

Selkie Investments Midstream Midco 1 Limited

Report and Financial Statements

31 December 2023

Directors

G Barbaro
J Barry
S Cox

Secretary

Ogier Global (Jersey) Limited

Bankers

Bank of Scotland
33 Old Broad Street
London
EC2N 1HZ

Solicitors

Brodies LLP
15 Atholl Crescent
Edinburgh
EH3 8HA

Registered Office

3rd Floor
44 Esplanade
St Helier
Jersey
JE4 9WG

Strategic report

The Directors present their Strategic report for the year ended 31 December 2023.

Principal activity, review of the business and future developments

Selkie Investments Midstream Midco 1 Limited (“the Company”) is part of the Selkie Investments Group (“the Group”) that was formed in September 2018 for the purpose of owning and operating midstream gas infrastructure assets in the North Sea. The Group comprises one parent Company, Selkie Investments Midstream Topco Limited, and 15 subsidiaries.

On 24 September 2018, the Company issued loan notes of £467.7 million to the parent companies at a fixed rate of 11%. The shareholder loan notes are listed and traded on the International Stock Exchange and are repayable in 2028. In November 2021, the Group acquired 100% of the share capital of Risavika Production AS from Gasum AS. As a result of the transaction, the Company became the owner and operator of the Risavika Liquefaction Plant, a small-scale natural gas and biogas liquefaction facility located at the Risavika Harbour in Southern Norway. The acquisition was partly completed through the issue of £48.5m of loan notes at a fixed rate of 11%. In November 2023 the Company issued loan notes of £2.2 million at a fixed rate of 11%.

The Company’s principal activity is the holding of investments and financing activities.

The result for the year was a loss after taxation of £18.7 million (2022: £12.8 million), arising from interest payable on the shareholder loan notes, partially offset by intercompany interest receivable from its direct subsidiaries.

The Directors envisage that the nature and scale of the Company’s activities will continue in the coming year.

Principal risks and uncertainties

The management of the business and execution of the Group’s strategy are subject to a number of risks. The Directors regularly review the associated risks and act when and where appropriate to mitigate those risks. The following considers and describes the principal risks facing the business.

The Group’s Audit and Risk Committee makes recommendations to the Board on the principal risks of relevance to the business. Climate-related issues are considered in terms of potential for contribution to these principal risks. The issues considered include both the risk of physical disruption to the business from climate change, and the risks and opportunities as the global economy transitions to significantly lower carbon emissions. In the current period, the Audit and Risk Committee concluded that climate-related risks did not rise to the level of a principal risk, except as part of Legal and Regulatory Compliance.


Inherent risks

Given its position within the Selkie Investments Midstream Topco Limited Group and as the Company is purely an intermediary holding Company, the only risk faced beyond those of the aforesaid group, is the recoverability of intercompany debt. In the event that results in an impairment of the intercompany balances, the Company is reliant on cash funds being available to support the Company.

Geo-Political risks

The current geo-political risk across all regions creates increasingly volatile conditions in capital and commodity markets. Analysis of the business exposure to the situation and any applicable sanctions has been undertaken concluding there to be no concerns of material impact on the Group. We will continue to monitor the situation carefully

Approved by the Board of Directors and signed on its behalf by:

DocuSigned by:

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Sayma Cox
Director
4 June 2024

Directors' report

The Directors present their Directors' report for the year ended 31 December 2023.

Results and dividends

The loss for the year after taxation amounted to £18.7 million (2022: £12.8 million). No dividends were received from the Company's direct subsidiaries during the year (2022: £nil) and no dividends were declared in the year (2022: £nil).

Directors

The Directors who served the Company during the year and to the date of approval of the financial statements were as follows:

G Barbaro
J Barry
S Cox

Going concern

The Directors have undertaken a rigorous assessment of going concern and liquidity over a period to 30 June 2025 ('the going concern period'). This includes review of financial forecasts through to the end of June 2025 which reflect severe, but plausible, downside scenarios. The directors have also considered as part of this assessment the impact of events which have arisen following the balance sheet date and up to the date of issue of these financial statements.

The Company is a holding company within the Selkie Investments Group, headed by Selkie Investments Midstream Topco Limited (the 'Group'). The Company has an investment in its subsidiary of £73.4 million, net current assets of £402.5 million and net liabilities of £34.1 million. To meet its financial obligations, the Company is dependent on receiving interest payments from its subsidiary. The Company is dependent on three trading entities within the Group to generate sufficient cash to fund the obligations of the rest of the Group, including the Company and being able to pay this to their respective parent companies.

The Directors have received confirmation from Selkie Investments Midstream Topco Limited, the Company's parent undertaking, that it intends to support the Company for the period to the end of June 2025, by directing cash flows to ensure the Company has sufficient funds available.

The Group regularly monitors its funding position throughout the year to ensure that it has access to sufficient funds to meet its forecast cash requirements. Forecasts are regularly produced to give Management's best estimates of forward liquidity and forecast covenant compliance as defined in the Group's facilities agreements.

The Directors, in conjunction with the Directors of Selkie Investments Midstream Topco Limited, have considered the Group's business plans which provide financial projections through to the end of June 2025. As at 31 December 2023, the Group's principal term debt facilities comprised of a £616.0 million and €88.0 million term loan repayable in November 2027 and 2028 respectively as well as access to a £30.0m and €5.0 million Revolving Credit Facilities. At the year end, the outstanding balances on the term debt facilities were £414.5m and €69.0m, and the Group had sufficient liquidity and was in compliance with its financial covenants.

Directors' report (continued)

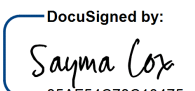
Going concern (continued)

The Group's base case going concern assessment is based on the Board approved budget and business plan which provide financial projections through to the end of June 2025. The Group's current suite of contracts are of a long-term nature with reputable, creditworthy counterparties who are deemed to pose limited credit risk. In addition, the assets of the trading entities within the Group are critical to the UK and Norway natural gas resources and essential to the security of energy supply.

The Directors have also considered severe, but plausible, downside scenarios to reflect the potential impacts of further declines in volumes and/or delays to key infill well drilling which could result from a worsening economic climate or reduced commodity prices. In each of the scenarios modelled, the Group will have sufficient funds, through internally generated resources to meet its liabilities as they fall due and ensure compliance with its financial covenants.

Consequently, the directors have concluded that the Company will have sufficient funds to continue to meet their liabilities as they fall due to 30 June 2025 and therefore have prepared the financial statements on a going concern basis.

Approved by the Board of Directors and signed on its behalf by:

DocuSigned by:

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Sayma Cox
Director
4 June 2024

Statement of Directors' responsibilities

The directors are responsible for preparing the strategic report, Directors' report and the financial statements in accordance with applicable law and regulations.

Jersey Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements the directors are required to:

- select suitable accounting policies in accordance with Section 10 of FRS 102 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the group and company financial position and financial performance;
- in respect of the financial statements, state whether applicable Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the company and/ or the group will not continue in business in which case there should be supporting assumptions or qualifications as necessary.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the company financial statements comply with the requirements of Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Income statement

for the year ended 31 December 2023

	<i>Notes</i>	<i>2023</i> <i>£000</i>	<i>2022</i> <i>£000</i>
Administrative expenses	2	(503)	(1,373)
Interest receivable and similar income	3	59,243	58,842
Interest payable and similar costs	4	(70,231)	(64,655)
<i>Loss before taxation</i>		(11,491)	(7,186)
Tax on loss	5	(7,219)	(5,591)
<i>Loss after taxation and Total comprehensive loss</i>		(18,710)	(12,777)

All amounts relate to continuing activities.

There is no other comprehensive income other than the loss for the current and preceding financial years.


As such, no statement of comprehensive income has been presented.

Statement of financial position

as at 31 December 2023

	Notes	2023 £000	2022 £000
Fixed assets			
Intangible assets	6	7,119	4,999
Investments	7	73,424	73,424
		<u>80,543</u>	<u>78,423</u>
Current assets			
Debtors	8	686,032	618,772
Cash		52	8,212
		<u>686,084</u>	<u>626,984</u>
Creditors: amounts falling due within one year	9	(283,604)	(205,906)
Net current assets		<u>402,480</u>	<u>421,078</u>
Total assets less current liabilities		<u>483,023</u>	<u>499,501</u>
Creditors: amounts falling due after more than one year	10	(517,084)	(514,852)
Net liabilities		<u>(34,061)</u>	<u>(15,351)</u>
Capital and reserves			
Called up share capital	11	73,424	73,424
Profit and loss reserve	11	(107,485)	(88,775)
Total shareholders' deficit		<u>(34,061)</u>	<u>(15,351)</u>

The financial statements were approved by the Board of Directors, authorised for issue and signed on its behalf by:

DocuSigned by:

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 Sayma Cox
 Director
 4 June 2024

Statement of changes in equity

for the year end 31 December 2023

	<i>Called up share capital £000</i>	<i>Profit and loss reserve £000</i>	<i>Total shareholders' deficit £000</i>
At 1 January 2022	73,424	(75,998)	(2,574)
Loss for the year	–	(12,777)	(12,777)
At 31 December 2022	73,424	(88,775)	(15,351)
Loss for the year	–	(18,710)	(18,710)
At 31 December 2023	73,424	(107,485)	(34,061)

Notes to the financial statements

for the year ended 31 December 2023

1. Accounting policies

General information

Selkie Investments Midstream Midco 1 Limited is a private limited liability company, limited by shares and incorporated in Jersey. The Registered Office is 3rd Floor, 44 Esplanade, St Helier, Jersey, JE4 9WG. The Company's principal activity is the holding of investments and financing activities.

Statement of compliance

The Company's financial statements have been prepared in accordance with United Kingdom Accounting Standards, including FRS102 "The Financial Reporting Standard applicable to the UK and Republic of Ireland" and the Companies (Jersey) Law 1991.

Basis of preparation

The financial statements have been prepared using accounting principles based on historical cost, unless stated otherwise. The financial statements are prepared in GBP sterling which is the functional currency of the Company and rounded to the nearest £000.

In these financial statements, the Company has applied the exemptions available under FRS 102 in respect of the following disclosures:

- the requirement to prepare a Statement of Cash Flows
- the requirements of Section 11 Basic Financial Instruments paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c)
- the requirements of Section 33.7 Related Party Disclosures. The entity has taken advantage of the exemption in paragraph 33.1A not to disclose transactions entered into with other entities that are wholly owned within the group.

The equivalent disclosures and results of the Company are included in the consolidated parent company accounts therefore the Company applies the exemption available under FRS 102 paragraph 9.3(g) with regards to consolidation. Note 13 gives details of the Company's ultimate parent and where the consolidated financial statements prepared may be obtained.

Going concern

The Directors have undertaken a rigorous assessment of going concern and liquidity over a period to 30 June 2025 ('the going concern period'). This includes review of financial forecasts through to the end of June 2025 which reflect severe, but plausible, downside scenarios. The directors have also considered as part of this assessment the impact of events which have arisen following the balance sheet date and up to the date of issue of these financial statements.

The Company is a holding company within the Selkie Investments Group, headed by Selkie Investments Midstream Topco Limited (the 'Group'). The Company has an investment in its subsidiary of £73.4 million, net current assets of £402.5 million and net liabilities of £34.1 million. To meet its financial obligations, the Company is dependent on receiving interest payments from its subsidiary. The Company is dependent on three trading entities within the Group to generate sufficient cash to fund the obligations of the rest of the Group, including the Company and being able to pay this to their respective parent companies.

The Directors have received confirmation from Selkie Investments Midstream Topco Limited, the Company's parent undertaking, that it intends to support the Company for the period to the end of June 2025, by directing cash flows to ensure the Company has sufficient funds available.

Notes to the financial statements

for the year ended 31 December 2023

1. Accounting policies (continued)

Going concern (continued)

The Group regularly monitors its funding position throughout the year to ensure that it has access to sufficient funds to meet its forecast cash requirements. Forecasts are regularly produced to give Management's best estimates of forward liquidity and forecast covenant compliance as defined in the Group's facilities agreements.

The Directors, in conjunction with the Directors of Selkie Investments Midstream Topco Limited, have considered the Group's business plans which provide financial projections through to the end of June 2025. As at 31 December 2023, the Group's principal term debt facilities comprised of a £616.0 million and €88.0 million term loan repayable in November 2027 and 2028 respectively as well as access to a £30.0m and €5.0 million Revolving Credit Facilities. At the year end, the outstanding balances on the term debt facilities were £414.5m and €69.0m, and the Group had sufficient liquidity and was in compliance with its financial covenants.

The Group's base case going concern assessment is based on the Board approved budget and business plan which provide financial projections through to the end of June 2025. The Group's current suite of contracts are of a long-term nature with reputable, creditworthy counterparties who are deemed to pose limited credit risk. In addition, the assets of the trading entities within the Group are critical to the UK and Norway natural gas resources and essential to the security of energy supply.

The Directors have also considered severe, but plausible, downside scenarios to reflect the potential impacts of further declines in volumes and/or delays to key infill well drilling which could result from a worsening economic climate or reduced commodity prices. In each of the scenarios modelled, the Group will have sufficient funds, through internally generated resources to meet its liabilities as they fall due and ensure compliance with its financial covenants.

Consequently, the directors have concluded that the Company will have sufficient funds to continue to meet their liabilities as they fall due to 30 June 2025 and therefore have prepared the financial statements on a going concern basis.

Critical accounting Judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements, that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

a) Intercompany

The Directors have considered the recoverability of investments in subsidiaries and intercompany debtors where an impairment indicator is identified, no impairment indicators were identified during the current period.

Notes to the financial statements

for the year ended 31 December 2023

1. Accounting policies (continued)

Finance expense/income

Interest income and expense is calculated using the effective interest rate method and is recorded in the income statement in the period to which it relates.

Investments in subsidiaries

Investments in subsidiary companies are included in the financial statements at historical cost less accumulated impairment losses.

Other intangible assets including goodwill

Other intangible assets represent participating interest in the Acorn Project. Spend is capitalised and held unamortised given the asset is in its development phase and has not yet been brought in to use. If the prospect is subsequently determined to be unsuccessful, and the asset is impaired, the associated costs are expensed in the period which that determination is made. Upon finalisation of the development phase the asset will be amortised over the expected useful life determined at the point of reclassification.

Impairment of assets

At each reporting date, fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the income statement.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the income statement.

Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments. Basic financial assets, including intercompany receivables, and investments, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement.

Basic financial liabilities, intercompany payables, loans from fellow group companies and shareholder loan notes are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends

Dividends to the parent company are recognised in the statement of changes in equity when paid.

Notes to the financial statements

for the year ended 31 December 2023

1. Accounting policies (continued)

Income from fixed asset investments

Income from fixed asset investments is recognised when the Company's right to receive payment is established.

Taxation

Current tax, including UK corporation tax and foreign tax, is recognised on taxable profits or losses for the current and past periods. Current tax is measured at the amounts of tax expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Related party transactions

The Company has taken advantage of the exemptions given in FRS 102.33.1A and FRS102.33.7, not to disclose transactions with wholly owned related parties and key management personnel.

2. Administrative expenses

The Company has no employees. The emoluments of the Directors are not paid to them in their capacity as Directors of the Company and are payable for services wholly attributable to other Selkie Investments Midstream Topco Limited Group undertakings. Accordingly, no details in respect of their emoluments have been included in these financial statements.

3. Interest receivable and similar income

	2023 £000	2022 £000
Intercompany loan interest receivable	59,243	58,795
Other interest receivable	-	46
	<u>59,243</u>	<u>58,841</u>

4. Interest payable and similar costs

	2023 £000	2022 £000
Shareholder loan note interest payable	66,811	61,239
Intercompany loan interest payable	3,420	3,416
	<u>70,231</u>	<u>64,655</u>

Notes to the financial statements

for the year ended 31 December 2023

5. Taxation

(a) Tax on loss

The tax charge is made up as follows:

	2023	2022
	£000	£000
<i>Current tax:</i>		
UK corporation tax on the loss for the year	7,219	5,591
Total current tax	<u>7,219</u>	<u>5,591</u>

(b) Factors affecting tax credit for the year

The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 23.5% (2022: 19%). The differences are explained below:

	2023	2022
	£000	£000
Loss before tax	(11,491)	(7,186)
Loss multiplied by standard rate of corporation tax in the UK of 23.5% (31 December 2022: 19%)	<u>(2,703)</u>	<u>(1,365)</u>
<i>Effects of:</i>		
Disallowable expenses	9,922	6,956
Total tax for the year (note 5(a))	<u>7,219</u>	<u>5,591</u>

(c) Factors affecting future tax charges

The standard rate of UK corporation tax is 19% and this took effect from 1 April 2017.

The Finance (No.2) Act 2015 reduced the main rate of UK corporation tax to 19%, effective from 1 April 2017.

Finance Act 2021 included an increase in the UK's main corporation tax rate to 25%, effective from 1 April 2023. This rate change was enacted on 24 May 2021.

The Company is registered in Jersey and is UK tax resident.

Notes to the financial statements

for the year ended 31 December 2023

6. Intangible fixed assets

	<i>Intangible</i>	
	<i>Assets</i>	<i>Total</i>
	<i>£000</i>	<i>£000</i>
Cost:		
At 1 January 2023	4,999	4,999
Additions	2,120	2,120
	<hr/>	<hr/>
At 31 December 2023	7,119	7,119
	<hr/>	<hr/>
Amortisation:		
At 1 January 2023	—	—
Provided during the year	—	—
	<hr/>	<hr/>
At 31 December 2023	—	—
	<hr/>	<hr/>
Net book value:		
At 31 December 2023	7,119	7,119
	<hr/>	<hr/>
At 1 January 2023	4,999	4,999
	<hr/>	<hr/>

During 2022 the Company completed the novation of its interest in the Acorn Development Agreement including any future obligations under the agreement to the Company from its subsidiary NSMP Operations Limited. The Company holds a 10% participating share in the Acorn Development Project which is focused on carbon capture and storage and uses existing technology to accelerate decarbonisation. Spend capitalised during the year include the Company's 10% share of expenditure as well as other directly attributable costs incurred internally on the project. Costs are held within intangible assets unamortised given the asset is in its development phase and has not yet been brought into use.

7. Investments

	<i>Shares in subsidiary</i>
	<i>undertakings</i>
	<i>£000</i>
At 1 January 2023 and 31 December 2023	73,424
	<hr/>

The Directors have performed an impairment review of the carrying value of the investments and no indicators were identified.

Notes to the financial statements

for the year ended 31 December 2023

7. Investments (continued)

Subsidiary undertakings

The Company's investments at the statement of financial position date in the share capital of companies include the following (* denotes held indirectly):

Selkie Investments Midstream Midco 2 Limited

Nature of business: Investment holding company
 Class of shares: Ordinary
 % Holding: 100%
 Registered address: Suite 1, 7th Floor, 50 Broadway, London, SW1H 0BL

Selkie Investments Midstream Norway Limited

Nature of business: Investment holding company
 Class of shares: Ordinary
 % Holding: 100%
 Registered address: Suite 1, 7th Floor, 50 Broadway, London, SW1H 0BL

Selkie Investments Midstream Bidco Limited*

Nature of business: Investment holding company
 Class of shares: Ordinary
 % Holding: 100%
 Registered address: Suite 1, 7th Floor, 50 Broadway, London, SW1H 0BL

North Sea Midstream Partners Limited*

Nature of business: Investment holding company
 Class of shares: Ordinary
 % Holding: 100%
 Registered address: 3rd Floor, 44 Esplanade, St Helier, Jersey, JE4 9WG

NSMP HoldCo 2 Limited*

Nature of business: Investment holding company
 Class of shares: Ordinary
 % Holding: 100%
 Registered address: Suite 1, 7th Floor, 50 Broadway, London, SW1H 0BL

NSMP (TGPP) Limited*

Nature of business: Transportation and processing of natural gas
 Class of shares: Ordinary
 % Holding: 100%
 Registered address: 3rd Floor, 44 Esplanade, St Helier, Jersey, JE4 9WG

NSMP Operations Limited*

Nature of business: Transportation and processing of natural gas
 Class of shares: Ordinary
 % Holding: 100%
 Registered address: Suite 1, 7th Floor, 50 Broadway, London, SW1H 0BL

Teesside Gas Processing Plant Limited*

Nature of business: Investment holding company
 Class of shares: Ordinary
 % Holding: 100%
 Registered address: Suite 1, 7th Floor, 50 Broadway, London, SW1H 0BL

Notes to the financial statements

for the year ended 31 December 2023

7. Investments (continued)

TGPP 1 Limited*

Nature of business: Investment holding company
 Class of shares: Ordinary
 % Holding: 100%
 Registered address: Suite 1, 7th Floor, 50 Broadway, London, SW1H 0BL

TGPP 2 Limited*

Nature of business: Investment holding company (unaudited dormant Company)
 Class of shares: Ordinary
 % Holding: 100%
 Registered address: Suite 1, 7th Floor, 50 Broadway, London, SW1H 0BL

Teesside Gas & Liquids Processing*

Nature of business: Processing and extraction of liquids from natural gas (Unlimited Company)
 Class of shares: Ordinary
 % Holding: 100%
 Registered address: Suite 1, 7th Floor, 50 Broadway, London, SW1H 0BL

Northern Gas Processing Limited*

Nature of business: Fractionation of natural gas liquids
 Class of shares: Ordinary and Preference
 % Holding: 100%
 Registered address: Suite 1, 7th Floor, 50 Broadway, London, SW1H 0BL

NSMP Norge AS*

Nature of business: Investment holding company
 Class of shares: Ordinary
 % Holding: 100%
 Registered address: Munkedamsveien 59B, 0270 Oslo, Norway

Risavika Production AS*

Nature of business: Production of liquified natural gas
 Class of shares: Ordinary
 % Holding: 100%
 Registered address: Kontinentalvegen 36, 4056 TANANGER, Norway

8. Debtors

	2023	2022
	£000	£000
Loans to subsidiary companies	539,163	537,822
Amounts owed by subsidiary undertakings	18,243	13,747
Amounts owed by parent undertakings	5,083	2,835
Accrued intercompany interest	123,417	64,174
Other taxes	94	194
Prepayments	32	-
	<u>686,032</u>	<u>618,772</u>

On 24 September 2018, the Company granted a loan of £493.8 million to Selkie Investments Midstream Midco 2 Limited at a fixed rate of 11%. No repayments were made during the year (2022: £nil). The loan is repayable on demand.

Notes to the financial statements

for the year ended 31 December 2023

8. Debtors (continued)

On 16 November 2021, the Company granted a loan of £55.2 million to Selkie Investments Midstream Norway Limited at a fixed rate of 11%. During 2022, the Company granted additional loans of £5.5m to Selkie Investments Midstream Norway Limited at a fixed rate of 11%. During the year, the Company granted additional loans of £1.3m to Selkie Investments Midstream Norway Limited at a fixed rate of 11%. No repayments were made during the year (2022: £nil). The loan is repayable on demand.

The amounts owed by subsidiary undertakings represent intercompany trading. No interest has been charged on intercompany balances and they are repayable on demand.

9. Creditors: amounts falling due within one year

	2023	2022
	£000	£000
Trade creditors	188	20
Accruals	356	488
Loan from parent undertaking	31,324	31,057
Amounts owed to subsidiary undertakings	3	59
Group relief	84,506	77,287
Accrued shareholder loan note interest	159,098	92,286
Accrued interest on parent company loan	8,129	4,709
	<u>283,604</u>	<u>205,906</u>

On 24 September 2018, the Company received a loan of £26.1 million from Selkie Investments Midstream Topco Limited at a fixed rate of 11%. On 16 November 2021, the Company received an additional loan of £6.7 million from Selkie Investments Midstream Topco Limited at a fixed rate of 11%. During the year, the Company received an additional loan of £0.3 million from Selkie Investments Midstream Topco Limited at a fixed rate of 11%.

No repayments were made during the year (2022: £nil). The loan is repayable on demand.

The amounts owed to subsidiary undertakings represent intercompany trading. No interest has been charged on intercompany balances and they are repayable on demand.

10. Creditors: amounts falling due after more than one year

	2023	2022
	£000	£000
Shareholder loan notes	<u>517,084</u>	<u>514,852</u>

On 24 September 2018, the Company issued loan notes of £467.7 million at a fixed rate of 11%. On 16 November 2021, the Company issued further loan notes of £48.5 million at a fixed rate of 11%. During the year, the Company issued loan notes of £2.2 million at a fixed rate of 11%. The shareholder loan notes are listed and traded on the International Stock Exchange and are repayable in 2028.

No repayments were made during the year (2022: nil).

Notes to the financial statements

for the year ended 31 December 2023

11. Share capital and reserves

<i>Allotted, issued and fully paid</i>	<i>No.</i>	<i>2023</i>	<i>No.</i>	<i>2022</i>
		<i>£000</i>		<i>£000</i>
Ordinary shares of £0.01 each	7,342,426,080	73,424	7,342,426,080	73,424

Profit and loss reserve

This reserve records the cumulative amount of realised profits and losses less any distributions of dividends. The Company did not declare a dividend in the year (2022: £nil).

12. Related party transactions

The Company has taken advantage of the exemption available under FRS102.33.1A and FRS102.33.7A not to disclose transactions with other members of the Selkie Investments Midstream Topco Limited group.

13. Parent undertaking and ultimate controlling party

The Company is a wholly owned subsidiary of Selkie Investments Midstream Topco Limited.

Selkie Investments Midstream Topco Limited is the parent undertaking for the largest and smallest group of undertakings for which group financial statements are drawn up. Copies of the group financial statements can be obtained from 3rd Floor, 44 Esplanade, St Helier, JE4 9WG, Jersey.

The Directors consider the Company's ultimate controlling parties to be Wren House Infrastructure Group LLP, which is registered at 2, Gresham Street, London, England, EC2V 7QP and IIF Int'l Neon Investment Sarl, which is registered at 11-13, Boulevard De La Foire, Luxembourg.