleras. Beloppen baseras på de skattesatser och skatteregler som är beslutade per balansdagen och har inte nuvärdeberäknats.

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20240625131869

Avsättningar
En avsättning redovisas i balansräkningen når företaget har en legal eller informell förpliktelse till följd av en inträffad händelse och det är sannolikt att ett utflöde av resurser krävs för att reglera förpliktelsen och en tillförlitlig uppskattning av beloppet kan göras.

Vid första redovisningstillfället värderas avsättningar till den bästa uppskattningen av det belopp som kommer att krävas för att reglera förpliktelsen på balansdagen. Avsättningarna omprövas varje balansdag.

Intäkter
Det inflöde av ekonomiska fördelar som företaget erhållit eller kommer att erhålla för egen räkning redovisas som intäkt. Intäkter värderas till verkliga värdet av det som erhållits eller kommer att erhållas, med avdrag för rabatter.

Försäljning av varor
Vid försäljning av varor redovisas intäkten vid leverans.

Ränta, royalty och utdelning
Intäkt redovisas när de ekonomiska fördelarna som är förknippade med transaktionen sannolikt kommer att tillfalla företaget samt när inkomsten kan beräknas på ett tillförlitligt sätt.

Ränta redovisas som intäkt enligt effektivräntemetoden.

Royalty periodiseras i enlighet med överenskommelsens ekonomiska innebörd.

Utdelning redovisas när ägarens rätt att erhålla betalningen har säkerställts.

Eftersom moderföretaget innehar mer än hälften av rösterna för samtliga andelar i dotterföretaget redovisas utdelning när rätten att få utdelning bedöms som säker och kan beräknas på ett tillförlitligt sätt.

Koncernbidrag och aktieägartillskott
Koncernbidrag som erhållits/lämnats redovisas som en bokslutsdisposition i resultaträkningen.
Det erhållna/lämnade koncernbidraget har påverkat företagets aktuella skatt.

Koncernförhållanden
Företaget är moderföretag med med hänvisning til undantagsreglerna i årsredovisningslagen 7 kap 2§ upprättas ingen egen koncernredovisning. Det överordnade moderföretaget SHV Holdings N.V. The Nederlands, organisationsnummer 30065974 med säte i Utrecht upprättar koncernredovisning.

Kassaflödesanalys
Kassaflödesanalysen upprättas enligt indirekt metod. Det redovisade kassaflödet omfattar endast transaktioner som medfört in- eller utbetalningar.

Som likvida medel klassificerar företaget, förutom kassamedel, disponibla tilgodohavanden hos banker och andra kreditinstitut samt kortfristiga likvida placeringer som är noterade på marknadsplats och har en kortare löptid än tre månader från anskaffningstidpunkten. Förändringar i spärrade medel redovisas i investeringsverksamheten.

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Nyckeltalsdefinitioner
Nettoomsättning
Rörelsens huvudintäkter, fakturerade konstnader, sidointäkter samt intäktskorrigeringar.

Resultat efter finansiella poster
Resultat efter finansiella intäkter och kostnader men före bokslutsdispositioner och skatter.

Balansomslutning
Företagets samlade tillgånger.

Avkastning på sysselsatt kapital %
Rörelseresultat plus finansiella intäkter i procent av balansomslutningen.

Avkastning på eget kapital %
Resultat efter finansiella poster i procent av justeret eget kapital (eget kapital och obeskattade reserver med avdrag för uppskjuten skatt.

Soliditet %
Justerat eget kapital (eget kapital och obeskattade reserver med avdrag för uppskjuten skat) i procent av balansomslutning.

Not 2 Nettoomsättning per rörelsegren och geografisk marknad

	2023-12-31	*2022-12-31*
Sverige	214,612	219,052
	214,612	219,052

Not 3 Transaktioner med närstående	*2023-12-31*	*2022-12-31*
Andel av årets totala inköp som skett från andra företag i koncernen	0.17%	0.00%
Andel av årets totala försaljningar som, skett till andra företag i koncernen	0.00%	0.50%

Not 4 Anställda, personalkostnader och arvoden till styrelse

Medelantalet anställda

	2023-12-31	*varav män*	*2022-12-31*	*varav män*
Sverige	30	57%	30	53%
Totalt	30	57%	30	53%

Redovisning av könsfördelning i företagsledningar

	2023-12-31 Andel kvinnor	*2022-12-31 Andel kvinnor*
Styrelsen	33%	33%
Övriga ledande befattningshavare	17%	100%

Löner och andra ersättningar samt sociala kostnader, inklusive pensionskostnader

	2023-12-31	*2022-12-31*
Löner och ersättningar	*15,631*	*14,625*
Sociala kostnader	*7,132*	*7,115*
(varav pensionskostnad) 1)	*-(1,994)*	*-(2,335)*

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Löner och andra ersättningar fördelade mellan styrelseledamöter m.fl. och övriga anställda

	2023-12-31		2022-12-31	
	Styrelse och VD	*Övriga anställda*	*Styrelse och VD*	*Övriga anställda*
Löner och andra ersättningar	–	22,763	–	21,740

Not 5 Av- och nedskrivningar av materiella och immateriella anläggningstillgångar

	2023-12-31	2022-12-31
Avskrivningar enligt plan fördelade per tillgång		
Koncessioner, patent, licenser, varumärken	143	118
Goodwill	135	135
Byggnader och mark	269	269
Inventarier, verktyg och installationer	3,130	2,960
	3,677	3,482
Avskrivningar enligt plan fördelade per funktion		
Kostnad för sålda varor	1,710	1,476
Försäljningskostnader	135	135
Administrationskostnader	1,832	1,871
	3,677	3,482

Not 6 Operationell leasing

Framtida leasingavgifter, för icke uppsägningsbara leasingavtal, förfaller till betalning enligt följande:

Leasingavtal där företaget är leasetagare

Framtida minimileaseavgifter avseende icke uppsägningsbara operationella leasingavtal	2023-12-31	2022-12-31
Inom ett år	528	673
Mellan ett och fem år	509	769
Senare än fem år	–	–
	1,037	1,442

	2023-12-31	2022-12-31
Räkenskapsårets kostnadsförda leasingavgifter	1,018	808

Not 7 Arvode och kostnadsersättning till revisorer

	2023-12-31	2022-12-31
KPMG		
Med revisionsuppdrag avses granskning av årsredovisningen och bokföringen samt styrelsens och verkställande direktörens förvaltning, övriga arbetsuppgifter som det ankommer på bolagets revisor att utföra samt rådgivning eller annat biträde som föranleds av iakttagelser vid sådan granskning eller genomförandet av sådana övriga arbetsuppgifter.	250	195

Not 8 Resultat från andelar i koncernföretag

	2023-12-31	2022-12-31
Återförda nedskrivningar	–	45,291
	–	45,291

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Not 9 Övriga ränteintäkter och liknande resultatposter

	2023-12-31	2022-12-31
Ränteintäkter, koncernföretag	–	606
Ränteintäkter, övriga	370	25
Kursdifferenser	50	–
	420	631

Not 10 Räntekostnader och liknande resultatposter

	2023-12-31	2022-12-31
Räntekostnader, koncernföretag	-9,901	-4,957
Räntekostnader, övriga	-10	3
Kursdifferencer	–	-502
	-9,911	-5,456

Not 11 Bokslutsdispositioner

	2023-12-31	2022-12-31
Koncernbidrag, erhållna	38,940	–
	38,940	–

Not 12 Skatt på årets resultat

	2023-12-31	2022-12-31
Aktuell skattekostnad [/skatteintäkt]	-2,937	56
Uppskjuten skattekostnad [/skatteintäkt]	-1,478	4,006
	-4,415	4,062

Avstämning av effektiv skatt

	2023-12-31		2022-12-31	
	Procent	*Belopp*	*Procent*	*Belopp*
Resultat före skatt		22,810		28,612
Skatt enligt gällande skattesats	20.6%	-4,699	20.6%	-5,894
Ej avdragsgilla kostnader	0.4%	-88	0.1%	-30
Ej skattepliktiga intäkter	-0.2%	51	-32.6%	9,330
Skatt hänförlig till tidigare år	-1.3%	291	-0.2%	56
Skillnad afskrivning byggnad	-0.4%	82	0.2%	-58
Skatteeffekt temporära skillnader	0.2%	-52	-2.3%	658
Redovisad effektiv skatt	19.4%	-4,415	-14.2%	4,062

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Not 13 Koncessioner, patent, licenser, varumärken samt liknande rättigheter

	2023-12-31	2022-12-31
Ackumulerade anskaffningsvärden		
Vid årets början	912	858
Inköp	31	54
Vid årets slut	943	912
Ackumulerade avskrivningar		
Vid årets början	-662	-545
Årets avskrivning	-143	-117
Vid årets slut	-805	-662
Redovisat värde vid årets slut	138	250

Not 14 Goodwill

	2023-12-31	2022-12-31
Ackumulerade anskaffningsvärden		
Vid årets början	70,526	70,526
Vid årets slut	70,526	70,526
Ackumulerade avskrivningar		
Vid årets början	-69,725	-69,590
Årets avskrivning	-135	-135
Vid årets slut	-69,860	-69,725
Redovisat värde vid årets slut	666	801

Not 15 Byggnader och mark

	2023-12-31	2022-12-31
Ackumulerade anskaffningsvärden		
Vid årets början	11,461	11,461
Nyanskaffningar	–	–
Vid årets slut	11,461	11,461
Ackumulerade avskrivningar		
Vid årets början	-4,024	-3,755
Årets avskrivning	-270	-269
Vid årets slut	-4,294	-4,024
Redovisat värde vid årets slut	7,167	7,437

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Not 16 Inventarier, verktyg och installationer

	2023-12-31	2022-12-31
Ackumulerade anskaffningsvärden		
Vid årets början	45,117	39,367
Nyanskaffningar	4,217	5,750
Vid årets slut	49,334	45,117
Ackumulerade avskrivningar		
Vid årets början	-21,436	-18,476
Årets avskrivning på anskaffningsvärden	-3,129	-2,960
Vid årets slut	-24,565	-21,436
Redovisat värde vid årets slut	24,769	23,681

Not 17 Andelar i koncernföretag

	2023-12-31	2022-12-31
Ackumulerade anskaffningsvärden		
Vid årets början	399,848	399,848
Vid årets slut	399,848	399,848
Ackumulerade nedskrivningar		
Vid årets början	-200,000	-245,291
Under året återförda nedskrivningar	–	45,291
Årets nedskrivningar	–	–
Vid årets slut	-200,000	-200,000
Redovisat värde vid årets slut	199,848	199,848

Not 18 Spec av företagets innehav av andelar i koncernföretag

			2023-12-31	2022-12-31
Dotterföretag / Org nr / Säte	*Antal andelar*	*Andel i % i)*	*Redovisat värde*	*Redovisat värde*
Primagaz Gasol Sverige AB, 559087-5737, Malmö	50,000	100.0	199,848	199,848
			199,848	199,848

Not 19 Fordringar hos koncernföretag

	2023-12-31	2022-12-31
Ackumulerade anskaffningsvärden		
Vid årets början	46	–
Tillkommande fordringar	39,473	46
Avgående fordringar	-46	–
Omklassificeringar	–	–
Vid årets slut	39,473	46

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Not 20 Uppskjuten skatt

	Redovisat värde	*2023-12-31 Skattemässigt värde*	*Temporär skillnad*
Väsentliga temporära skillnader hänförliga till uppskjuten skattefordran			
Avsättning	-660	–	660
Skattemässiga underskott	–	–	–
Övriga temporära skillnader	-5,801	–	5,801
Andra outnyttjade skatteavdrag		9,485	9,485
	-6,461	9,485	15,946
Väsentliga temporära skillnader hänförliga till uppskjuten skatteskuld			
Skillnader mellan byggnaders skattemässiga	–	–	–
och bokföringsmässiga värde	–	-1,487	1,487
Övriga temporära skillnader	–	–	–
	–	-1,487	1,487
			14,459

	Uppskjuten skattefordran	*2023-12-31 Uppskjuten skatteskuld*	*Netto*
Väsentliga temporära skillnader			
Avsättning	136	–	136
och bokföringsmässiga värde	–	306	-306
Övriga temporära skillnader	1,195	–	1,195
Andra outnyttjade skatteavdrag	–	-1,954	1,954
Uppskjuten skattefordran/skuld	1,331	-1,648	2,979
Uppskjuten skattefordran/skuld (netto)	1,331	-1,648	2,979

	Redovisat värde	*2022-12-31 Skattemässigt värde*	*Temporär skillnad*
Väsentliga temporära skillnader hänförliga till uppskjuten skattefordran			
Avsättning	-1,460	–	1,460
Skattemässiga underskott	–	16,823	16,823
Övriga temporära skillnader	-4,753	–	4,753
	-6,213	16,823	23,036
Väsentliga temporära skillnader hänförliga till uppskjuten skatteskuld			
Skillnader mellan byggnaders skattemässiga	–	–	–
och bokföringsmässiga värde	–	-1,404	1,404
Övriga temporära skillnader	–	–	–
	–	-1,404	1,404
			21,632

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		2022-12-31	
	Uppskjuten skattefordran	*Uppskjuten skatteskuld*	*Netto*
Väsentliga temporära skillnader			
Avsättning	301	–	301
Skattemässigt underskottsavdrag	3,465	–	3,465
Skillnader mellan byggnaders skattemässiga och bokföringsmässiga värde	–	289	-289
Övriga temporära skillnader	979	–	979
Uppskjuten skattefordran/skuld	4,745	289	4,456
Uppskjuten skattefordran/skuld (netto)	4,745	289	4,456

Not 21 Andra långfristiga fordringar

	2023-12-31	*2022-12-31*
Ackumulerade anskaffningsvärden		
Vid årets början	37	37
Tillkommande fordringar	–	–
	37	37

Not 22 Antal aktier och kvotvärde

	2023-12-31	*2022-12-31*
antal aktier	3,000	3,000
kvotvärde	100	100

Not 23 Disposition av vinst eller förlust

Styrelsen föreslår att fritt eget kapital, kronor 153.354 Tsek, disponeras enligt följande:

Utdelning [3000 aktier * 8.333 per aktie]		25,000
Balanseras i ny räkning		128,354
	Summa	153,354

Not 24 Övriga avsättningar

	2023-12-31	*2022-12-31*
Belopp vid årets ingång	1,460	1,480
Under året återförda belopp	-800	-20
	660	1,460

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Not 25 Finansiella instrument och riskhantering

Derivat och finansiell riskhantering

	2023-12-31		2022-12-31	
Tillgångar	*Redovisat värde*	*Verkligt värde*	*Redovisat värde*	*Verkligt värde*
Derivat för vilka säkringsredovisning tillämpas				
Gasol SWAP	7,262	8,099	3,692	3,692
	7,262	8,099	3,692	3,692
Derivat för vilka säkringsredovisning inte tillämpas				
	–	–	–	–
	–	–	–	–
	7,262	8,099	3,692	3,692

Skulder	*Redovisat värde*	*Verkligt värde*	*Redovisat värde*	*Verkligt värde*
Derivat för vilka säkringsredovisning tillämpas				
Gasol SWAP	1,190	1,132	18,451	16,970
Valutaterminskontrakt	7,262	7,761	22,758	23,462
	8,452	8,893	41,209	40,432
Derivat för vilka säkringsredovisning inte tillämpas				
Gasol SWAP	–	–	–	–
	–	–	–	–
	8,452	8,893	41,209	40,432

Verkligt värde för valutaterminskontrakt bestäms baserat på noterade priser, om tillgängliga. Det är inte tillgängligt, det verkliga värdet mäts genom att diskontera skillnaden mellan den överenskomna terminsräntan och den terminsränta som kan tecknas vid rapporteringsdagen för återstående period av kontraktet. Diskonteringen sker med en riskfri ränta baserad på statsobligationer. Verkligt värde för ränteswappar baseras på mellanvärderingar från kreditinstitut, vilken rimlighet bedöms genom diskontering av framtida kassaflöden enligt avtalsvillkoren och förfallodagen och baserat på marknadsräntan för liknande derivat på balansdagen.

Not 26 Upplupna kostnader och förutbetalda intäkter

	2023-12-31	2022-12-31
Upplupna semesterlöner	2,598	2,529
Upplupna sociala avgifter	1,525	1,505
Upplupen kundbonus	5,310	3,826
Övriga poster	1,334	2,336
	10,767	10,196

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Not 27 Väsentliga händelser efter räkenskapsårets slut

Efter balansdagen mottags 25.000.000 kronor motsvarande 500 kronor per aktie i Primagaz Gasol AB
Beloppet användes för att betala av koncerninterna lån.

Not 28 Betalda räntor och erhållen utdelning

	2023-12-31	*2022-12-31*
Erhållen ränta	370	631
Valutakursdifferenser	50	-502
Nedskrivning	–	–
Återförda nedskrivningar	–	45,291
Erlagd ränta	-9,911	-4,954
	-9,491	40,466

Not 29 Övriga upplysningar till kassaflödesanalysen

Justeringar för poster som inte ingår i kassaflödet m m

	2023-12-31	*2022-12-31*
Avskrivningar	3,677	3,482
Nedskrivningar/reversering av nedskrivningar	–	–
Återförda nedskrivningar	–	-45,291
Erhållen utdelning från intresseföretag	38,940	–
Justering avsättning	-800	-20
	41,817	-41,829

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Primagaz Sverige AB

Org nr 556708-5948

20240625131879

Stenungsund, Datum enligt signeringsverifikat

Glaura Hadje Kartalian Grandi
Ordförande

Ruud Henricus Petronella Beckers

Maarten Jan Oskam
Verkställande direktör

Vår revisionsberättelse har lämnats i enlighet med datering i signeringsverifikat

KPMG AB

Elisabeth Lundström
Auktoriserad revisor

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Maarten Jan Oskam
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2024-05-29 08:27:17 UTC

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2024-06-06 20:41:21 UTC

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Revisionsberättelse

Till bolagsstämman i Primagaz Sverige AB, org. nr 556708-5948

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Primagaz Sverige AB för år 2023.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Primagaz Sverige ABs finansiella ställning per den 31 december 2023 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Primagaz Sverige AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning för Primagaz Sverige AB för år 2023 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Penneo document key: KB7SM-DO3E3-AOKLS-GDSXH-YUOTD-C7DDW

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Primagaz Sverige AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.

Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- *på något annat sätt handlat i strid med aktiebolagslagen*, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att *en revision som utförs enligt god revisionssed i Sverige alltid kommer* att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi *granskat styrelsens motiverade yttrande samt ett urval av underlagen* för detta för att kunna bedöma om förslaget är förenligt med aktiebolagslagen.

Malmö i enlighet med datering i signeringsverifikat

KPMG AB

Elisabeth Lundström
Auktoriserad revisor

20240625131882

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20240625131883

ELISABETH LUNDSTRÖM
Undertecknare
Serienummer: 7fc9a730970350[...]5fbdc37c64135
IP: 151.177.xxx.xxx
2024-06-07 11:51:51 UTC

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PRIMAGAZ

3. September 2024

20240912029998

Bolagsverket
Årsredovisningar
SE-851 81 Sundsvall
Sweden

Org.nr. 556708-5948

Ärendenummer: 9385337/2024

Enclosed please find the requested 2023 annual report SHV Engergy.

Best regards,

Brian Rye Christiansen
Financial Controller

Primagaz Danmark A/S

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SHV ENERGY

Annual Report 2023

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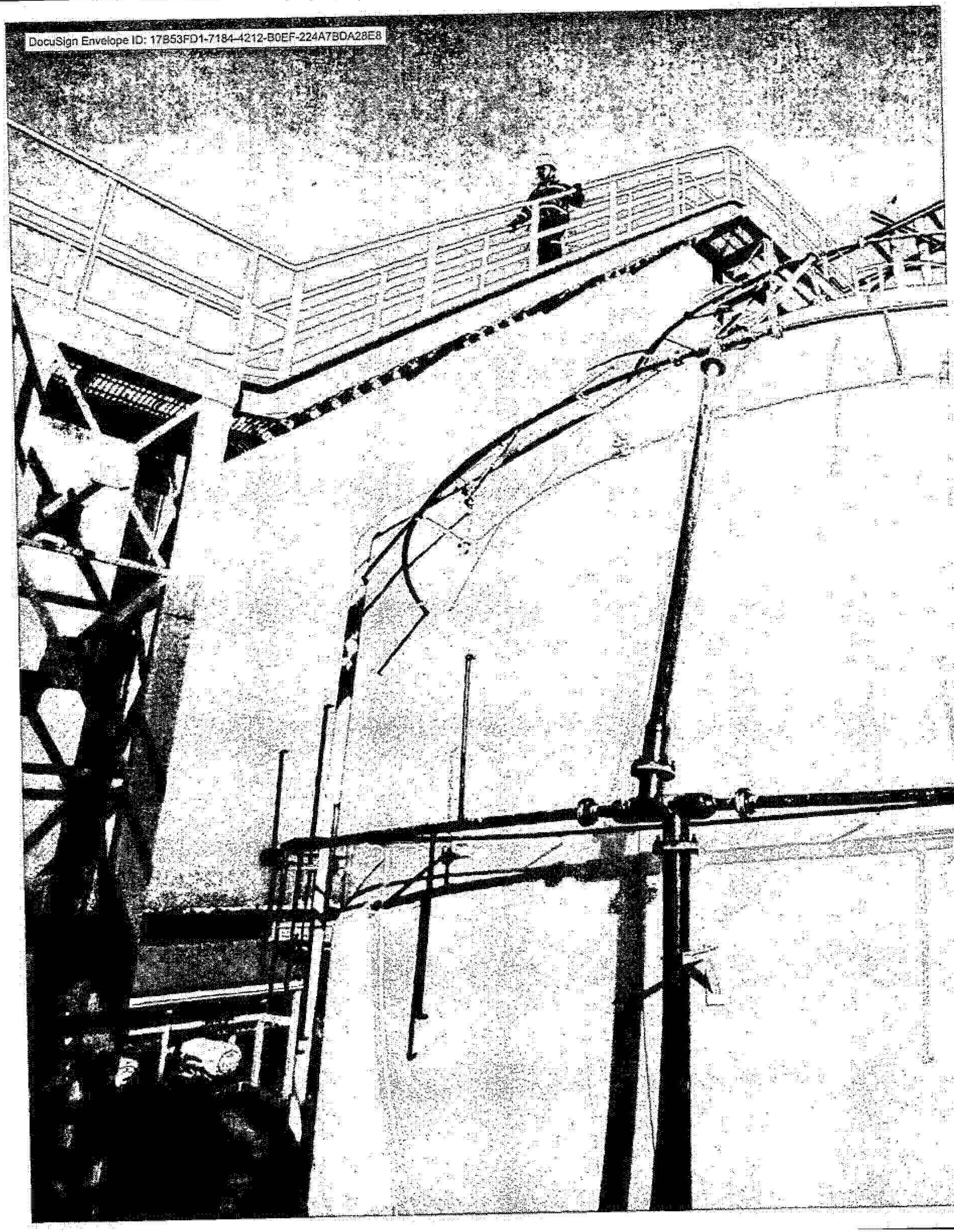

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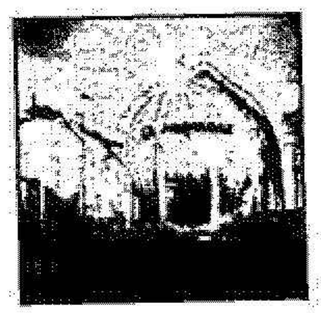

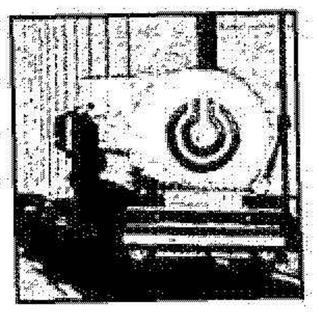

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Key figures

In millions of euro

	2023	2022	2021	2020	2019
Results					
Net sales	**9,204**	11,237	8,602	6,050	7,232
Gross profit	**2,142**	2,060	1,898	1,783	1,905
Operating result	**353**	346	368	276	335
Adjusted EBITDA [1]	**676**	648	586	521	577
Net result	**129**	187	252	165	237
Cash flows					
Changes in working capital	**11**	(6)	(216)	97	45
Operational cash flow	**428**	493	239	474	437
Investment cash flow	**(259)**	(481)	(358)	(348)	(444)
Financing cash flow	**(178)**	86	139	(68)	(69)
Financial position					
Group equity	**1,466**	1,495	1,631	1,515	1,487
Total assets	**4,234**	4,332	4,064	3,378	3,654
Average capital employed [2]	**2,525**	2,575	2,275	1,920	2,080
Ratios					
Return on average capital employed [3]	**14%**	13%	16%	14%	16%
Group equity as percentage of total assets	**35%**	35%	40%	45%	41%
Net leverage [4]	**1.22**	1.30	0.61	0.18	0.40
Debt/equity [5]	**0.78**	0.81	0.47	0.34	0.46
Operating margin [6]	**3.83%**	3.08%	4.28%	4.57%	4.64%
Employees					
Average FTEs	**15,167**	16,315	16,269	16,744	17,374

Comparative information for 2019-2020 has been restated to be consistent with the current presentation.

[1] Adjusted EBITDA is calculated as the operating result excluding exceptionals (see note 21) and add back depreciation and amortisation (note 20).

[2] Capital employed is the sum of (In) Tangible fixed assets and Working capital (note 25)

[3] Calculated by Operating result divided by average Capital employed.

[4] Calculated by Net debt (gross debt -/- cash -/- in house bank position presented in note 6 divided by earnings before interest and taxes (operating result excluding exceptionals (note 21) and add back depreciation and amortisation (note 20)).

[5] Gross debt divided by Group equity.

[6] Operating result divided by Net sales.

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Report of the Executive Board

SHV Energy report for the financial year ended on 31 December 2023.

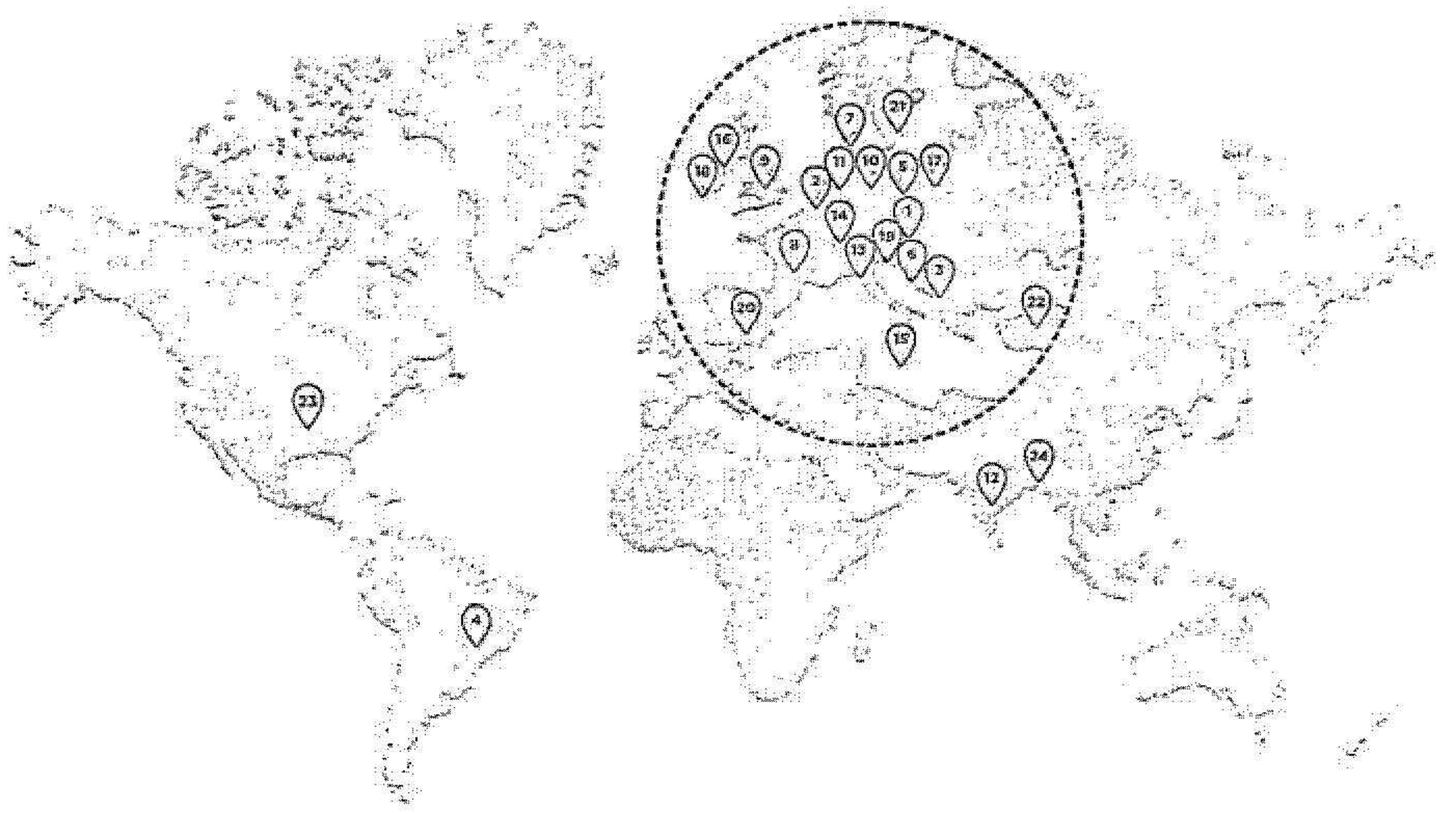
SHV Energy at a glance

SHV Energy is a leading global distributor of off-grid energy, including LPG and small-scale LNG, and is active in the area of sustainable fuels and renewable energy solutions.

Our products and services are predominantly used for heating, cooking and transportation. SHV Energy provide these decentralised, clean and low-carbon energy solutions to approx. 26 million business and residential customers.

SHV Energy consists of a group of business units that operate in over 24 countries across four continents and employ a total of 12,956 employees. It is a wholly owned subsidiary of SHV, a family-owned multinational. Our brands include Calor, Ipragaz, Liquigas, Pinnacle, Primagaz, Supergas, Supergasbras, Petromax, EM3 and SunSource.

Our products



Countries

1 Austria
2 Belgium
3 Bosnia and Herzegovina
4 Brazil
5 Czech Republic
6 Croatia
7 Denmark
8 France
9 Great Britain
10 Germany
11 The Netherlands (HQ)
12 India
13 Italy
14 Luxembourg
15 Malta
16 Northern Ireland
17 Poland
18 Republic of Ireland
19 Slovenia
20 Spain
21 Sweden
22 Turkey
23 United States of America
24 Bangladesh

Shared purpose and values

SHV Energy is guided by the values and overarching purpose of our parent company: 'Courage to care for generations to come'. Together, we forge our own path rather than follow short-term trends. We see change as an opportunity, not a threat. And we dare to seek new horizons, because they lead to real progress. Above all, our story is about people with the courage to care for what we do.

Every SHV Energy business unit is committed to better serving the needs of its customers and becoming the energy supplier of choice in the markets in which it operates. We do this with a decentralised model that includes increasing global cooperation and centrally organised initiatives.

We always place health & safety and sustainability at the heart of our business; providing our employees and partners with safe, secure, healthy and environmentally friendly working environments.

SHV Energy focuses on sustained growth for the benefit of its shareholders, customers, and employees, as well as the well-being of the communities in which we live and work. To help us achieve this, we cultivate an innovative group culture.

Vision and mission

Our main goal is to make cleaner and safer energy options accessible and affordable to as many customers and companies as possible, and we are looking to secure greater supplies to meet increasing demand. We recognise the challenge of climate change and we focus to search for innovative solutions, contributing to a more sustainable, environmentally friendly future. We believe that providing cleaner energy alternatives and partnering with communities also contribute to the long-term success of our business.

To facilitate the growth, efficiency and sustainability of our brands, we launched our 'Advancing Energy Together' strategy. The goal is to achieve the full potential of the group and work together globally to identify and solve common challenges and leverage shared opportunities. We aim to achieve this through a combination of organic growth, acquisitions, geographic expansion, productivity improvement and advocacy for, and the promotion of, sustainable fuels.

SHV Energy focuses on three horizons aimed at driving business growth by contributing to the global energy transition:

1. *Our core LPG and LNG business provides customers with a relatively clean source of energy, both in terms of carbon footprint and air quality. (for example, we support customers to move away from oil heating or wood burning for cooking, for cooking towards the cleaner LPG). There are significant opportunities to grow and optimise the core business through geographic expansion, innovation and digitalisation;*
2. *We plan to increase the share of biobased and sustainable fuels in our portfolio, using our current group and customer infrastructure;*
3. *We are focussing on other ways of providing renewable energy solutions to current market segments.*

SHV ENERGY

BUTAN PLIN · CALOR · GASPOL · IPRAGAZ · LIQUIGAS · PINNACLE

PRIMAGAS · PRIMAGAZ · SUPERGASBRAS · PETROMAX LPG · SUPERGAS · PRIMA LNG

FUTURIA FUELS · PRIMAGAS · SHV ENERGY SUPPLY & RISK MANAGEMENT · SunSource ENERGY · EM3

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Business review

2023 Highlights

SHV Energy performance in 2023 was solid amidst a challenging macro-economic environment. We achieved a gross profit of EUR 2.1 billion which is consistent with the EUR 2.1 billion gross profit in 2022, and an operating result of EUR 353 million (2022: EUR 346 million). SHV Energy was impacted by mild winter weather in the first part of the year and energy soberty of domestic customers, which resulted in lower volumes in all our segments. Further, the global increasing inflation had an impact on our cost base. The realised margins were strong given the relative affordability of LPG compared to LNG which more than offset the lower volumes and increased cost base.

2023 marks a year in which we made further development towards our objectives on renewable solutions and sustainable fuels. SunSource Energy (based in India) is now a 100% subsidiary of SHV Energy and successfully continued its growth in open access projects. EM3 has grown over 25% in revenue since Q1 2023 and continues to service industrial customers with energy efficiency solutions within the food and beverage and pharmaceutical sectors.

A joint venture established with KEW Technology in 2022 (Circular Fuels Limited) is continuing to develop a first of a kind demonstration site with production of rDME and a full-scale production site is aimed to be ready in the consecutive years. To drive innovative solutions in rLPG and eLPG, SHV Energy has an extensive R&D portfolio and in 2023 ran the fourth Open Innovation Challenge. Two winners have been selected who are supported to develop their early stage promising scientific research on sustainable bioLPG production.

Further, we have completed the transfer of ownership of our business unit Xiwei in China, marking the departure of more than 4,000 colleagues in China from the SHV Energy family. The new ownership will allow Xiwei to best develop and prosper under the current market conditions and policies, which should be more beneficial for our employees and customers.

In conclusion, 2023 was a successful year for SHV Energy, operationally as well as by realising important strategic steps. Given inflationary pressure, SHV Energy will be closely looking to remediating these through operational excellence and further cost efficiency measures.

Market trends

Growth in 2023 was impacted by the challenging macro-economic circumstances, resulting in an annual real GDP growth of 2.9%. In Europe (EU17), real GDP growth figures were 3.3% and 0.6% for 2022 and 2023, respectively.

The COVID-19 pandemic led to a temporary halt on imports and exports of LPG, along with manufacturing and processing activities across various industries, which decreased the demand for LPG from the consumers. This rebounded in 2022 and 2023 due to the significant price increase of LNG mainly as a result of the global tensions following the conflict in Ukraine. Although LPG is not always a suited substitute for LNG, this also drove the commercial demand for LPG but at the same time the significantly increased prices for both LPG and LNG also led to increased awareness of customers (both residential and commercial) on their usage of the products

[1]*Source: https://data.oecd.org, OECD members only*

Financial overview

Financial performance

SHV Energy generated gross profit of EUR 2.1 billion (2022: EUR 2.1 billion). Following the global economic recovery from the pandemic in 2022, 2023 was impacted by high inflation and the war in Ukraine resulting in an increased awareness of consumers of their gas consumption. This resulted in lower sales volumes in all our segments except Autogas, albeit compensated by higher margins following the relative affordability of LPG compared to LNG.

Operating result increased (mainly as a result of improved margins and the full year addition of the acquisition of operations in Bangladesh) to EUR 353 million in 2023 from EUR 346 million in 2022, although volumes were 3.8% lower in 2023 compared to 2022, amongst others due to the sale of our business in China. As a result of its operational performance, SHV Energy posted a net profit of EUR 129 million in 2023 (2022: EUR 187 million), including a negative impact of fair value changes in financial derivatives amounting to EUR 10 million.

Capital expenditures

Capital expenditure was EUR 393 million in 2023 (2022: EUR 551 million), driven mainly by ongoing replacement capital expenditure and growth investments. By applying a selectivity framework, the group allocates investments to the most profitable geographies and segments.

The group continues to invest in innovative solutions including new services, business models, processes and technologies. In 2023, SHV Energy continued to roll out digital solutions across business units to improve efficiency and customer experience.

Working capital

The working capital position of the group decreased in 2023 by EUR 11 million to EUR 343 million, driven by overall lower sales prices and gas prices in combination with increased margin-calls on our derivatives, partially offset by a focus on cash collection and payables.

Liquidity and solvency

On 31 December 2023, SHV Energy's cash position was EUR 203 million (2022: EUR 228 million). The group's net debt position stood at EUR 822 million (2022: EUR 841 million). Operating cash flow was EUR 428 million. Together with an investment cash outflow of EUR 259 million, this resulted in a free cash flow of EUR 169 million. With a financing cash flow of EUR 178 million, the net cash outflow was EUR 9 million.

Financing

In 2023, SHV Energy paid out EUR 187 million in dividends to its shareholder. The group took up financing of EUR 17 million in total, to refinance liquidity needs and provide local financing to our newly acquired operations in Bangladesh and to fund the further growth of our solar business in India.

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Risks and risk management

Sound risk management policies are key to sustainable business growth. Our proactive management of critical risk factors and transparent decision-making regarding risk/reward trade-offs increases the likelihood of achieving our strategic objectives.

In 2023, considerable attention was paid to updating our enterprise-wide risk assessment (at Group level, and within each Business Unit), leading to the redefinition of critical risk areas. For the majority of these key risk areas, we concluded that these risks are mitigated by the company's current business methods and controls. For the risk areas which are above our risk appetite, risk mitigation actions have been put in place to reduce the risk to an acceptable level. Risk owners have been appointed for all critical risk areas and are responsible for the identification, maintenance, development, and execution of action plans to ensure that risks are effectively managed and kept within desired levels.

Strategic risk

Geopolitical and macro-economic

Working globally means geopolitical developments or macro-economic events can hamper our business continuity and growth. SHV Energy carefully anticipates, monitors, and evaluates these risks and takes appropriate actions when necessary. SHV Energy's financial performance is influenced by the general economic and political climate and, more specifically, on the dynamics in the energy sector, e.g. in the oil and gas, petrochemical, and power generation sectors. Cyclical risks are mitigated by having a reliable and centralised supply and risk management organisation in place.

Market and competition

There is a risk that changes in regulation or competitors' actions could adversely impact SHV Energy's long-term market share and financial performance. This impact is mitigated by the group's global presence, its focus on biofuels and its diversification into renewable energy. All these factors add to our ability to react effectively to market opportunities, and with our strong financial position, enable the group to develop new business opportunities and partnerships.

Governance

To meet its strategic objectives, SHV Energy periodically evaluates and, when necessary, amends its governance structure, including systems and processes. Because of the group's decentralised governance structure, this is often done at a local level to adapt to the local business environment while, at the same time, leveraging our global experience. In 2023, considerable attention was paid to the strategic realignment of local initiatives to ensure the entities' readiness to deliver at full potential.

Achievement of our ambition (sustainable fuels)

SHV Energy has a strategic ambition to offer 100% renewably sourced energy by 2040. This will be achieved by increasing available distribution volumes of sustainable fuels through increasing supply in the short term and developing new sources of supply and products through investment and research and development in the medium to long term. We manage this ambition and the corresponding risks through the KPIs we have set in our delivery and development agenda and report on our sustainability progress in our annual sustainability report. In 2023, SHV Energy established Futuria Fuels as a dedicated business unit supplying sustainable molecules and solutions for our entities around the world. Establishing Futuria as a dedicated business unit underpins SHV Energy's commitment to achieving our mission and ambition of Advancing Energy Together.

Integration of acquired businesses

In 2023, SHV Energy continued the integration of SunSource and Petromax. The entity-specific risk analyses, detailed roadmaps and related action plans are subject to stringent monitoring and supervision by local and central teams. Governance structures and local team composition were strengthened to ensure the continued adaptation of SHV Energy's Business Support Framework and corporate standards.

Operational risk

People risk

For our operations to be successful, we need people with the right qualifications and competencies. Accordingly, SHV Energy invests in an attractive work environment and provides employees with opportunities to develop their talents and reach their highest potential. We analyse and follow the best practices in the market to attract and retain our talents. The optimal deployment of our workforce is continuously re-evaluated through the strategic realignment initiatives, recognising, managing and leveraging the skills and ambitions of our people.

ICT and cybersecurity risks

Inadequate IT, poor information management, and failure to adequately protect our information resources could disrupt business operations and cause significant financial and reputational damage. To mitigate these risks, SHV Energy has implemented a comprehensive Information Security framework and instated a global Security Operations Centre (SOC) to continuously monitor our landscape for external and internal threats.

Cybersecurity risks are high on the agenda of SHV Energy. The changing socio-political climate requires a more proactive security organisation. Through the Cybersecurity 2.0 Programme, SHV Energy aims to shift from a reactive to a proactive security organisation with demonstrated leadership and accelerated security initiatives. The programme focuses on delivering a secure digital foundation, improving security operations, strengthening access management and improving business resilience.

Health and Safety risk

Within SHV Energy, it is a core belief that "Nothing is so urgent or important that it cannot be done safely". Our goal is for every employee and contractor to go home safe and well at the end of their working shift, and that no employee, contractor or customer is adversely affected by our product anywhere in the value and delivery chains.

To achieve our ultimate goal, SHV Energy has introduced a set of risk-based minimum Health and Safety standards to help deliver the same high level of operational discipline regardless of geographical location, differences in legislation or H&S maturity. By adopting this risk-based approach to H&S management, H&S risks are identified, assessed and adequately mitigated by assigning resources focused on the areas of highest risk.

Fraud and compliance risk

The current global economic environment, and the increasing activity of SHV Energy in emerging markets lead to an increased risk of non-compliance, especially in the areas of fraud, bribery and corruption. SHV Energy has a zero-tolerance policy on fraud, bribery and corruption and has various controls and prevention programmes in place. SHV Energy has strict protocols and compliance processes in place to timely identify, investigate, and report on actual or suspected fraud occurrences and non-compliant behaviour. Where needed, corrective action is taken to prevent recurrence.

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Financial risk

SHV Energy is exposed to various types of financial risk, which we categorise as market risk and liquidity risk.

Climate risk

SHV Energy faces risks and opportunities as a result of climate change and governmental actions to reduce carbon emissions and create low-carbon and climate-resilient economies. Risk mitigating actions and new business opportunities are being targeted and developed. The risks of climate change for SHV Energy's financial performance can be classified as physical risks or transition risks. Physical risks caused by rising global temperatures include extreme weather events, changing weather patterns and rising sea levels. These events and changes can impact our supply chain and customer behaviour. Transition risks associated with transitioning to a lower-carbon economy are primarily related to i) costs associated with transitioning to lower or no emissions products and ii) changes to carbon linked regulations and policies.

Market risk

Market risk refers to the risk of loss arising from adverse changes in commodity prices, foreign currency exchange rates or interest rates. Investments in various countries and ongoing operating and financing activities mean that SHV Energy is exposed to market risk for our business operations. Loss exposure can be assessed from the perspective of adverse changes in fair values, cash flows and future earnings. SHV Energy has established policies, procedures, and processes to govern the management of market risks and the use of financial derivative instruments to manage exposure to such risks.

Commodity risk

As a distributor of LPG to end customers in various market segments, the group is exposed to fluctuations in global energy prices in the supply chain and distribution network, mainly butane and propane. Wherever possible, a commercial pricing strategy is used to seek a natural hedge to these fluctuations. In addition, financial derivative instruments are used to hedge purchase prices and stock valuations.

Foreign exchange risk

Foreign exchange risk arises from transaction and translation exposure. Regarding transaction exposure, the group experiences fluctuations in its revenues, costs, and expenses solely due to changes in foreign currency exchange rates. Foreign exchange risk originates from purchases in foreign currencies or foreign currency loans for liquidity purposes. This risk is mitigated by the "natural hedge" created by reflecting foreign exchange rate fluctuations in product sales prices. Derivative financial instruments are also used to hedge residual foreign exchange risk.

Translation exposure arises from group investment in non-Euro group companies. The funding structure of our subsidiaries partly mitigates the translation exposure of our foreign currency-based subsidiaries. SHV Energy aims to fund its subsidiaries in its functional currency and puts in place a local funding structure where exchange controls and withholding taxes may inhibit our ability to service internal group debt or distribute profits generated. This funding structure additionally aims to hedge our exposure to (hyper)inflation, particularly in our emerging market operations.

Interest rate risk

SHV Energy makes limited use of debt financing and prefers to do so on a fixed interest basis, meaning exposure to floating interest rate risk is limited.

Liquidity risk

Liquidity risk refers to a potential event in which an entity may be unable to secure the cash required to meet its short- or medium-term obligations. Several policies are in place to manage this risk, and critical control indicators are in place to monitor actual performance. Explicit attention is paid to credit management, payment terms and the timeliness of customer invoicing. SHV Energy monitors its cash flow forecast closely to ensure that financial obligations to its creditors are met and stay within the limits of committed loan covenants. Several sources of additional liquidity are available during times of lower liquidity in the business due to seasonality. These include in-house bank facilities with SHV Holdings and external credit lines.

Governance

SHV Energy is governed by the Management Board, which consists of seven members and is chaired by the CEO and is responsible for guiding the strategic direction and overseeing the operations of the company. Within the management board, the CEO and CFO are part of the Executive Board.

Internal Control

The SHV Energy Management Board is ultimately responsible for implementing, operating and monitoring an effective internal control system. The internal control system ensures that risks are periodically re-evaluated and that key controls are effectively implemented throughout the organisation. As such, it is an important driver for managing risks and for ensuring operational excellence within the organisation. The internal control system is periodically updated to reflect changes in business operations and risk areas.

Ethics & Compliance

SHV Energy is active in various businesses in many countries and must deal with a wide range of laws and regulations. Across our organisation, compliance with external and internal rules is mandatory. The SHV Energy code of conduct, supplier code, business partner code policies, manuals and guidelines are available in the SHV Energy Policy House, a web-based repository.

A risk assessment is performed on a yearly basis, both at Group level as well as at the Business Units. The Business Support Framework, a periodical assessment of the key controls in SHV Energy, is a self-evaluation that helps to substantiate and demonstrate an adequate level of being 'in-control'. In addition, SHV Energy performs validation sessions with all business units to monitor the implementation of and adherence to the Ethics & Compliance rules. Both processes add value by identifying opportunities for improvement, helping the business to grow, and preventing issues such as fraud, corruption and avoidable losses.

Our employees receive a mandatory Ethics & Compliance training to create awareness of relevant topics, including but not limited to the code of conduct, anti-bribery & corruption, competition law, trade sanctions & trade controls and privacy. To manage risks related to its business partners, SHV Energy has a third-party due diligence programme in place. The Ethics & Compliance function provides advice and guidance across the group and is involved in all M&A projects.

To enable employees to report any concerns on (alleged) infringements of our code of conduct or any of our policies, we have a Speak Up process, including a Speak Up helpline (whistle-blower tool). All reports to the helpline are treated confidentially by the Ethics & Compliance function. We do not tolerate any retaliation against anyone who reports in good faith a potential violation of our code, our policies, or the law.

Health & Safety (H&S)

At SHV Energy we strive to ensure a healthy and safe working environment for all our employees, visitors, and contractors. At the core of our values, we aim for zero fatalities, injuries, or occupational illnesses to our employees and society. This applies to our workplace, the environments in which we operate, our customers, and our suppliers.

During 2023, SHV Energy continued to develop, roll out and improve our Safe Systems of Work aligned to deliver the improvements identified in the overall H&S Strategic Plan and the six H&S Engines for Change. The Operational Discipline and Process Safety programme was extended to include circa 100 filling plants in addition to the 21 terminals added originally in 2022. Since the acquisition of Petromax in Bangladesh and the divestment of Xiweigas in China we now have 24 terminals and 72 filling plants. Our Visible Felt Leadership assessment tool continued to demonstrate improvements in our health & safety culture during 2023, and further assessment will be conducted in 2024 and beyond.

The cultural change programme (CARE), now in its third year of roll out, is also starting to show benefits in colleague engagement and improvement of H&S awareness throughout the organisation. We were able to re-invigorate our occupation health activities where we have identified and commenced rolling out several manual handling improvement programmes. We have also identified the need to enhance and accelerate our colleague mental health and wellbeing support which we introduced in Q1 2023. We recommenced the cross-business-unit audits which allows for better knowledge sharing and transfer of best practices.

Coming to the end of the third full year of our strategic H&S roadmap, we are seeing sustainable improvements overall in the lagging rates in both Lost Time Injuries (LTIs) and Total Recordable Cases (TRC) with reduction of 1% but an increase of 12% (TRCFR) respectively during 2023, although approx. 45% and 35% reduction overall since 2019.

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Environment

2023 was another significant year for SHV Energy's work on sustaining the environment.

After hosting our first Global Sustainability Innovation Challenge in 2022, we worked together with five finalists in the course of 2023. These startup companies help us further lower our CO_2 emissions and by bringing innovative offerings, like solar energy system and retrofittable diesel/LPG engine kit for our trucks, smart metering in our facilities and targeted driving behaviour change through technology. By testing these solutions together with our business units, we expect to further scale things in the next few years and deliver on the projected CO_2 reduction.

Lowering our Scope 1 and 2 emissions has been a priority for several years now, since it involves operations, we directly control. In 2023, all business units were asked to submit a multi-year CO_2 reduction plan that covers the next three years. All initiatives have been allocated to owners, CAPEX, and projected CO_2 savings. By hosting quarterly deep dives we make sure we follow-up and colleagues involved are spoken to or they get the help they need.

Considering the upcoming CSRD regulation we are establishing a new company-wide CO_2 reduction target. This new target is aligned with the Paris agreement and comes with an updated baseline measurement, insights in decarbonisation levers and clear timelines. We expect to communicate on this new target and our climate change mitigation efforts early 2024.

Besides the topic of climate change mitigation, we made good progress in climate change adaptation. By adopting the Task Force on Climate-Related Financial Disclosures (TCFD) framework, we gained first insights in SHV Energy's climate-related financial risks and opportunities. Next step is to adopt the recommendations and further improve our company's resilience.

Innovation

At SHV Energy, innovation is driven by our purpose, aiming to create impact across our people, planet, and performance.

In 2023, we introduced the Beyond vision with four pillars to inspire and guide our innovation portfolio towards the future value chain. The key pillars include an automated filling plant, zero waste, peace of mind, and a digital twin of a customer. To ensure focus and transparency, we simplified the innovation process, now managed through a global project portfolio tool. This tool is accessible to our entire innovation community, allowing them to oversee their projects and draw inspiration from the entire innovation portfolio.

Innovation has significantly influenced our performance, exemplified by successful projects such as the low-cost device tested in Brazil, automatically converting LNG installations to LPG. In France, a digital platform was implemented for our partners, reinforcing relationships through exclusive services and direct communication. India launched a customer app, digitizing contact points and providing an enhanced and distinctive customer experience.

On a global scale, our exploration continued with five pilots involving start-ups resulting from the 2022 Open Innovation Challenge. These initiatives yielded CO_2 emissions reductions ranging from 5-13% in different Business Units. One startup has signed a long-term contract with our business unit in Belgium, and another successfully completed the pilot, initiating negotiations for scale-up. Particularly disruptive solutions, such as powering diesel trucks with LPG and installing solar panels on trucks, showcased significant potential. Collaboration with these startups will be extended to achieve the necessary maturity level for scaling up.

Lastly, our inaugural global hackathon received 54 submissions from multiple countries, yielding six innovative solutions for our commercial challenges during three full days of building and prototyping at our headquarters. Business Units are now organising themselves to further develop these solutions.

Human capital

Engaging employees, focussing on people development & talent management, and promoting an inclusive culture to drive growth were important priorities for 2023. To remain a future proof organisation, SHV Energy keeps focusing on developing new capabilities and takes initiative to re-skill its workforce.

To stay ahead of the curve to combine local ongoing success with SHV Energy cash generation and investment capability, we have designed the operating model Horizons. In order to thrive this implementation an important partnership has been formed with Rotterdam Erasmus University to build capabilities related to Energy Transition, Strategic Thinking and Business Acumen. 130 leaders at SHV Energy will be actively participating to enhance their capabilities. Leadership is one of the most important elements of SHV Energy culture, that is why we also invest in a leadership program that will also impact the senior leaders in our organization, Further, all the Business Units made an important step forward to implement Well Being programmes.

To be aligned with our Energy Transition strategy, five HR strategic Pillars are defined followed by four strategic HR Projects:

- *Culture: foster a culture and engagement level that creates competitive advantage;*
- *Talent Management: further Develop a global leadership pipeline that meets current and future business needs;*
- *Learning and Development: promote a disciplined approach that enhances how we attract, develop, and retain talent;*
- *Organisational effectiveness: keep high performing organisations that yield competitive advantage in the future;*
- *Up-skill HR community: improve HR capabilities to drive business growth.*

Four Strategic HR Projects:

- *Evolving Leadership;*
- *Future Capabilities;*
- *Employee Experience;*
- *Digital Workplace.*

As a result of our ambition to have diverse and inclusive teams the SHV Energy Management Board has members with four different nationalities and a female representation of 40% (3 out of 7 Board Members). Companywide, 16 out of 20 business unit management teams now comprise two or more nationalities. In 2023, we saw a slight increase in the number of women in management teams and senior functional roles to 23%. Over the year we had 40 job rotations on ABC-level, 75% of vacancies were filled by candidates from within SHV Energy.

Outlook for 2024

The volatility of the financial markets, driven by increased interest rates and inflationary pressure in combination with the continued war in Ukraine and its effect on economy and global commodity prices, will continue to impact our operations. SHV Energy is actively managing price volatility, protecting its margins. Based on current information, no major shocks to LPG supply for SHV Energy are expected. Notwithstanding the volatility of these external factors and possible selective economic downturns, SHV Energy expects that most of our markets and segments will show resilience in their performance.

In parallel, our focus on efficiency, including the ongoing digitisation of business processes, should to a certain extent counter inflationary pressure.

Hoofddorp, 13 May 2024

Executive Board
A.A. Gräber – CEO
L.M. van der Wal – CFO

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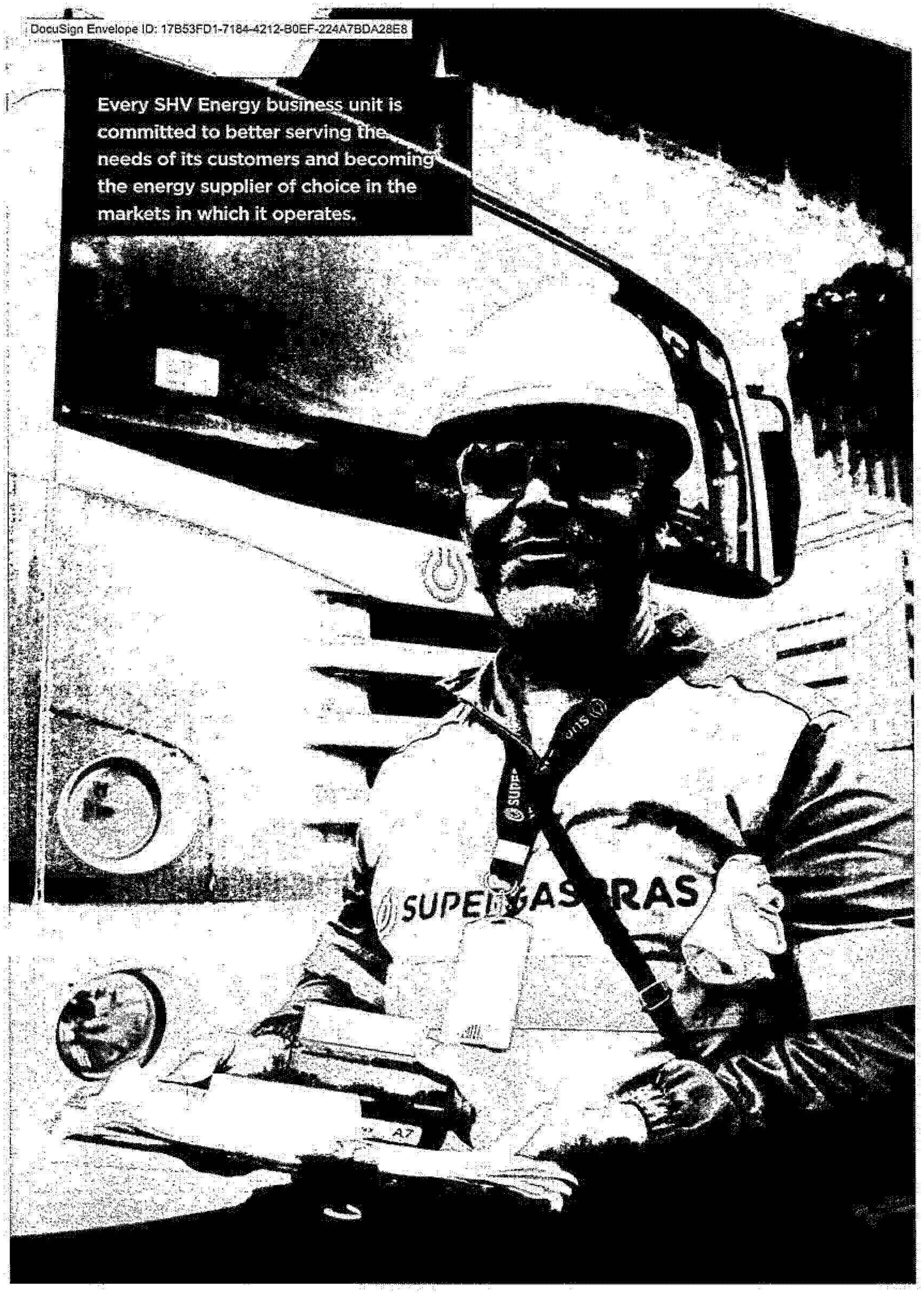

Consolidated financial statements

Consolidated balance sheet as at 31 December 2023 (Before profit appropriation)

In millions of euro

	Note	2023		2022	
Fixed assets					
Intangible fixed assets	2	332.7		352.2	
Tangible fixed assets	3	1,835.5		1,843.8	
Financial fixed assets	4	211.3		222.3	
			2,379.5		2,418.3
Current assets					
Inventories	5	433.8		428.7	
Derivative financial instruments		53.7		93.9	
Trade and other receivables	6	1,164.0		1,147.7	
Securities	7	-		15.5	
Cash and cash equivalents	8	202.7		228.1	
			1,854.2		1,913.9
			4,233.7		**4,332.2**
Group equity					
Shareholder's equity	9	1,438.9		1,469.0	
Minority interests	10	27.1		26.3	
			1,466.0		**1,495.3**
Provisions	11		435.1		461.3
Non-current liabilities	12		360.7		585.6
Derivative financial instruments	13		46.0		64.8
Current liabilities	13		1,925.9		1,725.2
			4,233.7		**4,332.2**

The notes 1 to 29 are an integral part of these consolidated financial statements.

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Consolidated profit and loss account 2023

In millions of euro

	Note	2023		2022	
Net sales	16		9,203.7		11,236.6
Cost of raw materials and consumables	17	(7,043.4)		(9,159.3)	
Cost of outsourced work and other costs	17	(383.8)		(359.8)	
Salaries and wages	18	(529.1)		(536.1	
Social security expense		(97.4)		(96.3)	
Other operating expenses	19	(477.1)		(457.6)	
Amortisation and depreciation	20	(290.3)		(275.6)	
Impairment	2	(29.7)		(5.5)	
Total operating expenses			(8,850.8)		(10,890.2)
Operating result	21		352.9		346.4
Income from investments in affiliates before tax		(3.9)		(1.8)	
Interest income and similar income	22	18.9		34.8	
Interest expenses and similar charges	23	(107.3)		(77.4)	
			(92.3)		(44.4)
Result before tax			260.6.		302.0
Tax on result	24	(121.1)		(104.7)	
Result after tax			139.5		197.2
Minority interests			(10.7)		(10.0)
Net result			**128.8**		**187.2**

The notes 1 to 29 are an integral part of these consolidated financial statements.

Consolidated cash flow statement 2023

In millions of euro

	Note	2023		2022	
Operating result			**352.9**		**346.4**
Adjusted for:					
Amortisation and depreciation	2,3	290.3		275.6	
Other value adjustments	2,3,4	28.5		5.8	
Result on disposals of consolidated companies	1	(22.4)		(2.0)	
Result on disposals of fixed assets	3	(11.9)		(17.9)	
Changes in provisions		(30.2)		10.8	
			254.3		272.3
Cash flow from business operations before changes in working capital			607.2		618.7
Changes in:					
Inventories		(18.4)		(4.1)	
Trade receivables		(6.5)		6.0	
Trade payables		52.0		(18.1)	
Other receivables, payables and accruals		(16.5)		10.4	
Changes in working capital	25		10.6		(5.8)
Net interest and other financial results paid and received		(73.1)		(60.4)	
Dividends received from investments in affiliates	4	1.8		2.1	
Net taxes paid and received		(110.6)		(78.0)	
Other changes		(7.5)		16.5	
			(189.4)		(119.8)
Cash flow from operating activities			**428.4**		**493.1**
Investments in:					
Intangible fixed assets	2	(46.6)		(111.3)	
Tangible fixed assets	3	(322.7)		(392.3)	
Acquisition of Group companies, net of cash acquired		-		(13.5)	
Affiliates, trade investments and other financial fixed assets	4	(23.9)		(33.7)	
Disposals of:					
Tangible fixed assets	3	56.5		45.1	
Divestment of Group companies, net of cash disposed		53.8		2.0	
Affiliates, trade investments and other financial fixed assets	4	23.9		22.9	
Cash flow from investing activities			**(259.0)**		**(480.8)**

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Consolidated cash flow statement 2023 cont.

In millions of euro

	Note	2023	2022
Free cash flow		**169.4**	**12.3**
Repayment of non-current borrowings	*12*	-	(16.1)
Take-up of non-current debt	*12*	57.4	15.6
Net change in non-current debt to/from shareholder/participants	*4, 12*	(9.0)	122.0
Changes in debts to financial institutions		(64.6)	37.3
Changes in in-house bank accounts		(29.5)	359.9
Margin calls paid and received		62.7	(166.6)
Capital changes by minority shareholders	*10*	(0.4)	2.6
Acquisition of minority interest	*9, 10*	-	(5.9)
Dividend paid to shareholder of the Company	*35*	(187.2)	(252.0)
Dividend paid to minority shareholders	*10*	(7.6)	(11.2)
Cash flow from financing activities		**(178.2)**	**85.6**
Net cash flow		**(8.8)**	**97.9**
Changes in investment in securities	*7*	-	(9.1)
Exchange rate and translation differences		(16.6)	(12.4)
Changes in cash and cash equivalents		**(25.4)**	**76.4**

The notes 1 to 29 are an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income 2023

In millions of euro

	Note	2023	2022
Net result		**128.8**	**187.2**
Translation differences on foreign operations		(29.5)	(14.0)
Cash flow hedges including taxes		33.2	(116.9)
Monetary and inflation correction		30.6	39.6
Total of items recognised directly in shareholder's equity	*9, 35*	34.3	(91.3)
Comprehensive income		**163.1**	**95.9**

The notes 1 to 29 are an integral part of these consolidated financial statements.

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Notes to the 2023 consolidated financial statements

General

Reporting entity and relationship with parent company

SHV Energy N.V., ('SHV Energy' or 'the Company'), having its legal address in Utrecht, is a limited liability company under Dutch law and is registered under number 30098428 in the Trade Register. The head office is located at Capellalaan 65, Hoofddorp, the Netherlands.

All shares of the Company are held by SHV Nederland B.V. (Utrecht). The ultimate parent company of SHV Energy is SHV Holdings N.V. registered in Bonaire. The financial information of the Company is included in the consolidated financial statements of SHV Holdings N.V.

These financial statements contain the financial information of both the Company and the consolidated companies of the Company ('the Group').

The operational activities are in the areas of energy distribution and marketing. The Group provides clean, independent energy to millions of consumers for thousands of different applications. Our major products are LPG, LNG and BioLPG, all of which can be used without a centralised gas grid infrastructure and renewable energy solutions. The Group currently operates across four continents: North and South America, Asia and Europe.

Financial reporting period

These financial statements cover the year 2023, which ended at the balance sheet date of 31 December 2023.

Basis of preparation

The consolidated financial statements of the Company are part of the statutory financial statements of the Company and have been prepared in accordance with Title 9, Book 2 of the Netherlands Civil Code.

The accounting policies applied for measurement of assets and liabilities and determination of results are based on the historical cost convention, unless otherwise stated in the further accounting principles.

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Climate risk

SHV Energy is committed to environmental principles integrated into our strategic objectives. These strategic objectives include a commitment to further reduce our carbon emissions by 2030 compared to 2019.
The impact of this climate roadmap has been considered when preparing these consolidated financial statements.

Use of estimates

In assessing for impairment indicators for intangible and tangible fixed assets, SHV Energy also considers the impact of its sustainability targets and of relevant transition and physical climate risks, if identified for a specific country or region. Transition risks are risks associated with transitioning to a lower-carbon economy and are primarily related to cost of climate impacts, new technologies, market developments and climate litigations. Physical risks are risks that arise from the physical effects of climate change

Potential financial implications of climate change

SHV Energy faces risks and opportunities because of climate change and governmental actions to reduce carbon emissions and create low-carbon and climate-resilient economies. Risk mitigating actions and new business opportunities are being targeted and developed. The risks of climate change for SHV Energy's financial performance can be classified as physical risks or transition risks.

Physical risks caused by rising global temperatures include extreme weather events, changing weather patterns and rising sea levels. These events and changes can impact our supply chain and customer behaviour. Transition risks associated with transitioning to a lower-carbon economy are primarily related to:

i) costs associated with transitioning to lower or no emissions products and
ii) changes to carbon linked regulations and policies.

As of the year 2023, the main key transitional risk identified relates to proposed climate change related regulations at both the international and national levels, such as the European Union's proposed carbon dioxide reduction targets. The main physical risks identified refer to the impact on our operations by climate change in terms of decline in demand of our products due to milder winters.

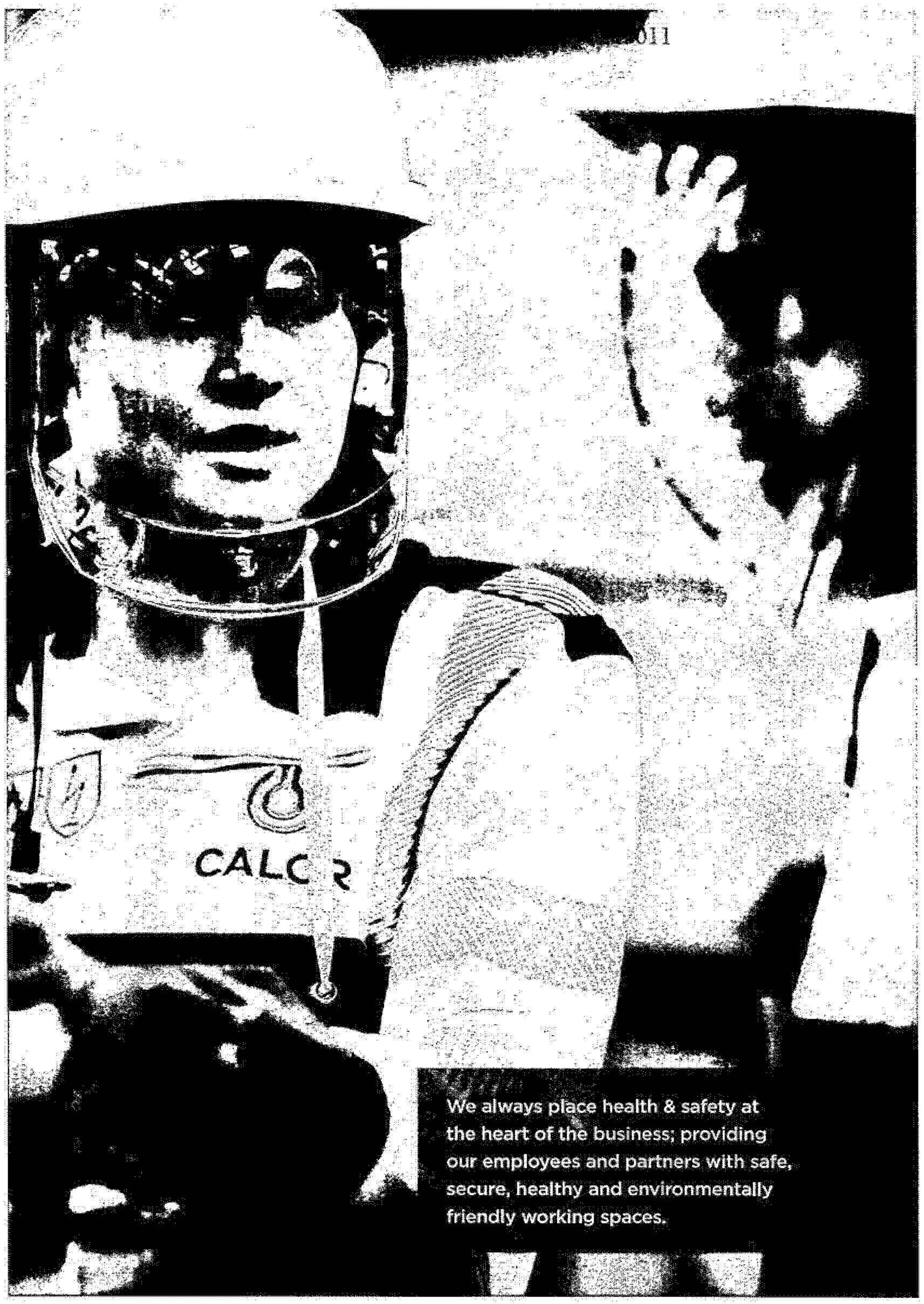
Climate risk might result in material adjustments to the carrying amounts of assets and liabilities as a result of, among other things, future reassessment of useful lives of tangible and intangible assets, changed assumptions used as basis for impairment testing of such assets and changes to cost of capital. Significant judgment may be needed to estimate such adjustment. As of year-end 2023, any future financial impact to SHV Energy of climate risks and opportunities are highly uncertain. SHV Energy has not identified significant assets which may be of reduced or no value as of year-end 2023 as a result of climate risk ('stranded assets').

Application of Section 402, Book 2 of the Dutch Civil Code

The financial information of the Company is included in the consolidated financial statements. For this reason, in accordance with Section 402, Book 2 of the Dutch Civil Code, the separate profit and loss account of the Company exclusively states the share of the result of participating interests after tax and the other income and expenses after tax.

Going concern

The financial statements of the Company have been prepared on the basis of the going concern assumption. We have performed a going concern assessment and have not identified any significant going concern risks.



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Accounting policies for measurement of assets and liabilities and determination of result

General

Assets and liabilities are measured at historical cost, unless otherwise stated.

An asset is recognised in the balance sheet when it is probable that the expected future economic benefits attributable to the asset will flow to the Company, and the asset has a cost price or value that can be measured reliably. Assets that are not recognised in the balance sheet are considered as off-balance sheet assets.

A liability is recognised in the balance sheet when it is expected that the settlement of an existing obligation will result in an outflow of resources embodying economic benefits, and the amount necessary to settle this obligation can be measured reliably. Provisions are included in the liabilities of the Company. Liabilities that are not recognised in the balance sheet are considered as off-balance sheet liabilities.

An asset or liability that is recognised in the balance sheet, remains recognised on the balance sheet if a transaction (with respect to the asset or liability) does not lead to a major change in the economic reality with respect to the asset or liability. Such transactions will not result in the recognition of results. When assessing whether there is a significant change in the economic circumstances, the economic benefits and risks that are likely to occur in practice are taken into account. Benefits and risks that are not reasonably expected to occur, are not taken into account in this assessment. If assets are recognised of which the Company does not have the legal ownership, this fact is disclosed.

An asset or liability is no longer recognised in the balance sheet, and thus derecognised, when a transaction results in all or substantially all rights to economic benefits, and all or substantially all of the risks related to the asset or liability, being transferred to a third party. In such cases, the results of the transaction are directly recognised in the profit and loss account, taking into account any provisions related to the transaction.

All types of income, including trade revenues, financial income and various gains, are recognised in the profit and loss account when an increase in future economic potential related to an increase in an asset or a decrease of liability arises of which the size can be measured reliably. Expenses are recognised when a decrease in the economic potential related to a decrease in an asset or an increase of a liability arises of which the size can be measured with sufficient reliability.

All types of income and expenses are allocated to the respective period to which they relate. Trade revenues are recognised when the Company has transferred the significant risks and rewards of ownership of the goods to the buyer.

Hyperinflation

The income and expenses of foreign operations in hyperinflationary economies are translated to the functional currency at the exchange rate at the reporting date. Prior to translating the financial statements of foreign operations in hyperinflationary economies, their financial statements are restated to account for changes in the local inflation indices. The adjustment is based on relevant price indices at the reporting date. In case of hyperinflationary economies, the financial statements are adjusted for the effects of changing prices of local currency. The translation to the functional currency is recorded in equity and the restatement for changes in local inflation indices is recorded in the statements of income. Hyperinflation is accounted for the operations in Turkey.

Functional and presentation currency

Items of each of the Group entities included in these consolidated financial statements are initially measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

The consolidated financial statements are presented in euro ('EUR'), which is the Company's functional currency. All amounts have been presented in millions.

Use of estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the accounting principles and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The following accounting policies are, in the opinion of management, the most critical in preparing these financial statements and require judgements, estimates and assumptions:

Valuation of intangible and tangible fixed assets:

- *Tangible and intangible fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable;*
- *The discount rate and projected free cash flow are the inherent management estimates and assumptions used in assessing whether an impairment charge should be recognised. Should the actual performance of the cash-generating units become materially worse compared to the estimates, possible impairment losses could arise;*
- *Estimates significantly impact goodwill and other acquisition related intangibles. The determination of fair values of acquired identifiable intangibles is based on an assessment of future cash flows. The following estimates and assumptions are used in determining the fair values of acquired identifiable intangible assets: the WACC, expected long-term revenues and margin levels, royalty and attrition rate, contributory assets charges, remaining useful life expectations and others.*

Valuation of deferred tax assets:

- *The Group recognises deferred tax assets arising from unused tax losses, deductible temporary differences or tax credits only to the extent that there is convincing evidence within the relevant fiscal unit that sufficient taxable profit will be available to compensate;*
- *Regarding recognised deferred tax assets arising from net operating losses, management believes, based upon the level of historical taxable income and projections for future taxable income, that sufficient future tax profits will be available to utilise these operating losses;*
- *Regarding unrecognised deferred tax assets arising from net operating losses, management believes, based upon the level of historical taxable income and projections for the future taxable income, it is more likely than not, that no future tax profits will be available that can be utilised on short notice. As a consequence, management did not recognise a deferred tax asset for these operating losses.*

Valuation of provision for doubtful receivables:

- *Provisions are made for doubtful receivables based on management's estimate of the prospect of recovering the debt. Where management has determined that the recovery of the debt is doubtful, the amount is provided for.*

Valuation of derivative financial instruments:

- *Estimation of the fair value of a derivative financial instrument involves discounting of future cash flows including credit and liquidity surcharges which involves management judgement.*

Valuation of provisions:

- *The amounts recognised as a provision are management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. This is the amount management expects to pay to settle the obligation at the balance sheet date or to transfer it to a third party at that time. Classification and discounting period of provisions for deposits is estimated based on historical pattern of turnover of underlying assets.*

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Consolidation principles

The consolidated financial statements include the separate financial statements of:

- *SHV Energy N.V.;*
- *Companies over which the Company has control or of which it conducts the central management.*

Subsidiaries are participating interests in which the Company (and/or one or more of its subsidiaries) can exercise more than half of the voting rights in the general meeting or can appoint or dismiss more than half of the managing directors or supervisory directors.

Group companies are participating interests in which the Company has a majority interest, or in which it can exercise decisive influence (control) by other means. In assessing whether the Company has control, potential voting rights are considered that can be exercised in such a way that they will provide the Company with more or less influence.

Newly acquired participating interests are consolidated as from the date that decisive influence (control) can be exercised. Disposed participating interests are consolidated until the date of loss of this influence.

The Company's group companies are listed on pages 91-93.

Business combinations

A business combination is a transaction whereby the Group obtains control over the assets and liabilities and the activities of the acquired party.

Business combinations are accounted for using the 'purchase accounting' method on the date that control is transferred to the Group (the acquisition date). The transaction price is the cash consideration or equivalent agreed as part of the acquisition, or the fair value of the consideration transferred at the acquisition date. Transaction costs that are directly attributable to the business combination are added to the transaction price. In case of deferred payment of the consideration, the transaction price is the discounted value of the consideration.

The Group recognises the identifiable assets and liabilities of the acquiree at the acquisition date. These assets and liabilities are recognised individually at their fair values, provided that it is probable that future economic benefits will flow to the Group (for assets) or settlement will result in an outflow of resources embodying economic benefits (for liabilities), and the fair value of all these can be measured reliably.

Refer to the accounting policy under the heading 'Intangible fixed assets' for the recognition of positive or negative goodwill resulting from a business combination.

An agreed possible adjustment to the purchase price that is contingent on future events is included in the purchase price if the adjustment is probable and the amount can be measured reliably. It is also possible that a previous estimate of the adjustment to the purchase price must be revised.

Such adjustments to the purchase price, that are recorded as changes in estimates, will also result in an adjustment to (positive or negative) goodwill. The adjusted goodwill is amortised prospectively from the date of the adjustment of the purchase price. Comparative figures are not adjusted.

Business combinations under common control

A business combination under common control is a business combination of an entity that is under common control with the acquirer. Such business combinations are also referred to as common control transactions.

Business combinations under common control are accounted for using the 'pooling of interests' method.

Applying this method, the assets and liabilities of the combining entities, as well as their income and expenses, for the period in which the combination has occurred and for the comparative period disclosed are included in the financial statements of the combined entity as if they had been combined from the beginning of the comparative period. The carrying amounts of the assets and liabilities are combined, no revaluation to fair value takes place. Any differences between the accounting policies of the combined entities are unified through a change in accounting policies applied retrospectively.

In the situation that the date of merger is not the date of the start of the reporting period, the results of the acquired entity are recognised in the profit and loss account of the acquiring entity as from beginning of that reporting period.

Any difference between the nominal amount of the share capital issued as a result of the combination (plus any additional consideration in the form of cash or other assets) and the carrying amount of the assets and liabilities underlying the share capital acquired, is recognised in share premium.

Consolidation method

The consolidated financial statements are prepared using uniform accounting policies for the measurement and determination of the result of the Group.

In the consolidated financial statements, intragroup shareholdings, liabilities, receivables and transactions are eliminated. Also, the results on transactions between group companies are eliminated to the extent that the results are not realised through transactions with third parties outside the Group and no impairment loss is applicable. For a transaction whereby the Company has a less than a 100% interest in the selling group company, the elimination from the Group result is allocated pro rata to the minority interest based on the interest of the minority in the selling Group company.

Subsidiaries and group companies are consolidated in full, whereby minority interest is presented separately within Group equity. If losses to be allocated to the minority interest exceed the minority interest within equity of the consolidated entity, the difference, including any further losses, is fully charged to the majority shareholder, except to the extent that the minority shareholder has the obligation to, and is able to, compensate for the losses. The minority interest in the result is deducted from the Group result on a separate line item in the consolidated profit and loss account.

The financial statements of subsidiaries and group companies are included in the consolidated financial statements from the date that control can be exercised until the date that control ceases.

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Principles for the translation of foreign currencies

Transactions in foreign currencies

At initial recognition, transactions denominated in a foreign currency are translated into the functional currency of the Group companies at the exchange rates at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated at the balance sheet date into the functional currency at the exchange rate prevailing on that date. Exchange differences resulting from the settlement of monetary items or resulting from the translation of monetary items denominated in foreign currency, are recognised in profit and loss in the period in which the exchange differences arise. Exempted from this are exchange differences on monetary items that are part of a net investment in a foreign operation.

Non-monetary assets and liabilities that are denominated in foreign currency and measured based on historical cost are translated into the functional currency at the exchange rates at the date of the transactions.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at current value are translated into the functional currency at the exchange rates that apply when the current value is determined. Exchange rate differences that arise from this translation are directly recognised in equity as part of the revaluation reserve.

Foreign operations

The assets and liabilities that are part of the net investment in a foreign operation (including goodwill and fair value adjustments) are translated into the functional currency of the Company at the exchange rate prevailing at the balance sheet date. The revenues and expenses of such a foreign operation are translated into the functional currency of the Company at the average exchange rate for the year. Currency translation differences are directly recognised in the translation reserve within equity.

Goodwill resulting from the acquisition of a foreign operation and fair value adjustments made at the acquisition date are translated into the functional currency of the Company at the exchange rate at the transaction date.

When a foreign operation is fully or partially sold, the portion of cumulative amount related to that foreign operation is transferred from the translation reserve to the profit and loss account.

Comparative information

To be consistent with other SHV group companies, the in-house bank position is presented as a part of other receivables in 2023. Corresponding adjustments have been made to the comparative figures. Similarly, an adjustment has been made to the comparative information of the financial lease liabilities.

Further, the multi-year summary as included in the 'Key figures' is presented on consistent basis to the extent possible to reflect accounting policies and presentation convention applicable as at 31 December 2023.

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Financial instruments

Financial instruments include investments in shares and bonds, trade and other receivables, cash items, loans and other financing commitments, derivative financial instruments, trade payables and other amounts payable.

Financial assets and liabilities are recognised in the balance sheet at the moment that the contractual risks or rewards with respect to that financial instrument originate.

Financial instruments are derecognised if a transaction results in a considerable part of the contractual risks or rewards with respect to that financial instrument being transferred to a third party.

Financial instruments (and individual components of financial instruments) are presented in the consolidated financial statements in accordance with the economic substance of the contractual terms. Presentation of the financial instruments is based on the individual components of financial instruments as a financial asset, financial liability or equity instrument.

Financial and non-financial contracts may contain terms and conditions that meet the definition of derivative financial instruments. Such an agreement is separated from the host contract if its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms and conditions as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value with changes in fair value recognised in the profit and loss account.

Financial instruments embedded in contracts that are not separated from the host contract are recognised in accordance with the host contract.

Derivatives separated from the host contract are measured at fair value with recognition of all changes in value in the profit and loss account, except where cash flow hedge accounting or cost price hedge accounting are applied.

Financial instruments are initially measured based on fair value, including discount or premium and directly attributable transaction costs. However, if financial instruments are subsequently measured at fair value through profit and loss, then directly attributable transaction costs are directly recognised in the profit and loss account at the initial recognition.

After initial recognition, individual types of financial instruments are valued in the manner described below.

Determination of fair value

The fair value of a financial instrument is the amount for which an asset can be sold, or a liability settled, involving parties who are well informed regarding the matter, willing to enter into a transaction and are independent of each other. Determination is made as follows:

- *The fair value of listed financial instruments is determined on the basis of the exit price;*
- *The fair value of non-listed financial instruments is determined by discounting the expected cash flows to their present value, applying a discount rate that is equal to the current risk-free market interest rate for the remaining term, plus credit and liquidity surcharges;*
- *The fair value of derivatives involving the exchange of collateral is determined by discounting the cash flows to present value, applying the relevant forward curve. This is used because the credit and liquidity risks are mitigated by the collateral exchange;*
- *The fair value of derivatives that do not involve exchange of collateral is determined by discounting the cash flows to present value, applying the relevant forward curve plus credit and liquidity surcharges.*

Loans granted and other receivables

Loans and receivables comprise debt securities and trade and other receivables. Loans granted and other receivables are financial assets with fixed or determinable payments that are not quoted in an active market, these instruments are carried at amortised cost on the basis of the effective interest method, less impairment losses. The effective interest and impairment losses, if any, are directly recognised in the profit and loss account. Purchases and sales of financial assets that belong to the category loans granted and other receivables are accounted for at the transaction date.

Investments in unlisted equity instruments

Investments in unlisted shares are measured after their initial recognition at the lower of cost or fair value. Purchases and sales of financial assets that belong to this category are recorded at the transaction date.

Dividends from participating interests that are carried at cost are recognised as income from participating interests (under financial income) in the period in which the dividends are declared.

Non-current and current liabilities and other financial commitments

Non-current and current liabilities and other financial commitments including borrowings are measured after their initial recognition at amortised cost on the basis of the effective interest rate method. The effective interest is recorded directly in the profit and loss account.

Redemption payments regarding non-current liabilities that are due next year are presented under current liabilities.

Derivatives and hedging

After their initial recognition, derivatives are normally valued at the lower of cost or fair value. Exceptions to this general principle are:

- *Commodity derivatives (LPG), for which the own use assumption cannot be applied. These are accounted at fair value through profit and loss;*
- *Derivatives for which a model for hedge accounting is applied.*

Purchases and sales of derivatives are recorded at the transaction date.

If derivative financial instruments or portfolios of derivative financial instruments belong to a subcategory of financial instruments, the derivative financial instruments are measured after initial recognition in accordance with that subcategory.

Cost price hedge accounting

If cost price hedge accounting is applied, then no revaluation of the derivative instrument is recognised as long as the derivative hedges the specific risk of an expected future transaction that is expected to take place. For SHV Energy, cost price hedge accounting mainly covers future foreign currency transactions to settle inventory purchase liabilities.

As soon as the expected future transaction leads to recognition in the statement of income, then the profit or loss that is associated with the derivative is recognised in the statement of income. If the hedged position of an expected future transaction results in the recognition in the balance sheet of a non-financial asset or a non-financial liability, then the cost of the asset or liability is adjusted by the hedge results that have not yet been recognised in the statement of income.

When a derivative expires or is sold before the hedged transaction takes place, the accumulated profit or loss that has not yet been recognised in the statement of income prior to that time is included as a deferral in the balance sheet until the hedged transactions take place. If the transactions are no longer expected to take place, then the accumulated profit or loss is transferred to the statement of income.

If a derivative no longer meets the conditions for hedge accounting, but the derivative has not been sold, then hedge accounting can no longer be applied. Further accounting treatment is similar to the situation when a derivative expires or is sold before the hedged transaction takes place. Subsequent measurement of the derivative instrument is then at the lower of cost or fair value.

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Cash flow hedge accounting
If cash flow hedge accounting (mainly in relation to commodity derivatives) is used, the effective portion of the fair value changes of the derivatives is initially recognised in the revaluation reserve. As soon as the expected future transactions lead to the recognition of gains or losses in the profit and loss account, the respective amounts are transferred from the revaluation reserve to the profit and loss account. If a hedged position in respect of an expected future transaction leads to the recognition in the balance sheet of a non-financial asset or a non-financial liability, the Company adjusts the cost of this asset or liability by the hedge results. This is done through a transfer from the revaluation reserve of the results that have been deferred in this reserve until such time.

If a derivative no longer meets the conditions for hedge accounting, expires or is sold, or if the Company has decided to no longer apply hedge accounting, the hedging relationship is terminated. The deferred gains or losses recognised at the time of the termination of the hedging relationship remain in equity until the expected future transaction takes place. If the transaction is no longer expected to take place, the deferred gain or loss on the hedge recognised in equity is transferred to the profit and loss account.

Conditions for hedge accounting
The Company documents its hedging relationships in specific hedging documentation and regularly checks the effectiveness of the hedging relationship by establishing whether the hedge is effective or that there is no over-hedging.

At each balance sheet date, the Company assesses the degree of ineffectiveness of the combination of the hedge instrument and the hedged item (the hedging relationship). The degree of ineffectiveness of the hedging relationship is determined by comparing the critical terms of the hedging instrument against the hedged item. For this comparison, the Company uses the following critical terms: amount, maturity, hedged risk, method of settlement of the hedging instrument and the hedged position.

If the critical terms, assessed in the context of the hedging relationship, match each other, there has been no ineffectiveness.

If the critical terms, assessed in the context of the hedging relationship, do not match each other, a quantitative test needs to be performed to prove the effectiveness of the hedging relationship. In that case, the degree of ineffectiveness is determined by comparing the fair value change of the hedging instrument with the fair value change of the hedged item. If there is a cumulative result on the hedging relationship over the period between initial recognition of the hedging instrument and the balance sheet date, the fair value changes related to ineffectiveness is recognised directly in the profit and loss account.

Put/Call options
When the Company enters into a so-called put/call arrangement with third party shareholders, whereby the Company has the obligation to buy the third party share at the moment the third party shareholder exercises its right to sell its shareholding to the Company (put), this written option qualifies as a contract resulting in the obligation to buy equity instruments.

In case that the minority shareholder, based on the contract, does not have the access to the returns associated with the underlying ownership interest, a third-party share as part of group equity is not recorded. In case that the minority shareholder, based on the contract, does have the access to the returns associated with the underlying ownership interest, a third-party share as part of group equity is accounted for.

When the put/call option should be settled in cash or other financial assets, a liability should be recognised. Initially at fair value, which represents the discounted value of the expected outflow of resources to settle the option. At first recognition the liability is recognised against a change in the other reserves within equity. Future changes in the valuation because of changes in the expected outflow of resources are recorded in the other reserves within equity. The discount effect is recorded in the income statement as part of the financial result. This is consistently applied.

Impairment of financial assets
A financial asset that is not measured at (1) fair value with value changes reflected in the profit and loss account, or at (2) amortised cost or lower fair market value, is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more adverse events that occurred after the initial recognition of the asset, with negative impact on the estimated future cash flows of that asset, which can be estimated reliably.

The Company considers evidence of impairment for financial assets measured at amortised cost (loans and receivables and financial assets that are held to maturity) both individually and on a portfolio basis. All individually significant assets are assessed individually for impairment. The individually significant assets that are not found to be individually impaired and assets that are not individually significant are then collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Company uses historical trends of the probability of default, the timing of collections and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

Impairment losses are recognised in the profit and loss account and reflected in an allowance account against loans and receivables or investment securities held to maturity. Interest on the impaired asset continues to be recognised by using the asset's original effective interest rate.

When, in a subsequent period, the amount of an impairment allowance decreases, and the decrease can be related objectively to an event occurring after the impairment was recognised, the decrease in impairment allowance is reversed through profit or loss (up to the amount of the original cost).

Offsetting financial instruments
A financial asset and a financial liability are offset when the entity has a legally enforceable right to set off the financial asset and financial liability and the Company has the firm intention to settle the balance on a net basis, or to settle the asset and the liability simultaneously.

If there is a transfer of a financial asset that does not qualify for derecognition in the balance sheet, the transferred asset and the associated liability are not offset.

Intangible fixed assets

Intangible fixed assets are only recognised in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of that asset can be measured reliably.

Intangible fixed assets are measured at acquisition or development/construction cost, less accumulated amortisation and impairment losses.

Expenditures made after the initial recognition of an acquired or developed intangible fixed asset are included in the cost if it is probable that the expenditures will lead to an increase in the expected future economic benefits, and the expenditures and the allocation to the asset can be measured reliably. If expenditures do not meet these conditions, they are recognised as an expense in the profit and loss account.

The accounting principles for the determination and recognition of impairments are included under the section '**Impairments of fixed assets.**'

Goodwill

Goodwill represents the excess of the cost of the acquisition of the participating interest (including transaction costs directly related to the acquisition) over the Company's interest in the net realisable value of the assets acquired and the liabilities assumed of the acquired entity. Goodwill is measured at acquisition cost less cumulative amortisation and impairment losses. Internally generated goodwill is not capitalised.

Goodwill paid upon the acquisition of foreign Group companies and subsidiaries is translated at the exchange rates at the date of acquisition.

The capitalised goodwill is amortised on a straight-line basis over the estimated useful life (maximised at 10 years) and is tested for impairment whenever there is an indication for impairment.

In case of a full or partial sale of a participating interest, the positive goodwill that can be allocated to the sold part is written off proportionally (in case of capitalised goodwill) or reversed (in case of goodwill charged directly against shareholder's equity, as was done until 2016) and is charged to the profit and loss account. In the latter case, a useful life of 5 years is assumed in determining the amount to be reversed.

Goodwill is recorded directly in equity for acquisitions of minority interest in consolidated subsidiaries when a majority share and controlling interest were owned by the Group since 2015. The acquired minority share is considered to be already part of the group equity (so-called 'economic entity concept').

Software

Software acquired by the Company has a finite useful life and is carried at cost less accumulated amortisation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Concessions, licences and intellectual property

This category includes capitalised costs relating to copyrights, user rights relating to patents and licenses, and includes licences enforced by law. Concessions, licences and intellectual property are measured at cost less accumulated amortisation and impairment losses. Acquired concessions, licenses and intellectual property rights have definite useful lives that are no longer than their contractual terms.

Brand names and customer contracts

Brand names acquired through business combinations have finite useful lives and are recognised at fair value at the acquisition date. This is done to the extent that they can be separately identified or grouped as a single asset in the case that each brand name has a similar useful economic life and can be measured reliably. Brand names are subsequently carried at cost less accumulated amortisation and impairment losses.

Customer contracts acquired by the Company through business combinations are recognised at fair value at the acquisition date to the extent that they can be separately identified or grouped as a single asset and that each customer contract has a similar useful life and can be measured reliably. Customer contracts have definite useful lives and are subsequently carried at cost, less accumulated amortisation and impairment losses.

The fair value of brand names acquired in a business combination is based on the discounted estimated royalty payments that have been avoided as a result of the patent or trademark being owned ('relief from royalty' method). The fair value of customer contracts acquired in a business combination is determined using the multi-period excess earnings method, whereby the subject asset is valued after deducting a fair return on all other assets that are part of creating the related cash flows. The fair value of other intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

In determining fair value, the Group uses appraisals of an external assessor when appropriate.

Development costs

Development costs mainly relate to self-developed software and are capitalised, in so far as incurred, in respect of potentially profitable projects. The development of an intangible fixed asset is considered commercially profitable if the following conditions are met:

- *The completion of the asset is technically feasible;*
- *The Company intends to complete the asset and then use or sell it (including the availability of adequate technical, financial and other resources to achieve this);*
- *The Company has the ability to use or sell the asset;*
- *It is probable that the asset will generate future economic benefits; and*
- *The costs incurred during the development phase can be determined reliably.*

Development costs are measured at construction cost less accumulated amortisation and impairment losses. The capitalised costs are amortised over the estimated useful life after completion of the development phase (asset ready for usage). Amortisation is calculated using the straight-line method. The costs of research and other development costs are charged to the result in the period in which they are incurred.

The cost of self-developed software includes the following:

- *The cost of direct labour;*
- *Any other costs directly attributable to bringing the assets to a working condition for their intended use.*

A legal reserve is formed for capitalised development costs that have not yet been amortised.

Bio and energy-saving certificates

Certificates (rights) are recognised as intangible fixed assets (if rights are freely tradable and not used for active trading activities). Initial recognition is at lower of cost or market value. Amortisation is not applicable as these rights are only used at derecognition.

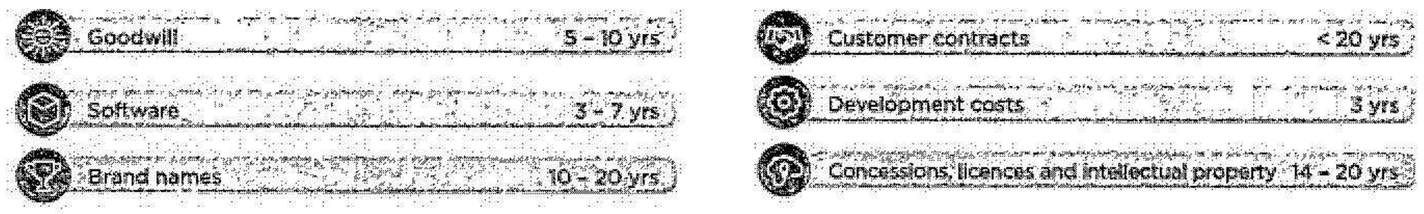
Certificates of origin are - in principle - inseparably related to the corresponding product. For this reason, the use of certificates is automatically included in the cost price of the product (inventory and/or cost of sales).

Prepayments for intangible fixed assets

Prepayments for intangible fixed assets are valued at cost. Prepayments for intangible fixed assets are not amortised.

Amortisation

Amortisation of intangibles is recognised by the straight-line method over the following estimated useful lives, with a maximum of 20 years:



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Tangible fixed assets

Tangible fixed assets are recognised in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of that asset can be measured reliably.

Tangible fixed assets are measured at cost, less accumulated depreciation and impairment losses. The cost comprises the price of acquisition or manufacture/construction, plus other costs that are necessary to get the assets to their location and condition for their intended use. Subsequent expenditure is only capitalised when it extends the original useful life of the asset. The cost of self-constructed assets includes the cost of materials and consumables and other costs that can be directly attributed to the construction. In addition, the cost of construction includes a reasonable part of the indirect costs and interest on loans for the period attributable to the construction of the asset.

Investment grants are deducted from the cost of the assets to which the grants relate.

Depreciation is recognised in the profit and loss account on a straight-line basis over the estimated useful lives of each item of the tangible fixed assets, taking into account any estimated residual value of the individual assets. No depreciation is recognised on land, tangible fixed assets under construction and prepayments on tangible fixed assets. Depreciation starts as soon as the asset is available for its intended use and ends at decommissioning or divestment.

Prepayments for tangible fixed assets are valued at cost. Prepayments for tangible fixed assets are not depreciated.

Items of tangible fixed assets with a finite useful life are depreciated separately based on their useful lives. The Company applies the component approach for tangible fixed assets if important individual components of a tangible fixed asset can be distinguished from each other. Taking into account differences in useful life or expected pattern of use, these components are depreciated separately.

Depreciation is recognised by the straight-line method over the following estimated useful lives:

Commercial buildings	20 – 40 yrs
Gas cylinders and tanks	5 – 20 yrs
Machines and installations	5 – 20 yrs
Transport equipment	3 – 12 yrs
Office and plant equipment	2 – 10 yrs

Land is not depreciated.

Maintenance expenditures are only capitalised when the maintenance leads to the extension of the useful life of the asset and/or future performance units regarding the asset.

For costs of recovery a provision is recognised, see the policy under the heading **'Provisions'**.

Tangible fixed assets, for which the Company and its Group companies possess the economic ownership under a finance lease, are capitalised. The obligation arising from the finance lease contract is recognised as a financial liability. The interest included in the future lease instalments is charged to the profit and loss account during the term of the finance lease contract.

Cylinders are considered as assets of the Company if the following conditions are met:

a) Those cylinders carry an identifying mark; and

b) They can only be filled by the company or a contracted third party.

Assets retired from active use are measured at the lower of book value or net realisable value.

The fair value of tangible fixed assets recognised as a result of a business combination is the estimated amount for which an asset can be sold, involving parties who are well informed regarding the matter, willing to enter into a transaction and are independent from each other. The fair value of items of tangible fixed assets is based on the income approach, direct and indirect market approaches and cost approaches using quoted market prices for similar items when available and depreciated replacement cost when appropriate. In determining fair value, the Group uses appraisals of an external assessor.

Financial fixed assets

Joint arrangements

Participating interests where the Company exercises control along with other participants, such as in joint ventures, are valued according to the equity method on the basis of net asset value.

Participating interests with significant influence

Participating interests where significant influence can be exercised over the business and financial policies are valued according to the equity method. In assessing whether the Company has significant influence over the business and financial policies of a participating interest, all facts and circumstances and contractual relationships, including potential voting rights, are taken into account.

The net asset value is calculated on the basis of the Company's accounting policies.

Participating interests with a negative net asset value are valued at nil. If the Company fully or partially guarantees the debts of the relevant participating interest, or if has the constructive obligation to enable the participating interest to pay its debts (for its share therein), then a provision is recognised accordingly to the amount of the estimated payments by the Company on behalf of the participating interest.

Participating interests with no significant influence

Participating interests where no significant influence can be exercised are measured at the lower of cost or net realisable value. If the Company transfers an asset or a liability to a participating interest that is measured at cost or current value, the gain or loss resulting from this transfer is recognised directly and in full in the profit and loss account, unless the gain is in substance not realised.

Other financial fixed assets

Receivables from non-consolidated participating interests are initially measured at fair value plus directly attributable transaction costs. Subsequently, these receivables are measured at amortised cost using the effective interest method, less impairment losses.

The further accounting policies for other financial fixed assets are included under the heading **'Financial instruments'**.

Dividends are accounted for in the period in which they are declared.

Bonds, listed and unlisted, recognised under financial fixed assets, that are not held as part of a trading portfolio and which will be held to maturity, are valued at their amortised cost.

Impairments of fixed assets

Tangible and intangible fixed assets are assessed at each reporting date whether there is any indication of an impairment. If any such indication exists, the recoverable amount of the asset is estimated. The recoverable amount is the higher of value in use and net realisable value. If it is not possible to assess the recoverable amount for an individual asset, the recoverable amount is assessed for the cash-generating unit to which the asset belongs.

If the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, an impairment loss is recognised for the difference between the carrying amount and the recoverable amount. If there is an impairment loss for a cash-generating unit, the loss is first allocated to goodwill allocated to the cash-generating unit. Any residual loss is allocated to the other fixed assets of the unit pro rata to their book values.

Subsequently, at each reporting date, the Company assesses whether there is any indication that an impairment loss that was recorded in previous years has been decreased. If any such indication exists, then the recoverable amount of the asset or cash-generating unit is estimated.

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Reversal of a previously recognised impairment loss only takes place when there is a change in the assessment used to determine the recoverable amount since the recognition of the last impairment loss. In such case, the carrying amount of the asset (or cash-generating unit) is increased to its recoverable amount, but not higher than the carrying amount that would have applied (net of depreciation) if no impairment loss had been recognised in previous years for the asset (or cash-generating unit).

An impairment loss of goodwill is not reversed in a subsequent period.

Irrespective of whether there is any indicator of an impairment, at each reporting date the recoverable amount is assessed for intangible assets that have not been put into use yet.

Fixed assets available for sale

Fixed assets available for sale are measured at the lower of their carrying amount and net realisable value.

Inventories

Inventories are measured at the lower of cost and net realisable value. Cost includes the expenses for acquisition or manufacture, plus other expenditure to bring the inventories to their present location and condition. Net realisable value is based on the most reliable estimate of the amount the inventories will generate, less costs of completion and selling. Costs of inventories is determined in accordance with the first-in, first-out (FIFO) principle, which are measured by applying weighted average prices per purchased batches.

Trade discounts, rebates and indemnities (to be) received in connection with purchasing are deducted from the costs of purchase.

Receivables and securities

The accounting policies applied for the valuation of trade and other receivables and securities are described under the heading **'Financial instruments'**.

Cash and cash equivalents

Cash and cash equivalents consist of bank balances, cash in hand, cash in transit and money market investments, which have a maturity as per reporting date of less than 90 days.

Cash and cash equivalents are measured at nominal value. Cash and cash equivalents denominated in foreign currencies are translated at the balance sheet date in the functional currency at the spot exchange rate applicable at that date. If cash and cash equivalents are not readily available, this fact is considered in the measurement.

Bank overdrafts (including in-house bank) are shown in current liabilities on the balance sheet.

Shareholder's equity

Financial instruments that are designated as equity instruments by virtue of the economic reality are presented under shareholder's equity. Payments to holders of these instruments are deducted from the shareholder's equity as part of the profit distribution.

Financial instruments that are designated as a financial liability by virtue of the economic reality are presented under liabilities. Interest, dividends, income and expenditure with respect to these financial instruments are recognised in the profit and loss as financial income or expense.

Share premium

Amounts contributed by the shareholder of the Company in excess of the nominal share capital are accounted for as share premium. This also includes additional capital contributions by the existing shareholder without the issue of shares or issue of rights to acquire shares of the Company.

Costs and capital taxes associated with the issue of shares that are not capitalised are deducted from share premium after having taken tax effects into account. If the share premium is insufficient for such deductions, the amounts are deducted from retained earnings.

Revaluation reserve

Increases in the value of assets that are measured at fair value are included in the revaluation reserve. An exception to this is financial instruments and other securities that are measured at fair value through the profit and loss account. In addition, a revaluation reserve is established for such assets with a corresponding charge against other reserves if frequent market quotations are not available.

The revaluation reserve is established per individual asset and must not exceed the difference between the carrying value based on historical cost and the carrying value based on fair value. The revaluation reserve is reduced by any realised revaluation (in connection with systematic depreciation or amortisation of the asset). Decreases in the value of the asset in question, other than due to systematic depreciation or amortisation, are charged against the revaluation reserve.

If an asset is sold, any revaluation reserve pertaining to that asset is released and credited to other reserves. Any related deferred tax liability, calculated at the current tax rate, is offset against the revaluation reserve.

Minority interests

Minority interests are valued at the proportionate share of third parties in the net value of the assets and liabilities of a consolidated entity, determined in accordance with the Company's accounting principles.

Provisions

A provision is recognised if all of the following applies:

- *The Company has a legal or constructive obligation, arising from a past event;*
- *The amount can be estimated reliably; and*
- *It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.*

If all or part of the payments that are necessary to settle a provision are likely to be fully or partially compensated by a third party upon settlement of the provision, then the compensation amount is presented separately as an asset.

If the time value of money is material and the period over which the cash outflows are discounted is more than one year, provisions are measured at the present value of the best estimate of the cash outflows that are expected to be required to settle the liabilities and losses. The provisions are measured at nominal value if the time value of money is not material or if the period over which the cash outflows are discounted is no longer than one year.

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Provision for deposits for gas cylinders and tanks

The company recognises a provision for deposits when a legal or constructive obligation exists to reimburse the customer for gas cylinders and tanks that are returned. The deposit provision is based on the estimated gas cylinders in the market, the expected return thereof and the deposit value.

Provision for restructuring costs

A restructuring provision is recognised when at the balance sheet date the entity has a detailed formal restructuring plan, and ultimately at the date of preparation of the financial statements a valid expectation of implementation of the plan has been raised for those that will be impacted by the restructuring.

A valid expectation exists when the implementation of the restructuring has been started, or when the main elements of the plan have been announced to those for whom the restructuring will have consequences.

The provision for restructuring costs includes the costs that are directly associated with the restructuring, which are not associated with the ongoing activities of the Company.

Provision for participating interests

A provision for participating interests relates to participating interests with a negative net asset value. Refer to the accounting policies under the heading **'Financial fixed assets'**.

Provision for claims, disputes and lawsuits

A provision for claims, disputes and lawsuits is established when it is expected that the Company will be become liable in legal proceedings. The provision represents the best estimate of the amount for which the claim can be settled, including the costs of litigation

Non-current liabilities

The valuation of non-current liabilities is explained under the heading **'Financial instruments'**.

Current liabilities

The valuation of current liabilities is explained under the heading **'Financial instruments'**.

Leases

The Company may enter into finance and operating leases. A lease agreement under which the risks and rewards of ownership of the leased object are carried entirely or almost entirely by the lessee are classified as finance lease. All other leases are classified as operating leases. For the lease classification, the economic substance of the transaction is conclusive rather than the legal form.

At inception of a lease arrangement, the Company assesses whether the lease classifies as a finance or operating lease.

Finance leases

If the Company acts as a lessee in a finance lease, at the inception of the lease the leased asset (and the related obligation) is recognised in the balance sheet at fair value of the leased property or, if lower, the present value of the minimum lease payments. Both values are determined at the time of entering into the lease agreement. The interest rate used in calculating the present value is the interest rate implicit in the lease. The initial direct costs are included in the initial measurement of the leased property.

The accounting principles for the subsequent measurement of the leased property are described under the heading **'Tangible fixed assets'**. If there is no reasonable certainty that the Company will obtain ownership of a leased property at the end of the lease term, the property is depreciated over the shorter of the lease term and the useful life of the property.

The minimum lease payments are split into interest expense and redemption of the lease liability. The interest charges are allocated during the lease term to each period as such that it results in a constant periodic interest rate over the remaining net liability with regard to the finance lease. Conditional lease payments are recognised as an expense in the period that the conditions of payment are met.

Operating leases

If the Company acts as lessee in an operating lease, the leased property is not capitalised. Lease payments and benefits regarding operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

Temporary reduction or exemption of/from the rental payments under existing rental agreements, as a result of COVID-19 support schemes, is recognised over the period while this reduction or exemption is valid.

Revenue recognition

To determine whether to recognise revenue, the Company follows a 5-step process:

1. Identifying the contract with a customer;

2. Identifying the performance obligations;

3. Determining the transaction price;

4. Allocating the transaction price to the performance obligations; and

5. Recognising revenue when/as performance obligation(s) are satisfied.

The Company enters into contracts with customers to supply a bundle of products and services, for gas and associated meter fees. The contract is then assessed to determine whether it contains a single combined performance obligation or multiple performance obligations. If applicable the total transaction price is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time when the Company satisfies performance obligations by transferring the promised goods or services to its customers.

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Sale of gas, other goods and renewable fuel certificates

Revenue from the sale of goods primarily consists of the sale of gas (LPG and LNG), fuel, empty cylinder & tanks and appliances.

The performance obligation associated with the sale of gas is the delivery of gas to a specified location at which control over it is transferred to the customer which can then consume the gas and thus the performance obligation is satisfied. For contracts with customers that consume gas from a metered tank, we recognise revenue when LPG is consumed, at which point we have the right to invoice based on consumption.

The performance obligation associated with the sale of renewable fuel certificates is realised when the Company is able to deliver trade renewable fuel certificates received together with purchased gas.

Both revenue from sales of goods and renewable fuel certificates is recognised at the point of time when the significant risks and rewards of ownership have been transferred to the buyer, the amount of the revenue can be determined reliably, recovery of consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing involvement with the goods. The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement.

Transaction price is equal to the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Freight costs recharged to the buyer are included in revenues.

In determining the transaction price for the sale of gas, other goods and renewable fuel certificates, the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the customer (if any of the above applicable).

Rendering of services and sales of electricity

Services provided mainly relate to rental income, meter fees and maintenance services that are either sold separately or bundled together with the sale gas and other goods. The Group recognises revenue from services over time because the customer simultaneously receives and consumes the benefits provided to them. Revenues from services rendered are recognised in proportion to the services performed over the contract period.

The Group is engaged in the sale of electricity power. Performance obligations are satisfied over time, generally on a monthly basis, as electricity is delivered over time to customers which are simultaneously consuming it.

Revenue from services and sales of electricity is recognised at the fair value of the consideration received or receivable, net of allowances and rebates.

Contracts for bundled sales of products and services are comprised of two performance obligations because those are both sold on a stand-alone basis and are distinct within the context of the contract. Accordingly, the Company allocates the transaction price based on the relative stand-alone selling prices of the gas and other products and various services.

Revenue from services is recognised when the amount can be determined reliably, collection of the related compensation to be received is probable, the extent to which the services have been performed on the balance sheet date can be determined reliably, and the costs already incurred and (possibly) yet to be incurred to complete the service can be determined reliably.

If the result from a specific service contract cannot be determined reliably, then revenues are recognised up to the amount of the service costs that are covered by the revenues.

Cost of goods sold

Cost of goods sold include the cost of all raw materials, supplies and trade goods related to the goods sold, including transportation, hedging costs and import duties. Third party costs for gas products are recorded based on the first in-first out (FIFO) principle by applying weighted average cost method (per purchased batch). All other costs of goods sold are recorded on the first in-first out (FIFO) principle only.

Other operating expenses

Other operating expenses include costs of outsourced work and other external costs. All these costs are recorded in the period they relate to.

Government grants

Operating grants including COVID-19 related government support programmes are credited to the profit and loss account in the year in which the subsidised expenditure is recognised, the loss of income occurs or the operating deficit occurs. Amounts received in advance (both current and non-current) are presented under deferred income.

Grants are only recognised when reasonable assurance exists that the conditions of the grant will be met and the grant will be received and all the relevant supporting evidence is available.

Employee benefits

Employee benefits are charged to the profit and loss account in the period in which the employee services are rendered and, to the extent not already paid, recognised as a liability on the balance sheet. If the amount already paid exceeds the benefits owed, the excess is recognised as a current asset to the extent that there will be a reimbursement by the employees or a reduction in future payments by the Company.

For benefits with accumulating rights, profit-sharing and bonuses the projected costs are taken into account during the employment. An expected payment resulting from profit-sharing and bonus payments is recognised if the obligation for that payment has arisen on or before the balance sheet date and a reliable estimate of the liabilities can be made.

If a benefit is paid in the case of non-accumulating rights (e.g. continued payment in the case of sickness or disability), the projected costs are recognised in the period in which such benefit is payable. A provision is recognised for existing commitments at the balance sheet date to continue the payment of benefits (including termination benefits) to employees who are expected to be unable to perform work wholly or partly due to sickness or disability in the future. The recognised liability relates to the best estimate of the expenditure necessary to settle the obligation at the balance sheet date. The best estimate is based on contractual agreements with employees (collective agreement and individual employment contract). Additions to and reversals of liabilities are charged or credited to the profit and loss account.

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Dutch pension plans

The main principle is that the pension charge to be recognised for the reporting period is equal to the pension contributions payable to the pension provider over the period. In so far as the payable contributions have not yet been paid as at balance sheet date, a liability is recognised. If the contributions already paid at balance sheet date exceed the payable contributions as at balance sheet date, a receivable is recognised to account for any repayment by the provider or settlement with contributions payable in the future.

If, on the basis of an administration agreement with respect to a Group plan/multi-employer plan, there is an obligation at balance sheet date, a provision is recognised when it is probable that the measures, which are necessary for the recovery of the existing funding ratio at balance sheet date, will result in an outflow of resources and the amount thereof can be estimated reliably.

A provision is recognised if there are adjustments to rights accrued as at the balance sheet date arising from future salary increases that are already committed to at the balance sheet date and which shall be paid by the Company.

In addition, a provision is included as at balance sheet date for existing additional commitments to the pension provider and the employees, provided that it is probable that there will be an outflow of funds for the settlement of the commitments, and it is possible to reliably estimate the amount of the commitments. The existence or non-existence of additional commitments is assessed on the basis of the administration agreement concluded with the provider, the pension agreement with employees and other (explicit or implicit) commitments to employees. The provision is measured at the best estimate of the present value of the anticipated costs of settling the commitments as at balance sheet date. The pre-tax discount rate reflects the market interest rate at the balance sheet date of high-quality corporate bonds/yield on government bonds. Risks that have already been taken into account in estimating future expenditures are not included in the discount rate.

For any surplus at the pension provider as at balance sheet date, a receivable is recognised if the Company has the power to withdraw this surplus, if it is likely that the surplus will flow to the Company and if the receivable can be reliably determined.

Foreign pension plans

Pension plans that are comparable in design and functioning to the Dutch pension system, having a strict segregation of the responsibilities of the parties involved and risk sharing between the said parties (the Company, the fund and its members), are recognised and measured in accordance with Dutch pension plans (see previous section).

For foreign pension plans that are not comparable in design and functioning to the Dutch pension system, a best estimate is made of the liability as at balance sheet date. This liability is measured on the basis of an actuarial measurement principle generally accepted in the Netherlands.

Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of the employment. A termination benefit is recognised as a liability and an expense when the Company is demonstrably and unconditionally committed to make the payment of the benefit. If the termination is part of a restructuring, the costs of the termination benefits are part of the restructuring provision. See the policy under the heading **'Provisions'**.

Termination benefits are measured in accordance with their nature. When the termination benefit is an enhancement to post-employment benefits, measurement is done according to the same policies as applied to post-employment plans. Other termination benefits are measured at the best estimate of the expenditures required to settle the liability.

Interest income and similar income and interest expenses and similar charges

Interest income and similar income comprise interest income on cash and cash equivalents, interest income on available-for-sale financial assets, changes in the fair value of financial assets and financial liabilities at fair value through the profit and loss account (including derivative financial instruments) and interest income on loans to other parties. Interest income and similar income is recognised in the profit and loss account on an accrual basis, using the effective interest method.

Interest expenses and similar charges comprise interest expenses on borrowings, changes in the fair value of financial assets and financial liabilities at fair value through the profit and loss account (including derivative financial instruments), finance lease expenses and other financial expenses. Interest expenses and similar charges are recognised in the period to which they belong.

Corporate income tax

Corporate income tax includes the current and deferred corporate income tax payable and recoverable for the reporting period. Corporate income tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity, or to business combinations.

Current tax comprises the expected tax payable or recoverable on the taxable profit or loss for the financial year, calculated using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying value of assets and liabilities for financial reporting purposes and their tax bases. Deferred income tax is recorded at nominal value, calculated using tax rates at the balance sheet date or tax rates applicable in future years, to the extent enacted by law. Deferred tax assets, including the tax loss carry forward position, are recognised when it is probable that they can be offset against future taxable income. Deferred tax assets and deferred tax liabilities are offset in the balance sheet if the company has a legally enforceable right to offset current tax assets against current tax liabilities, insofar as they relate to the same financial year and deferred tax assets relate to income taxes levied by the same tax authority on the same taxable Company, or the same fiscal unity.

For taxable temporary differences related to group companies, foreign branches, associates and interests in joint ventures, a deferred tax liability is recognised, unless the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. For deductible temporary differences regarding group companies, foreign branches, associates and interests in joint ventures, a deferred tax asset is only recognised in so far as it is probable that the temporary difference will reverse in the foreseeable future (next five years) and that taxable profit will be available to offset the temporary difference can be utilised.

The deferred tax assets are presented under financial fixed assets. Deferred tax liabilities are presented under provisions.

Fiscal unity

As from 1 January 2019 the Company forms a fiscal unity for Dutch corporate income tax purposes together with SHV Holdings N.V. and its Dutch subsidiaries. Each of the companies recognises the portion of corporate income tax that the relevant company would owe as an independent taxpayer, taking into account the specific rules applicable to fiscal unities. The deferred corporate income taxes are deferred assets and deferred liabilities respectively to the head of the fiscal unity, being SHV Holdings N.V.

For other SHV Energy companies, outside the Netherlands, combined reporting for corporate income tax purposes may also be applicable. However, corporate income taxes are also recognised as if these companies were taxed on a stand-alone basis.

Together with some of its Dutch subsidiaries, the Company formed a fiscal unity for value added tax purposes. Due to the merger of several Dutch legal entities during the year, the fiscal unity has ceased to exist in 2022. The standard conditions stipulate that each of the companies is liable for the tax payable by all companies belonging to the fiscal unity.

Pillar 2 - global minimum top-up tax

For the year 2023, the company has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred. The mandatory exception applies retrospectively. However, because no new legislation to implement the top-up tax was enacted or substantively enacted at 31 December 2022 in any jurisdiction in which the group operates and no deferred tax was recognised at that date, the retrospective application has no impact on the Group's consolidated financial statements.

Share in result of participating interests

The share in the result of participating interests consists of the share of the Group in the results of these participating interests, determined on the basis of the accounting principles of the Group. Results of transactions, where the transfer of assets and liabilities between the Group and the non-consolidated participating interests and mutually between non-consolidated participating interests themselves, are not recognised as they can be deemed as not realised.

The results of participating interests acquired or sold during the financial year are measured in the Group's result from the date of acquisition or until the date of sale respectively

Cash flow statement

The consolidated cash flow statement is prepared using the indirect method. Cash and cash equivalents include cash and investments that are readily convertible to a known amount of cash without a significant risk of changes in value.

Cash flow items in foreign currency are translated at the average currency rates. The currency exchange differences reported in the consolidated statements of cash flow represent the effect of translating the liquidity in foreign currency at the beginning of the year and the change in liquidity during the year using the exchange rate prevailing at the end of the year.

Receipts and payments of interest and income taxes are presented within the cash flows from operating activities. Payments of dividends is presented within the cash flows from financing activities. Dividends received from investments in affiliates are presented within the cash flows from operating activities.

The consideration for acquired Group companies is presented under the cash flows from investment activities for the considerations paid in cash and cash equivalents. The effect on cash and cash equivalents is presented separately as changes in consolidation.

Transactions that do not include an exchange of cash and cash equivalents, such as finance leases, are not included in the cash flow statement. The payment of finance lease terms is allocated for the part related to the repayment of the lease obligation to the cash flows from financing activities and is allocated for the part related to the interest component to the cash flows from operational activities.

Cash flows from derivative financial instruments that are accounted for as hedges are classified in the same category as the cash flows from the hedged balance sheet items. Cash flows from derivative financial instruments whereby hedge accounting is no longer applied, are classified in accordance with the nature of the instrument, from the date at which hedge accounting is ended.

Changes in working capital include the cash flow movement from changes in inventories, accounts receivable and short-term debt, excluding amounts related to:

- *Redemption of long-term debt;*
- *Dividends to be paid;*
- *Payables to banks;*
- *Payables and receivables for taxes on income and equity;*
- *Payables and receivables for interest;*
- *Margin calls paid and received.*

Determination of fair value

The fair value of a financial instrument is the amount for which an asset can be sold or a liability settled, involving parties who are well informed regarding the matter, willing to enter into a transaction and are independent from each other.

- *The fair value of listed financial instruments is determined based on the exit price.*
- *The fair value of non-listed financial instruments is determined by discounting the expected cash flows to their present value, applying a discount rate that is equal to the current risk-free market interest rate for the remaining term, plus credit and liquidity surcharges.*
- *The fair value of derivatives involving the exchange of collateral is determined by discounting the cash flows to present value, applying a risk-free swap curve. This is used because the credit and liquidity risk is mitigated by the collateral exchange.*
- *The fair value of derivatives that do not involve exchange of collateral is determined by discounting the cash flows to present value, applying the relevant swap curve plus credit and liquidity surcharges.*

Related parties

Transactions with related parties are assumed when a relationship exists between the Company and a natural person or entity that is affiliated with the Company. This includes, among others, the relationship between the Company and its subsidiaries, shareholder, directors and key management personnel. Transactions are transfers of resources, services or obligations, regardless of whether any amount has been charged. Significant transactions with related parties are disclosed in the notes insofar as they are not transacted under normal market conditions. The nature, extent and other information is disclosed if this is required to provide a true and fair view.

Parent and ultimate controlling party

SHV Energy is part of SHV Group and is a wholly owned subsidiary of SHV Nederland B.V. in Utrecht, the Netherlands. The ultimate parent company is SHV Holdings N.V.

Transactions with key personnel

A number of key management personnel (on behalf of their employment position at the company), hold positions in other group entities that result in them having control or significant influence over the financial or operating policies of these entities.

Subsequent events

Events that provide further information on the actual situation at the balance sheet date and that appear before the financial statements are being prepared, are recognised in the financial statements.

Events that provide no information on the actual situation at the balance sheet date are not recognised in the financial statements. When those events are relevant for the economic decisions of users of the financial statements, the nature and the estimated financial effects of the events are disclosed in the financial statements.

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1. Mergers and acquisitions

Acquisitions

In 2023, our wholly owned subsidiary Liquigas acquired Garda Gas for a total consideration of approx. EUR 5m.

Divestments

The Company has received an earn-out payment based on the post-disposal performance of a historical divestment of approx. EUR 7m (already recognised in prior years).

SHV Energy China

On June 7, 2023, SHV Energy divested all its activities in China via the sale of its 89.8% equity interest in Dongguan SHV LPG Co. to Dongguan Xinfeng Pipeline Gas Co. Ltd., and on July 31, 2023, via the sale of its 100% equity interest in SHV (China) Investment Company Ltd. in China to Zhongshan City Petroleum Gas Co. Ltd. The combined transactions resulted in a book gain of EUR 22.4m in 2023.

2. Intangible fixed assets

Movements in intangible fixed assets were as follows:

	Goodwill	Software	Customer contracts	Brands, concessions and licences	Other	Total
Balance as at 1 January 2023:						
Purchase price	216.6	206.4	55.9	43.0	12.2	534.1
Accumulated amortisation and impairment	(53.9)	(77.5)	(15.0)	(28.4)	(7.1)	(181.9)
Carrying amount	**162.7**	**128.9**	**40.9**	**14.6**	**5.1**	**352.2**
Changes in carrying amount:						
Investments	-	44.4	-	-	2.2	46.6
Disposals	(1.2)	(0.2)	-	-	(1.0)	(2.4)
Monetary and inflation correction	-	-	-	0.1	0.5	0.6
Change in consolidation	3.9	4.5	0.7	(10.9)	-	(1.8)
Amortisation	(23.9)	(19.2)	(6.0)	(1.2)	(1.4)	(51.7)
Impairments	(16.8)	-	-	-	-	(16.8)
Other changes	5.7	-	(0.1)	-	3.0	8.6
Translation differences	(2.5)	1.5	(0.8)	(0.6)	(0.2)	(2.6)
Total changes	**(34.8)**	**31.0**	**(6.2)**	**(12.6)**	**3.1**	**(19.5)**
Balance as at 31 December 2023:						
Purchase price	211.7	252.2	56.9	17.3	10.8	548.9
Accumulated amortisation and impairment	(83.8)	(92.3)	(22.2)	(15.3)	(2.6)	(216.2)
Carrying amount	**127.9**	**159.9**	**34.7**	**2.0**	**8.2**	**332.7**

'Changes in consolidation' includes the sale of China (EUR 12.5m), the acquisition of Garda Gas in Italy (EUR 4.6m) as well as reallocations in UK (EUR 2.5m) and from office equipment to software in Brazil (EUR 3.4m).

Goodwill

Goodwill primarily relates to historical acquisitions in Bangladesh, India, USA, Belgium, Italy, Sweden and Ireland.

USA

During 2023, an impairment loss of EUR 31.0m (of which EUR 16.8m is related to goodwill) was recognised in impairment of tangible and intangible fixed assets of Pinnacle Propane, a wholly owned subsidiary in USA. Over the course of 2023, Pinnacle Propane was negatively impacted by the challenging local market circumstances, significantly impacting the financial performance of the company.

To determine the impairment loss, the recoverable amount of Pinnacle Propane was estimated based on value in use. The discount rate used in the estimate is 7.5%. Key assumptions included in the estimation of the recoverable amount are the expected sales volumes, margins and operating expenses. These assumptions are derived from the business plan prepared by local management available per 31 December 2023. Based on the impairment test performed, part of the property plant and equipment and the goodwill of the company were impaired. The impairment is attributable to the weak market developments and the financial performance and not the result of operational decisions.

The impairment model is sensitive to changes to the WACC and terminal value rate. An increase or decrease of 0.5% in the WACC results in EUR 13m respective change in the value in use and an increase or decrease of 0.5% of the terminal value rate results in EUR 12m respective change in the value in use.

Bangladesh

Due to the relative unstable macro-economic circumstances in Bangladesh, affecting the hard currency liquidity of the country and significantly impacting the performance of our business unit Petromax, we have identified an impairment trigger to test the recoverable amount.

To determine the impairment loss, the recoverable amount of Petromax was estimated based on value in use. The discount rate used in the estimate is 13%. Key assumptions included in the estimation of the recoverable amount are the expected sales volumes, margins and operating expenses. These assumptions are derived from the business plan prepared by local management available per 31 December 2023. Based on the impairment test performed, value in use was exceeding the recoverable amount.

The impairment model is sensitive to changes to the WACC and terminal value rate. An increase or decrease of 0.5% in the WACC results in EUR 3.3m respective change in the value in use and an increase or decrease of 0.5% of the terminal value rate results in EUR 3.3m respective change in the value in use.

No impairment triggers were identified in 2023 for any other recorded goodwill.

Software

Software mainly consists of internally generated intangibles related to capitalised expenditures of ERP, CRM, HR and other IT systems. These systems enable the standardisation and optimisation of business processes, management information and master data supported by a single, global IT solution. After SAP ERP implementation there is no substantial software under construction (2022: EUR 64.4m). The remaining economic useful life of software ranges between 1 to 7 years.

Customer contracts

Customer contracts mainly relate to the fair value of acquired customer contracts in India, USA, Italy, Spain and France, amounting to EUR 33.3m (2022: EUR 39.5m). The remaining economic useful life ranges between 1 and 17 years.

Brands, concessions and licences

The opening balance relates primarily to the fair value of acquired brands and operating licences in China, amounting to EUR 12.0m. The remaining balance mainly relates to Bangladesh and India.

Other intangibles

Other intangible assets include development costs in Ireland, amounting to EUR 0.3m (2022: EUR 0.4m). Those development costs relate to the ongoing implementation of software projects in Ireland and a fuel cell project in Germany. Furthermore, other intangible assets in Brazil of EUR 3.3m (2022: EUR 2.2m) relate to acquired concessions.

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3. Tangible fixed assets

Movements in tangible fixed assets were as follows:

	Commercial land & buildings	Gas cylinders & tanks	Machines & installations	Transport, plant & office equipment	Prepayments and operating assets under construction	Other	Total
Balance as at 1 January 2023:							
Purchase price	534.4	3,388.9	614.6	516.4	179.2	5.1	5,238.6
Accumulated depreciation and impairment	(280.2)	(2,344.6)	(443.8)	(322.4)	-	(3.8)	(3,394.8)
Carrying amount	**254.2**	**1,044.3**	**170.8**	**194.0**	**179.2**	**1.3**	**1,843.8**
Changes in carrying amount:							
Investments	23.9	143.7	43.0	27.8	84.3	-	322.7
Disposals	(7.3)	(27.6)	(0.8)	(7.3)	(1.1)	(0.4)	(44.5)
Monetary and inflation correction	9.2	11.2	5.0	2.9	-	-	28.3
Change in consolidation	(7.4)	(27.1)	(4.1)	(5.6)	(1.4)	-	(45.6)
Depreciation	(15.0)	(157.0)	(29.3)	(37.3)	-	-	(238.6)
Impairments, net (incl. reversal)	(0.3)	(9.6)	-	(0.9)	-	(0.1)	(10.9)
Translation differences	(8.2)	0.2	(4.5)	(5.0)	(2.2)	-	(19.7)
Reallocation	2.8	61.7	7.4	14.6	(86.6)	0.1	-
Total changes	**(2.3)**	**(4.5)**	**16.7**	**(10.8)**	**(7.0)**	**(0.4)**	**(8.3)**
Balance as at 31 December 2023:							
Purchase price	536.6	3,596.3	631.1	520.2	172.2	2.4	5,458.8
Accumulated depreciation and impairment	(284.7)	(2,556.5)	(443.6)	(337.0)	-	(1.5)	(3,623.3)
Carrying amount	**251.9**	**1,039.8**	**187.5**	**183.2**	**172.2**	**0.9**	**1,835.5**

The book value of gas cylinders and tanks as per 31 December 2023 amounts to EUR 476.0m and EUR 563.8m respectively for cylinders and tanks (2022: EUR 476.9m and EUR 567.4m respectively).

Investments during the year relate to capital expenditures for the various categories (either regular replacement or growth investments). The Company disposed tangible fixed assets for a total amount of EUR 44.5m in 2023 (2022: EUR 27.2m). Change in consolidation mainly relates to the divestment of our Chinese business.

Operating assets under construction consist mainly of plant equipment for an amount of EUR 60.2m (2022: EUR 22.5m) and machines and installations for an amount of EUR 57.9m (2022: EUR 76.7m). Remainder mainly relates to prepayments on tangible fixed assets.

Other assets consist of idle assets not in active use, mainly including land plots and buildings.

The Group has entered into capital commitments amounting to EUR 98.2m (2022: EUR 78.1m), related to purchase of items of property, plant and equipment (note 15).

Borrowing and Guarantee costs of EUR 0.6m were capitalised by the Group in 2023 (2022: EUR 2.9m).

4. Financial fixed assets

Financial fixed assets were as follows:

	2023	2022
Investments in affiliates	71.9	71.2
Loans receivable related parties	11.7	8.1
Other securities and loans	36.2	32.9
Deferred tax assets	61.1	49.5
Deposits	10.4	12.5
Advance payments	10.5	18.6
Miscellaneous receivables	9.5	29.5
	211.3	**222.3**

Investments in affiliates

The Group's investments in affiliates are included on pages 91 to 93. SHV Energy is not liable for the debts of these affiliates.

Movements in the investments in affiliates were as follows:

	2023
Balance as at 1 January 2023:	**71.2**
Changes in carrying amount:	
Acquisitions	8.9
Disposals	(0.8)
Change in consolidation	-
Impairment	(0.8)
Share in result of participating interests	(4.8)
Dividend received	(1.8)
Translation differences	-
Balance as at 31 December:	**71.9**

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Financial fixed assets other than investments in affiliates

Movements in financial fixed assets, excluding the investments in affiliates, were as follows:

	Loans receivable related parties	Other securities and loans	Deferred tax assets	Other	Total
Balance as at 1 January 2023:					
Carrying amount	**8.1**	**32.9**	**49.5**	**60.6**	**151.1**
Changes in carrying amount:					
Newly granted loans	3.5	-	-	-	3.5
Redemption	-	-	-	-	-
Change in consolidation	-	-	(0.9)	(6.6)	(7.5)
Additions	1.2	6.9	-	3.4	11.5
Disposals	(1.1)	(0.2)	-	(23.8)	(25.1)
Inflation corrections	-	-	-	-	-
Reclassification to current assets or liabilities	-	-	-	-	-
Recognised in income statement	-	-	19.5	-	19.5
Recognised in reserves as result of hedge accounting	-	-	(10.5)	-	(10.5)
Reclass	-	(3.4)	4.0	(0.9)	(0.3)
Translation differences	-	-	(0.5)	(2.4)	(2.9)
Total changes	**3.6**	**3.3**	**11.6**	**(30.3)**	**(11.8)**
Balance as at 31 December 2023:					
Carrying amount	**11.7**	**36.2**	**61.1**	**30.3**	**139.3**

Loans receivable related parties

The loans receivable related parties relate mainly to outstanding loans to PitPoint LNG B.V., amounting to EUR 8.0m (2022: EUR 6.7m) and Dimeta B.V., amounting to EUR 3.5m (2022: EUR 0m). The loan to SHV Nederland B.V. has been ended in 2023 (2022: EUR 1.1m). The fixed interest varies between 5.12% and 6.0% and the average remaining term is 1 year. No collateral applies to these financing agreements and no repayment schedule has been agreed (except repayment at maturity date).

Other securities and loans

Other securities mainly relate to government bonds, required to be held in Italy, amounting to EUR 21.7m (2022: EUR 21.7m) and investments in start-up activities in sustainable fuels of EUR 13.0m (2022: EUR 9.6m). Regarding securities intended to be held for the long term, the fair value of these securities is in line with their book value.

Deferred tax assets

The deferred tax assets related to deductible temporary differences are mainly associated with pension liabilities, unused tax credits and unused tax losses carry forward.

Total gross amount of unused tax losses carry forward which have not been included in the valuation and no deferred tax asset has been recognised amounts to EUR 383.1m (2022: EUR 328.1m).

Deferred tax assets related to deductible temporary differences to be reversed within one year, amount to EUR 7.7m (2022: EUR 19.2m). It is expected that EUR 5.0m (2022: EUR 5.7m) of the deferred tax assets related to tax losses carry forward will be offset within one year.

Other

As at 31 December 2023, other receivables, including deposits, advance payments and miscellaneous receivables, mainly relate to:

- Deposits amounting to EUR 10.4m (2022: EUR 12.5m) are mainly concentrated in Brazil (related to court proceedings: EUR 8.1m in 2023) and France (part of rent arrangements: EUR 0.9m), India (expansion project: EUR 0.7m);
- Advance payments include amounts for prepaid rent and leases of EUR 6.3m (2022: EUR 7.2m) and autogas (LPG) stations in Turkey, amounting to EUR 2.2m (2022: EUR 4.5m);
- Miscellaneous receivables include long-term trade receivables in Brazil of EUR 5.7m (2022: EUR 5.9m), a long-term tax refund in Italy of EUR 0.6m (2022: EUR 3.4m) and a surplus related to Calor Teoranta pension plan of EUR 1.1m (2022: EUR 1.0m).

5. Inventories

	2023	2022
Trading inventory	375.9	378.3
Raw materials and packaging	15.8	13.1
Prepayments on inventories	5.3	7.3
Other	37.8	32.4
	434.8	431.1
Less: Provision for obsolescence	(1.0)	(2.4)
	433.8	**428.7**

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There are no inventories for which the carrying amount is valued above net realisable value at the balance sheet date. The net realisable value has been determined based on market prices as per balance sheet date.

The cost of inventories ('cost of goods sold'), recognised as an expense, amounts to EUR 6,800.3m (2022: EUR 9,007.6m) and is reported in the consolidated profit and loss account on the line 'Third party costs'.

Raw materials and packaging mainly relate to our cylinder manufacturing units in Turkey amounting to EUR 8.3m (2022: EUR 9.6m) and Brazil amounting to EUR 2.9m (2022: EUR 1.5m).

Other inventory consists of non-gas inventory, mostly including spare parts and consumables held at distributing companies, and raw materials and semi-finished products at non-distributing companies mainly in Great Britain in the amount of EUR 14.0m (2022: EUR 8.3m), Brazil in the amount of EUR 5.8m (2022: EUR 5.2m), Poland in the amount of EUR 2.8m (2022: EUR 2.9m) and Bangladesh in the amount of EUR 1.9m (2022: EUR 3.4m).

Provision for obsolescence mainly relates to slow moving (non-trading) inventory in Poland and France.

6. Trade and other receivables

	2023	2022
Trade receivables	836.1	851.7
Related party receivables	12.2	12.9
Financial accruals from related parties	4.0	4.4
Sales tax receivable	81.7	76.9
Prepaid expenditures	34.6	23.4
Income tax and similar taxes receivable	14.3	3.4
Other taxes	22.6	15.8
Advances to suppliers	36.2	23.9
Other receivables	20.4	51.0
Accrued income	35.6	21.1
	1,097.7	1,084.5
Less: allowance for doubtful receivables	(60.6)	(61.1)
	1,037.1	**1,023.4**
In-house bank accounts (credit balances)	126.9	124.3
	1,164.0	**1,147.7**

All receivables have an estimated maturity of shorter than one year.

Sales tax receivables relates to mainly VAT to be collected from tax authorities, main positions are in Brazil (EUR 23.7m) and GB (EUR 7.3m)

Other taxes mainly include tax credits available in Brazil of EUR 5.7m (2022: EUR 7.1m), tax credits available in Italy of EUR 7.4m (2022: nil) and excise duties receivable in Italy of EUR 4.9m (2022: EUR 5.9m).

In-house bank accounts (credit balances) concern the receivable positions held with the group financing entity of SHV Holdings (physical cash pooling). These positions are cash like positions and are de facto comparable with bank accounts (credit balances), refer to note 8.

7. Securities

There are no securities in December 2023 after the divestment of our business in China (2022: EUR 15.5m).

8. Cash and cash equivalents

	2023	2022
Banks accounts (credit balances)	165.5	159.9
In transit/cheques	11.9	11.6
Cash funds	0.3	0.3
Money market investments	25.0	56.3
	202.7	**228.1**

Cash and cash equivalents are at the Group's free disposal.

Money market investments, such as term deposits for the period under 90 days at balance sheet date, amounting to EUR 25.0m (2022: EUR 56.3m), mainly related to India (Supergas and SunSource).

9. Shareholder's equity

Movements in shareholder's equity were as follows:

	2023	2022
Balance as at 1 January:	**1,469.0**	**1,601.2**
Net income	128.8	187.2
Dividends	(187.2)	(252.0)
Acquisition of minority interests	-	(1.6)
Movement in put/call options for acquisitions	(6.0)	25.5
Fair value of cash flow hedges charged directly to equity	44.5	(158.4)
Taxes charged on changes of fair value of cash flow hedges	(11.3)	41.5
Translation differences on foreign operations	(29.5)	(14.0)
Monetary and inflation correction	30.6	39.6
Balance as at 31 December	**1,438.9**	**1,469.0**

The put/call option movement during the year represents the valuation change for potential success fees of historical acquisitions.

For a detailed explanation of the share of the Company in group equity, reference is made to note 35 Shareholder's equity in the company financial statements.

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10. Minority interests

Minority interests represent the share of third parties in the shareholders' net assets of consolidated companies. The movements in minority interests are as follows:

	2023	2022
Balance as at 1 January:	**26.3**	**29.9**
Change in consolidation	(1.9)	(4.3)
Change in capital	(0.4)	2.6
Third-party share in net result	10.7	10.0
Dividend distributions	(7.6)	(11.2)
Translation differences	-	(0.7)
Balance as at 31 December:	**27.1**	**26.3**

Minority interests mainly reflect the proportional share of third parties in the net value of assets and liabilities of Primagas in Germany, Liquigas in Malta, SunSource in India, Gaspol in Poland and EM3 in Ireland. The changes in consolidations in 2023 represent the acquisition of the remaining shares of SunSource in India (EUR 0.4m) and the effect of the sale of our business in China (EUR 2.4m).

11. Provisions

	2023	2022
Liabilities resulting from deposits	144.8	184.3
Pensions	108.1	109.8
Deferred income tax provision	131.7	91.6
Restructuring	3.0	4.1
Claims and other disputes	29.0	33.0
Other	18.5	38.5
	435.1	**461.3**

Liabilities resulting from deposits

The deposits provision represents deposits paid by customers for cylinders and tanks. Movements in deposits provision can be specified as follows:

	2023	2022
Balance as at 1 January:	**184.3**	**198.4**
Changes:		
Deposits received during the year	17.9	27.8
Deposits paid during the year	(11.0)	(16.4)
Charged and/or released to the profit and loss account	(8.4)	(8.9)
Change in consolidation	(34.8)	1.0
Discounting effect	-	(13.2)
Translation differences	(3.2)	(4.4)
Balance as at 31 December:	**144.8**	**184.3**

Change in consolidation relates to the divestment of our Chinese business. The deposit provisions for cylinders and tanks as per 31 December 2023 amount to EUR 106.6m and EUR 38.1m respectively (2022: EUR 143.8m and EUR 40.5m respectively). Deposits for cylinders are classified as short-term while deposits for tanks are classified as long-term. The provision expected to be utilised in the subsequent year amounts to EUR 64.7m (2022: EUR 147.2m), provisions to be utilised between one and five years from now, amounts to EUR 28.9m (2022: EUR 11.3m).

No discounting effect recorded in 2023, due to relatively stable discount rates as per 31 December 2023 compared to 31 December 2022.

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Pension provision

The pension provision contains the provision for the pension commitments to employees. Movements in pension provision can be specified as follows:

	2023	2022
Balance as at 1 January:	**109.8**	**97.9**
Changes:		
Addition, charged to the profit and loss account	20.9	38.2
Utilisation, charged against the provision	(4.8)	(8.2)
Release, credited to the profit and loss account	(25.3)	(24.1)
Discount effect	3.8	(1.4)
Change in consolidation	(0.2)	0.6
Monetary and inflation correction	6.9	9.2
Translation differences	(3.0)	(2.4)
Balance as at 31 December:	**108.1**	**109.8**

SHV Energy operates several pension plans consisting of a mixture of defined benefit and defined contribution schemes. The defined benefit schemes relate both to final and average pay pension plans, some of which are transferred to company pension funds. Some of the company pension funds are in a deficit situation. This relates to pension funds in the United Kingdom ('UK') and Ireland. As at 31 December 2023, provisions were recorded for the obligations of SHV Energy to provide additional payments due to the low coverage of the pension funds or the difference between the actual interest rate and the applied discount rate in the pension arrangement. The administration agreements with the pension funds as with the insured arrangements run in general for one to five years. Some pension schemes are classified as defined benefit agreements under the Dutch pensions act or similar foreign acts. The post-employment health benefit scheme for employees in Brazil also qualifies as a defined benefit and a provision for this commitment is included.

Employees in the UK and Ireland have pension schemes that are structured and operate similarly to the Dutch pension system. The Calor UK Pension Trust and the Calor Teoranta Pension Scheme are closed for new entrants. A best estimate of the pension commitments of these foreign schemes is made at the reporting date using the actuarial projected unit method. The pension funds have had a funding deficit historically and as such have submitted a recovery plan to their relevant regulatory bodies to restore their capital to the minimum requirements. The recovery plans have been drawn up with due regard for the criteria set by these regulatory bodies and were subsequently approved. The companies involved have agreed to make additional contributions under the respective recovery plans.

As at 31 December 2023, the Calor UK Pension Trust had a deficit of GBP 47.7m (2022: GBP 52.9m). In 2021, a recovery plan, following the regular tri-annual revaluation, was agreed between the trustees and Calor. The annual deficit recovery payment to the pension scheme is GBP 15.5m. This will be paid until 2026, unless the deficit is recovered earlier. As per the reporting date, a provision is included, based on an actuarial calculation, for an amount of GBP 47.7m (2022: GBP 52.9m). The discount rate is 4.60% (2022: 4.85%). As at 31 December 2023, the Calor Teoranta Pension Scheme had a surplus limited to EUR 1.1m due to asset ceiling (2022: a surplus of EUR 1.0m). There is an annual EUR 3.1m deficit recovery plan funding arrangement agreed between Calor Teoranta, the Trustees and the Pensions Authority which will end in 2024. As per the reporting date a surplus amount, based on an actuarial calculation, is presented as part of Miscellaneous receivables (note 4) for an amount of EUR 1.1m (2022: provision of EUR 1.0m). The discount rate is 3.1% (2022: 3.6%).

In 2023, a total of EUR 15.3m was charged to the profit and loss account (2022: EUR 25.7m) with respect to the Calor pension plan (in both UK and Ireland), consisting of regular contribution payments and movement of the provisions. The deficit recovery payment of GBP 15.5m in 2023 is the short-term part of the employee benefits provision.

Brazil provides a health insurance plan to their employees as part of their total employee benefits. Both retired and/or former employees are able to continue participating in this health insurance plan if certain conditions are met. This health insurance plan results in a liability for future rights of the employees. As per the reporting date, a provision is included, based on an actuarial calculation, for an amount of EUR 23.8m (2022: EUR 18.2m).

Provision for deferred income taxes

The provision for deferred income taxes comprises the tax effect of the taxable temporary differences between values recorded for financial reporting purposes and for tax purposes. Timing differences mainly result from differences in the valuation of tangible and intangible fixed assets. These are driven by fair value adjustments resulting from a acquisition accounting ('purchase price allocation') and the accelerated depreciation of tangible fixed assets for tax purposes. Furthermore, application of hedge accounting for financial instruments with changes in fair value recognised in equity results in deferred tax charges.

Movements in deferred income tax provision can be specified as follows:

	2023	2022
Balance as at 1 January:	**91.6**	**95.1**
Changes:		
Recognised in profit and loss account, net	34.0	11.1
Recognised in reserves as result of hedge accounting	0.5	(30.6)
Reclass	4.0	-
Change in consolidation	(0.7)	8.4
Deferred withholding tax	-	(0.1)
Monetary and inflation correction	5.1	9.5
Translation differences	(3.4)	(1.8)
Other	0.6	-
Balance as at 31 December:	**131.7**	**91.6**

Deferred income taxes with a residual term of one year or less amount to EUR 15.2m (2022: EUR 12.6m).

Provision for restructuring

Provision for restructuring include costs related to certain compensation to staff and costs that are directly associated with plans to execute specific activities and the closure of facilities. A detailed plan exists for all restructuring provisions and the implementation of the plan has either started or the plan has been announced before issuance of the Annual Report.

An amount of EUR 2.9m (2022: EUR 3.6m) of the restructuring provision is due within one year. In 2023, a net expense of EUR 2.0m (2022: EUR 1.5m) has been recognised in the profit and loss account and has been fully included in staff expenses.

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Provision for claims and other disputes

The provision in respect of claims and other disputes relates to disputes involving the Company and/or its group companies resulting from the normal course of business. In consultation with in-house and outside legal counsels, management regularly evaluates the relevant facts and circumstances of those claims. SHV Energy has global liability insurance with a self-insured retention and a maximum pay-out level. Although the outcome of these disputes cannot be predicted with certainty, and these are also contested by the Company and/or its subsidiaries, management believes that, based upon legal advice and information received, the provisions reflect the best estimate about the outcome of the claims. These provisions are reviewed periodically and adjusted, if necessary, to the extent that cash-outflow of related proceedings is probable. Since the ultimate disposition of asserted claims and proceedings cannot be predicted with certainty, final settlement can differ from this estimate and could require revisions to the estimated provision. This could have a material adverse effect on consolidated balance sheet and consolidated results of operations for a particular year.

Movements in provision for claims and other disputes can be specified as follows:

	2023	2022
Balance as at 1 January:	**33.0**	**33.8**
Changes:		
Addition, charged to the profit and loss account	7.8	5.1
Utilisation, charged against the provision	(1.0)	(2.3)
Release, credited to the profit and loss account	(5.2)	(4.5)
Change in consolidation	(6.6)	(2.2)
Monetary and inflation correction	0.3	1.3
Discount effect	-	(0.1)
Translation differences	0.7	1.9
Balance as at 31 December:	**29.0**	**33.0**

A major part of the provision for claims consists of various exposures associated with tax, general business risks and contract risks as well as labour cases in mainly Brazil for an amount of EUR 24.4m (2022: EUR 20.5m).

Provisions are expected to be long-term unless otherwise stated.

The provisions are expected to be used for an amount of EUR 6.6m (2022: EUR 11.8m) in the subsequent year and for an amount of EUR 8.0m (2022: EUR 20.6m) between one and five years.

Other provisions

Other provisions relate to onerous contracts amounting to EUR 1.1m (2022: EUR 2.1m), gas tanks / networks amounting to EUR 4.2m (2022: EUR 15.4m) and other liabilities of EUR 13.2m (2022: EUR 20.1m).

12. Non-current liabilities

	2023	2022
Debts to financial institutions	171.1	175.7
Finance lease obligations	42.3	46.8
Debts to shareholder	147.3	363.1
	360.7	**585.6**

Debts to financial institutions and financial lease obligation are denominated in EUR (EUR 10.0m), GBP (EUR 42.3m), INR (EUR 61.5m), BRL (EUR 55.8m) THB (EUR 0.4m) and BDT (EUR 43.3m), as per year-end 2023.
Debts to shareholder are denominated in EUR (EUR 147.3m) as per year-end 2023.

Non-current liabilities per 31 December 2023 can be further analysed as follows:

		Repayment obligation in the years		
	Total	**2024(*)**	**2025 - 2028**	**After 2028**
Debts to financial institutions	171.1	-	98.8	72.3
Finance lease obligations	42.3	-	22.6	19.7
Debts to shareholder (*)	147.3	-	15.2	132.1
	360.7	**-**	**136.6**	**224.1**

(*) Note: excluding the portion presented as part of current liabilities per 31 December 2023 (note 13).

Movements in non-current liabilities were as follows:

	Financial institutions	Shareholder
Carrying amount as at 1 January 2023	222.5	376.1
Changes:		
New loans	57.4	-
Repayments	-	(10.0)
Reclassification to current liabilities	(67.9)	(218.8)
Translation differences	1.4	-
Carrying amount as at 31 December 2023	**213.4**	**147.3**

Collateral amounting to EUR 42.4m (2022: EUR 49.0m) has been provided for the debt mentioned above. This collateral consists of:

- Mortgage collateral on land and buildings;
- Mortgage collateral on total assets.

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Debt to financial institutions

For the loans obtained (including current part and financial leases) the breakdown of these loans grouped per country is as follows:

	Fixed floating	w/a interest	Repayment <1Y	Repayment 1-5Y	Repayment >5Y
India	fixed and floating	7.5%	64.6	33.0	28.9
Turkey	fixed	35.6%	27.3	-	-
Brazil	fixed	10.7%	55.8	55.8	-
USA	floating	6.5%	12.1	-	-
Italy	fixed	1.2%	6.8	10.0	-
Bangladesh	floating	5.6%	-	-	43.3
GB	fixed	5.6%	5.4	22.5	19.7
Total			**172.0**	**121.4**	**92.0**

Finance lease obligations

The finance lease obligations amount to EUR 42.3m (2022: EUR 46.8m) relates to finance leases at Calor GB.
The minimum lease payments and their present value resulting from finance lease contracts can be specified as follows:

	Present value 2023	Present value 2022	Lease Payment
No more than 1 year	5.4	5.1	8.2
Between 1 and 5 years	22.6	21.8	30.6
Longer than 5 years	19.6	25.0	22.0
Total	**47.6**	**51.9**	**61.0**

Debts to shareholder

The debt to shareholder (including current part) relates to loans received from SHV Nederland B.V., primarily to finance acquisitions. These loans rank pari passu with all other unsecured and unsubordinated liabilities, other than to the extent privileged by law. The loans amounting to EUR 366.1m bear a fixed interest rate ranging from 1% to 4.2% per annum (weighted average interest rate of 2.92%).

13. Derivative financial instruments and current liabilities

Derivative financial instruments mainly consist of hedge accounting liability of EUR 2.7m (2022: EUR 41.3m), put/call option EUR 13.9m (2022: EUR 7.9m), and fair value of financial derivatives of EUR 9.5m (2022: EUR 15.6m) and margin calls of EUR 19.9m.

Current liabilities

	2023	2022
Trade payables	717.8	680.1
Debts to financial institutions	149.4	216.3
In-house bank accounts (debit balances)	355.1	381.8
Current part of non-current liabilities	287.0	26.0
Received prepayments on orders	88.8	96.4
Related party payables	17.8	16.6
Financial accruals to related parties	8.2	8.1
Income tax liability	30.7	27.9
Other taxes and social security contributions due	78.0	59.5
Pension liabilities	1.9	1.5
Other liabilities	41.3	106.9
Accruals and deferred income	149.8	104.1
	1,925.9	**1,725.2**

All current liabilities have an estimated maturity shorter than one year, except for an amount of EUR 217m reflected as current part of non-current liabilities. These group financing agreements are extended after balance sheet data for at least another year. The carrying values of the recognised current liabilities approximate their respective fair values, given the short maturities of the positions.

Debts to financial institutions include debit balances on bank accounts and short-term credit facilities. Debit balances on bank accounts amount to EUR 39.6m (2022: EUR 59.1m). Short-term credit facilities and current part of non-current liabilities including short-term portion of debt to shareholder amount to EUR 385.4m (2022: EUR 169.3m), exist in Bangladesh, India, Brazil, Italy, and France. Interest rate is fixed or floating and ranging from 0.3% to 49% (weighted average interest rate of 7.05%). Current part of financial leases amount to EUR 5.4m with a fixed and average interest rate of 0.3%.

Other liabilities include EUR 15.6m (2022: EUR 29.5m) due to suppliers for the purchase of operational fixed assets and EUR 25.6m (2022: EUR 77.6m) of various payables. The latter mainly consist of personnel-related payables of EUR 7.4m (2022: EUR 50.9m) and non-gas payables of EUR 18.2m (2022: EUR 15.1m), spread across various countries.

The Company's shareholder has centralised the cash management of SHV Energy and its subsidiaries through SHV Nederland B.V. Interest granted for these in-house bank accounts is at arm's-length basis: equal to central bank interest (with a minimum of 1.89%), including a margin, for both EUR and non-EUR accounts. The in-house bank balances are at the free disposal of the Company. Please also refer to note 6 receivables showing credit balances of the in-house bank accounts.

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Accruals and deferred income include EUR 20.0m (2022: EUR 20.8m) accrued expenses non-trade related, EUR 21.3m (2022: EUR 12.8m) deferred income non-trade related and EUR 52.7m (2022: EUR 52.3m) other accrued liabilities non-trade related. These positions primarily consist of costs incurred, but not yet invoiced by suppliers. This position is spread across various countries.

Other taxes and social security contributions due

	2023	2022
Sales tax and VAT	35.5	17.5
Social security contributions and wage tax	32.8	36.9
Withholding tax	2.7	1.8
Other taxes	7.0	3.3
	78.0	**59.5**

14. Financial instruments

Financial risk management

The Group is exposed to a variety of financial risks. These are categorised as market risk (such as interest rate risk, foreign currency risk and commodity price risk), credit risk and liquidity risk. These risks are inherent to the way the Group operates as a multinational with a large number of operating companies in various countries. The Group's overall risk management policy is to identify, assess, and, if necessary, mitigate these financial risks to minimise potential adverse effects on the Group's financial performance. The Group makes use of derivative financial instruments to mitigate the risks associated with certain financial exposures. The Company trades in financial derivatives for managing risks on supply, group terminals and business unit retails optimisation purposes only.

In line with the general SHV governance, the capitalisation and funding of subsidiaries is a joint effort of both SHV Energy and the corporate treasury and tax department of SHV. Decisions regarding the debt-to-equity ratio are based on various aspects, including minimum regulatory requirements and the flexibility to change the structure. Except for withholding tax on dividend and interest in certain countries, the Group has no restrictions in paying intercompany dividends or in repaying intercompany loans.

The operating companies are primarily responsible for identifying and managing financial risks, especially in relation to transactions in foreign currencies, commodities and credit risk for non-financial counterparties. Within the boundaries set forth by the Company's Risk Management Policy, the operating companies execute appropriate foreign currency risk management activities. Derivative financial transactions with third parties to manage fluctuations in commodity prices are only executed through Supply & Risk Management (S&RM) in Paris.

S&RM is responsible for reporting to the Risk Management Board on the Group's exposure to a number of financial risks: predominantly, commodity price risk. S&RM is allowed to take a maximum fixed price position, expressed in KmT which is monitored on a daily basis.

The fair value of the financial instruments recognised on the balance sheet, including receivables, securities, cash and cash equivalents and current liabilities, is approximately equal to their carrying amount. The fair value of the other financial instruments recognised in the balance sheet can be specified as follows:

	2023		2022	
	Fair value	Carrying amount	Fair value	Carrying amount
Financial fixed assets				
Participating interests	71.9	71.9	71.2	71.2
Receivables from participating interests	11.7	11.7	7.0	7.0
Trade investments	8.3	8.3	4.5	4.5
Other securities	21.7	21.7	21.8	21.8
Receivables from shareholder	-	-	1.1	1.1
Other receivables	97.7	97.7	115.7	115.7
Non-current liabilities				
Debts to financial institutions	(213.4)	(213.4)	(219.2)	(219.2)
Debts to shareholder	(147.3)	(147.3)	(363.1)	(363.1)
	(149.4)	**(149.4)**	**(361.0)**	**(361.0)**

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Market risk

Commodity price risk

The company is exposed to the risk of fluctuations in the prevailing commodity prices of the gas products it sells. It therefore enters into derivative trades on a regular basis to minimise any negative impact from volatility where a natural hedge through commercial pricing is not achievable. The Company's risk management governance framework ensures that hedging is executed in line with the business (including storage) and customers' requirements.

The derivatives as per 31 December 2023 can be specified as follows:

	Volumes		Maturity	Market Value	Charge to P&L
Current assets					
Propane	651,687	mT	2024	3.1	1.8
Butane	16,352	mT	2024	0.3	0.3
Brent crude oil	10,605	BBL	2024	2.1	2.8
Naphtha	(37,000)	mT	2024	2.8	0.4
Natural gas	59,190	MWHr	2024	(1.8)	(1.8)
Freight	(173,000)	mT	2024	(1.6)	(1.6)
Other	14,600	mT	2024	(0.7)	(0.7)
Sub total				**(4.2)**	**1.2**
Non-current assets					
Propane	207,995	mT	2025	5.4	0.8
Brent crude oil	3,716	mT	2025	1.0	1.2
Natural gas	4,980	MWHr	2025	(0.1)	(0.1)
Sub total				6.3	1.9
Total				**1.1**	**3.1**

Note: mT is metric Ton, BBL is Barrel and MWHr is Megawatt Hours. Positions are presented net.

The market value of commodity price derivatives as per year-end amounts to positive amount of EUR 1.1m (2022: EUR 28.7m), of which EUR 3.1m is initially recognised in the revaluation reserve (2022: EUR 24.0m) gross of associated deferred tax. The Group applied cash flow hedge accounting for a significant part of the derivative portfolio.

Currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities. Foreign currency hedging activities are carried out to mitigate the risk that the net cash flows are adversely affected by changes in exchange rates. Foreign currency transaction risks within SHV Energy mostly relate to the purchase of gas in US dollars and sales of gas in local currency. This foreign currency exposure is managed by means of derivative financial instruments.

The group entities hedge receivables or payables that are not denominated in their functional currency. Each derivative used for exposure management must be directly linked to an existing underlying open economic position. Derivatives are only used to manage the economic hedging of pending positions and not for trading or other speculative purposes.

For an overview of the significant exchange rates applied, see note 26.

Foreign currency translation risk

SHV Energy is exposed to foreign currency translation risks arising from investments in countries that use a currency other than the Euro and are therefore dependent on the economic and political stability of those countries. These risks include long-term loans to foreign subsidiaries, net income and retained earnings of these foreign operations. The translation exposure resulting from net investments in equity of foreign operations is not hedged. The Group measures the translation exposure by the total amount of the capital invested, per foreign currency, reduced by long-term loans in the same foreign currency. Furthermore, SHV Energy uses foreign currency exchange swaps and cross-currency interest rate swaps to further reduce the exposure to translation risks stemming from net investments in long-term loans denominated in foreign currency.

The translation exposure for foreign currencies is as follows:

In millions of euro		Capital invested		Exposure	
		2023	2022	2023	2022
Bangladesh taka	(BDT)	39.7	45.1	39.7	45.1
Brazilian real	(BRL)	204.0	173.3	204.0	173.3
British pound	(GBP)	343.6	138.0	343.6	138.0
Polish zloty	(PLN)	106.7	102.7	106.7	102.7
US dollar	(USD)	90.1	157.7	18.2	90.5
Turkish lira	(TRY)	49.0	59.1	49.0	67.1
Chinese renminbi yuan	(CNY)	0.0	92.9	0.0	92.9
Indian rupee	(INR)	101.7	109.4	101.7	109.4
Singapore dollar	(SGD)	(0.3)	0.0	(0.3)	0.0
Thai baht	(THB)	0.0	0.0	0.0	0.0
Bosnian marka	(BAM)	2.0	2.0	2.0	2.0
Czech koruna	(CZK)	11.9	10.3	11.9	10.3
Danish krone	(DKK)	6.7	5.4	6.7	5.4
Croatian kuna	(HRK)	0.0	8.1	0.0	8.1
Swedish krone	(SEK)	29.5	22.2	19.1	22.2
Total		**984.6**	**926.2**	**902.3**	**867.0**

A 10% strengthening of the main foreign currencies (BRL, GBP, PLN, USD, TRY, CNY, INR) against the Euro at the reporting date would have increased equity by EUR 82.3m (2022: EUR 77.4m). A 10% weakening of these same main foreign currencies against the euro at the reporting date would have had the equal but opposite effect. This analysis assumes that all other variables, in particular interest rates, remain constant.

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Foreign currency transaction risk

At 31 December 2023, the Group was part of several foreign exchange derivative contracts used to hedge future foreign currency transactions. The notional amount of such contracts, accounted for by applying the cost price hedge accounting method, totalled EUR 400.2m (2022: EUR 531.6m). This notional amount related to US dollars (contracts fixed in British pounds, Euro, Swedish Krone and Danish Krone) and EUR (contracts fixed in US Dollars, British pounds, and Swedish Krone). The negative net market value of the outstanding foreign exchange derivatives related to foreign exchange transaction risk hedging amounted EUR -13.8m (2022: EUR 12.7m).

The derivatives as per 31 December 2023 can be specified as follows:

In millions of euro		Notional amount	Maturity	Net market value
US dollar transactions				
British pound	(GBP)	109.9	2024	(2.7)
Euro	(EUR)	224.7	2024-2025	(3.6)
Polish zloty	(PLN)	15.1	2024	(0.9)
Indian rupee	(INR)	12.6	2024	(1.3)
Swedish krone	(SEK)	5.4	2024	(0.9)
Danish krone	(DKK)	2.0	2024	(0.1)
EUR transactions				
US dollar	(USD)	87.2	2027	(4.3)
Swedish Krone	(SEK)	13.5	2032	(0.1)
Total		**470.3**		**(13.8)**

Interest rate risk

The Group is partly financed with interest-bearing debt as disclosed in notes 12 and 13. SHV Energy has agreed fixed interest rates for the loans with its related parties. Loans with external banks mainly consist of fixed interest rate loans, although part of these borrowings are at variable interest rates, resulting in a cash flow interest rate risk.

The interest rate risk is presented by the interest payment schedule as per 31 December 2023 as presented below:

		Repayment obligation		
	Total	**1 year or less**	**1-5 years**	**More than 5 years**
Fixed interest rate loans payable	(634.1)	(316.7)	(136.6)	(180.8)
Variable interest rate loans payable	(123.3)	(80.0)	-	(43.3)
Net interest position	**(757.4)**	**(396.7)**	**(136.6)**	**(224.1)**

Should the interest rates of variable interest rate loans rise by 1% as of 31 December 2023, and leaving all other assumptions unchanged, interest expenses would rise by EUR 0.4m (2022: EUR 0.8m).

Credit and liquidity risk

Credit risk

Credit risk arises principally from the Company loans and receivables presented under financial fixed assets, trade and other receivables, cash and the positive fair value of derivatives. Credit risk encompasses both the direct risk of default and the risk that the creditworthiness of the counterparty will deteriorate, and concentration risks. The maximum credit risk is equal to the carrying amount of each financial instrument as reflected on the balance sheet.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk. The credit risk per customer, and the number of customers differs per country. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are a legal entity or an individual, whether they are a wholesale or retail customer, the geographic location, service, age profile, maturity and whether they have had financial difficulties in the past.

The Group has established credit policies under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. This review includes external ratings, when available, and, in some cases, bank references. Purchase limits are established for customers. These represent the maximum open amount allowed without requiring approval from the management; these limits are reviewed periodically. As the sales market differs significantly per country, there is no significant concentration of transactions with a single customer and geographically, there is no concentration risk.

SHV Energy has credit insurance in a number of countries to further mitigate the credit risk posed by customers.

The Group has an exposure to reputable banks that have been carefully selected and monitored, and credit limits are temporarily reduced in the event of uncertainty. The Group actively monitors the counterparty risk of banks used as it also operates in jurisdictions that pose a slightly higher credit risk compared to the more developed jurisdictions. Bank balances are streamlined and consolidated into a manageable number and cash pools are used whenever possible. Generally, cash and cash deposits and derivatives are held with banks with a sufficient credit rating.
In case of a sovereign rating below investment grade, excess cash will be upstreamed or held with global relationship banks and / or best rated local banks in country.

Liquidity risk

Liquidity risk is the risk that SHV Energy will encounter difficulties in meeting the obligations associated with its financial and contingent liabilities that are settled by delivering cash or another financial asset. Management's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions.

The Group's cash position and treasury function are monitored by using liquidity budgets. Management ensures that the cash position is sufficient to meet SHV Energy's financial obligations towards creditors.

SHV Holdings N.V. committed the in-house bank facility till August 2025 for an amount of EUR 125.0m and USD 160.0m and the shareholder loans till August 2025 for an amount of GBP 150.0m and EUR 45.0m.

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15. Off-balance sheet assets and liabilities

Capital commitments

The Group has capital commitments of EUR 98.2m (2022: EUR 78.1m) for the construction or purchase of fixed assets of which EUR 31.3m is due within one year.

Long-term financial commitments

Long-term unconditional commitments have been entered into in respect of operating leases (including rent). The operating leasing costs are recognised on a straight-line basis in the profit and loss account over the lease period.

The remaining term can be specified as follows:

	2023
Due within one year	44.6
Due between two and five years	91.9
Due after five years	74.0
	210.5

In 2023, a total amount of EUR 114.5m (2022: EUR 34.3m) was paid under operating leases and long-term purchase commitments. The significant increase is explained in SRM (EUR 55.0m), due to operating lease of a ship, the contract ended in 2023, SHV Energy N.V. (EUR 17.0m) for IT services, Supergasbras in Brazil (EUR 12.6m) for truck lease.

Guarantees

In the normal course of business, certain group companies issued guarantees totalling to EUR 1,072m (2022: EUR 923m). Furthermore, banks have provided guarantees on behalf of group companies. Provisions have been made insofar as claims from guarantees given are probable.

The increase in 2023 is explained by additional guarantees for SunSource's financing provided by SHV Energy N.V. to support higher headroom of the company's operation and S&RM tradeline guarantees provided by SHV Energy N.V. to support improved headroom for gas trading. Bid bond and supplier guarantees for operations in Turkey are provided by external local banks.

Claims and litigation

The Company and/or its group companies have received various claims that are contested by it/them. Although the outcome of these disputes cannot be predicted with any certainty, it is assumed – partly on the basis of legal advice – that these will not have any material unfavourable impact on the consolidated financial position.

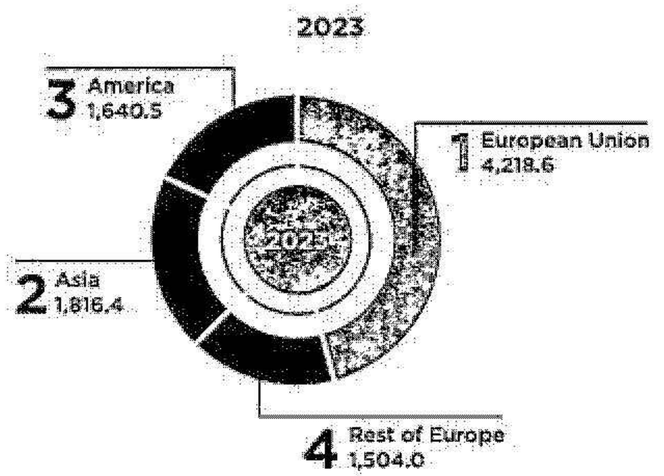
At this point in time, we cannot estimate any additional amount of loss or range of loss in excess of the recorded provisions with sufficient certainty to allow the recognition of this amount.

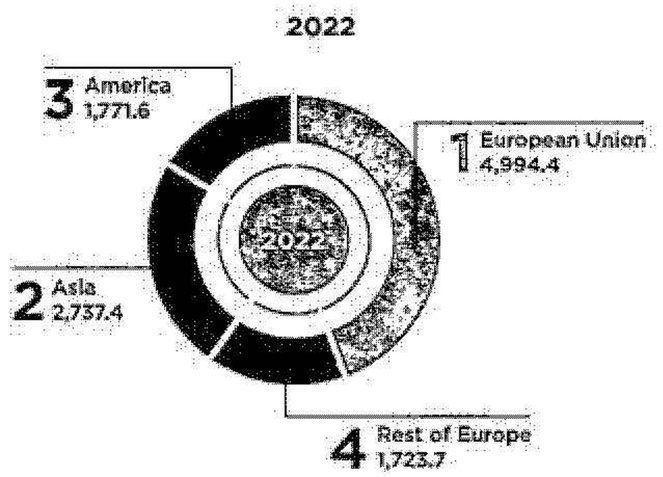
Other off-balance sheet liabilities

In 2021, a recovery plan was agreed for Calor UK Pension Trust to make annual payments of GBP 15.5m until 2026, the recovery plan will be re-evaluated in 2024. For Calor Teoranta Pension Scheme, a recovery plan was agreed to make annual payments of EUR 3.1m until 2024. Other off-balance sheet liabilities have been entered into in respect of purchase agreements and other long-term commitments. The outstanding amount is mainly related to Head office's purchase agreement relate to lease cars and IT services (EUR 18m).

16. Net sales

The breakdown of net sales by geographical region is as follows:





	2023	2022
Net Sales to third parties	**9,179.4**	**11,227.1**
Transactions with other subsidiaries of SHV Holdings N.V.	24.3	9.5
Net sales	**9,203.7**	**11,236.6**

Net sales to third parties amounted to EUR 9,179.4m (2022: EUR 11,227.1m), of which EUR 9,108.8m (2022: EUR 11,182.4m) is recognised outside the Netherlands.

	2023	2022
Goods and services transferred at a point in time	8,897.5	10,933.8
Goods and services transferred over time	306.1	302.8
Net sales	**9,203.7**	**11,236.6**

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17. Third party costs

	2023	2022
Cost of raw materials and consumables including:		
Cost of goods sold	(6,998.9)	(9,111.1)
Cost of raw materials	(44.5)	(48.2)
	7,043.4	**9,159.3**
Cost of outsourced work and other costs including:		
Filling	(23.6)	(20.8)
Transport	(245.2)	(238.5)
Repair and maintenance	(96.6)	(83.0)
Other third-party costs	(17.2)	(7.2)
Cost of outsourced work	(1.2)	(10.3)
	(383.8)	**(359.8)**

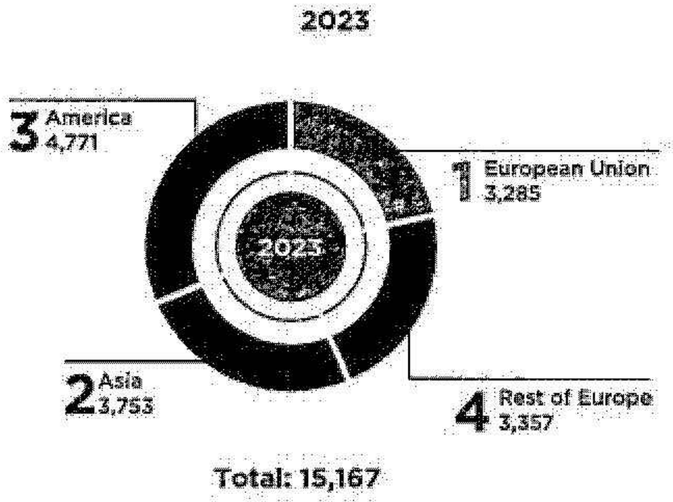
18. Salaries and wages

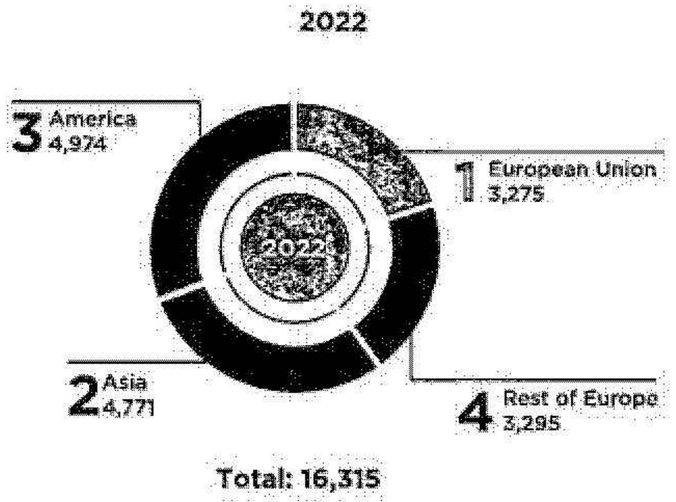
	2023	2022
Salaries, wages and bonuses	(501.4)	(493.6)
Pension premiums	(27.7)	(42.5)
	(529.1)	**(536.1)**

Pension premiums include a change in pension liabilities in Great Britain and Ireland of EUR 15.9m (2022: EUR 25.7m).

During the 2023 financial year, the average number of staff employed by SHV Energy, converted into full-time equivalents, amounted to 15,167 people (2022: 16,315 people), of which 15,014 (2022: 16,156) were employed outside the Netherlands. The decrease in 2023 compared to 2022 is mainly related to the sale of our business in China.

This staffing level (average number of staff) can be divided into the following geographical regions:





19. Other operating expenses

	2023	2022
Building related expenses	(128.9)	(130.5)
Sales promotion	(37.7)	(44.4)
IT	(96.6)	(77.3)
Insurance	(16.0)	(14.7)
Advisory	(66.0)	(43.8)
Temporary labour	(27.3)	(56.2)
Travel and representation	(30.4)	(23.0)
Taxes and duties	(11.6)	(13.4)
Other staff expenses	(46.0)	(41.3)
Other expenses	(16.6)	(13.0)
	(477.1)	**(457.6)**

Other expenses in 2023 include the profit of divestment of SHV Energy activities in China of EUR 22.6m (2022 include a profit on the divestment of filling plants and offices in China of EUR 6.9m).

20. Amortisation and depreciation

	2023	2022
Amortisation of intangible fixed assets (see note 2)	(51.7)	(39.2)
Depreciation of tangible fixed assets (see note 3)	(238.6)	(236.4)
	(290.3)	**(275.6)**

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21. Exceptional items recognised in profit and loss

Management reviews the performance of SHV Energy after exceptional items, as such we present our operating result excluding exceptional items. These exceptional items were originally recognised in profit and loss as salaries and wages, other operating expenses, amortisation, and depreciation. Significant exceptional items are specified per category below based on internal management information if such category exceeds EUR 1m or have been presented in past period.

	2023	2022
Operating result excluding exceptional items	**385.4**	**372.3**
Claims and other disputes	(3.0)	(4.8)
Pensions	(16.0)	(25.7)
Restructuring	(12.3)	(5.3)
Sale of tangible fixed assets	7.4	7.9
Impairment	(31.0)	-
Divestments of business activities	22.4	2.0
Exceptional items	**(32.5)**	**(25.9)**
Operating result	**352.9**	**346.4**

22. Interest income and similar income

	2023	2022
Loans to participating interests	0.7	0.7
Loans to shareholder/participants	1.3	3.2
Deposits and other	16.8	12.4
Dividend income	0.1	1.0
Discount effect for present value of provisions	-	17.5
	18.9	**34.8**

23. Interest expenses and similar charges

	2023	2022
Loans granted by financial institutions	(19.9)	(19.8)
Current account overdraft facilities	(18.1)	(13.5)
Loans from shareholder/participants	(27.7)	(15.3)
Change in fair value of instruments measured at fair value, net	(5.3)	(10.1)
Credit and commitment fees	(1.6)	(3.2)
Bank charges and cost of loans	(9.4)	(6.4)
Foreign exchange losses, net	(11.8)	(4.2)
Discount effect for present value of provisions	(4.0)	-
Other	(9.5)	(4.9)
	(107.3)	**(77.4)**

24. Tax on result

The components of the tax charge are as follows:

	2023	2022
Current income taxes	(106.6)	(101.9)
Deferred income taxes	(14.5)	(2.8)
Income tax expense	**(121.1)**	**(104.7)**

Future tax profits that can be compensated with tax losses from prior year(s) are recorded for an amount of EUR 525.5m (2022: EUR 419.1m). Prior year(s) tax losses have been recognised – as deferred tax asset – for an amount of EUR 142.4m (2022: EUR 90.1m). Refer to note 4 Financial fixed assets.

The applicable weighted average tax rate is 28.6% (2022: 27.6%), whereby the weighted average tax rate has been calculated based on the results before taxes in the various tax jurisdictions. The tax expense recognised in the profit and loss account for 2023 amounts to EUR 121.1m, or 46.5% of the result before tax (2022: 34.7%). The numerical reconciliation between the nominal weighted average tax rate and the effective tax rate is as follows:

	2023	2022
Result before tax	**260.6**	**302.0**
Nominal weighted average tax rate	**(74.6)**	**(83.4)**
Effect of permanent differences	(15.4)	(11.1)
Valuation of temporary differences outside of profit and loss	0.2	0.1
No DTA recognised for tax losses carry forward	(26.5)	(8.5)
Additional credits / taxes on income and equity	(2.9)	(0.9)
Withholding taxes and taxes on income from investments in affiliates	(2.6)	(1.3)
Adjustments prior years and true-ups	0.5	0.4
Income tax expense	**(121.1)**	**(104.7)**

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The income tax amount directly recognised in equity in 2023 is mainly related to hedge accounting and amounts to a debit of EUR 11.0m (2022: credit of EUR 30.6m). See note 9 Shareholder's equity.

The Group is part of SHV and is therefore subject to the newly enacted legislation regarding the global minimum top-up tax (also referred to as Pillar 2). SHV and its Group Companies are in the process of implementing a Pillar 2 reporting and compliance process, including a monitoring mechanism to continuously assess the effective tax rate per jurisdiction.

Based on the Pillar 2 rules, effective tax rate calculations are made on a jurisdictional basis and therefore financial results of the Group are blended with other activities of SHV in the same jurisdiction. As a result, an impact assessment of the Pillar 2 rules is not performed at the level of the Group but rather at the level of SHV.

Since the newly enacted legislation is only effective from 1 January 2024, there is no current tax impact for the year ended 31 December 2023. The Group has applied a temporary mandatory relief from deferred tax accounting for the impact of the top-up tax and accounts for it as a current tax when it is incurred (see page 48).

25. Cash flow statement

The consolidated cash flow statement provides an analysis of the changes in cash and cash equivalents (note 8) and has been prepared in accordance with the indirect method comparing the balance sheets as at 1 January and 31 December of the respective year. Liquidity in the consolidated cash flow statements consists of money market investments, credit balance of in-house bank accounts and other cash and cash equivalents (note 8). The money market investments are considered liquid investments as these are directly convertible and the cash that would be received is subject to an insignificant risk of change in value.

Most of the movements in the cash flow statement can be reconciled to the movement schedules for the balance sheet items concerned. In some cases, the movements in balance sheet items as presented in the cash flow statement differ from the changes between the balance sheets at the beginning and the end of the period. These movements concern the following significant differences:

	2023
Operating working capital	
Balance at 1 January	379.1
Balance at 31 December	357.2
Balance sheet changes	**21.9**
Adjustments:	
Translation differences and other non-cash adjustments	(9.6)
Changes in consolidation scope (including acquisitions and disposals)	(1.7)
Total net change in working capital according to cash flow statement	**10.6**

The amount of cash and cash equivalents (excluding in-house bank accounts) attributable to minority interests amounts to EUR 4.2m (2022: EUR 2.6m).

26. Currency rates

The following rates to euro have been used in computing the principal foreign currency conversions:

			2023		2022	
			Average	Year-end	Average	Year-end
1	Brazilian real	(BRL)	0.19	0.19	0.18	0.18
1	British pound	(GBP)	1.15	1.15	1.17	1.13
1	Polish zloty	(PLN)	0.22	0.23	0.21	0.21
1	US dollar	(USD)	0.92	0.90	0.95	0.94
1	Turkish lira	(TRY)	0.03	0.03	0.05	0.05
100	Chinese renminbi yuan	(CNY)	13.06	12.73	14.12	13.50
100	Indian rupee	(INR)	1.12	1.09	1.21	1.13
1	Bosnian marka	(BAM)	0.51	0.51	0.51	0.51
100	Czech koruna	(CZK)	4.17	4.05	4.07	4.14
100	Danish krone	(DKK)	13.42	13.42	13.44	13.45
100	Croatian kuna	(HRK)	-	-	13.27	13.27
100	Swedish krone	(SEK)	8.72	9.05	9.41	8.97
1	Singapore dollar	(SGD)	0.69	0.69	0.69	0.70
100	Thai baht	(THB)	2.66	2.64	2.71	2.72
100	Philippine pesos	(PHP)	1.6	1.63	1.74	1.68
100	Bangladesh taka	(BDT)	0.86	0.82	1.02	0.91

27. Transactions with related parties

Transactions with related parties are assumed when a relationship exists between the Company and a natural person or entity that is affiliated with the Company. This includes, amongst others, the relationship between the Company and its subsidiaries, shareholder, directors and key management personnel. Transactions are transfers of resources, services or obligations, regardless of whether anything has been charged. There have been no transactions with related parties that were not on a commercial basis. In its normal course of business, the Company buys and sells goods and services from and to various related parties in which the Company has an interest. These transactions are conducted at arm's length and are subject to conditions that typically govern comparable sales and purchase transactions with third parties.

28. Auditor's fees

Regarding the statement of auditor's fees, SHV Energy applies the exemption as referred to in Article 382a, Part 3, Book 2 of the Dutch Civil Code.

29. Subsequent events

No material subsequent events occurred.

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Company financial statements

Company balance sheet as at 31 December 2023

(Before proposed profit appropriation)

In millions of euro	Note	2023		2022	
Fixed assets					
Intangible fixed assets	30	35.8		39.5	
Tangible fixed assets	31	1.3		1.6	
Financial fixed assets	32	1,663.0		1,705.9	
			1,700.1		1,747.0
Current assets					
Receivables	33	114.5		40.0	
			114.5		40.0
			1,814.6		**1,787.0**
Shareholder's equity	34				
Issued and paid-up capital		72.5		72.5	
Share premium reserve		729.0		729.0	
Foreign currency translation reserve		(379.6)		(351.8)	
Other legal reserves		163.8		98.3	
Other reserves		724.4		733.8	
Unappropriated result		128.8		187.2	
			1,438.9		1,469.0
Provisions	35		1.6		3.6
Non-current liabilities	36		148.3		148.3
Current liabilities	37		225.7		166.1
			1,814.6		**1,787.0**

The notes 30 to 44 are an integral part of these company financial statements.

Company profit and loss account 2023

In millions of euro	Note	2023	2022
Share of result of participating interests, after tax	42	198.4	226.8
Other income and expenses, after tax		(69.6)	(39.6)
Net result		**128.80**	**187.2**

The notes 30 to 44 are an integral part of these company financial statements.

Notes to the 2023 Company financial statements

General

The company financial statements are part of the 2023 statutory financial statements of SHV Energy N.V. ('the Company'). The financial information of the Company is included in the consolidated financial statements. For this reason, in accordance with Section 402, Book 2 of the Netherlands Civil Code, the company profit and loss account exclusively state the share of the result of participating interests after tax and the other results after tax.

In so far as no further explanation is provided for items in the company balance sheet and the company profit and loss account, please refer to the notes to the consolidated balance sheet and profit and loss account.

Accounting policies

The company financial statements have been prepared in accordance with Title 9, Book 2 of the Dutch Civil Code. For an explanation of the accounting principles used in the preparation of the company financial statements, the policies for valuation of the assets and liabilities and for determining the result, as well as for the notes to the various company assets and liabilities and the results, reference is made to the notes to the consolidated financial statements, unless stated otherwise.

Participating interests in group companies

Participating interests in group companies are accounted for in the company financial statements according to the equity accounting method on the basis of net asset value. For details, we refer to the accounting policy for financial fixed assets in the consolidated financial statements.

Share of result from participating interests

Income from participating interests concerns the Company's share of the profit or loss of these participating interests. Results on transactions involving the transfer of assets and liabilities between the Company and its participating interests, and mutually between participating interests themselves, are eliminated to the extent that they can be considered as not realised.

Corporate income tax

The Company is part of the fiscal unity headed by SHV Holdings N.V. The Company recognises the portion of corporate income tax that it would owe as an independent tax payer, taking into account the specific rules applicable to fiscal unities.

Settlement within the fiscal unity between the Company and its subsidiaries takes place through current account positions.

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30. Intangible fixed assets

Movements in intangible fixed assets were as follows:

	Goodwill	Software	Total
Balance as at 1 January 2023:			
Purchase price	30.6	15.9	46.5
Accumulated amortisation and impairment	(2.6)	(4.3)	(6.9)
Carrying amount	**27.9**	**11.6**	**39.5**
Changes in carrying amount:			
Investments, net	-	0.3	0.3
Amortisation	(3.4)	(0.7)	(4.1)
Total changes	**3.4**	**(0.4)**	**(3.8)**
Balance as at 31 December 2023:			
Purchase price	30.6	16.2	46.8
Accumulated amortisation and impairment	(6.0)	(5.0)	(11.0)
Carrying amount	**24.6**	**11.2**	**35.8**

Goodwill mostly relates to the acquisition of Petromax in Bangladesh in 2022. Remaining economic useful life is 8 years.

Under software, an amount of EUR 9.4m (2022: EUR 9.8m) is included as software in development and will be charged to countries and amortised once completed.

Net investment includes investments in software and licenses (EUR 10.3m), amounts that have been charged to countries upon completion (EUR 7.8m) and adjustments related to unused licenses and non-allocable costs (EUR 2.5m). Net investments consist of investments in software and licenses minus the amounts that have been charged to countries upon completion.

No impairments have been recognised in 2023 (2022: nil).

31. Tangible fixed assets

Movements in tangible fixed assets were as follows:

	Office equipment	Total
Balance as at 1 January 2023:		
Purchase price	3.0	3.0
Accumulated depreciation and impairment	(1.4)	(1.4)
Carrying amount	**1.6**	**1.6**
Changes in carrying amount:		
Investments	0.0	0.0
Disposals	0.0	0.0
Depreciation	(0.3)	(0.3)
Total changes	**(0.3)**	**(0.3)**
Balance as at 31 December 2023:		
Purchase price	3.0	3.0
Accumulated depreciation and impairment	(1.7)	(1.7)
Carrying amount	**1.3**	**1.3**

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32. Financial fixed assets

	2023	2022
Participating interests in group companies	1,464.2	1,498.1
Other participating interests	17.8	16.0
Investments in affiliates	-	-
Accounts receivable from group companies	156.6	161.9
Accounts receivable from other participating interests	11.4	6.7
Other securities and loans	13.0	23.2
	1,663.0	**1,705.9**

Movements in the participating interest were as follows:

	Participating interest in group companies	Other participating interests	Total
Balance as at 1 January 2023:	1,498.1	16.0	1,514.1
Changes in carrying amount:			
Capital changes	18.2	8.7	26.9
New consolidations	(0.0)	-	(0.0)
Discontinued consolidations	(30.7)	-	(30.7)
Share in result of participating interests	198.4	(6.9)	191.5
Transfer to provisions	-	-	-
Dividend received from participating interest	(257.3)	-	(257.3)
Cash flow hedge	33.3	-	33.3
Translation differences	4.2	-	4.2
Balance as at 31 December 2023:	**1,464.2**	**17.8**	**1,482.0**

No impairments have been recognised (2022: nil).

For an overview of participations, refer to pages **91-93.**

At 31 December 2023, the carrying value of the outstanding accounts receivable from participating interests amounted to EUR 168.0m (2022: EUR 168.5m) with fixed interest rates ranging from 0% to 6% (2022: 0% to 6%). The total outstanding receivable matures in more than one year, except for Circular Fuels Ltd. and related companies (temporary loans). No collateral applies to these loans. Outstanding receivable includes loans to:

- *SHV Energy USA LLC of EUR 71.9m (2022: EUR 67.2m);*
- *Prima LNG N.V. of EUR 5.0m (2022: EUR 10.0m);*
- *PitPoint LNG B.V. of EUR 7.9m (2022: EUR 6.7m);*
- *Dimeta of EUR 3.5m (2022: nil);*
- *Liquigas S.p.A of EUR 69.0m (2022: EUR 69.0m);*
- *Primagaz Sverige AB of EUR 10.4m (2022: EUR 10.3m);*
- *Energy Metrics Monitoring and Management Ltd. of EUR 0.3m (2022: EUR 0.3m);*

Other securities and loans relate to:

- *Equity investments in Emerald Industrial Innovation Fund L.P. of EUR 4.8m (2022: EUR 4.4m);*
- *Equity investments in Lanzatech of EUR 3.4m (2022:nil);*
- *Loans to TankTastic Ltd. of EUR 0.3m (2022: EUR 0.3m);*
- *Loans to DSL-01 B.V. of EUR 4.3m (2022: EUR 4.0m);*
- *Loans to Oberon Fuels, Inc. of EUR 0.3m (2022: EUR 0.9m).*

33. Receivables

	2023	2022
Trade receivables from group companies	107.6	31.8
Other receivables	5.7	3.3
Prepayments and accrued income	0.6	3.3
In-house bank accounts (credit balances)	0.6	1.6
	114.5	**40.0**

All amounts are due within one year.

Other receivables include sales taxes of EUR 3.4m (2022: EUR 2.3m), insurance claims of EUR 0.3m (2022: EUR 0.6m). Prepayments and accrued income include prepaid software licences amounting to EUR 0.6m (2022: EUR 3.3m).

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34. Shareholder's equity

	Issued and paid-up capital	Share premium reserve	Foreign currency translation reserve	Other legal reserves	Other reserves	Unappro-priated result	Total
Balance as at 1 January 2022:	**72.5**	**729.0**	**(338.3)**	**190.3**	**695.7**	**252.0**	**1,601.2**
Changes in financial year 2022:							
Appropriation of result	-	-	-	-	252.0	(252.0)	-
Result for the year	-	-	-	-	-	187.2	187.2
Addition to legal reserve	-	-	-	26.5	(26.5)	-	-
Taxes through equity	-	-	0.5	41.0	-	-	41.5
Put/call options for acquisitions	-	-	-	-	25.5	-	25.5
Dividend paid	-	-	-	-	(252.0)	-	(252.0)
Translation differences	-	-	(14.0)	-	-	-	(14.0)
Cash flow hedges	-	-	-	(159.5)	-	-	(159.5)
Acquisition of minority interests	-	-	-	-	(1.6)		(1.6)
Monetary and inflation correction	-	-	39.6	-	-	-	39.6
Balance as at 1 January 2023:	**72.5**	**729.0**	**(312.2)**	**98.3**	**694.1**	**187.2**	**1,469.0**
Changes in financial year 2023							
Appropriation of result	-	-	-	-	187.2	(187.2)	-
Result for the year	-	-	-	-	-	128.8	128.8
Addition to legal reserve	-	-	-	31.3	(31.3)	-	-
Taxes through equity	-	-	-	(11.3)	-	-	(11.3)
Put/call options for acquisitions	-	-	-	-	(6.0)	-	(6.0)
Dividend paid	-	-	-	-	(187.2)	-	(187.2)
Translation differences	-	-	(27.8)	(1.7)	-	-	(30.6)
Cash flow hedges	-	-	-	44.5	-	-	45.7
Acquisition of minority interests	-	-	-	-	-	-	-
Monetary and inflation correction	-	-	30.6	-	-	-	30.6
Balance as at 31 December 2023:	**72.5**	**729.0**	**(309.7)**	**164.0**	**654.3**	**128.8**	**1,438.9**

Issued and paid-up capital

SHV Energy has a nominal capital divided into shares of EUR 450 each. As at 31 December 2023 (and 2022), the number of issued ordinary shares was 161,000. All shares are fully paid-up. The Company holds no shares in its own capital.

Share premium reserve

The share premium includes the income from the issuing of shares in so far as this exceeds the nominal value of the shares (above par income).

Foreign currency translation reserve

Exchange gains and losses arising from the translation of the functional currency of foreign operations to the reporting currency of the parent are accounted for in this legal reserve. In the case of the sale of a participating interest, the associated accumulated translation differences are transferred to the profit and loss account. Monetary and inflation correction includes the impact of hyperinflation accounting in Turkey, which is presented as part of foreign currency translation reserve, due to aggregated impact management is now presenting this under foreign currency translation reserve instead of other legal reserves (also changed for comparative information).

Other legal reserves

Other legal reserves consist of a legal reserve for capitalised development costs and a revaluation reserve for derivatives (for which cash flow hedge accounting is applied).

In accordance with applicable legal provisions, a legal reserve for the carrying amount of EUR 160.4m (2022: EUR 129.1m) has been recognised for capitalised internally developed software.

The positive fair value of derivatives of EUR 3.6m (2022: negative EUR 30.8m) is recognised in the revaluation reserve, along with an associated deferred tax liability (note 11) of EUR 0.8m (2022: EUR 10.5m of deferred tax assets).

Other reserves

The distribution of EUR 187.2m paid out in 2023 has been deducted from other reserves in shareholder's equity (2022: EUR 252.0m).

Unappropriated result

The net result for 2023 is included in the item unappropriated result within equity.

Appropriation of profit of 2022

The General Meeting has adopted the appropriation of profit after tax for the reporting year 2022 as proposed by the Executive Board by adding EUR 90.0m to 'Other reserves'. In 2022, the Company paid dividend for an amount of EUR 97.2m and distributed an amount of EUR 90.0m from the 'Other reserves".

Proposal for profit appropriation 2023

The Executive Board proposes to the General Meeting to appropriate the profit after tax for 2023 of EUR 128.8m to the 'Other reserves'. The Company made a distribution plan to the shareholder for an amount of EUR 12.0m in April 2024'.

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35. Provisions

	2023	2022
Pensions	0.4	0.4
Restructuring	0.3	0.6
Claims and other disputes	-	1.0
Other	0.9	1.6
	1.6	**3.6**

Pensions provision relates to future obligation of annual indexation of former employees of Primagaz Nederland B.V. The transfer of this financial obligation to SHV Energy N.V. was part of the divestment of Primagaz Nederland B.V.

The restructuring provision is due within one year.

The provision for claims and other disputes relates to a specific dispute which is not covered by the global liability insurance and was used during 2023.

Other provisions predominantly relate to unused software licences and has an expected maturity of less than one year. The other provision is recognised for the negative difference between the number of licences to be paid to third parties after reporting date and the use of licences by the Company after the reporting date. The provision is determined based on the expected use of software licenses and the unavoidable costs that will be charged based on related agreements.

36. Non-current liabilities

Non-current liabilities relates to a loan payable to SHV Nederland B.V. of EUR 148.3m (2022: EUR 148.3m).

37. Current liabilities

	2023	2022
In-house bank accounts (debit balances)	111.7	138.8
To suppliers and trade creditors	6.3	5.3
To group companies	79.8	5.8
Other taxes and social security contributions due	0.1	0.6
Pension liabilities	1.1	1.1
Derivative financial instruments	13.9	7.9
Accruals and deferred income	10.0	6.6
Uncertain Tax Provision	2.1	-
Corporate income tax payable	0.7	-
	225.7	**166.1**

All current liabilities are due in less than one year.
Derivative financial instruments consist of a put/call option to purchase the remaining shares in a group company and potential success fees that can be paid yearly until 2027 to the previous owners of a wholly owned subsidiary.

38. Financial instruments

The Company is exposed to a variety of financial risk, such as credit risk, interest rate risk, foreign currency risk, liquidity risk and commodity price risk. The Group's overall risk management policy is to identify, assess, and, if necessary, mitigate these financial risks to minimise potential adverse effects on the Group's financial performance and therefore also on the Company's financial performance. The Company makes use of derivative financial instruments, including forward contracts to mitigate the risks associated with certain financial exposures. The Company does not trade in financial derivatives for speculative purposes.

The risks associated with the Company's financial instruments, the objectives, policies and processes for measuring and managing risks, and the management of capital are similar to the ones disclosed in note 14.

39. Off-balance sheet assets and liabilities

Commitments

Commitments for rent and operating lease agreements amount to EUR 8.5m (2022: EUR 3.9m), of which EUR 1.2m expires within one year, EUR 5.1m between one and five years and EUR 2.2m after five years.

Purchase commitments amount to EUR 18.1m (2022: EUR 9.3m), of which EUR 10.3m expires within one year, EUR 7.8m expires between one and five years.

Guarantees

Under article 403, book 2 of the Dutch Civil Code, the Company has issued a declaration of joint and several liability for 2 Dutch consolidated participating interests as disclosed in section Participations of SHV Energy N.V.

The Company has provided the following parent guarantees to third parties (banks and suppliers) on behalf of consolidated group companies.

- *France (S&RM), seven guarantees for a total amount of USD 161.3m;*
- *USA (Pinnacle Propane): one guarantee of USD 17.0m;*
- *India: three guarantees of INR 10,050.0m;*
- *Belgium (Prima LNG): one guarantee of EUR 2.0m.*

Fiscal unity

The Company, together with its qualifying legal entities, is part of the fiscal unity of SHV Holdings N.V. for corporate income tax purposes. The standard conditions stipulate that each of the companies is liable for the tax payable by all companies belonging to the fiscal unity.

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40. Employee benefits and number of employees

Wages and salaries, social security and pension charges relating to the employees of the Company can be specified as follows:

	2023	2022
Wages and salaries	23.4	21.2
Social security contributions	1.4	1.4
Pension costs	2.5	2.9
	27.3	**25.5**

During the 2023 financial year, the average number of staff employed by the Company, converted into full-time equivalents, amounted to 143 people (2022: 155 people), of which 21 (2022: 24) were employed outside the Netherlands.

41. Share of result of participating interests after tax

This includes the share of the Company in the results of its participating interests, which is in its entirety (an amount of EUR 198.4m (2022: EUR 226.8m)) generated by group companies.

42. Remuneration of directors

The emoluments, including pension costs as referred to in Section 2:383(1) of the Netherlands Civil Code, charged in the financial year to the Company and group companies amounted to EUR 1,744.700 (2022: EUR 1,847,918) for statutory directors.

No loans, advances or guarantees are granted by the Company to the statutory directors (2022: nil).

43. Related party transactions

Transactions with related parties are assumed when a relationship exists between the Company and a natural person or entity that is affiliated with the Company. This includes, amongst others, the relationship between the Company and its subsidiaries, shareholders, directors and key management personnel. Transactions are transfers of resources, services or obligations, regardless of whether anything has been charged. There have been no transactions with related parties that were not at arm's length. In its normal course of business, the Company buys and sells goods and services from and to various related parties in which the Company has an interest. These transactions are conducted on a commercial basis and are subject to conditions that usually govern comparable sales and purchase transactions with third parties.

44. Subsequent events

For the disclosure on subsequent events that are relevant to the Company, reference is made to note 29 in the consolidated financial statements.

Other information

Provisions in the Articles of Association governing the appropriation of profit

Under article 30 of the Company's Articles of Association, the profit is at the disposal of the General Meeting. This can allocate said profit either wholly or partly to the formation of – or addition to – one or more general or special reserve funds.

Participations of SHV Energy N.V.

All participating interests are consolidated group companies (with a 100% participating interest) unless stated otherwise. SHV Energy N.V. is at the head of the group and has the following capital interests as per 31 December 2023 (Name | Registered office | Share in issued capital):

Austria

- *Primagaz Central Europe Gesellschaft m.b.H. | Vienna* [2]
- *Primagaz Gesellschaft m.b.H. | Kirchbichl | 72.74%* [2]

Bangladesh

- *Petromax LPG Limited | Dhaka* [2]
- *Petromax Cylinders Limited | Dhaka* [2]

Belgium

- *Cylinder Filling N.V. | Tessenderlo* [2]
- *Prima LNG N.V. | Berchem* [1]
- *Primagaz Belgium N.V. | Tessenderlo* [1]

Bosnia and Herzegovina

- *Liquivex d.o.o. | Usora | 96.34%* [2]

Brazil

- *Chama Tecnologia Do Brasil Ltda. | São Paulo* [1]
- *Supergasbras Energia Ltda. | Betim* [1]
- *MG de Transportes Ltda. | Betim \ 99.99%* [2]
- *Acelage Servicos de Enganharia Ltda.| Rio de Janeiro 99.9%* [2]

Croatia

- *Butanplin d.o.o. | Zminj* [2]

Czech Republic

- *Primagas s.r.o. | Prague* [1]

Denmark

- *Primagaz Danmark A/S | Koege* [1]

France

- *Compagnie Bordelaise Des Gaz Liquefies – Cobogal | Ambès | 50.00%* [3]
- *Primagaz Lavera S.A.S. | Nanterr* [2]
- *Primagaz S.A.S. | Paris* [1]
- *Rhone-Gaz S.A. | Solaize | 49.38%* [4]
- *SHV Gas Supply and Risk Management S.A.S. | Nanterre* [2]
- *Sigalnor S.A. | Gonfreville l'Orcher | 34.98%* [5]
- *Société Métallurgique Liotard Freres (S.M.L.F.) S.A. | Saint Pierre des Corps | 99.99%* [2]

Germany

- *FVG GmbH | Grossrudestedt | 20%* [4]
- *Nordsee Gas Terminal GmbH & Co. KG (NGT) | Brunsbuettel | 50%* [4]
- *Nordsee Gas Terminal GmbH (NGT) | Brunsbuettel | 50%* [3]
- *PPR Fluessiggas GmbH & Co. KG | Krefeld | 66.67%* [4]
- *PPR Fluessiggas GmbH | Krefeld | 66.67%* [2]
- *Primagas Energie GmbH | Krefeld | 72.74%* [2]
- *Primagas Verwaltungs GmbH | Krefeld | 100%* [2]
- *Transgas Flüssiggas Transport und Logistik GmbH & Co. KG | Dortmund | 30%* [3]
- *Transgas Flüssiggas, Transport und Logistik Verwaltungs GmbH | Dortmund | 30%* [3]
- *Westdeutsche Fluessiggas Lager GmbH | Krefeld | 41.7* [3]

India

- *SunSource Energy Private Limited I Noida I 99.99%* [2]
- *Ijyarays Energy Private Limited I Noida I 99.99%* [2]
- *Inarays Energy Private Limited I Noida I 99.99%* [2]
- *Isharays Energy Private Limited I Noida I 99.99%* [2]
- *Jyotikiran Maidawali Energy Private Limited I Noida I 99.99%* [2]
- *Jyotikiran Bijeypur Energy Private Limited I Noida I 99.99%* [2]
- *Jyotikiran Chandeli Energy Private Limited I Noida I 99.99%* [2]
- *Jyotikiran Energy Bhilwara Private Limited I Noida I 99.99%* [2]
- *Jyotikiran Energy Chennai Private Limited I Noida I 99.99%* [2]
- *Jyotikiran Energy Lucknow Private Limited I Noida I 99.99%* [2]
- *Jyotikiran Energy Mumbai Private Limited I Noida I 99.99%* [2]
- *Jyotikiran Energy Okhla Private Limited I Noida I 99.99%* [2]
- *Alpur Solar Private Ltd | Noida | 72.74%*
- *Lone Cypress Venture Private Limited I Noida I 55.88%* [2]
- *SHV Energy India Private Ltd. | Hyderabad* [2]
- *SHV Energy Private Ltd. | Hyderabad* [2]

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India (continued)
- *Suryaurja Brunswick Private Limited I Noida I 99.99%[2]*
- *Suryaurja One Private Limited I Noida I 99.99%[2]*
- *Suryaurja Two Private Limited I Noida I 99.99%[2]*
- *Suryaurja Four Private Limited I Noida I 99.99%[2]*
- *Isharays Energy One Private Ltd. | Noida | 99.99%[2]*
- *Isharays Energy Two Private Ltd. | Noida | 99.99%[2]*
- *Isharays Energy Three Private Ltd. | Noida | 99.99%[2]*
- *Isharays Energy Four Private Ltd. | Noida | 99.99%[2]*
- *Isharays Energy Five Private Ltd. | Noida | 99.99%[2]*
- *Taiyung Energy Private Limited I Noida I 99.99%[2]*
- *Taiyung Solar Projects Private Limited I Noida I 99.99%[2]*
- *Taiyung Solarenergy Private Limited I Noida I 99.99%[2]*
- *Utryan Energy Agra Private Limited I Noida I 99.99%[2]*
- *Utryan Energy Brunswick Private Limited I Noida I 99.99%[2]*
- *Utryan Energy Private Limited I Noida I 99.99%[2]*
- *Utryan Energy Puri Private Limited I Noida I 99.99%[2]*
- *Utryan Energy One Puri Private Limited I Noida I 99.99%[2]*
- *Utryan Energy Two Puri Private Limited I Noida I 99.99%[2]*
- *Vasuprada Energy Private Limited I Noida I 99.99%[2]*
- *Verdanearth Ventures Private Limited I Noida I 99.99%[2]*
- *VVS Solar Projects Private Limited I Noida I 50.00%[3]*

Italy
- *Alanno Gas S.r.l. | Alanno | 34.00%[3]*
- *Areagas S.p.A. | Valpolicella | 35.00%[3]*
- *Bimgas S.p.A. | Gavoi | 49.00%[3]*
- *Carini Gas S.r.l. | Carini PA | 41.00%[3]*
- *Costiero Gas Livorno S.p.A. | Livorno | 35.00%[3]*
- *Energo Servizi S.r.l | Brescia[1]*
- *Foligno Gas S.r.l. | Foligno | 49.00%[3]*
- *Ipem Industria Petroli Meridionale S.p.A. | Brindisi | 38.98%[3]*
- *Liquigas S.p.A. | Brescia[2]*
- *Liquigas Valtellina S.r.l. | Villa di Tirano SO | 50.00%[7]*
- *Montemarciano Gas S.c.r.L. | Montemarciano | 49.00%[4,5]*
- *Rebigas S.r.l. | Pianello val Tidone PC | 50.00%[3]*
- *So.G.Ra.F. S.r.l. | Marnate Nizzolina | 1.56%[4]*
- *Nuova Itafi S.r.l. | Brescia[2]*

Malta
- *Gasco Energy Ltd. | Birzebbuga | 50.00%[2,7]*
- *Liquigas Malta Ltd. | Birzebbuga | 50.00%[2,7]*

The Netherlands
- *Dimeta B.V. | Utrecht| 50%[3]*
- *Itafi N.V. | Amsterdam[1]*
- *PitPoint LNG B.V. | Nieuwegein | 50.00%[3]*
- *SHV Calor Asia B.V. | Utrecht[1,6]*
- *SHV Gas South China B.V. | 's Gravenhage[1,6]*
- *Futuria Fuels B.V. | Amsterdam[1]*

Philippines
- *Surya Source Energy Link Inc. | Pasig City | 38.40%[3]*

Poland
- *Gaspol S.A. | Warsaw | 97.82%[1]*
- *Warsaw Gas Trading Sp. z.o.o. | Warsaw[2]*

Republic of Ireland
- *Calor Gas Pensions Ireland Ltd. | Dublin[2]*
- *Calor Teoranta | Dublin[2]*
- *Energy Metrics Monitoring and Management Ltd. | Limerick | 60.00%[1]*

Singapore
- *SHV gas Supply and Risk Management SAS | Singapore[2]*
- *SunSource Cleantech ventures PTE. Ltd. | Singapore[2]*

Slovenia
- *Butanplin d.d. | Ljubljana[2]*

Spain
- *Primagas Energia, S.A.U. | Barcelona[1]*

Sweden
- *Primagaz Gasol Sverige AB | Malmø[2]*
- *Primagaz Sverige AB | Stenungsund[1]*
- *Primagaz Karlshamn Terminal AB | Karlshamn[1]*

Thailand
- *SunSource Cleantech Ventures (Thailand) Co. Ltd. | Bangkok | 99.00%[4]*

Turkey
- *Butangaz A.S. | Tekirdag[2]*
- *Evas Ev Aletleri Sanayi A.S. | Istanbul[2]*
- *Ipra Enerji A.S. | Istanbul[1]*
- *Ipragaz A.S. | Istanbul[1]*
- *Yildirim Petrol Ticaret ve Nakliyat A.S. | Istanbul[2]*

United Kingdom
- *Calor Gas Ltd. | Warwick[2]*
- *Calor Gas Northern Ireland Ltd. | Belfast[2]*
- *Calor Group Ltd. | Warwick[2]*
- *Calor Partner Properties LP | Edinburgh[2]*
- *Calor Pension Trust Ltd. | Warwick[2]*
- *Calor Properties Ltd. | Edinburgh[2]*
- *Calor Properties Scotland Ltd. | Edinburgh[2]*
- *Circular Fuels Ltd. \ Birmingham| 38.00%[1]*
- *Hamilton Gas Products Ltd. | Belfast | 50.00%[3]*
- *Humber LPG Terminal Ltd. | London | 50.00%[4]*
- *Liquefied Petroleum National Gas Ltd. | Warwick[2]*
- *Pressure Test Services Ltd. | Belfast[2]*
- *SHV Energy Holdings UK Ltd. | Warwick[2]*
- *Energy Metrics Monitoring and Management UK Limited | Warwick[2]*
- *SHV Gas Trading Ltd. | Warwick[1]*

USA
- *Alliant Arizona Propane LLC | Irving[2]*
- *Alliant Gas LLC | Irving[2]*
- *EM3 LLC | Chicago[2]*
- *Pinnacle Operating Services Company LLC | Irving[2]*
- *Pinnacle Propane Express LLC | Irving[2]*
- *Pinnacle Propane LLC | Irving[2]*
- *SHV Energy USA LLC | Delaware[1]*
- *SunSource Energy Americas Inc. | Edison[2]*

[1]Direct (and through indirect investments) of SHV Energy N.V.

[2]Indirect investment of SHV Energy N.V.

[3]Participating interest with significant influence but no control.

[4]Participating interest with no significant influence.

[5]Participating interest in liquidation.

[6]Liability declaration issued (pursuant to Section 2:403 of the Dutch Civil Code).

[7]Legally a joint venture, consolidated for reporting purposes.

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Independent auditor's report

To: the General Meeting of SHV Energy N.V.

Report on the audit of the accompanying financial statements

Our opinion

We have audited the financial statements 2023 of SHV Energy N.V. ('the Company'), based in Hoofddorp.

In our opinion the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2023 and of its result for the year 2023 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. the consolidated and company balance sheet as at 31 December 2023;
2. the consolidated and company profit and loss account for the year 2023; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of the Company in accordance with the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in respect of fraud and non-compliance with laws and regulations and going concern was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

Audit response to the risk of fraud and non-compliance with laws and regulations

In chapter Ethics & compliance of the Report of the Executive Board, the Executive Board describes its procedures in respect of the risk of fraud and non-compliance with laws and regulations.

As part of our audit, we have gained insights into the Company and its business environment and the Company's risk management in relation to fraud and non-compliance. Our procedures included, among other things, assessing the Company's code of conduct, whistleblowing procedures, incidents register and its procedures to investigate indications of possible fraud and non-compliance. Furthermore, we performed relevant inquiries with the Executive Board and other relevant functions, such as Internal Audit, in-house legal counsel and Compliance. We have also incorporated elements of unpredictability in our audit, such as: extended cut-off samples on revenues, unannounced inventory counting and adding additional screening procedures on the journal entry population. Also, we involved forensic specialists in our audit procedures.

As a result from our risk assessment, we identified the following laws and regulations as those most likely to have a material effect on the financial statements in case of non-compliance:

- anti-bribery and corruption laws and regulations (reflecting the use of intermediary parties); and
- competition law (reflecting the global presence and competitive local markets in which the business units operate).

Based on the above and on the auditing standards, we identified the following fraud risks that are relevant to our audit, including the relevant presumed risks laid down in the auditing standards, and responded as follows:

Management override of controls (a presumed risk)

Risk:

Management is in a unique position to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

Responses:

- We evaluated the design and the implementation of internal controls that mitigate fraud risks, such as processes related to journal entries.
- We performed an analysis of high-risk journal entries related to post-closing journal entries and evaluated key estimates and judgments for bias by management. Where we identified instances of unexpected journal entries or other risks through our analytics, we performed additional audit procedures to address each identified risk, including testing of transactions back to source information.

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Revenue recognition (a presumed risk)

Risk:

Due to the positive results in relation to the budget, management could be tempted to improperly shift revenues to a future period. This would result in a risk of fraudulent financial reporting in relation to the cut-off, which subsequently would imply an understatement of revenues.

Responses:

- We determined and evaluated the design and implementation of internal controls (incl. anti-fraud controls) as implemented by management;
- We performed substantive audit procedures (including test of details) over the cut-off of revenue at year end, which is included testing revenue transactions recorded in FY 2024;
- We tested journal entries recorded in revenues accounts based on high risk criteria, including inspection of source documentation, to identify potential manual transactions recorded outside of the regular automated flow of the revenue process; and
- We communicated our risk assessment, audit responses and results to the Executive Board.

Our audit procedures did not reveal indications and/or reasonable suspicion of fraud and non-compliance that are considered material for our audit.

Audit response to climate-related risk

The Company has set out its ambitions relating to climate change in the Report of the Executive Board of the Annual Report. The Company has an ambition to contribute to the Paris Agreement by reducing consolidated CO_2 emissions, for which renewed targets will be communicated during 2024.

The Company's main emissions are in scope 1 and 3. Scope 1 emissions primarily relate to diesel usage by vehicles in the distribution network and energy consumption in filling operations. Scope 3 emissions are mainly driven by purchased goods and services as well as the use of products sold by the Company. Management has assessed, at a high-level, how climate-related risks and opportunities and the Company's own ambitions could have a significant impact on its business or could impose the need to adapt its strategy and operations. The most important matters assessed by management are:

- Transitional risks: potential regulatory restrictions related to energy transition topics and the growing adoption of alternative fuels;
- Physical risks: the effect of declining gas demands due to the milder winters and assets at flood-prone areas are vulnerable to climate change-induced flooding, posing a risk of asset loss and financial damage.

The Executive Board prepared the financial statements, including considering whether the implications from both transition and physical climate-related risks and ambitions have been appropriately accounted for and disclosed in accordance with the applicable financial reporting framework, more specifically in relation to recoverability of non-current assets. As part of the audit, we performed risk assessments to assess the impact of climate-related risk and the ambitions made by the Company in respect of climate change on the financial statements and our audit approach.

In doing this we performed the following:

- An understanding of management's processes was gained via;
  - Inquiries with management and sustainability leads of the relevant business units;
  - Inspection of strategic plans, roadmaps, sustainability reporting and internal progress reports to understand management's assessment of the potential impact of climate-related risk and opportunities on the Company's annual report and financial statements;
- We have evaluated the existence of climate related fraud risk factors and none has been identified to be assessed as an event or condition that would indicate a risk of material misstatement in the financial statements.

Based on the risk assessment procedures performed, we considered whether there is a risk of material misstatement specific to the recoverability of non-current assets. We did not identify a risk of material misstatement specific to climate-related risks for the financial statements 2023 under the requirements of Dutch GAAP and thus no further audit response was considered necessary.

Furthermore, we have read the 'other information' with respect to climate-related risks as included in the Annual Report and considered whether such information contains material consistencies with the financial statements or, our knowledge obtained through the audit, in particular as described above and our knowledge obtained otherwise

Audit response to going concern

The Executive Board has performed its going concern assessment and has not identified any going concern risks.

To assess the Executive Board's assessment, we have performed, inter alia, the following procedures:

- We considered whether the Executive Board's assessment of the going concern risks includes all relevant information of which we are aware as a result of our audit;
- We questioned the Executive Board on the key assumptions and principles underlying the Executive Board's assessment of the going concern risks, including the calculation of liquidity headroom and developments in commodity prices; and
- We inspected financing agreements in terms of conditions and limitations that could lead to significant going concern risks, including the term of the agreements.

The outcome of our risk assessment procedures did not give reason to perform additional audit procedures on the Executive Board's going concern assessment.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements; and
- contains all the information regarding the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The Executive Board is responsible for the preparation of the other information, including the Report of the Executive Board, in accordance with Part 9 of Book 2 of the Dutch Civil Code, and other information as required by Part 9 of Book 2 of the Dutch Civil Code

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Description of the responsibilities for the financial instruments

Responsibilities of the Executive Board for the financial statements

The Executive Board is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Executive Board is responsible for such internal control as the Executive Board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Executive Board is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the Executive Board should prepare the financial statements using the going concern basis of accounting unless the Executive Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Executive Board should disclose events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud during our audit.

Misstatements can arise from fraud or errors and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to errors or fraud, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from errors, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Board;
- Concluding on the appropriateness of the Executive Board 's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company ceasing to continue as a going concern;
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are solely responsible for the opinion and therefore responsible to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements. In this respect we are also responsible for directing, supervising and performing the group audit.

We communicate with the Executive Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Rotterdam, 13 May 2024

KPMG Accountants N.V.

F.J. van het Kaar RA

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