

SHANNON LNG LIMITED
Company Number 368236
ANNUAL REPORT
FOR THE YEAR ENDED 31 December 2022

Shannon LNG Limited

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Shannon LNG Limited

Company information

Directors

Patrick Power
Christopher Guinta
John Finlay

Registered Office

32 Molesworth Street
Dublin 2
D02 Y512
Ireland

Secretary

MFD Secretaries Limited
32 Molesworth Street
Dublin 2
D02 Y512
Ireland

Independent Statutory Auditor

Ernst & Young
Chartered Accountants
City Quarter
Lapps Quay
Cork

Solicitors

Matheson
70 Sir John Rogerson's Quay
Dublin 2

Banker

Allied Irish Bank plc
Frascati Centre
Blackrock
Dublin

Shannon LNG Limited

Directors' Report

The Directors submit their report and the audited financial statements for Shannon LNG Limited (the "Company") for the year ended 31 December 2022.

Principal activities

The Company is a development stage company, engaged in the development of a liquefied natural gas (LNG) marine import terminal and combined heat and power (CHP) plant.

Business review and future developments

In November 2018, NFE Shannon Holdings Limited, a wholly-owned subsidiary of New Fortress Energy Inc. ("NFE"), acquired the Class A Ordinary Shares of the Company. As a result of the acquisition, NFE Shannon Holdings Limited owns an 11% economic interest and 80% controlling voting interest through ownership of Class A Ordinary Shares.

The Company is in the process of applying for all necessary planning permits and permissions to build the LNG marine import terminal and CHP plant. The issuance of many of these permits will be subject to administrative or judicial challenges, including from non-governmental groups that act on behalf of citizens. In the third quarter of 2023, An Bord Pleanála, Ireland's planning commission, denied our application for the development of an LNG terminal and power plant. We are challenging this decision. The continued development of this project is uncertain and there are multiple risks, including regulatory risks, that could preclude the development of this project. However, management continues to assess all options in respect of future developments for the land held.

Results and dividend

The Statement of Comprehensive Income for the financial year ended 31 December 2022 and the Balance Sheet as at 31 December 2022 are set out on pages 10 and 11. The Company recorded a loss of €3,726,075 for the year (2021: €5,390,428 loss). The Directors do not propose the payment of a dividend.

Principal risks and uncertainties

The principal risks and uncertainties facing the Company are broadly grouped as planning, legal and regulatory and liquidity.

The Directors' immediate objective is to maintain the assets which have been developed during the Company's development phase, while seeking to obtain planning permits and permission from An Bord Pleanála in Ireland and to secure contracts with downstream customers with volumes sufficient to support the development.

Shannon LNG Limited

Directors' Report (continued)

Principal risks and uncertainties (continued)

In the short term the principal risk for the Company is to ensure compliance with legal and regulatory requirements while monitoring ongoing compliance with the various conditions attached to its various rights, licenses, permissions and other similar assets. Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company aims to mitigate liquidity risk by managing its cost base.

In the longer term the main risks and uncertainties affecting the Company include the following:

- Regulatory changes could alter the nature of the Irish gas market and undermine (or enhance) the commerciality of the proposed terminal;
- Changes in the worldwide gas and electricity markets;
- Competition from domestic supplies of natural gas could put pressure on future gas prices in Ireland;
- Securing of a long term LNG supply on terms acceptable to the Company;
- Securing funding for the development of the LNG project including the terminal;
- Russia's invasion of Ukraine and global inflationary pressures, have generated further energy pricing volatility, which can have an adverse effect on market pricing of LNG and global demand for our products, as well as our ability to remain competitive in the markets in which we operate.

Directors

The present directors are listed on page 1.

Directors' and secretary's interests

The interests of the Directors and Secretary, as defined in the Companies Act 2014, in the share capital of the Company at the beginning and end of the year as at 31 December 2022 were as follows:

	<i>No. of shares</i>
Beneficially owned by Patrick Power:	
B Ordinary shares of €0.01 each	5,000.00
C Ordinary shares of €0.01 each	5,000.00

The Directors and the Company Secretary who held office at 31 December 2022 do not have any direct or beneficial interest in the shares, deferred shares, share options and debentures of the other companies within the group at that date or beginning of the financial year (or date of appointment if later) requiring disclosure in the directors' report under section 329 of the Companies Act 2014.

Shannon LNG Limited

Directors' Report (continued)

Accounting records

The Directors believe that they have complied with the requirements of section 281 to 285 of the Companies Act 2014 with regard to maintaining adequate accounting records by employing accounting personnel with the appropriate expertise and by providing adequate resources to the financial function. The accounting records of the Company are maintained at 111 W. 19th Street, 8th Floor, New York, NY, United States, and periodic returns as required by Section 283 of the Companies Act 2014 are complied with.

Going concern

The Company's financial statements for the year ended 31 December 2022 have been prepared on a going concern basis.

The Company is in the process of applying for all necessary planning permits and permissions to build the LNG marine import terminal and CHP plant. The issuance of many of these permits will be subject to administrative or judicial challenges, including from non-governmental groups that act on behalf of citizens. In the third quarter of 2023, An Bord Pleanála, Ireland's planning commission, denied our application for the development of an LNG terminal and power plant. We are challenging this decision. The continued development of this project is uncertain and there are multiple risks, including regulatory risks, that could preclude the development of this project, however, management continue to assess all options in respect of future developments for the land held.

The Directors have a reasonable expectation that the Company has adequate resources and support from the immediate and ultimate parent undertakings and controlling party to continue in operational existence for the foreseeable future. This support has been confirmed to the Company through a letter of financial support from the ultimate parent entity, New Fortress Energy Inc., covering a period of twelve months from the date of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Subsequent events

Other than the denial of the planning permission application noted above, there were no significant events between the Balance Sheet date and the date of signing of the financial statements, affecting the Company, which require adjustment to or disclosure in the financial statements.

Independent Auditor

The auditors, Ernst & Young, Chartered Accountants, will continue in office in accordance with Section 383(2) of the Companies Act 2014.

Shannon LNG Limited

Directors' Report (continued)

Statement on relevant audit information

We, as Directors of Shannon LNG Limited, state that,

- a) so far as we are aware, there is no relevant audit information of which the Company's statutory auditors are unaware, and
- b) we have taken all the steps as Directors in order to make us aware of any relevant audit information and to establish that the Company's statutory auditors are aware of that information.

This report was approved by the Board on 7 March 2024 and signed on its behalf.

On behalf of the Board



Christopher Guinta
Director



John A.R. Finlay (Mar 7, 2024 15:32 EST)

John Finlay
Director

Shannon LNG Limited

Directors' Responsibilities Statement

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

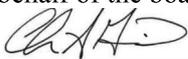
Irish company law requires the Directors to prepare financial statements for each financial period. Under that law they have elected to prepare the financial statements in accordance with accounting standards issued by the Financial Reporting Council, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (Generally Accepted Accounting Practice in Ireland).

Under Irish law, the Directors shall not approve the financial statements unless they are satisfied that they give a true and fair view of the Company's assets, liabilities and financial position as at the end of the financial period and the profit or loss of the Company for the financial period. In preparing these financial statements, the Directors are required to:

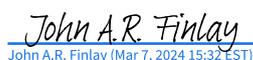
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and enable them to ensure that the financial statements comply with the Companies Act 2014. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities. The Directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Act 2014.

On behalf of the board:



Christopher Guinta
Director



John A.R. Finlay (Mar 7, 2024 15:32 EST)

John Finlay
Director

Date: 7 March 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHANNON LNG LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Shannon LNG Limited ('the Company') for the year ended 31 December 2022, which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland issued in the United Kingdom by the Financial Reporting Council.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHANNON LNG LIMITED (Continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

In our opinion, based solely on the work undertaken in the course of the audit, we report that:

- the information given in the directors' report for the financial year ended for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures required by sections 305 to 312 of the Act, which relate to disclosures of directors' remuneration and transactions are not complied with by the Company. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHANNON LNG LIMITED (Continued)

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error 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 these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf.

This description forms part of our auditor's report.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Owen Smithers
for and on behalf of
Ernst & Young Chartered Accountants and Statutory Audit Firm

Cork

Date: 11 March 2024

Shannon LNG Limited

Statement of Comprehensive Income

For the year ended 31 December 2022

	2022	2021
Note	€	€
Administrative expenses	(3,407,117)	(5,083,669)
Other operating income	<u>32,358</u>	<u>44,557</u>
Operating loss	5 (3,374,759)	(5,039,112)
Interest payable and similar expenses	6 <u>(351,316)</u>	<u>(351,316)</u>
Loss before taxation	(3,726,075)	(5,390,428)
Tax on loss	7 <u>—</u>	<u>—</u>
Loss after taxation and total comprehensive loss for the year	<u><u>(3,726,075)</u></u>	<u><u>(5,390,428)</u></u>
Loss for the year attributable to:		
Non-controlling interests	(3,316,207)	(4,797,481)
Owners of the parent	(409,868)	(592,947)

All items dealt with and in arriving at the loss for the years ended 31 December 2022 and 2021 related to continuing activities.

The accompanying notes form an integral part of the financial statements.

Shannon LNG Limited

Balance Sheet

as at 31 December 2022

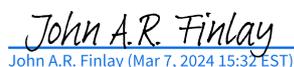
	Note	2022 €	2021 €
Fixed assets			
Tangible assets	8	750,000	750,000
Current assets			
Debtors	9	14,202,061	12,745,273
Cash at bank and in hand		9,403	104,445
		<u>14,211,464</u>	<u>12,849,718</u>
Creditors: Amounts falling due within one year	10	(33,868,590)	(28,780,769)
Net current liabilities		<u>(19,657,126)</u>	<u>(15,931,051)</u>
Net liabilities		<u>(18,907,126)</u>	<u>(15,181,051)</u>
Capital and Reserves			
Called up share capital presented as equity	11	600	600
Loss brought forward		(15,181,651)	(9,791,223)
Loss for the year		(3,726,075)	(5,390,428)
		<u>(18,907,126)</u>	<u>(15,181,051)</u>

The accompanying notes form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 7 March 2024 and are signed on its behalf by:



Christopher Guinta
Director



John A.R. Finlay (Mar 7, 2024 15:32 EST)

John Finlay
Director

Shannon LNG Limited

Statement of Changes in Equity

For the year ended 31 December 2022

	Share capital €	Profit and loss account €	Total equity €
As at 1 January 2021	600	(9,791,223)	(9,790,623)
Loss for the year	—	(5,390,428)	(5,390,428)
As at 31 December 2021	600	(15,181,651)	(15,181,051)
Loss for the year	—	(3,726,075)	(3,726,075)
As at 31 December 2022	600	(18,907,726)	(18,907,126)

The accompanying notes form an integral part of these financial statements.

Shannon LNG Limited

Notes to Financial Statements 31 December 2022

1. General Information

Company Background

The Company is a limited liability company incorporated and domiciled in Ireland. The registered office is 32 Molesworth Street, Dublin 2, Ireland. The registered number is 368236.

The Company has acquired and developed assets comprising of permissions, rights, licenses, leases and other entitlements to be used to construct and operate a terminal, pipeline, and related infrastructure on the Shannon Estuary near Ballylongford, Ireland. This infrastructure would be used to import, process, and deliver liquefied natural gas to downstream customers.

On 9 November 2018, NFE Shannon Holdings Limited, a wholly-owned subsidiary of Atlantic Energy Holdings LLC, acquired the Class A Ordinary Shares of the Company. As a result of the acquisition, NFE Shannon Holdings Limited owns an 11% economic interest and 80% controlling voting interest through ownership of Class A Ordinary Shares. The ultimate parent entity to the Company is New Fortress Energy Inc, a company incorporated in the state of Delaware, USA.

2. Accounting Policies

(a) Significant accounting policies

The financial statements have been prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (“FRS 102”). The financial statements are also prepared in accordance with Irish Statute comprising the Companies Act 2014.

(b) Basis of preparation

The financial statements have been prepared under the historical cost convention unless otherwise stated in the accounting policies below.

The Company is in the process of applying for all necessary planning permits and permissions to build the LNG Terminal and CHP plant. The issuance of many of these permits will be subject to administrative or judicial challenges, including from non-governmental groups that act on behalf of citizens. In the third quarter of 2023, An Bord Pleanála, Ireland’s planning commission, denied our application for the development of an LNG terminal and power plant. We are challenging this decision. The continued development of this project is uncertain and there are multiple risks, including regulatory risks, that could preclude the development of this project, however, management continue to assess all options in respect of future developments for the land held.

The Directors have a reasonable expectation that the Company has adequate resources and support from the immediate and ultimate parent undertakings and controlling party to continue in operational existence for the foreseeable future. This support has been confirmed to the Company through a letter of financial support from the ultimate parent entity, New Fortress Energy Inc., covering a period of twelve months from the date of these financial statements. Accordingly, the Company’s financial statements for the year ended 31 December 2022 have been prepared on a going concern basis.

Shannon LNG Limited

Notes to Financial Statements 31 December 2022

2. Accounting Policies (continued)

(b) Basis of preparation (continued)

The Company has taken advantage of the following disclosure exemption under FRS 102 for qualifying entities:

- The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d).
- The requirements of Section 11 paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c) and Section 12 paragraphs 12.26 (in relation to those cross-referenced paragraphs from which a disclosure exemption is available), 12.27, 12.29(a), 12.29(b), and 12.29A.
- The requirement of Section 33 Related Party Disclosures paragraph 33.7.

(c) Functional and presentation currency

These financial statements are presented in euro (“€”), the functional currency of the Company. Functional currency is the currency of the primary economic environment in which the entity operates. The Directors of the Company believe that euro most faithfully represents the economic effects of underlying transactions, events and conditions. All amounts shown have been rounded to the nearest whole number.

(d) Use of estimates and judgments

The preparation of the financial statements requires management to make judgments, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The following are the Company's key sources of estimation uncertainty:

Impairment of non-financial assets

Where there are indicators of impairment of individual assets, the Company performs impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction on similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model.

Taxation

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits.

Shannon LNG Limited

Notes to Financial Statements 31 December 2022

2. Accounting Policies (continued)

(e) Foreign currency transactions

Transactions in foreign currencies are recorded at the rate ruling at the date of the transactions. The resulting monetary assets and liabilities are translated at the reporting date or the contracted rate and the exchange differences are dealt with in the Statement of Comprehensive Income.

Gains and losses arising from foreign currency translation and on settlement of amounts receivable and payable in other currencies are dealt with in the Statement of Comprehensive Income.

Foreign currency gains and losses are reported on a net basis.

(f) Taxation

Corporation tax is provided at current rates applicable to the Company's activities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the date of the Balance Sheet and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised when it is probable that future taxable profit will be available against which these temporary differences can be utilised.

(g) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is calculated to write off the original cost less the expected residual value of the assets over their expected useful lives. The Company does not depreciate land.

The carrying value of tangible assets is reviewed for impairment at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Shannon LNG Limited

Notes to Financial Statements 31 December 2022

2. Accounting Policies (continued)

(h) Financial instruments

The Company has chosen to account for their financial instruments in accordance with Sections 11 and 12 of FRS 102.

The Company's financial assets and liabilities comprise amounts owed by group undertakings, other debtors, cash and cash equivalent, trade creditors, amounts owed to group undertakings and accruals. The accounting policies for these items are described below.

Basic financial instruments – financial assets

Amounts owed to group undertakings and other debtors 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.

These basic financial assets are subsequently carried at amortised cost using the effective interest method.

Cash and cash equivalent

Cash and cash equivalent comprise cash at banks and in hand and short-term deposits with an original maturity date of three months or less.

Basic financial instruments - financial liabilities

Basic financial liabilities including trade creditors, amounts owed to group undertakings and accruals are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the liability is measured at the present value of the future payments discounted at a market rate of interest.

Basic financial liabilities, other than short term payables, are subsequently carried at amortised cost, using the effective interest rate method. The effective interest rate amortisation is included in interest payable and similar expenses in the income statement.

Short term trade and other payables with no stated interest rate which are payable within one year are recorded at transaction price.

(i) Interest payable and similar expenses

Interest on financial liabilities is recognised on an effective interest rate basis. A prepayment is recorded for interest payments made and not yet incurred. For interest that has been incurred but unpaid at the end of the period, an accrual is recorded.

Shannon LNG Limited

Notes to Financial Statements 31 December 2022

2. Accounting Policies (continued)

(j) Other income and expenses

Other income and expenses are accounted for on an accruals basis. Audit fees are accrued in the period in which the audit occurs.

(k) Share capital

Ordinary shares are classified as equity.

(l) Pensions

The Company pays into separately managed defined contribution schemes for its employees. Contributions are charged to Statement of Comprehensive Income in the period in which the expenditure is incurred.

(m) Operating Leases

The Company's annual rentals are charged to profit or loss on a straight-line basis over the term of the lease.

3. Financial risk management

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

All substantial risks and rewards associated with the financial assets are ultimately borne by the shareholder.

4. Staff costs

The average number of employees during the year was five (2021: two).

	2022	2021
	€	€
Wages and salaries	955,697	403,000
Social insurance costs	104,645	81,702
Other retirement benefit costs	103,812	31,770
	<u>1,164,154</u>	<u>516,472</u>

Shannon LNG Limited

Notes to Financial Statements 31 December 2022

4. Staff costs (continued)

There are no emoluments paid or receivable by the directors in respect of qualifying services provided by the directors to the Company within the meaning of the Companies Act 2014.

5. Operating loss

	2022	2021
	€	€
The operating loss is stated after charging:		
Operating lease rentals - land and buildings	<u>19,590</u>	<u>36,231</u>

6. Interest payable and similar expenses

	2022	2021
	€	€
Loan interest payable to group undertakings	<u>351,316</u>	<u>351,316</u>

7. Tax on loss

	2022	2021
	€	€
Tax on loss	<u>—</u>	<u>—</u>

Factors affecting current tax charge for the year

The tax assessed for the year is different to the standard rate of corporation tax in Ireland of 12.5%. The differences are explained below:

	2022	2021
	€	€
Loss before tax	<u>(3,726,075)</u>	<u>(5,390,428)</u>
Loss multiplied by the standard rate of corporation tax in the Republic of Ireland of 12.5% (2021: 12.5%)	(465,759)	(673,804)
Effects of:		
Losses available for the offset in future periods	465,759	673,804
Tax charge for year	<u>—</u>	<u>—</u>

Shannon LNG Limited

Notes to Financial Statements 31 December 2022

7. Tax on loss (continued)

Factors that may affect future tax charges

A potential deferred tax asset of €6,668,223 (2021: €6,202,464), comprised of losses not utilised, has not been recognised as there is insufficient evidence that the losses will be recoverable against future profits.

8. Tangible fixed assets

	Land €	Construction in progress €	Total €
Cost			
At 1 January 2022	750,000	30,000	780,000
Disposal	—	—	—
At 31 December 2022	750,000	30,000	780,000
Impairment			
At 1 January 2022	—	30,000	30,000
Disposal	—	—	—
At 31 December 2022	—	30,000	30,000
Net book value:			
At 31 December 2022	750,000	—	750,000
At 1 January 2022	750,000	—	750,000

9. Debtors

	2022 €	2021 €
VAT receivables	31,457	410,212
Amounts owed by group undertakings (Note 12)	14,167,612	12,332,069
Other debtor	2,992	2,992
Total	14,202,061	12,745,273

Shannon LNG Limited

Notes to Financial Statements 31 December 2022

10. Creditor: amounts falling due within one year

	2022	2021
	€	€
Trade creditors	1,880	107,122
Amounts owed to group undertaking (Note 12)	33,359,158	28,213,496
Accruals	428,748	460,151
PAYE/PRSI	78,804	—
Total	<u>33,868,590</u>	<u>28,780,769</u>

Included in amounts owed to group undertakings during is a loan payable to a related party under common control amounting to €3,300,000 and with accrued interest amounting to €1,457,240 as at 31 December, 2022 (2021: €1,105,924) . The loan is repayable on demand and accrues interest at an interest rate of 10.5%.

11. Share capital

The Company's share capital as at 31 December 2022 is detailed below:

	2022	2021
	€	€
Allotted, called up and fully paid:		
20,000 A Ordinary Shares of €0.01 each	200	200
20,000 B Ordinary Shares of €0.01 each	200	200
20,000 C Ordinary Shares of €0.01 each	200	200
Total	<u>600</u>	<u>600</u>

The voting rights and economic interest associated with each category of shares as at 31 December 2022 is detailed below:

Share capital	Voting rights	Economic interest
Class A	80 %	11 %
Class B	10 %	60 %
Class C	10 %	29 %

Each class of ordinary shares shall rank pari passu in all respects save as specifically set out below:

As regards dividend

- each the classes of ordinary shares shall be entitled to dividends declared in the same proportion as the economic interest of each class of ordinary shares.

Shannon LNG Limited

Notes to Financial Statements 31 December 2022

11. Share capital (continued)

As regards a return of capital

- in the event of any liquidation, dissolution or winding-up of the Company, either voluntarily or involuntarily, the assets and retained profits available for distribution to the holders of ordinary shares in the capital of the Company shall be distributed in the same proportion as the economic interest of each class of ordinary shares.

As regards voting at general meetings

- the holders of each of the classes of ordinary shares shall each be entitled to receive notice of, and to attend and speak and vote at, general meetings of the Company. The holders of each class of ordinary shares shall be entitled to such number of votes per share based on the voting rights per class of ordinary share noted above.

12. Transactions with related parties

In the normal course of business, the Company may enter into transactions with related entities part of the New Fortress Energy group that are held under common control. Parties in the table below are considered to be related and have the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. Related entities may pay obligations on the Company's behalf, and the Company may pay obligations to third parties on behalf of related entities.

As disclosed in Note 10, the Company has a loan agreement with a related party under common control.

The table below summarises the balances outstanding, including accrued loan interest, at 31 December 2022 and 2021:

	2022	2021
	€	€
Amounts owed by group undertakings	14,167,612	12,332,069
Amounts owed to group undertakings	33,359,158	28,213,496

The directors had no significant transactions with the Company during the years ended 31 December 2022 and 2021.

Shannon LNG Limited

Notes to Financial Statements 31 December 2022

13. Wayleave agreements

The Company has entered into pipeline wayleave agreements with land owners over the past number of years. Dependent on the decision to proceed with the project, the Company may become liable for further payments in the future. No provision has been made in these accounts as the liabilities did not exist at the balance sheet date.

14. Lease commitments

The Company's future minimum rentals payable under non-cancelable operating leases are as follows:

	2022	2021
	€	€
Not later than 1 year	15,000	15,000
Later than 1 year and not later than 5 years	60,000	60,000
Later than 5 years	1,215,000	1,230,000
Total future payments	1,290,000	1,305,000

15. Immediate and ultimate parent undertakings and controlling party

The Company's immediate parent undertaking is NFE Shannon Holdings Limited, a company incorporated in Ireland with a registered office at 32 Molesworth Street, Dublin 2, Ireland.

The Company's ultimate parent undertaking and controlling party is New Fortress Energy Inc., a company incorporated in the United States with a registered office at 111 W 19th Street, New York, NY 10011, United States.

The parent undertaking of the smallest and largest group of undertakings for which group financial statements are drawn up, and of which the Company is a member, is New Fortress Energy Inc. Copies of its group financial statements are available at the SEC website, <http://www.sec.gov>.

16. Subsequent events

Other than the denial of the planning permission application noted above, there were no significant events between the Balance Sheet date and the date of signing of the financial statements, affecting the Company, which require adjustment to or disclosure in the financial statements.

17. Approval of the financial statements

The financial statements were approved and authorised for issue by the Board on 7 March 2024.